

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
Cash flows from operating activities		
Profit before taxation	22,842	22,757
Adjustments for:		
Depreciation	49,982	49,418
Amortisation of prepaid lease payments	2,766	3,156
Interest expenses	11,839	5,372
Loss on disposal of property, plant and equipment other than leasehold land and buildings	1,564	59
Gain on disposal of investment properties	(367)	—
Gain on disposal of properties held for sale	(3,540)	—
Gain on disposal of leasehold land and buildings	—	(8,793)
Allowance for bad and doubtful debts	1,530	10,427
Allowance for inventories	300	—
Gain arising from fair value changes of investment properties	(2,506)	—
Surplus arising on revaluation of investment properties	—	(3,548)
Unrealised holding gain on trading securities	—	(694)
Loss arising from fair value changes of investments held for trading excluding dividend income	65	—
Gain arising from fair value changes of outstanding derivative financial instruments	(3,367)	(153)
Gain on revaluation of properties held for sale	(2,434)	—
Interest income	(403)	(479)
Dividend income from investments held for trading	(62)	—
Dividend income from trading securities	—	(53)
Effect of foreign exchange rate changes on inter-company balances	684	—
Operating cash flows before movements in working capital	78,893	77,469
Decrease (increase) in inventories	7,465	(36,897)
Increase in trade and other receivables	(26,739)	(7,161)
Increase in trade and other payables	13,111	16,401
Net cash generated from operations	72,730	49,812
Profits tax paid outside Hong Kong	(1,716)	(1,476)
Profits tax paid in Hong Kong	—	(864)
Profits tax refunded in Hong Kong	535	1,046
Interest received	403	479
Net cash generated from operating activities	71,952	48,997

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	2005 HK\$'000	2004 HK\$'000 (restated)
Cash flows from investing activities		
Prepaid lease payments paid	(12,227)	(24,025)
Purchase of property, plant and equipment	(52,302)	(94,540)
Acquisition of investment properties	(4,244)	(289)
Acquisition of properties held for sale	—	(82,240)
Deposits paid for acquisition of property, plant and equipment	(4,229)	(22,333)
Proceeds from disposal of property, plant and equipment	—	45,247
Proceeds from disposal of investment properties	8,667	—
Proceed from disposal of properties held for sale	12,146	—
Dividends received on investments held for trading	62	—
Dividends received on trading securities	—	53
Net cash used in investing activities	(52,127)	(178,127)
Cash flows from financing activities		
Bank loans raised during the year	69,237	259,217
Repayment of bank loans	(93,581)	(87,892)
Dividends paid in cash	(3,382)	(6,764)
Interest paid	(11,839)	(5,372)
Net (decrease) increase in trust receipts and import loans	(2,154)	1,050
Net cash (used in) generated from financing activities	(41,719)	160,239
Net (decrease) increase in cash and cash equivalents	(21,894)	31,109
Cash and cash equivalents at the beginning of the year	93,178	62,069
Effect of foreign exchange rate changes	463	—
Cash and cash equivalents at the end of the year	71,747	93,178
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	81,454	95,816
Bank overdrafts	(9,707)	(2,638)
	71,747	93,178