

## Consolidated Cash Flow Statement

for the year ended 31 December 2006

	Note	2006		2005	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Operating activities</b>					
Profit before taxation			115,566		229,434
Adjustments for:					
Depreciation		9,802		8,382	
Amortisation of leasehold land premium		1,760		1,760	
Impairment loss of available-for-sale equity securities		–		3,112	
Net loss/(profit) on disposal of fixed assets		48		(376)	
Revaluation gains on investment properties		(39,503)		(22,539)	
Net realised and unrealised gains on derivative financial instruments		(4,793)		(6,254)	
Interest income		(51,455)		(36,223)	
Dividend income		(3,938)		(2,000)	
Share of results of associates		(260)		14	
Realisation of inter-company profits	25	(24)		(24)	
Profit on disposal of listed and unlisted investments		(477)		(9)	
			<b>(88,840)</b>		<b>(54,157)</b>
<b>Operating profit before changes in working capital</b>			<b>26,726</b>		<b>175,277</b>
Increase in properties held for development		–		(23,033)	
Increase in employee benefits surplus		(626)		(821)	
Decrease in inventories		33,307		181,527	
Decrease in trade and other receivables		305		48,834	
Increase/(decrease) in trade and other payables		134,381		(116,197)	
			<b>167,367</b>		<b>90,310</b>
<b>Cash generated from operations</b>			<b>194,093</b>		<b>265,587</b>
Profits tax paid		(227)		(1,172)	
Profits tax refunded		439		2	
			<b>212</b>		<b>(1,170)</b>
<b>Net cash generated from operating activities</b>			<b>194,305</b>		<b>264,417</b>

## Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2006

	Note	2006		2005	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Investing activities</b>					
Interest received		51,732		34,537	
Purchase of fixed assets		(4,514)		(11,842)	
Payment for purchase of available-for-sale equity securities		(6,046)		(41,629)	
Payment for purchase of derivative financial instruments		(31,027)		(64,239)	
Payment for properties under development – held for investment		(13,685)		(6,762)	
(Advanced to)/repayment from associates		(14,223)		59,676	
Proceeds from disposal of derivative financial instruments		74,341		–	
Proceeds from disposal of unlisted investment		546		–	
Proceeds from disposal of fixed assets		–		449	
Proceeds from disposal of interest in an associate		–		310	
Proceeds from disposal of available-for-sale equity securities		–		9	
Dividends received from investments		3,938		2,000	
<b>Net cash generated from/(used in) investing activities</b>			<b>61,062</b>		<b>(27,491)</b>
<b>Financing activities</b>					
Dividends paid		(117,571)		(117,571)	
<b>Net cash used in financing activities</b>			<b>(117,571)</b>		<b>(117,571)</b>
<b>Net increase in cash and cash equivalents</b>			<b>137,796</b>		<b>119,355</b>
<b>Cash and cash equivalents at 1 January</b>			<b>1,040,923</b>		<b>921,568</b>
<b>Cash and cash equivalents at 31 December</b>	20		<b>1,178,719</b>		<b>1,040,923</b>

The notes on pages 43 to 104 form part of these accounts.