

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		306,504	402,908
Adjustments for:			
Gain on disposal of vessels, net		(130,605)	(63,430)
Depreciation	6	245,168	96,560
Provision for bad and doubtful debts	6	2,033	–
Amortisation of licences	6	2,597	2,597
Amortisation of goodwill	6	–	740
Loss on disposal of items of property, plant and equipment	6	311	352
Impairment of non-current assets classified as held for sale	6	3,086	–
Net change in fair value of derivative instruments not qualifying as hedges	6	(16,123)	–
Share of losses of associates		1,851	–
Interest income	6	(34,065)	(979)
Finance costs	7	312,864	39,608
Equity-settled share option expenses		797	–
Operating profit before working capital changes		694,418	478,356
Increase in an amount due from an associate		(25,652)	(13,004)
Decrease/(increase) in bunker oil		(64,643)	2,284
Increase in inventories		(316,756)	(1,520)
Increase in accounts receivable		(700,580)	(102,508)
Increase in prepayments, deposits and other receivables		(47,424)	(16,828)
Increase in contracts in progress		(134,313)	(60,465)
Decrease in trust receipt loans		–	(98,744)
Increase in accounts and bills payable		480,505	60,154
Increase in other payables and accruals		44,827	33,493
Increase in excess of progress billings over contract costs		13,428	8,808
Cash generated from/(used in) operations		(56,190)	290,026
Interest received		31,885	979
Interest paid		(222,096)	(37,368)
Hong Kong taxes paid		(1,289)	(785)
Overseas profits tax refund/(paid)		(2,527)	464
Net cash inflow/(outflow) from operating activities		(250,217)	253,316
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,901	–
Increase in a deposit held in a collateral account	20	(78,000)	–
Additions of items of property, plant and equipment		(3,221,218)	(790,298)
Deposits paid for acquisition of vessels		–	(68,835)
Proceeds from disposal of items of property, plant and equipment		232,219	150,908
Payment of vessel rental deposits		–	(92,572)
Capital contributions to associates		(58,547)	(24,430)
Acquisition of subsidiaries	34	(21,645)	(370,955)
Net cash outflow from investing activities		(3,145,290)	(1,196,182)

	<i>Notes</i>	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Inception of new bank and other loans	26	1,436,104	976,647
Repayment of bank loans	26	(790,144)	(70,457)
Proceeds from issue of fixed rate guaranteed senior notes	29	3,120,000	–
Transaction costs incurred for the issue of fixed rate guaranteed senior notes	29	(90,709)	–
Proceeds from issue of shares	31	–	414,000
Share issue expenses	31	–	(21,984)
Capital element of finance lease rental payments		(18,287)	(12,377)
Dividends paid		(48,462)	–
Net cash inflow from financing activities		3,608,502	1,285,829
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		444,335	101,332
Effect of foreign exchange rate changes, net		(79)	40
CASH AND CASH EQUIVALENTS AT END OF YEAR		657,251	444,335
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	297,051	400,423
Non-pledged time deposits with original maturity of less than three months when acquired	25	347,200	–
Bank balances pledged as security for trading facilities	25	4,457	–
Time deposits with original maturity of less than three months when acquired, pledged as security for trading facilities	25	8,543	43,912
		657,251	444,335