

# Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		<b>627,506</b>	438,128
Adjustments for:			
Finance costs	7	<b>135,708</b>	84,265
Provision for doubtful debts	6	<b>2,070</b>	641
Equity-settled share option expenses	6	<b>13,202</b>	14,726
Depreciation	6	<b>264,337</b>	191,048
Loss on disposal of items of property, plant and equipment	6	<b>495</b>	8,523
Amortisation of prepaid land premiums	16	<b>5,377</b>	5,377
Impairment of available-for-sale investments	6	<b>2,949</b>	–
Impairment of goodwill	6	<b>17,565</b>	–
Change in fair value of investment properties	6	<b>1,650</b>	–
Share of profits and losses of associates		<b>(79,127)</b>	(27,444)
Interest income	5	<b>(30,238)</b>	(19,534)
Dividends from an unlisted available-for-sale investments/long term investment and listed equity securities	5	<b>(3,770)</b>	(3,875)
Gain on disposal of listed debt securities	6	–	(920)
Gain arising from changes in fair value of biological assets	6	<b>(2,217)</b>	(972)
Write-back of provision against inventories	6	<b>(1,364)</b>	(2,407)
Unrealised fair value gains of derivative instruments transactions not qualifying as hedges	6	<b>(12,314)</b>	–
Gain arising from changes in fair value of investments at fair value through profit and loss	6	<b>(8,875)</b>	–
Amortisation of goodwill	6	–	41,705
Amortisation of a long term investment	6	–	1,400
Unrealised holding gains on listed equity securities	6	–	(870)
Unrealised holding gains on unlisted portfolio funds	6	–	(1,668)
Negative goodwill recognised as income	6	–	(3,400)
Operating profit before working capital changes		<b>932,954</b>	724,723

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	<b>2005</b>	2004
	<b>HK\$'000</b>	HK\$'000
		(Restated)
Operating profit before working capital changes	<b>932,954</b>	724,723
(Increase)/decrease in inventories	<b>(1,085,064)</b>	735,176
Increase in accounts receivable	<b>(145,766)</b>	(203,581)
(Increase)/decrease in other debtors, prepayments and deposits	<b>(181,381)</b>	365,778
Decrease/(increase) in amounts due from fellow subsidiaries	<b>5,983</b>	(8,064)
Decrease/(increase) in amount due from the ultimate holding company	<b>7,025</b>	(6,899)
Increase in amounts due from related companies	<b>(104,627)</b>	(1,840)
Increase/(decrease) in accounts payable	<b>240,179</b>	(31,540)
Increase/(decrease) in other payables and accruals	<b>34,989</b>	(365,497)
(Decrease)/increase in amounts due to fellow subsidiaries	<b>(41,568)</b>	42,871
Increase/(decrease) in amounts due to related companies	<b>512,401</b>	(151,668)
Increase/(decrease) in amount due to the ultimate holding company	<b>197,247</b>	(5,388)
Decrease in amounts due to minority shareholders of subsidiaries	<b>(2,106)</b>	(34,306)
Cash generated from operations	<b>370,266</b>	1,059,765
Interest received	<b>30,238</b>	19,534
Interest paid	<b>(135,708)</b>	(84,265)
Hong Kong profits tax paid	<b>(700)</b>	(1,040)
Mainland China tax paid	<b>(157,337)</b>	(83,694)
Net cash inflow from operating activities	<b>106,759</b>	910,300

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Net cash inflow from operating activities		<b>106,759</b>	910,300
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in pledged deposits		<b>(402,000)</b>	–
Advances to associates		<b>(36,505)</b>	(8,140)
Repayments from a long term investment		<b>678</b>	889
Payment for acquisition of a subsidiary in the prior year		–	(52,358)
Dividends from associates		<b>3,042</b>	2,938
Dividends received from an unlisted available-for-sale investments/long term investment and listed equity securities		<b>3,770</b>	3,875
Proceeds from disposal of items of property, plant and equipment		<b>3,690</b>	1,007
Net proceeds from disposal of investments at fair value through profit and loss/other investments		<b>306,732</b>	221,468
Purchases of an available-for-sale investment		<b>(15,692)</b>	–
Purchases of investments at fair value through profit and loss/other investments		<b>(62,935)</b>	(313,800)
Purchases of items of property, plant and equipment	14	<b>(565,249)</b>	(448,624)
Addition of prepaid land premiums		<b>(42,043)</b>	–
Deposit for purchase of property, plant and equipment		<b>(45,319)</b>	–
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		<b>70,533</b>	(63,506)
Net cash outflow from investing activities		<b>(781,298)</b>	(656,251)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from exercise of share options	31	<b>4,919</b>	13,695
New bank and other loans		<b>9,530,190</b>	8,054,536
Repayments of bank and other loans		<b>(8,784,311)</b>	(8,309,361)
Loans from minority shareholders of subsidiaries		<b>7,515</b>	689
Additional capital injection from minority shareholders of a subsidiary		–	52,599
Dividends paid		<b>(142,259)</b>	(136,351)
Dividends paid to minority shareholders of subsidiaries		<b>(12,283)</b>	(2,261)
Net cash inflow/(outflow) from financing activities		<b>603,771</b>	(326,454)

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Year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000 (Restated)
NET DECREASE IN CASH AND CASH EQUIVALENTS		<b>(70,768)</b>	(72,405)
Cash and cash equivalents at beginning of year		<b>1,005,615</b>	1,078,108
Effect of foreign exchange rate changes, net		<b>19,855</b>	(88)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>954,702</b>	1,005,615
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	<b>881,572</b>	620,014
Non-pledged time deposits with original maturity of less than three months when acquired		<b>73,130</b>	385,601
		<b>954,702</b>	1,005,615