

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005 HK\$'000	2004 HK\$'000 (restated)
OPERATING ACTIVITIES		
Profit (loss) before taxation	64,969	(26,617)
Adjustments for:		
Interest income	(1,889)	(3,386)
Finance costs	31,066	27,079
Depreciation	36,758	36,472
Amortisation of prepaid lease payments	1,228	1,376
(Write back of) allowance for bad and doubtful debts	(100)	12,066
Amortisation of goodwill	–	4,473
Release of negative goodwill	–	(1,005)
Change in fair value of derivative financial instruments	(4,146)	–
Gain on disposal of derivative financial instruments	(1,694)	–
Loss on disposal of property, plant and equipment and prepaid lease payments	4,578	739
Gain on disposal of investment properties	(199)	–
Decrease in fair value of investment properties	970	5,930
Revaluation decrease on property, plant and equipment	–	13,249
Impairment loss on goodwill	10,184	10,610
Impairment loss on property, plant and equipment	–	2,638
Write down of inventories	993	1,010
(Loss) gain on disposal of subsidiaries	(2,406)	313
Share of results of jointly controlled entities	(60)	(190)
Share of results of associates	(1,218)	–
Operating cash flows before movements in working capital	139,034	84,757
Increase in inventories	(17,379)	(52,766)
Decrease in trade and other receivables	42,130	18,922
Change in derivative financial instruments	1,694	–
Decrease in amount due from jointly controlled entities	(92)	–
Decrease in amount due from associates	(682)	–
Decrease in prepaid lease payments	–	5,628
Increase in trade and other payables	21,150	18,388
Effect of foreign exchange rate changes	(478)	(322)
Cash generated from operations	185,377	74,607
Hong Kong Profits Tax paid	(6,656)	(2,126)
Taxation outside Hong Kong paid	(8,088)	(1,902)
Hong Kong Profits Tax refunded	160	16
NET CASH FROM OPERATING ACTIVITIES	170,793	70,595

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	Note	2005 HK\$'000	2004 HK\$'000 (restated)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,091)	(25,671)
Increase in pledged bank deposits		(6,262)	(39,593)
Acquisition of associates		(5,449)	–
Advance of loans		(950)	–
Proceeds from disposal of property, plant and equipment, and prepaid lease payments		18,475	2,604
Proceeds from disposal of investment properties		11,459	–
Repayment of loans advanced		6,385	1,838
Receipt of deferred consideration on disposal of property, plant and equipment		–	2,157
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	37	5,006	8,609
Interest received		2,255	3,046
Advance to jointly controlled entities		–	(6,822)
Consideration on acquisition of further interests in subsidiaries		–	(4,560)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		18,828	(58,392)
FINANCING ACTIVITIES			
Bank loans raised		179,952	173,030
Capital contribution from minority shareholders		4,410	–
Repayment of bank loans		(243,281)	(215,191)
Interest paid		(30,233)	(27,213)
Dividend paid to minority shareholders of subsidiaries		(27,142)	(11,500)
Net (repayment) borrowing of trust receipt loans		(15,429)	62,505
Repayment of mortgage loans		(14,223)	(14,514)
Repayment of obligations under finance leases		(6,305)	(7,313)
Repayment to minority shareholders		(2,091)	(3,350)
Mortgage loans raised		–	9,111
Dividend paid		–	(8,510)
NET CASH USED IN FINANCING ACTIVITIES		(154,342)	(42,945)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		35,279	(30,742)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		86,055	116,493
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		606	304
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		121,940	86,055
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		124,845	92,673
Bank overdrafts		(2,905)	(6,618)
		121,940	86,055