

Consolidated Cash Flow Statement

for the year ended 31 March 2005

	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Operating profit (loss)	168,397	(8,432)
Adjustments for:		
Allowance for bad and doubtful debts	14,252	7,473
Depreciation and amortisation of fixed assets	142,465	137,856
Impairment loss recognised in respect of an intangible asset	136,918	–
Amortisation of intangible assets	91,539	91,539
Revaluation deficit on fixed assets	3,224	3,839
Loss on disposal of fixed assets	1,036	237
Interest income	(4,672)	(2,343)
Operating cash flows before movements in working capital	553,159	230,169
Increase in inventories	(54,733)	(37,236)
Increase in accounts receivable, deposits and prepayments	(57,109)	(140,572)
(Decrease) increase in accounts payable and accrued charges	(25,718)	3,429
Increase in pension obligations	5,126	6,499
Effect on foreign exchange rate changes	12,247	33,835
Net cash generated from operations	432,972	96,124
Hong Kong Profits Tax paid (net)	(104,878)	(116,702)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	328,094	(20,578)
INVESTING ACTIVITIES		
Purchases of fixed assets	(32,594)	(123,769)
Interest received	4,672	2,343
Proceeds from disposal of fixed assets	1,188	817
Reduction of restricted bank balances	1,009	–
NET CASH USED IN INVESTING ACTIVITIES	(25,725)	(120,609)

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for the year ended 31 March 2005

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FINANCING ACTIVITIES		
Repayment of bank borrowings	(79,160)	(215,258)
Interest paid on bank borrowings	(6,083)	(7,439)
Proceeds from exercise of share options	6,858	8,306
Acquisition of minority interests	60	–
New borrowings raised	–	231,250
Repayment to minority shareholders of a subsidiary	–	(289)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(78,325)	16,570
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	224,044	(124,617)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	367,203	490,747
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,114	1,073
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash excluding restricted bank balance of approximately HK\$5,411,000 (2004: HK\$6,420,000)	593,361	367,203