

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit for the year	115,062	285,875
Adjustments for:		
Depreciation	45,657	54,752
Amortisation of prepaid lease payments	2,116	2,070
Interest income	(11,143)	(7,317)
Interest expense	15,499	38,684
Finance lease charges	457	605
Taxation	26,784	1,506
Waiver of debts	-	(176,024)
Loss on disposal of property, plant and equipment	7,165	16,372
Fair value changes of investment properties	(23,414)	(1,679)
Allowance for doubtful debts	4,235	4,358
Impairment loss recognised in respect of property, plant and equipment	937	4,689
Impairment loss on available-for-sale investments	-	146,705
Loss (gain) on disposal of associates	201	(69,164)
Share of results of jointly controlled entities	5,579	9,125
Reversal of allowance for obsolete inventories	(1,408)	(12,033)
Gain on disposal of subsidiaries	-	(876)
Reversal of allowance for amounts due from jointly controlled entities	-	(2,977)
Reversal of allowance for amounts due from related companies	-	(5,450)
Share of results of associates	-	(274)
Operating cash flows before movements in working capital	187,727	288,947
(Increase) decrease in inventories	(3,686)	60,074
Decrease (increase) in trade and other receivables	26,698	(35,781)
Increase in trade and other payables	134	83,775
Cash generated from operations	210,873	397,015
Hong Kong Profits Tax refunded (paid)	231	(2,061)
PRC Enterprise Income Tax paid	(4,323)	(2,816)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>206,781</b>	<b>392,138</b>

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(94,506)	(68,838)
Purchase of investment properties		(3,950)	–
Net cash inflows in respect of acquisition of subsidiaries	35	16,940	–
Interest received		11,143	7,317
Proceeds from disposal of associates		7,864	143,758
Proceeds from disposal of property, plant and equipment		2,368	191,673
Increase in pledged bank deposits		–	(43,948)
Advance to associates		–	(977)
Net cash outflows in respect of disposal of subsidiaries	36	–	(38)
Proceeds from disposal of investment properties		–	209,560
Repayment of loans receivable		–	3,294
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(60,141)</b>	<b>441,801</b>
<b>FINANCING ACTIVITIES</b>			
New loans raised		50,700	–
Capital contribution from a minority shareholder of a subsidiary		20,000	–
Advance from a major shareholder		106	–
Repayment of loans		(27,832)	(592,798)
Repayment of obligations under finance leases		(9,001)	(9,884)
Interest paid		(4,037)	(17,168)
Finance lease charges		(457)	(605)
Repayment of other loans		–	(47,170)
Repayment of amounts due to associates		–	(19,459)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>29,479</b>	<b>(687,084)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>176,119</b>	<b>146,855</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>474,767</b>	<b>326,050</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>7,870</b>	<b>1,862</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH</b>		<b>658,756</b>	<b>474,767</b>