## **Consolidated Cash Flow Statement**

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

Operating activities         (173.315)         243.924           Adjustments for:         73.894         83.580           - Depreciation         73.894         83.580           - Amortisation of intangible assets         1.622         1.622           - Amortisation of goodvill         -         1.622           - Amortisation of goodvill         -         1.622           - Impairment loss on goodvill         28.340         -           - Impairment loss on straigble assets         81.035         -           - Impairment loss on straigble assets         81.035         -           - Impairment loss on available-forsale securities         175.775         -           - Finance costs         6.785         5.245           - Dividend income from listed equity securities         (425)         (611)           - Interest income         (16.657)         (11.406)           - Profit on disposal of available-forsale securities         (5.673)         (1.602)           - Profit on disposal of available-forsale securities         (6.673)         (1.602)           - Profit on disposal of available-forsale securities         (6.573)         (1.602)           - Profit on disposal of available-forsale securities         (6.573)         (1.602)           - Profit on disposal of	Note	2005 \$'000	2004 \$'000
Adjustments for:       9         - Operocitation       73,894       83,580         - Amortisation of intangible assets       1,622       1,622         - Impairment loss on goodwill       28,340       -         - Impairment loss on intangible assets       25,428       -         - Impairment loss on intangible assets       81,035       -         - Impairment loss on intangible assets       81,035       -         - Impairment loss on intangible assets       175,775       -         - Finance costs       6,785       5,2458         - Dividend income from listed equity securities       (425)       (541)         - Intrasfer from equity on disposal of available-for-sale securities       (70)       188         - Profit on disposal of fixed assets       (6,573)       (1,602)         - Profit on disposal of fixed assets       (6,573)       (1,602)         - Profit on disposal of fixed asset       (6,573)       319,335         - Experign exchange loss       215,630       319,335         - Experign exchange loss       (102,479)       80,441         - Decrease/increase) in inventories       78,778       (75,176)         Decrease/increase) in inventories       278,655       149,394         - Decrease/increase) in inventories <td>Operating activities</td> <td></td> <td></td>	Operating activities		
- Amortisation of intangible assets       1,622       1,622         - Amortisation of goodwill       28,340       -         - Impairment loss on intangible assets       25,428       -         - Impairment loss on intangible assets       81,035       -         - Impairment loss on ixed assets       81,035       -         - Impairment loss on available-forsale securities       175,775       -         - Finance costs       6,785       5,245         - Ovidend income from listed equity securities       (425)       (411)         - Interest income       (11,4667)       (11,406)         - Profit on disposal of available-forsale securities       (6,573)       (1,622)         - Profit on disposal of associate       -       (4,858)         - Foreign exchange loss       8,218       1,501         Decrease/(increase) in inventories       78,778       (75,176)         De		(173,315)	243,924
- Amortisation of goodwill       -       1,682         - Impairment loss on goodwill       28,340       -         - Impairment loss on intangible assets       25,428       -         - Impairment loss on svallable-for-sale securities       31,035       -         - Finance costs       6,785       5,245         - Dividend income from listed equity securities       (425)       (541)         - Interest income       (16,457)       (11,406)         - Transfer from equity on disposal of available-for-sale securities       (2004: realised losses on disposal of other non-trading securities)       (70)       188         - Profit on disposal of associate       -       (4,858)       -         - Foreign exchange loss       11,373       -       -         - Foreign exchange loss       11,373       -       -         Decrease/increase in trading securities       215,630       319,335       -         (Increasel/decrease in trading securities       128,178       (249,860)       -         Decrease/increase in trading securities       218,655       149,394         Decrease/increase in trading securities       278,655       149,394         Decrease/increase in trading securities       278,655       149,394         Decrease/increase in trade and other payables<	– Depreciation	73,894	83,580
- Impairment loss on goodwill       28,340       -         - Impairment loss on intangible assets       25,428       -         - Impairment loss on ixed assets       81,035       -         - Impairment loss on available-for-sale securities       175,775       -         - Finance costs       6,768       5,245         - Dividend income from listed equity securities       (425)       (6,141)         - Interest income       (16,457)       (11,406)         - Transfer from equity on disposal of available-for-sale securities       (2004: realised losses on disposal of other non-trading securities)       (70)       188         - Profit on disposals of fixed assets       (6,573)       (11,602)         - Profit on disposal of associate       -       (4,858)         - Equity-settled share-based payment expenses       11,373       -         - Foreign exchange loss       11,373       -         Operating profit before changes in working capital       215,630       319,335         Increase//decrease in trading securities       (102,679)       8,054         Decrease//increase) in inventories       78,778       (75,176)         Decrease//increase in trade and other receivables       128,178       (249,860)         (Decrease)/increase in trade and other payables       278,655 <td< td=""><td>– Amortisation of intangible assets</td><td>1,622</td><td></td></td<>	– Amortisation of intangible assets	1,622	
- Impairment loss on intangible assets       25,428       -         - Impairment loss on available-for-sale securities       81,035       -         - Impairment loss on available-for-sale securities       175,775       -         - Finance costs       6,785       5,245         - Dividend income from listed equity securities       (425)       (541)         - Interest income       (16,457)       (11,406)         - Transfer from equity on disposal of other non-trading securities       (6,573)       (1,602)         - Profit on disposal of associate       -       (4,858)         - Foreign exchange loss       11,373       -         - Foreign exchange loss       11,373       -         - Foreign exchange loss       (102,679)       8,054         Decrease/increase in trading securities       (102,679)       8,054         Decrease/increase in trading securities       (102,679)       8,054         Decrease/increase in trading securities       (41,252)       147,041         Decrease/increase in trade and other receivables       128,178       (249,860)         (Decrease/increase in trade and other payables       128,178       149,394         Cerease/increase in trade and other payables       141,373       147,041         Decrease/increase in trade and other paya		-	1,682
- Impairment loss on fixed assets81,035 Impairment loss on available-for-sale securities175,775 Finance costs6,7855,245- Dividend income from listed equity securities(425)(641)- Interest income(16,457)(11,406)- Transfer from equity on disposal of available-for-sale securities(70)188(2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposal of fixed assets(6,573)(1,602)- Profit on disposal of fixed assets(4,858)(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss215,630319,335Operating profit before changes in working capital215,630319,335Decrease/increase) in inventories128,178(75,176)Decrease/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)(6,538)- Hong Kong Profits Tax paid(28,743)(6,744)- Oversees tax paid(28,743)(6,744)			-
Impairment loss on available-forsale securities175,775-Finance costs6,7855,245Dividend income from listed equity securities(425)(541)Interest income(16,457)(11,406)-Transfer from equity on disposal of available-forsale securities (2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposal of associate(70)188- Profit on disposal of associate(6,573)(1,602)- Foreign exchange loss11,373 Foreign exchange loss8,2181,501Decrease/Increase) in inventories215,630319,335Decrease/Increase) in inventories78,778(75,176)Decrease/Increase) in trade and other previewables128,178(249,860)(Ibcrease)/Increase) in trade and other payables218,655149,394Tax paid278,655149,394(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(16,578)(14,252)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(16,578)(14,252)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(16,578)(16,578)- Hong Kong Profits Tax paid(15,578)(16,578)- Hong Ko			-
- Finance costs       6,785       5,245         - Dividend income from listed equity securities       (425)       (541)         - Interest income       (16,457)       (11,406)         - Transfer from equity on disposal of available-forsale securities       (70)       188         (2004: realised losses on disposal of other non-trading securities)       (70)       188         - Profit on disposal of associate       (6,573)       (1,602)         - Profit on disposal of associate       -       (4,858)         - Equity-settled share-based payment expenses       11,373       -         - Foreign exchange loss       8,218       1,501         Operating profit before changes in working capital       215,630       319,335         (Increase)/decrease in trading securities       7(75,176)       8,574         Decrease/(increase) in inventories       78,778       (75,176)         Decrease/(increase in trade and other payables       218,178       249,8600         (Decrease/(increase in trade and other payables       278,655       149,394         Tax paid       -       44,354       44,354         - Hong Kong Profits Tax paid       (6,574)       (6,574)       (6,744)         - Overseas tax paid       (6,574)       (6,574)       (6,574) </td <td></td> <td></td> <td>-</td>			-
Dividend income from listed equity securities(425)(541)- Interest income(16,457)(11,406)- Transfer from equity on disposal of available-for-sale securities(70)188(2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposal of associate(70)188- Profit on disposal of associate-(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss8,2181,501Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in inventories128,178(249,860)(Decrease)/increase in trade and other receivables149,394Tax paid(41,252)147,041- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(28,743)(6,744)		,	-
- Interest income(16,457)(11,406)- Transfer from equity on disposal of available-for-sale securities (2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposals of fixed assets(6,573)(1,602)- Profit on disposal of associate(4,858)(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss8,2181,501Operating profit before changes in working capital215,630319,335Operaese/increase) in inventories(102,679)8,054Decrease/increase) in inventories78,778(75,176)Decrease/increase in trade and other receivables149,394147,041Cash generated from operations278,655149,394Tax paid - Hong Kong Profits Tax paid(28,743)(6,744)- Norge Stax paid(28,743)(6,744)- Norge Stax paid(28,743)(6,744)			· ·
- Transfer from equity on disposal of available-for-sale securities (2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposals of fixed assets(6,573)(1,602)- Profit on disposal of associate-(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss11,373-Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/lincrease) in inventories78,778(75,176)Decrease/lincrease in trade and other receivables128,178(249,860)(Decrease)/lincrease in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid-(28,743)(6,744)- Hong Kong Profits Tax paid(6,744)(6,744)- Overseas tax paid(6,578)(9,518)			
(2004: realised losses on disposal of other non-trading securities)(70)188- Profit on disposals of fixed assets(6,573)(1,602)- Profit on disposal of associate-(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss8,2181,501Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/(increase in trade and other payables128,178(249,860)(Increase)/oncrease in trade and other payables278,655149,394Tax paid Hong Kong Profits Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)	- Interest income	(10,457)	(11,406)
Profit on disposals of fixed assets(6,573)(1,602)Profit on disposal of associate–(4,858)Equity-settled share-based payment expenses11,373–Foreign exchange loss8,2181,501Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paidHong Kong Profits Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(6,538)(9,518)	- Transfer from equity on disposal of available-for-sale securities		
- Profit on disposal of associate-(4,858)- Equity-settled share-based payment expenses11,373 Foreign exchange loss11,3731,501Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(6,538)(9,518)	(2004: realised losses on disposal of other non-trading securities)	(70)	188
- Equity-settled share-based payment expenses11,373 Foreign exchange loss8,2181,501 <b>Operating profit before changes in working capital</b> 215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/(increase in trade and other payables(41,252)147,041 <b>Cash generated from operations</b> 278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(9,518)(9,518)	<ul> <li>Profit on disposals of fixed assets</li> </ul>	(6,573)	(1,602)
- Foreign exchange loss8,2181,501Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables147,041147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(28,743)(6,538)	– Profit on disposal of associate	-	(4,858)
Operating profit before changes in working capital215,630319,335(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables147,041147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(28,743)(6,538)	<ul> <li>Equity-settled share-based payment expenses</li> </ul>	11,373	-
(Increase)/decrease in trading securities(102,679)8,054Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(9,518)(9,518)	– Foreign exchange loss	8,218	1,501
Decrease/(increase) in inventories78,778(75,176)Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid(28,743)(6,744)- Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(9,518)(9,518)	Operating profit before changes in working capital	215,630	319,335
Decrease/(increase) in trade and other receivables128,178(249,860)(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid - Hong Kong Profits Tax paid(28,743)(6,744)- Overseas tax paid(28,743)(6,538)(9,518)	(Increase)/decrease in trading securities	(102,679)	8,054
(Decrease)/increase in trade and other payables(41,252)147,041Cash generated from operations278,655149,394Tax paid - Hong Kong Profits Tax paid - Overseas tax paid(28,743)(6,744)(6,538)(9,518)	Decrease/(increase) in inventories	78,778	(75,176)
Cash generated from operations278,655149,394Tax paid - Hong Kong Profits Tax paid - Overseas tax paid(28,743) (6,538)(6,744) (9,518)	Decrease/(increase) in trade and other receivables	128,178	(249,860)
Tax paid(28,743)- Hong Kong Profits Tax paid(28,743)- Overseas tax paid(6,538)(9,518)	(Decrease)/increase in trade and other payables	(41,252)	147,041
- Hong Kong Profits Tax paid         (28,743)         (6,744)           - Overseas tax paid         (6,538)         (9,518)	Cash generated from operations	278,655	149,394
- Hong Kong Profits Tax paid         (28,743)         (6,744)           - Overseas tax paid         (6,538)         (9,518)	Tax paid		
- Overseas tax paid (6,538) (9,518)	·	(28,743)	(6,744)
Net cash nom operating activities         243,374         133,132			
		243,374	

The notes on pages 35 to 68 form part of these financial statements.

## **Consolidated Cash Flow Statement**

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

Note	2005 \$′000	2004 \$'000
Investing activities		
Proceeds from disposal of fixed assets	11,023	4,815
Payment for purchase of fixed assets	(115,162)	(83,843)
Proceeds from disposal of associate	-	9,348
Proceeds from disposal of available-for-sale securities (2004: non-trading securities)	3,955	206,895
Payment for purchase of available-for-sale securities (2004: non-trading securities)	(321,429)	(93,089)
Dividends income	425	541
Interest income	16,457	12,734
Net cash (used in)/from investing activities	(404,731)	57,401
Financing activities		
New bank loans	139,337	46,367
Repayment of bank loans	(139,526)	(19,653)
Capital contribution by minority interest shareholder	2,820	-
Interest paid	(6,595)	(5,245)
Proceeds on issue of shares	10,430	809
Dividends paid	(96,171)	(76,586)
Dividend paid to minority shareholders		(4,056)
Net cash used in financing activities	(89,705)	(58,364)
Net (decrease) / increase in cash and cash equivalents	(251,062)	132,169
Cash and cash equivalents at 1 January	669,394	534,884
Effect of foreign exchange rates changes	(2,487)	2,341
Cash and cash equivalents at 31 December 20	415,845	669,394
Note to the Consolidated Cash Flow Statement		

## (a) Major non cash transactions

During the year shares were issued as a result of scrip dividends.

The notes on pages 35 to 68 form part of these financial statements.