

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

ANNUAL REPORT 2006

PANVA GAS HOLDINGS LIMITED

	NOTE	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
(Loss) profit before taxation		(229,566)	240,997
Adjustments for:			
Interest income		(29,988)	(42,275)
Interest expenses		177,207	115,950
Share of result of associates		13,664	(20,829)
Gain on disposal of available-for-sale investments		-	(4,177)
Dividends from available-for-sale investments		(11,083)	(5,104)
Release of prepaid lease payments		4,922	1,505
Amortisation of intangible assets		4,107	428
Share-based payment expenses		9,288	16,129
Depreciation of property, plant and equipment		104,584	63,297
(Gain) loss on disposal of property, plant and equipment		(1,701)	353
Allowance for doubtful debts		40,000	-
Discount on acquisition of subsidiaries		(24,085)	-
Discounts on acquisition of additional interest in a subsidiary		(4,500)	(15,168)
Changes in fair value of derivative financial instruments		124,151	208,127
Impairment loss recognised in respect of available-for-sale investments		983	-
Operating cash flows before movements in working capital		177,983	559,233
Decrease (increase) in inventories		3,678	(24,822)
Decrease (increase) in trade receivables		355,563	(305,494)
Decrease (increase) in other receivables, deposits and prepayments		222,761	(324,303)
Decrease in amounts due from minority shareholders		13,695	-
(Decrease) increase in trade payables		(150,275)	220,823
(Decrease) increase in other payables and accrued charges		(67,069)	51,924
(Decrease) increase in amounts due to minority shareholders		(8,006)	13,848
Cash generated from operations		548,330	191,209
Interest paid		(172,457)	(114,744)
Taxation paid		(11,274)	(10,476)
NET CASH GENERATED FROM OPERATING ACTIVITIES		364,599	65,989
INVESTING ACTIVITIES			
Settlement of derivative financial instruments		(433,612)	-
Purchase of property, plant and equipment		(273,249)	(570,134)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	29	(241,341)	(105,223)
Prepaid lease payments		(16,561)	(4,455)
Decrease (increase) in pledged bank deposits		202,916	(124,966)
Proceeds from disposal of property, plant and equipment		33,638	23,315
Interest received		29,988	109,094
Dividends from available-for-sale investments		11,083	5,104
Dividend received from an associate		4,343	-
Acquisition of an associate		-	(307,951)
Purchase of available-for-sale investments		-	(244,296)
Acquisition of additional interest in a subsidiary		-	(6,622)
Proceeds from disposal of available-for-sale investments		-	73,059
Proceeds from disposal of prepaid lease payments		-	527
NET CASH USED IN INVESTING ACTIVITIES		(682,795)	(1,152,548)

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FINANCING ACTIVITIES		
Repayment of bank and other loans	(87,086)	(34,777)
Dividends paid to minority shareholders of subsidiaries	(10,764)	(5,858)
New bank and other loans raised	20,159	3,839
Issue of shares as a result of the exercise of share options	8,799	–
Capital contribution from minority shareholders of subsidiaries	5,758	–
NET CASH USED IN FINANCING ACTIVITIES	(63,134)	(36,796)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(381,330)	(1,123,355)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	986,411	2,096,553
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	9,398	13,213
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	614,479	986,411