

64 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		346,345	281,206
Adjustments for:			
Finance costs	6	148,167	87,516
Share of profit of a jointly-controlled entity		–	(17,090)
Share of profits and losses of associates		(55,844)	(34,832)
Depreciation of property, plant and equipment	5	89,932	67,425
Depreciation of investment properties	5	5,940	–
Recognition of prepaid land premiums	5	4,289	2,929
Amortisation of goodwill	5	–	59,136
Release of goodwill upon sales of developed properties	5	7,972	4,084
Amortisation of a trading right	5	–	300
Write-down of inventories to net realisable value/ provision against inventories	5	20,125	5,970
Provision for bad and doubtful debts	5	18,154	3,170
Provisions for product warranties and long service payments, net	35	21,726	4,765
Write-back of provision for a foreseeable loss on properties held for sale	5	–	(5,469)
Gain on disposal of a subsidiary	5	–	(90,795)
Loss/(gain) on disposal of items of property, plant and equipment	5	(128)	1,304
Fair value gains on equity investments at fair value through profit or loss, net/unrealised gains on revaluation of short term investments	5	(1,851)	(27,359)
Dividend income from listed investments	5	(7,463)	(7,115)
Rental income, net	5	(25,410)	(20,022)
Interest income	5	(50,155)	(30,104)
Operating profit before working capital changes		521,799	285,019
Decrease/(increase) in inventories		2,061,394	(1,499,475)
Decrease in properties held for sale		193,359	131,494
Increase in trade and bills receivable		(1,047,039)	(222,690)
Increase in net investments in finance leases		(125,007)	–
Decrease/(increase) in loans and receivables		(124,569)	547,688
Increase in prepayments, deposits and sundry receivables		(206,375)	(165,377)
Decrease/(increase) in equity investments at fair value through profit or loss/short term investments		24,184	(38,311)
Decrease in cash held on behalf of securities clients		241	7,051
Increase in trade and bills payables, and sundry payables and accruals		329,674	489,865
Decrease in provisions of product warranties and long service payments		(15,009)	(15,315)
Cash generated from/(used in) operations		1,612,652	(480,051)
Dividends received from listed investments		7,463	7,115
Rental received		25,410	20,022
Interest received		18,857	19,460
Hong Kong profits tax paid		(17,460)	(6,160)
Overseas taxes paid		(10,176)	(13,876)
Net cash inflow/(outflow) from operating activities		1,636,746	(453,490)

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash inflow/(outflow) from operating activities		1,636,746	(453,490)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends from associates		–	4,410
Other interest received		31,298	10,644
Investment in an associate		(227,962)	–
Repayment from associates		102,106	3,731
Purchases of items of property, plant and equipment	13	(495,330)	(366,836)
Purchases of investment properties	14	(274,485)	–
Additions to prepaid land premiums	15	(48,570)	(31,704)
Additions to properties under development		(577,018)	(219,979)
Proceeds from disposal of items of property, plant and equipment		40,623	18,075
Proceeds from disposal of prepaid land premiums		6,901	2,335
Additional interests in subsidiaries	40(b)	(17,549)	(17,901)
Proceeds from disposal of a subsidiary	40(a)	–	252,834
Proceeds from acquisition of a subsidiary	40(c)	–	61,138
Purchase of available-for-sale investments/ long term investments		(49,322)	(225,414)
Decrease in pledged time deposits		173,524	669,196
Net cash inflow/(outflow) from investing activities		(1,335,784)	160,529
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(148,167)	(88,867)
Dividend paid		(31,816)	(28,535)
Proceeds from exercise of warrants		33,000	295,053
Repayment of short term bank loans and other loan		(1,313,634)	(1,439,888)
Repayment of long term bank loans		–	(139,761)
Increase/(decrease) in trust receipt loans		(130,410)	31,488
New short term bank loans and other loan		728,451	1,254,080
New long term bank loans		534,879	382,245
Additions to minority interests in investments in subsidiaries		26,035	38,652
Repayment to minority interests		(2,557)	(18,155)
Net cash inflow/(outflow) from financing activities		(304,219)	286,312
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,257)	(6,649)
Cash and cash equivalents at beginning of year		942,845	934,746
Effect of foreign exchange rate changes, net		1,273	14,748
CASH AND CASH EQUIVALENTS AT END OF YEAR		940,861	942,845



66 Consolidated Cash Flow Statement (continued)
Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	707,669	840,744
Non-pledged time deposits with original maturity of less than three months when acquired	30	242,429	128,903
Bank overdrafts	34	(9,237)	(26,802)
		940,861	942,845