

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2006
(Expressed in Hong Kong dollars)

	Note	2006		2005 (restated)	
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Profit before taxation		163,405		167,611	
Adjustments for:					
– Depreciation		42,422		38,602	
– Amortisation of land lease premium		2,010		2,006	
– Amortisation of borrowing costs		1,280		–	
– Interest income		(6,708)		(8,715)	
– Interest expenses		55,143		19,589	
– Interest element of finance lease rentals paid		1,240		867	
– Share based payments		5,670		–	
– Share of profits less losses of associates		35,752		–	
– Exchange difference		1,661		–	
Operating profit before changes in working capital		301,875		219,960	
Increase in inventories		(33,668)		(31,391)	
Increase in trade and other receivables		(236,534)		(59,339)	
Increase in trade and other payables		10,479		2,704	
Cash generated from operations		42,152		131,934	
Tax paid					
– Hong Kong Profits Tax paid		(5,054)		(7,238)	
– Overseas tax paid		(1,001)		(3,056)	
Net cash from operating activities			36,097		121,640
Investing activities					
Withdrawal of pledged bank deposits		–		27,745	
Payment for purchase of fixed assets		(74,255)		(55,970)	
Payment for purchase of associates		(1,897)		–	
Payment for purchase of investment securities		–		(26,000)	
Proceeds from sale of investment securities		–		300	
Payment of refundable acquisition deposit and other acquisition costs, net of refund		–		(459,464)	
Interest received		6,708		8,715	
Net cash used in investing activities			(69,444)		(504,674)

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	Note	2006		2005 (restated)	
		\$'000	\$'000	\$'000	\$'000
Financing activities					
Capital element of finance lease rentals paid		(20,334)		(22,606)	
Net (decrease)/increase in trust receipt loans, export loans and bill discounting loans		(16,950)		55,726	
Proceeds from new term loans		530,228		90,000	
Repayment of term loans		(468,714)		(23,975)	
Interest element of finance lease rentals paid		(1,240)		(867)	
Interest paid		(44,656)		(14,431)	
Proceeds from shares issued under share option scheme		–		27,900	
Issue of shares for cash consideration		–		6,236	
Net proceeds from issue of convertible bonds		–		227,534	
Dividends paid		(48,533)		(46,679)	
Net cash (used in)/generated from financing activities			(70,199)		298,838
Net decrease in cash and cash equivalents			(103,546)		(84,196)
Cash and cash equivalents at 1 April	20		279,415		363,611
Cash and cash equivalents at 31 March			175,869		279,415

Significant non-cash transactions:

- During the year, the Group purchased fixed assets with value totalling \$10,463,000 (2005: \$19,836,000) under finance leases.
- During the year, convertible bonds totalling \$nil (2005: \$20,280,000) were converted into ordinary shares of the Company (Note 23).
- During the year, the Group recorded accrued interest of \$11,438,000 (2005: \$nil) in respect of convertible bonds, which is payable where redemption of the convertible bonds takes place.

The notes on pages 37 to 99 form part of these financial statements.