

consolidated cash flow statement

year ended 31 December 2005

	<u>2005</u> HK\$ million	(Restated) <u>2004</u> HK\$ million
OPERATING ACTIVITIES		
Profit before tax	315	525
Adjustments for:		
Interest income	(6)	(10)
Interest expenses	56	32
Share of loss of associates	1	–
Depreciation	94	115
Change in fair value of investments held for trading	(70)	(129)
Change in fair value of derivative instruments	1	–
Net increase in fair value of investment properties	(1)	(1)
Recognition of discount on increase investment in subsidiaries	(1)	–
Release of negative goodwill	–	(1)
Amortisation of goodwill	–	16
Amortisation of brands and trademarks	–	78
Amortisation of other assets	24	14
Amortisation of prepaid lease payments	6	6
Allowance for doubtful debts	3	10
Impairment loss recognised in respect of investments available-for-sale	6	12
Gain on disposal of subsidiaries	–	(89)
Gain on disposal of property, plant and equipment	–	(24)
Gain on disposal of investments available-for-sale	–	(10)
Gain on disposal of properties held for sale	–	(6)
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Operating cash flows before movements in working capital	428	538
(Increase)/decrease in accounts, bills and other receivables	(20)	56
Decrease in inventories	79	3
Increase in investments held for trading	(341)	(167)
Decrease/(increase) in prepayments, deposits and other assets	228	(133)
(Increase)/decrease in amounts due from associates	(3)	92
Increase in amounts due to associates	5	–
Decrease in accounts and bills payables	(207)	(183)
(Decrease)/increase in accrued liabilities and other payables	(448)	459
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Cash (used in)/generated from operations	(279)	665
Interest paid	(54)	(32)
Hong Kong profits tax paid	(16)	(9)
Overseas profits tax paid	–	(2)
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Net cash (used in) /generated from operating activities	(349)	622

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	Note	<u>2005</u> <u>HK\$</u> million	(Restated) <u>2004</u> HK\$ million
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		<u>(349)</u>	<u>622</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(62)	(55)
Purchase of associates		(203)	–
Purchase of additional interests in a subsidiary		(28)	(11)
Payments for other assets		(15)	(54)
Purchase of investments available-for-sale		–	(593)
Decrease in pledged deposits with banks		11	1
Interest received		6	10
Proceeds from disposal of property, plant and equipment		6	36
Proceeds from disposal of investments available-for-sale		–	38
Proceeds from disposal of properties held for sale		–	81
Proceeds from disposal of investment properties		–	3
Disposal of subsidiaries	35(a)	–	151
Net cash used in investing activities		<u>(285)</u>	<u>(393)</u>
FINANCING ACTIVITIES			
Dividend paid to minority interests		(24)	(4)
Dividends paid		(143)	(97)
Capital element of finance lease rental payments		(9)	(9)
New secured bank loans		342	–
New unsecured bank loans		125	73
Repayment of secured bank loans		(145)	(62)
Repayment of unsecured bank loans		(17)	(279)
Increase in trust receipt loans		244	72
Net cash generated from/(used in) financing activities		<u>373</u>	<u>(306)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(261)</u>	<u>(77)</u>
Cash and cash equivalents at beginning of year		93	169
Effect of foreign exchange rate changes, net		–	1
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>(168)</u>	<u>93</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		670	789
Bank overdrafts		(838)	(696)
		<u>(168)</u>	<u>93</u>