

Consolidated Cash Flow Statement

For the Year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000
Operating activities			
Profit from operations		277,684	122,812
Adjustments for:			
Valuation gain on investment property		(2,038)	—
Depreciation		39,129	42,850
Amortisation of land lease premium for property held for own use		2,683	231
Amortisation of intangible assets		11,791	11,334
Impairment of goodwill		—	987
Dividend income from listed equity securities		—	(2,901)
Interests income		(7,089)	(5,600)
Profit on sale of fixed assets		(55)	(82)
Net realised and unrealised (gains)/losses on trading securities		(35)	796
Transfer from equity on disposal of available-for-sale securities		(92,440)	—
Provision/(write-back) of provision for slow-moving and obsolete inventories		3,097	(669)
Impairment loss for bad and doubtful debts		14,305	—
Impairment loss for club debenture		130	—
Bad debts written off		1,061	154
Foreign exchange loss/(gain)		(8,704)	—
Equity-settled share-based payment expenses		17,086	—
Operating profit before changes in working capital		256,605	169,912
Decrease in inventories		5,470	19,870
Decrease/(increase) in debtors, bills receivable, deposits and prepayments		94,474	(136,649)
(Decrease)/increase in creditors, bills payable and accrued charges		(4,723)	12,519
		95,221	(104,260)
Cash generated from operations		351,826	65,652
Tax paid			
Hong Kong profits tax paid		—	—
Overseas tax paid		(20,598)	(44,098)
		(20,598)	(44,098)
Net cash generated from operating activities		331,228	21,554

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Investing activities			
Decrease in pledged bank deposits		–	5,113
Payments for the purchase of fixed assets		(146,407)	(134,906)
Payment for purchase of intangible assets		–	(1,018)
Proceeds from sale of fixed assets		–	210
Payment for purchase of:			
– available-for-sale securities		–	(1,459)
– trading securities		(7,492)	(99,945)
Proceeds from sale of trading securities		2,036	99,192
Proceeds from sale of available-for-sale securities (2004: investment securities)		117,884	43,557
Interest received		7,089	5,600
Refund of deposit for purchase of land		–	42,056
Payment for deposits for acquisition of fixed assets		(342,961)	–
Payment of deposit for acquisition of intangible assets		(3,393)	(9,106)
Net cash outflow in respect of the acquisition of a subsidiary		–	(5,381)
Dividends received from investments in securities		–	2,901
Net cash used in investing activities		(373,244)	(53,186)
Financing activities			
Capital element of finance lease rentals paid		(34)	(7,149)
Payment for repurchase of shares		(4,002)	(12,786)
Proceeds from new bank loans		2,815	235,000
Repayment of bank loans		(58,750)	(11,743)
Proceeds from issuance of shares		–	27,362
Proceeds from shares issued under share option scheme		22,881	4,648
Proceeds from the issue of convertible bonds		–	31,824
Interest element of finance lease rentals paid		(31)	(180)
Other borrowing costs paid		(7,507)	(7,483)
Dividend paid to equity shareholders of the company		(18,692)	(17,228)

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	<i>Note</i>	2005 HK\$'000	2004 HK\$'000
Net cash (used in)/from financing activities		(63,320)	242,265
Net (decrease)/increase in cash and cash equivalents		(105,336)	210,633
Cash and cash equivalents at 1 January		630,909	420,276
Effect of foreign exchange rate changes		(11,507)	—
Cash and cash equivalents at 31 December	24	514,066	630,909

The notes on pages 51 to 135 form part of these financial statements.