

CONSOLIDATED CASH FLOW STATEMENT  
For the year ended 31st March, 2005

	2005	2004
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Operating activities</b>		
Profit from ordinary activities before taxation	234,421	144,678
Adjustments for :-		
Depreciation	57,743	51,661
Amortisation of goodwill	748	312
Interest income	(8,383)	(6,242)
Interest expenses	1,687	1,905
Share of profits less losses of associated companies	(16,373)	(11,441)
Loss on disposal of fixed assets	124	2,425
Gain on disposal of associated companies	—	(872)
Realised gain on other investments	(265)	(1,072)
<b>Operating profit before changes in working capital</b>	<b>269,702</b>	<b>181,354</b>
(Increase)/decrease in stocks	(30,921)	88,226
Decrease in bills receivable	376	70
Decrease/(increase) in debtors, deposits and prepayments	1,145	(7,075)
Decrease in bills payable	(3,018)	(103)
Increase/(decrease) in creditors and accruals	82,477	(36,820)
Decrease in amounts due from associated companies (net)	4,583	42,395
Effect of foreign exchange rate changes	10,697	11,181
<b>Cash generated from operations</b>	<b>335,041</b>	<b>279,228</b>
Hong Kong profits tax (paid)/refunded (net)	(15)	26
Overseas tax paid (net)	(19,623)	(6,579)
<b>Net cash generated from operating activities</b>	<b>315,403</b>	<b>272,675</b>
<b>Investing activities</b>		
Payment for purchase of fixed assets	(71,157)	(45,919)
Proceeds from sale of fixed assets	3,050	106
Investment in an associated company	(1,000)	(5,672)
Payment to acquire minority interest of a subsidiary company	—	(23,220)
Payment for purchase of a subsidiary company net of cash acquired (Note a)	(7,028)	—
Proceeds from disposal of associated companies	10,193	27,159
Proceeds from disposal of other investments	265	1,072
Interest received	8,383	6,242
Dividends received from associated companies	7,513	10,817
<b>Net cash used in investing activities</b>	<b>(49,781)</b>	<b>(29,415)</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31st March, 2005

25th Anniversary

	<b>2005</b>		<b>2004</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Financing activities</b>				
Repayment of bank loans	(45,706)		(26,719)	
New bank loans	3,505		5,645	
Interest paid	(1,687)		(1,905)	
Dividends paid	(93,093)		(26,928)	
<b>Net cash used in financing activities</b>		<b>(136,981)</b>		<b>(49,907)</b>
<b>Net increase in cash and cash equivalents</b>		<b>128,641</b>		<b>193,353</b>
<b>Cash and cash equivalents at 1st April</b>		<b>769,311</b>		<b>573,526</b>
<b>Effect of foreign exchange rate changes</b>		<b>822</b>		<b>2,432</b>
<b>Cash and cash equivalents at 31st March (Note 16)</b>		<b>898,774</b>		<b>769,311</b>

Note :-

**a. Acquisition of a subsidiary company**

During the year, the Group acquired a subsidiary company. The fair value of assets acquired and liabilities assumed were as follows :-

	<b>2005</b>
	<i>HK\$'000</i>
Cash	876
Stocks	12,339
Debtors, deposits and prepayments	20,187
Fixed assets	1,396
Creditors and accruals	(26,894)
Net assets acquired	7,904
Goodwill	—
Fair value of net assets acquired	<b>7,904</b>
Satisfied by cash	<b>7,904</b>

Analysis of the net outflow of cash and cash equivalents in respect of the purchase of new subsidiary company :-

Cash consideration	7,904
Cash acquired	(876)
Net outflow of cash and cash equivalents in respect of the purchase of new subsidiary company	<b>7,028</b>

**b. Investment in an associated company**

During the year, the Group acquired a 45 per cent. interest in a newly formed associated company at a consideration of HK\$13,500,000. The entire consideration was included in amounts due to associated companies.

The notes on pages 40 to 68 form part of these accounts.