

Consolidated Cash Flow Statement

Year ended 30 June 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operating activities		589,167	528,877
Adjustments for:			
Interest income	6	(27,957)	(21,393)
Depreciation of fixed assets	7	130,388	97,484
Provision for bad and doubtful debts, net	7	1,883	24,040
Loss on disposal/write-off of fixed assets, net	7	16,040	14,092
Operating profit before working capital changes		709,521	643,100
Increase in trade receivables		(12,040)	(118,552)
Increase in inventories		(6,639)	(53,728)
Decrease in prepayments, deposits and other receivables		69,000	49,834
Increase in amounts due from related companies		(6,336)	(6,991)
Decrease in amounts due from minority equity/shareholders		67,841	–
Increase/(decrease) in trade payables		(88,715)	30,811
Increase in accrued liabilities and other payables		123,481	78,463
Increase/(decrease) in amounts due to minority equity/shareholders		27,457	(29,258)
Decrease in trust receipt loans		(138,839)	(101,286)
Cash generated from operations		744,731	492,393
Interest paid		(188,114)	(51,781)
Interest element on finance lease rental payments		(3,840)	(327)
Arrangement fees on bank and other loans		–	(7,036)
Hong Kong profits tax paid		(73)	–
Mainland China corporate income tax paid		(161,295)	(121,927)
Net cash inflow from operating activities		391,409	311,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(945,386)	(157,032)
Proceeds from sales of fixed assets		9	527
Deposits paid	39(iii)	(664,975)	(68,047)
Interest received		51,456	21,393
Capital injection to jointly-controlled entities		–	(4,668)
Advances to jointly-controlled entities	39(iii)	(29,373)	(295,898)
Cash inflow from the change of jointly-controlled entities to subsidiaries		79,533	–
Capital injection to an associate		(4)	–
Advances to an associate		(87)	–
Increase in deposits held in escrow account		(1,654,241)	–
Increase in deposits held in collateral account		(174,712)	–
Decrease/(increase) in pledged bank deposits		114,724	(37,666)
Increase in non-pledged time deposits with original maturity of more than three months when acquired		(9,158)	(32,154)
Net cash outflow from investing activities		(3,232,214)	(573,545)

	<i>Notes</i>	2005 HK\$'000	2004 <i>HK\$'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Exercise of options to subscribe for new ordinary shares in the Company	35	39,480	49,665
Exercise of warrants to subscribe for new ordinary shares in the Company		–	137,795
Placement of new shares		–	517,920
Share issue expenses		–	(11,113)
Proceeds from the Notes	34	3,498,750	–
Issuance expenses of the Notes	22	(126,136)	–
Loan from minority shareholders		76,685	–
New bank loans		320,386	1,140,975
New other loans		–	3,767
Repayment of bank loans		(1,004,440)	(547,969)
Repayment of other loans		(3,767)	(3,230)
Capital element of finance lease rental payments		(540)	(11,581)
Dividends paid		(35,214)	(84,786)
Dividends paid by a subsidiary to minority shareholders		(44,431)	(32,394)
Net cash inflow from financing activities		2,720,773	1,159,049
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(120,032)	896,826
Cash and cash equivalents at beginning of year		2,204,943	1,308,633
Effect of foreign exchange rate changes		–	(516)
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,084,911	2,204,943
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash on hand and at banks		2,071,269	1,901,835
Deposits with a non-bank financial institution		13,642	203,588
Non-pledged time deposits with original maturity of less than three months when acquired		–	99,520
		2,084,911	2,204,943