

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005	2004 (restated)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Operating activities</b>		
Profit before taxation	96,252	61,776
Adjustments for:		
Valuation gain on investment property	(58,279)	(52,762)
Depreciation of fixed assets	32,165	20,812
Amortisation of land lease premium	53	115
Amortisation of intangible assets	33	–
Impairment of fixed assets	3,195	10,078
Finance costs	17,062	13,767
Dividend income	(4)	(5)
Interest income	(222)	(172)
Share of profits less losses of associates	(10,891)	11,431
Gain from partnership	–	(753)
Net gain on disposal of investment property	(216)	–
Net (gain)/loss on disposal of fixed assets	(101)	1,844
Gain on sales of listed investments	–	(94)
Write off of goodwill	–	3,403
Foreign exchange (gain)/loss	(7,119)	4,761
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<b>Operating profit before changes in working capital</b>	<b>71,928</b>	<b>74,201</b>
Decrease in inventories	3,911	23,428
Decrease/(increase) in trade and other receivables	2,622	(17,554)
Increase/(decrease) in creditors and accrued charges	13,767	(3,867)
Increase/(decrease) in rental deposits received	249	(341)
Decrease in accrued employee benefits	(33)	(356)
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<b>Cash generated from operations</b>	<b>92,444</b>	<b>75,511</b>
Tax paid		
Hong Kong profits tax paid	(240)	(753)
Overseas tax paid	(8,119)	(9,260)
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<b>Net cash generated from operating activities</b>	<b>84,085</b>	<b>65,498</b>
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## Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2005

	Note	2005 HK\$'000	2004 (restated) HK\$'000
<b>Investing activities</b>			
Payment for investment in jointly controlled entity		(2,536)	–
Payment for purchase of fixed assets	(a)	(27,205)	(24,194)
Proceeds from sales of investment properties		28,776	–
Proceeds from disposals of fixed assets		2,598	418
Proceeds from sale of properties held for resale		–	3,125
Proceeds from sales of listed investments		–	238
Interest received		222	172
Dividend received		4	5
Distributions received from investment in partnership		2,387	–
Decrease/(increase) in investments in associates		16,068	(7,197)
Decrease in amounts due from associates		155	441
		<u>20,469</u>	<u>(26,992)</u>
<b>Net cash generated from/(used in) investing activities</b>			
<b>Financing activities</b>			
Proceeds from new bank loans		246,649	338,322
Repayment of bank loans		(294,310)	(338,513)
Capital element of finance lease rentals paid		(2,285)	(6,078)
Proceeds from new loans from shareholders		–	49,715
Repayment of loans from shareholders and directors		(38,902)	(38,800)
Increase in amounts due to related companies		10	–
Proceeds from new loans from directors		–	11,122
Interest paid		(21,507)	(21,455)
Interest element of finance lease rentals paid		(187)	(179)
		<u>(110,532)</u>	<u>(5,866)</u>
<b>Net cash used in financing activities</b>			
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(5,978)</b>	<b>32,640</b>
<b>Cash and cash equivalents at 1st January</b>		<b>(5,485)</b>	<b>(38,468)</b>
<b>Effect of foreign exchange rates changes</b>		<b>(1,187)</b>	<b>343</b>
		<u>(12,650)</u>	<u>(5,485)</u>
<b>Cash and cash equivalents at 31st December</b>	22	<b><u>(12,650)</u></b>	<b><u>(5,485)</u></b>

# Consolidated Cash Flow Statement *(Continued)*

*For the year ended 31st December, 2005*

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### **MAJOR NON-CASH TRANSACTIONS**

- (a) During the year ended 31st December, 2005, the Group entered into finance leases amounting to HK\$3,755,000 (2004: HK\$1,204,000) for the purchase of fixed assets.

The notes on pages 42 to 105 form part of these financial statements.