



# Consolidated Cash Flow Statement

For the year ended 30 June 2006

	<i>Note</i>	<b>2006</b> <i>HK\$'000</i>	2005 <i>HK\$'000</i> (Restated)
<b>Operating activities</b>			
Profit before taxation		<b>66,726</b>	19,222
Adjustments for:			
Interest income		<b>(12,184)</b>	(1,247)
Interest expenses		<b>17,490</b>	9,550
Depreciation of property, plant and equipment		<b>10,160</b>	11,331
Loss on disposal of property, plant and equipment		<b>72</b>	27
Amortisation of lease premium for land		<b>539</b>	210
Amortisation of system development costs		<b>8,846</b>	8,655
Amortisation of intangible assets		<b>17,761</b>	14,937
Impairment loss of goodwill		<b>3,330</b>	15,164
Equity-settled share-based payment		<b>2,769</b>	–
Gain on revaluation of investment properties		<b>(818)</b>	–
		<b>114,691</b>	77,849
Operating profit before changes in working capital		<b>114,691</b>	77,849
Increase in inventories		<b>(68,358)</b>	(41,346)
Increase in other receivables, prepayments and deposits		<b>(97,047)</b>	(216,143)
Decrease in due from directors		–	613
Increase in trade and bills receivables		<b>(44,636)</b>	(88,219)
Increase in trade and bills payable		<b>227,843</b>	232,479
Decrease/(increase) in accrual and other payables		<b>(6,360)</b>	72,777
		<b>126,133</b>	38,010
<b>Cash generated from operations</b>		<b>126,133</b>	38,010
Mainland China enterprise income tax paid		<b>(342)</b>	(437)
		<b>125,791</b>	37,573
<b>Net cash generated from operating activities</b>		<b>125,791</b>	37,573
<b>Investing activities</b>			
Interest received		<b>12,184</b>	1,247
Purchase of businesses	<i>(a)</i>	<b>(14,770)</b>	(32,152)
Payment for technical know-how		–	(5,635)
Purchase of property, plant and equipment		<b>(4,578)</b>	(20,266)
Proceeds from sale of property, plant and equipment		<b>372</b>	39
Payment for short-term investments		<b>(631)</b>	–
Payment of deposits for purchase of property, plant and equipment		–	(4,870)
Payment for acquisition of businesses		–	(6,104)
Payment for acquisition of additional interests in a subsidiary		<b>(135)</b>	(971)
		<b>(7,558)</b>	(68,712)
<b>Net cash used in investing activities</b>		<b>(7,558)</b>	(68,712)



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For the year ended 30 June 2006

	<i>Note</i>	<b>2006</b> <i>HK\$'000</i>	2005 <i>HK\$'000</i> (Restated)
<b>Financing activities</b>			
Capital contribution from minority shareholders of subsidiaries		<b>281</b>	5,470
Increase in advances from minority shareholders of subsidiaries		<b>15,041</b>	9,160
(Decrease)/increase in advances from a director		<b>(792)</b>	967
New bank loans raised		<b>211,588</b>	129,901
Repayment of bank loans		<b>(144,484)</b>	(47,794)
Increase in restricted bank deposits		<b>(99,502)</b>	(48,317)
Interest expenses		<b>(17,490)</b>	(9,550)
<b>Net cash from financing activities</b>	<i>(b)</i>	<b>(35,358)</b>	39,873
<b>Net increase in cash and cash equivalents</b>		<b>82,875</b>	8,698
<b>Cash and cash equivalents at beginning of year</b>		<b>53,368</b>	46,066
<b>Effect of foreign exchange rate changes</b>		<b>9,559</b>	(1,396)
<b>Cash and cash equivalents at end of year</b>		<b>145,802</b>	53,368
<b>Analysis of the balances of cash and cash equivalents</b>			
<b>Bank balances and cash</b>	<i>30</i>	<b>145,802</b>	53,368



# Consolidated Cash Flow Statement

For the year ended 30 June 2006

Note:

**(a) Purchase of businesses**

Analysis of the net cash outflow in respect of the acquisition of the agricultural resources businesses:

	2006 HK\$'000	2005 HK\$'000
Estimated fair value of the net assets of the agricultural resources trading businesses as at the dates of acquisition	–	–
Goodwill on acquisitions (Note 18)	20,874	32,152
Prepayment for purchase of businesses	–	12,500
Cash consideration	20,874	44,652
Amounts transfer from “Prepayment and deposits” – Prepayment for purchase of business in last year	(6,104)	(12,500)
Net cash outflow in respect of acquisition of agricultural resources trading businesses	14,770	32,152

**(b) Analysis of changes in financing during the year**

	Share capital including premium		Due to minority shareholders		Minority interests		Due to a director		Bank loan, secured		Restricted bank deposits	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Beginning of the year	140,707	140,707	9,160	–	7,116	6,391	1,087	120	129,901	47,794	114,209	65,892
Exchange realignment	–	–	309	–	–	–	37	–	4,525	–	–	–
(Repayment to)/advances from minority shareholders of subsidiaries	–	–	15,041	9,160	–	–	–	–	–	–	(3,859)	–
Capital contribution – from minority shareholders	–	–	–	–	281	5,470	–	–	–	–	–	–
Acquisition of additional interests in a subsidiary by the Group	–	–	–	–	(135)	(971)	–	–	–	–	–	–
Minority interests' in share of loss	–	–	–	–	(949)	(3,774)	–	–	–	–	–	–
(Repayment to)/advances from a director	–	–	–	–	–	–	(792)	967	–	–	–	–
New bank loan raised	–	–	–	–	–	–	–	–	211,588	129,901	–	–
Repayment of bank loan	–	–	–	–	–	–	–	–	–	(47,794)	–	–
Increase in restricted bank deposits	–	–	–	–	–	–	–	–	(144,484)	–	99,502	48,317
End of the year	140,707	140,707	24,510	9,160	6,313	7,116	332	1,087	201,530	129,901	209,852	114,209

The notes on pages 35 to 84 from an integral part of these financial statements.