

Consolidated Cash Flow Statement

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

	Note	2005		2004 (restated)	
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Profit for the year		179,795		152,592	
Adjustments for:					
— Finance costs		396		697	
— Interest income		(3,912)		(3,726)	
— Dividends from listed securities		(235)		(235)	
— Net realised and unrealised loss on trading securities		141		47	
— Net valuation gains on investment properties		(20,497)		(14,287)	
— Provision for diminution in value of other non-current financial assets		156		338	
— Net gain on disposal of an associate		—		(83)	
— Net loss/(gain) on disposal of fixed assets		242		(243)	
— Write-back of liabilities		(42,740)		(76,223)	
— Net gain on liquidation of subsidiaries		(45)		—	
— Net loss on disposal of discontinued operations	5	—		11,793	
— Write-back of provision for bad debts		(355)		(2,251)	
— Recovery of bad debts		(17,006)		—	
— Depreciation		8,077		4,558	
— Amortisation of land lease premium		1,774		1,754	
— Share of profits less losses of associates		(20,315)		(25,477)	
— Income tax	8(a)	736		28,853	
— Foreign exchange gain		(1,762)		—	
Operating profit before changes in working capital carried forward		84,450		78,107	

Consolidated Cash Flow Statement

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

	Note	2005		2004 (restated)	
		\$'000	\$'000	\$'000	\$'000
Operating profit before changes in working capital brought forward		84,450		78,107	
(Increase)/decrease in inventories		(205,552)		628	
(Increase)/decrease in trade debtors, bills and other receivables, deposits and prepayments		(108,539)		25,623	
Decrease in amounts due from fellow subsidiaries		122		5,049	
Decrease in amounts due from related companies		—		33	
(Increase)/decrease in amounts due from associates		(63)		10,483	
Increase/(decrease) in trade creditors, other payables and accrued charges		61,375		(35,681)	
Decrease in amounts due to related companies		—		(1,820)	
Decrease in amounts due to holding companies and fellow subsidiaries		(243)		(23,115)	
Decrease in amounts due to associates		—		(2,387)	
Decrease/(increase) in restricted cash deposits against legal claims	23	4,634		(4,634)	
Cash (used in)/generated from operations		(163,816)		52,286	
Interest received		4,515		3,106	
Interest paid		(396)		(113)	
Hong Kong Profits Tax refunded		—		3,021	
Hong Kong Profits Tax paid		(1,763)		(1,843)	
PRC income tax refunded		19,874		—	
PRC income tax paid		(11,672)		(13,438)	
Net cash (used in)/generated from operating activities			(153,258)		43,019

Consolidated Cash Flow Statement

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

	Note	2005		2004 (restated)	
		\$'000	\$'000	\$'000	\$'000
Investing activities					
Payment for purchase of fixed assets		(89,166)		(13,742)	
Proceeds on sales of an associate		—		400	
Dividends received from listed securities		235		235	
Dividends received from associates		17,962		565	
Proceeds on disposal of fixed assets		423		739	
Net cash inflow from disposal of discontinued operations	28(b)	—		3,542	
Net cash used in investing activities			(70,546)		(8,261)
Financing activities					
Dividend paid		(475)		(466)	
Repayment of proceeds from banks on discounted bills		(43,991)		—	
Proceeds from banks on discounted bills		70,982		—	
Repayment of bank borrowings		—		(2,817)	
Proceeds from new bank borrowings		—		2,817	
Net cash generated from/(used in) financing activities			26,516		(466)
(Decrease)/increase in cash and cash equivalents			(197,288)		34,292
Cash and cash equivalents at 1 January			288,749		254,457
Effect of foreign exchange rate changes			5,410		—
Cash and cash equivalents at 31 December	23		96,871		288,749

The notes on pages 42 to 121 form part of these financial statements.