

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:			
From continuing operations		112,511	148,489
From a discontinued operation	12	177,349	166,662
Adjustments for:			
Finance costs	7a	3,461	1,348
Fair value adjustment for derivative financial instrument	7b	66,315	–
Interest income	5	(21,358)	(4,789)
Dividend income from an unlisted investment	5	(7,520)	(10,727)
Depreciation	15	29,384	26,090
Recognition of prepaid land lease payments	16	727	282
Goodwill amortisation	17	–	5,388
Amortisation of patents and licenses	18	1,595	1,323
Gain on disposal of a subsidiary	33	–	(805)
(Gain)/Loss on disposal of items of property, plant and equipment		(88)	2,203
Deficit/(Reversal of a deficit) on revaluation of buildings		122	(712)
Operating profit before working capital changes		362,498	334,752
Increase in inventories		(14,207)	(1,865)
Increase in trade receivables		(90,348)	(44,030)
Increase in prepayments, deposits and other receivables		(19,960)	(19,490)
Increase in due from a related company		(357)	(673)
Increase/(decrease) in trade payables		11,886	(3,757)
Increase in other payables and accruals		62,198	22,640
Increase/(decrease) in due to a related company		(2,308)	648
Cash generated from operations		309,402	288,225
Mainland China profits tax paid		(45,673)	(33,003)
Net cash inflow from operating activities		263,729	255,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	21,358	4,789
Dividend received from an unlisted investment	5	7,520	10,727
Purchases of items of property, plant and equipment	15	(70,497)	(113,219)
Increase in prepaid land lease payments	16	(233)	(18,253)
Proceeds from disposal of items of property, plant and equipment		3,389	206
Additions to other intangible assets	18	(6,576)	(2,311)
Proceeds from disposal of subsidiaries	33	–	659
Proceeds from disposal of a discontinued operation	12	1,514,910	–
Expenses in relation to the disposal of a discontinued operation	12	(20,291)	–
Net cash inflow/(outflow) from investing activities		1,449,580	(117,402)

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Year ended 31 December, 2005

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Net cash inflow/(outflow) from investing activities		1,449,580	(117,402)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(3,138)	(1,348)
Dividends paid		(271,676)	(87,302)
Dividends paid to minority shareholders		(104,667)	(61,922)
Proceeds from issue of shares	30	13,320	–
Net cash outflow from financing activities		(366,161)	(150,572)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,347,148	(12,752)
Cash and cash equivalents at beginning of year		344,484	357,222
Effect of foreign exchange rate changes, net		4,381	14
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,696,013	344,484
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	223,532	198,491
Time deposits with original maturity of less than three months when acquired	25	1,472,481	145,993
		1,696,013	344,484