

Consolidated Cash Flow Statement 35

For the year ended 30 June 2006

	Note	2006 HK\$'000	2005 HK\$'000 (Restated)
OPERATING ACTIVITIES			
Profit before taxation		236,378	53,816
Adjustments for:			
Finance costs		151,817	129,720
Share of results of associates		4,080	1,124
Loss on deemed disposal of a subsidiary		–	690
Gain on disposal of an associate		–	(811)
Share-based payment expenses		14,543	11,530
Allowance for bad and doubtful debts		9,097	13,085
Allowance for obsolete inventories		16,836	18,671
Deficit on revaluation of land and buildings		–	1,837
Depreciation and amortisation of property, plant and equipment		105,007	99,153
Amortisation of prepaid lease payments		1,221	1,258
Impairment loss on available-for-sale investments		36	–
Loss on disposal of available-for-sale investments		12	–
Gain on disposal of property, plant and equipment		(6,475)	(3,784)
Gain on disposal of subsidiaries		(10,342)	–
Interest income		(40,614)	(4,044)
Impairment loss on investments in securities		–	2,003
Loss on disposal of investments in securities		–	45
Operating cash flows before working capital changes		481,596	324,293
Decrease in inventories		472,433	168,209
Increase in properties held for sale		(48,324)	(4,899)
Decrease (increase) in trade and bills receivables		98,265	(542,763)
Increase in prepayment, deposits and other receivables		(87,226)	(72,190)
Increase in trade and bills payables		739,713	807,667
Increase in accruals and other payables		70,151	58,159
Cash generated from operations		1,726,608	738,476
Hong Kong Profits Tax paid		–	(761)
Overseas tax paid		(21,016)	(33,003)
NET CASH FROM OPERATING ACTIVITIES		1,705,592	704,712
INVESTING ACTIVITIES			
(Increase) decrease in pledged bank deposits		(117,846)	924
Purchase of property, plant and equipment		(115,321)	(126,612)
Acquisition of trademarks		(58,000)	–
Advance to a jointly controlled entity		(1,000)	–
Increase in prepayments and deposits		(6,827)	(16,339)
Proceeds from disposal of property, plant and equipment		68,230	15,030
Interest received		40,614	4,044
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	39	35,632	–
Proceeds from disposal of available-for-sale investments		365	–
Investments in associates		–	(30,673)
Effect on deemed disposal of a subsidiary		–	(17,985)
Purchase of investments in securities		–	(1,972)
Proceeds from disposal of investments in securities		–	2,410
Proceeds from disposal of an associate		–	2,167
NET CASH USED IN INVESTING ACTIVITIES		(154,153)	(169,006)

36 Consolidated Cash Flow Statement

For the year ended 30 June 2006

	2006 HK\$'000	2005 HK\$'000 (Restated)
FINANCING ACTIVITIES		
Repayments of bank borrowings	(5,089,644)	(2,090,066)
Interest paid on bank borrowings	(151,694)	(129,601)
Dividend paid	(15,655)	(21,905)
Repayments of obligations under finance leases	(5,004)	(7,955)
Dividend paid to minority shareholders	(5,136)	(4,255)
(Repayment to) advance from an associate	(4,684)	5,659
Interest paid on finance leases	(123)	(119)
New bank borrowings raised	3,764,392	2,546,902
Advance from a former associate	6,220	–
Proceeds on issue of shares on exercise of share options	1,092	4,169
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(1,500,236)	302,829
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,203	838,535
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,638,749	793,990
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	13,273	6,224
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing bank balances and cash	1,703,225	1,638,749