

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

ANNUAL REPORT 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		391,244	370,931
Adjustments for:			
Finance costs	6	17,837	9,481
Share of profits and losses of jointly-controlled entities and associates		(28,950)	(45,059)
Interest income	5	(33,226)	(30,294)
Depreciation	7	116,122	123,865
Recognition of prepaid land lease payments	7	427	409
Reversal of impairment of items of property, plant and equipment	7	(2,329)	(105)
Write-down of inventories to net realisable value	7	8,172	16,368
Loss on disposal/write-off of items of property, plant and equipment	7	14,247	25,204
Gain on disposal of equity investments	5	(5,741)	–
Fair value gains, net:			
Equity investments at fair value through profit or loss		(68,551)	(7,050)
Net revaluation surplus on buildings	7	–	(213)
Provision for loans to associates	7	47,045	11,106
Impairment of interests in jointly-controlled entities	7	1,692	–
Gain on liquidation of a jointly-controlled entity	7	(1,334)	–
Reversal of impairment on liquidation of a jointly-controlled entity	7	(1,474)	–
Change in fair value of investment properties	7	(1,523)	(600)
Effect of foreign exchange rate changes, net		(3,953)	(1,044)
		449,705	472,999
Decrease/(increase) in amounts due from jointly-controlled entities		279	(1,496)
Increase in amounts due to jointly-controlled entities		2,762	6,111
Decrease/(increase) in amounts due from associates		132	(300)
Decrease in amounts due to associates		(4,682)	(1,946)
Increase in inventories		(44,702)	(13,697)
Increase in trade and bills receivables		(117,220)	(50,687)
Decrease/(increase) in prepayments, deposits and other receivables		(81,924)	6,170
Increase in equity investments at fair value through profit or loss		(73,233)	(52,475)
Decrease in amounts due from related companies		348	13,905
Increase in trade and bills payables		70,282	98,960
Increase/(decrease) in other payables and accruals		39,358	(35,496)
Cash generated from operations		241,105	442,048

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Cash generated from operations		241,105	442,048
Interest received	5	33,226	30,294
Interest paid	6	(17,657)	(9,307)
Interest element on finance lease rental payments	6	(180)	(174)
Dividends received from jointly-controlled entities		2,983	2,092
Dividends received from associates		22,036	33,859
Proceeds from disposal of equity investments		26,784	–
Hong Kong profits tax paid		(9,263)	(28,580)
Overseas taxes paid		(10,624)	(32,824)
Net cash inflow from operating activities		288,410	437,408
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(238,215)	(280,962)
Proceeds from disposal of items of property, plant and equipment		8,538	2,349
Acquisition of subsidiaries	35	(64,666)	–
Advance of loans to associates		(28,453)	(50,447)
Increase in non-pledged time deposits with original maturity of more than three months when acquired		(145,889)	(11,989)
Net cash outflow from investing activities		(468,685)	(341,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	32	15,693	95,039
Share issue expenses	32	(16)	(18)
New bank loans		267,996	3,014
Repayment of bank loans		(203,152)	(44,041)
Capital element of finance lease rental payments		(1,929)	(1,689)
Capital contributed by a minority shareholder		670	–
Dividends paid		(254,139)	(135,758)
Dividends paid to minority shareholders		(51,424)	(49,887)
Increase/(decrease) in trust receipt loans		(1,279)	48,515
Net cash outflow from financing activities		(227,580)	(84,825)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(407,855)	11,534

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(407,855)	11,534
Cash and cash equivalents at beginning of year		1,243,078	1,239,238
Effect of foreign exchange rate changes, net		11,321	(7,694)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		846,544	1,243,078
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	477,112	497,650
Non-pledged time deposits with original maturity of less than three months when acquired		389,936	756,558
Bank overdrafts	28	(20,504)	(11,130)
		846,544	1,243,078