

Consolidated Cash Flow Statement

For the year ended 30 June 2004

Note	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	254,935	183,768
Adjustments for:		
Allowance for amount due from an associate	–	2,954
Allowance for bad and doubtful debts	13,017	16,642
Allowance for obsolete inventories	17,591	18,154
Deficit on revaluation of land and buildings	568	914
Depreciation and amortisation	77,700	57,207
Gain on disposal of property, plant and equipment	(578)	(1,532)
Interest income	(1,770)	(1,426)
Operating cash flows before working capital changes	361,463	276,681
Increase in inventories	(1,379,979)	(314,412)
Increase in properties held for sale	(7,008)	–
Increase in trade and bills receivables	(201,542)	(522,088)
Increase in post dated bank drafts	(90,485)	(67,787)
Decrease (increase) in prepayments, deposits and other receivables	3,928	(134,017)
Increase in trade and bills payables	792,614	427,701
Increase in accruals and other payables	27,794	7,488
Increase (decrease) in trust receipt loans	25,508	(220,971)
Cash used in operations	(467,707)	(547,405)
Hong Kong Profits Tax paid	(1,046)	(1,813)
Overseas tax paid	(28,080)	(14,610)
NET CASH USED IN OPERATING ACTIVITIES	(496,833)	(563,828)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(259,106)	(89,896)
(Increase) decrease in pledged bank deposits	(20,976)	28,770
Prepayments and deposits	(10,405)	(14,456)
Deposit paid for investment in a subsidiary	(10,169)	–
Investments in associates	(6,882)	–
Purchase of investments in securities	(286)	(2,546)
Proceeds from disposal of property, plant and equipment	4,217	4,072
Interest received	1,770	1,426
Advances to an associate	–	(975)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	28	8,109
NET CASH USED IN INVESTING ACTIVITIES	(301,837)	(65,496)

Consolidated Cash Flow Statement

For the year ended 30 June 2004

	2004 HK\$'000	2003 HK\$'000
FINANCING ACTIVITIES		
New bank and other borrowings raised	1,717,512	1,532,131
Capital contributed from minority shareholders	18,144	–
Proceeds on issue of shares on exercise of share options, net of share issue expenses	7,635	–
Repayments of bank and other borrowings	(525,266)	(399,482)
Interest paid on bank and other borrowings	(75,626)	(50,164)
Dividend paid	(30,765)	(10,991)
Repayments of obligations under finance leases	(1,052)	(2,929)
Dividend paid to minority shareholders	(949)	(3,347)
Interest paid on finance leases	(141)	(131)
Redemption of convertible bonds	–	(154,933)
NET CASH FROM FINANCING ACTIVITIES	1,109,492	910,154
NET INCREASE IN CASH AND CASH EQUIVALENTS	310,822	280,830
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	483,518	202,978
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(350)	(290)
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing bank balances and cash	793,990	483,518