Auditors' Report Consolidated Income Statement Consolidated Balance Sheet Consolidated Statement of Changes in Equity Consolidated Cash Flow Statement Notes to the Financial Statements Summary Financial Information

Consolidated Cash Flow Statement

For the year ended 31 December 2006

HK\$'000 HK\$'000 CASH FLOWS FROM OPERATING ACTIVITIES 297,762 186,97 Adjustments for: Share of protit of associates (69,608) (76,01) Share of protit of associates 14,842 11,63 2,404 3,645 Bad debts written off 3,645 3,645 3,645 3,645 3,645 3,645 6,690) (76,01) 14,842 11,63 4,404 3,645 3,645 3,645 3,645 3,645 3,645 6,690) (43) 4,645 18,88 (41) 1,598 (41) 1,598 (41) 1,598 (41) 1,698 (41) 1,698 (41) 1,698 (41) 1,698 (41) 1,698 (42) 1,698 (41) 1,698 (41) 1,698 (41) 1,698 (41) 1,698 (41) 1,699 (43) 44,600 (34) (49,090) (43) (40,906) 3,48 (49,090) (43) (40,906) 3,48 (41,60) (41,227) (14,20) (41,227) (14,			
Profit before tax297,762186,97Adjustments for: Share of profit of associates(69,609) Finance costs(76,01) 14,84211,63Allowance for receivables2,4043,645Bad debts written off3,6453,645Depreciation48,45018,88Loss/(gain) on disposals of property, plant and equipment1,598(41)Interest income(4,909)(43)Amortisation of leasehold land payments2858Unrealised (profit)/loss on closing inventories(763)19Operating profit before working capital changes(40,906)3,48Unrealised (increase) in trade and other receivables(40,906)3,48Decrease/(increase) in use for an associate14,227(14,22Decrease/(increase) in trade and other receivables(23,605)(29,51)Increase in bills payables(33,605)(29,51)Increase in bills payables(33,605)(29,51)Increase in bills payables(2,492)(1,60)Cash generated from operations(2,492)(1,60)Interest paid(12,350)(10,02)Increase in pledged bank deposits2,473(12,95)Purchases of property, plant and equipment and leasehold land payments(40,184)Dividends received from associates2,473(42,92)Interest ceived(40,184)(45,77)Proceeds from disposals of property, plant and equipment and leasehold land payments(40,184)Dividends received from associates(40,184)Proce			2005 HK\$'000
Adjustments for: (69,608) (76,01) Share of profit of associates (69,608) (76,01) Finance costs 14,842 11,63 Allowance for receivables 2,404 3,645 Bad debts written off 3,645 3,645 Depreciation 11,598 (41) Loss/(gain) on disposals of property, plant and equipment 1,598 (41) Interest income (763) 19 Amortisation of leasehold land payments 285 8 Unrealised (profit)/0ss on closing inventories (763) 19 Sold to associates, net (763) 19 Operating profit before working capital changes (293,706 140,900 (Increase) in trade and other receivables 127,841 (1,07) Decrease/(increase) in due from an associate 14,227 14,227 Decrease/(increase) in prepayments and deposits 22,281 (14,36) Decrease/(increase) in prepayments and deposits 22,281 (14,36) Increase in bills payables 431,069 99,31 Interest paid (12,350) (10,02) (2,492) Income taxes paid	CASH FLOWS FROM OPERATING ACTIVITIES		
Share of profit of associates (69,608) (76,01 Finance costs 14,842 11,63 Allowance for receivables 2,404 Bad debts written off 3,645 Depreciation 48,450 18,88 Loss/(gain) on disposals of property, plant and equipment 1,598 (4,909) Interest income (4,909) (43 Amortisation of leasehold land payments 285 8 Unrealised (profit)/loss on closing inventories 293,706 140,900 sold to associates, net (763) 19 Operating profit before working capital changes 293,706 140,900 (Increase)/decrease/(increase) in due from an associate 12,7,841 (1,07) Decrease/(increase) in due from an associate 12,7,841 (1,02) Decrease/(increase) in due form an associate (33,605) (29,51) Increase in trade and other payables (33,605) (29,52) Increase in bills payables 431,069 99,31 Interest paid (12,350) (10,02) Finance lease charges paid (12,350) (10,02) Income taxes paid (38,090) (38,0	Profit before tax	297,762	186,974
(Increase)/decrease in inventories(40,906)3,48Decrease/(increase) in trade and other receivables127,841(1,07Decrease/(increase) in due from an associate14,227(14,22Decrease/(increase) in prepayments and deposits22,281(14,36Decrease in trade and other payables22,281(14,36Increase in bills payables47,52514,10Cash generated from operations431,06999,31Interest paid(12,350)(10,02Finance lease charges paid(12,492)(1,602Income taxes paid(38,090)(5,955Net cash generated from operating activities378,13781,72CASH FLOWS FROM INVESTING ACTIVITIES2,473(12,95Decrease of property, plant and equipment and leasehold land payments2,473(12,95Dividends received from associates27,0538,94Proceeds from disposals of property, plant and equipment and leasehold land payments27,0538,94Interest received-(80,20043Acquisition of an associate-(80,20043Acquisition of subsidiaries-(80,20043Cash generate(80,200Cash generate(80,200Decrease/(Increase) in pledged bank depositsProceeds from disposals of property, plant and equipment and-(80,200Interest received(80,200Acquisition of subsidiaries-(80,200Cash generate-	Share of profit of associates Finance costs Allowance for receivables Bad debts written off Depreciation Loss/(gain) on disposals of property, plant and equipment Interest income Amortisation of leasehold land payments Unrealised (profit)/loss on closing inventories	14,842 2,404 3,645 48,450 1,598 (4,909) 285	(76,018) 11,631 - - 18,889 (414) (434) 82 197
Interest paid(12,350)(10,02)Finance lease charges paid(2,492)(1,60)Income taxes paid(38,090)(5,95)Net cash generated from operating activities378,13781,72CASH FLOWS FROM INVESTING ACTIVITIES2,473(12,95)Decrease/(Increase) in pledged bank deposits2,473(12,95)Purchases of property, plant and equipment and leasehold land payments(40,184)(45,77)Dividends received from associates74,49930,49Proceeds from disposals of property, plant and equipment and leasehold land payments27,0538,94Interest received4,90943Acquisition of an associate-(80,20)Acquisition of subsidiaries-(330,115)-	(Increase)/decrease in inventories Decrease/(increase) in trade and other receivables Decrease/(increase) in due from an associate Decrease/(increase) in prepayments and deposits Decrease in trade and other payables	(40,906) 127,841 14,227 22,281 (33,605)	140,907 3,487 (1,074) (14,227) (14,367) (29,514) 14,106
CASH FLOWS FROM INVESTING ACTIVITIES Decrease/(Increase) in pledged bank deposits Purchases of property, plant and equipment and leasehold land payments Dividends received from associates Proceeds from disposals of property, plant and equipment and leasehold land payments Interest received Acquisition of an associate Acquisition of subsidiaries	Interest paid Finance lease charges paid	(12,350) (2,492)	99,318 (10,028) (1,603) (5,959)
Purchases of property, plant and equipment and leasehold land payments(40,184)(45,77Dividends received from associates74,49930,49Proceeds from disposals of property, plant and equipment and leasehold land payments27,0538,94Interest received4,90943Acquisition of an associates–(80,20)Acquisition of subsidiaries		378,137	81,728
leasehold land payments27,0538,94Interest received4,90943Acquisition of an associate-(80,20)Acquisition of subsidiaries(330,115)-	Purchases of property, plant and equipment and leasehold land payments Dividends received from associates	(40,184)	(12,955) (45,776) 30,494
Net cash used in investing activities (261,365) (99,06	leasehold land payments Interest received Acquisition of an associate	4,909	8,941 434 (80,203) —
	Net cash used in investing activities	(261,365)	(99,065)

Auditors' Report Consolidated Income Statement Consolidated Balance Sheet Consolidated Statement of Changes in Equity Consolidated Cash Flow Statement Notes to the Financial Statements Summary Financial Information

	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares Share issue expenses paid Short term borrowings repaid Short term borrowing raised Payment of finance lease payables Dividends paid to equity holders of the Company Dividends paid to minority interests	310,014 (5,644) (220,679) 133,003 (14,428) (60,679) (34,608)	118,125 (7,221) (283,155) 247,699 (9,605) (87,960) —
Net cash generated from/(used in) financing activities	106,979	(22,117)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	223,751	(39,454)
Effect of foreign exchange rate changes	19,558	343
CASH AND CASH EQUIVALENTS AT 1 JANUARY	93,654	132,765
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	336,963	93,654
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	336,963	93,654