

Consolidated Cash Flow Statement

	For the year ended	
	31 December	
	2006	2005
	HK\$'000	<i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit before taxation	1,003,973	929,957
Adjustments for:		
Share of results of jointly controlled entities	(41,037)	(49,941)
Amortisation of prepaid lease payments	995	1,675
Depreciation of property, plant and equipment	67,788	49,564
Loss on disposal of property, plant and equipment	261	338
Increase in fair value of investment properties	(17,306)	(6,000)
Interest income	(20,192)	(6,280)
Finance costs	128,624	112,376
Dividend income	(581)	(2,602)
Gain on disposal of trading securities	(9,517)	–
Gain on disposal of investment properties	(25,466)	–
Loss on disposal of subsidiaries	3,473	–
Fair value changes in derivative financial instruments	1,865	–
Write-back of inventories to net realisable value	(28,260)	–
Recognition of share-based payment expenses	5,421	–
Operating cash flows before movements in working capital	1,070,041	1,029,087
Decrease (increase) in inventories	568,116	(820,293)
Increase in trade and bills receivable	(406,018)	(297,061)
(Increase) decrease in advance payments and other receivables	(823,936)	627,821
Increase in amount due from ultimate holding company	(41,765)	–
(Decrease) increase in trade and bills payable	(1,495,145)	973,652
Increase (decrease) in receipts in advance and other payables	1,307,492	(1,088,301)
Purchase of trading securities	(14,455)	–
Proceeds from disposal of trading securities	23,972	–
Increase in bills discounted to banks	1,841	–
Net cash generated from operations	190,143	424,905
Income tax paid	(113,017)	(191,119)
NET CASH GENERATED FROM OPERATING ACTIVITIES	77,126	233,786

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	For the year ended	
	31 December	
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INVESTING ACTIVITIES		
Additions to property, plant and equipment	(300,272)	(255,445)
Interest received	20,192	6,280
Purchase of available-for-sales investments	(236,632)	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	–	(15,445)
Additional investments in jointly controlled entities	(2,927)	–
Dividends received from jointly controlled entities	43,134	41,782
Dividends received on unlisted investments	581	2,602
Increase in pledged bank deposits	(6,287)	–
Proceeds from disposal of investment properties	190,642	–
Proceeds from disposal of property, plant and equipment	3,552	285
Proceeds from disposal of subsidiaries	(1,573)	–
Repayment of loans receivable	–	205,462
NET CASH USED IN INVESTING ACTIVITIES	(289,590)	(14,479)
FINANCING ACTIVITIES		
Decrease in amount due to a director	–	(3,271)
Decrease in amount due to a shareholder	–	(116,941)
Capital contributed by minority shareholders of subsidiaries	–	10,208
Interest paid	(95,980)	(112,376)
Proceeds from issue of shares, net of expenses	–	482,325
Proceeds from issue of convertible bonds, net of transaction costs	1,272,486	–
Proceeds from bank loans	6,910,972	13,025,875
Repayment of bank loans	(7,745,598)	(13,653,333)
Dividends paid	(116,740)	–
Dividends paid to minority shareholders of subsidiaries	(2,180)	(2,371)
Net cash generated from (used in) financing activities	222,960	(369,884)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	10,496	(150,577)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	66,551	214,064
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	2,227	3,064
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	79,274	66,551