

Consolidated Cash Flow Statement

For the year ended 31st December 2006

	Note	2006 HK\$'000	2005 HK\$'000
Operating activities			
Profit before taxation		58,492	96,252
Adjustments for:			
Valuation gain on investment property	13	(36,341)	(58,279)
Depreciation of fixed assets	13	22,795	32,165
Amortisation of land lease premium for property held for own use	13	22	53
Amortisation of intangible assets	14	34	33
Impairment of fixed assets	13	4,834	3,195
Finance costs	5(a)	12,582	17,062
Dividends from unlisted investments	3	(5)	(4)
Waiver of amounts due from related party and related companies	4(a)	(2,960)	–
Interest income	4(a)	(586)	(222)
Share of profits less losses of associates		34,908	(10,891)
Share of profit of a jointly controlled entity		(597)	–
Net gain on disposal of investment property		–	(216)
Net gain on disposal of properties held for resale	4(b)	(80)	–
Net gain on disposal of fixed assets	4(b)	(220)	(101)
Foreign exchange loss/(gain)		8,459	(7,119)
Operating profit before changes in working capital		101,337	71,928
(Increase)/decrease in inventories		(18,404)	3,911
(Increase)/decrease in trade and other receivables		(18,026)	2,622
Increase in creditors and accrued charges		31,073	13,767
Increase in rental deposits received		455	249
Decrease in accrued employee benefits		(225)	(33)
Cash generated from operations		96,210	92,444
Tax paid			
Hong Kong Profits Tax paid		(43)	(240)
Hong Kong Profits Tax refunded		482	–
Overseas tax paid		(14,375)	(8,119)
Net cash generated from operating activities		82,274	84,085

Consolidated Cash Flow Statement *(Continued)*

For the year ended 31st December 2006

	<i>Note</i>	2006 HK\$'000	2005 HK\$'000
Investing activities			
Payment for investment in jointly controlled entity		(311)	(2,536)
Payment for purchase of fixed assets		(21,973)	(27,205)
Payment for purchase of available-for-sale securities		(7,800)	–
Proceeds from sale of investment properties		–	28,776
Proceeds from disposal of fixed assets		573	2,598
Proceeds from sale of properties held for resale		4,589	–
Interest received		588	222
Dividend received		5	4
Distributions received from investment in partnership		–	2,387
Decrease in investments in associates		21,956	16,068
Decrease in amounts due from associates		52,950	155
		<hr/>	<hr/>
Net cash generated from investing activities		50,577	20,469
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Financing activities			
Proceeds from new bank loans		141,566	246,649
Repayment of bank loans		(179,784)	(294,310)
Capital element of finance lease rentals paid		(1,318)	(2,285)
Repayment of loans from shareholders and directors		(93,814)	(38,902)
Increase in amounts due to related companies		13,286	10
Proceeds from new advances from directors		312	–
Interest paid		(14,184)	(21,507)
Interest element of finance lease rentals paid		(148)	(187)
		<hr/>	<hr/>
Net cash used in financing activities		(134,084)	(110,532)
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net decrease in cash and cash equivalents		(1,233)	(5,978)
Cash and cash equivalents at 1st January		(12,650)	(5,485)
Effect of foreign exchange rate changes		1,183	(1,187)
		<hr/>	<hr/>
Cash and cash equivalents at 31st December	<i>22</i>	(12,700)	(12,650)
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

The notes on pages 37 to 93 form part of these financial statements.