

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2006

(Expressed in Hong Kong dollars)

| | 2006 \$'000 | 2005 \$'000 |
|--|----------------|----------------|
| Operating activities | | |
| Profit from operations | 691,357 | 545,919 |
| Adjustments for: | | |
| - Depreciation | 72,930 | 61,638 |
| - Impairment of goodwill | 7,370 | 7,008 |
| - Amortisation of lease prepayments | 4,773 | 2,913 |
| - Gain on sale of property, plant and equipment | (11,600) | (7,597) |
| - Gain on sale of unlisted equity securities | - | (37,646) |
| - Loss on sale of investment properties | 1,018 | 921 |
| - Valuation (gain)/losses on investment properties | (111,216) | 17,719 |
| - Decrease /(increase) in fair value of listed equity securities | 2,822 | (12,899) |
| - Interest income | (42,781) | (19,679) |
| - Dividend income | (21,065) | (17,686) |
| - Foreign exchange losses | 297 | 6,959 |
| Operating profit before changes in working capital | 593,905 | 547,570 |
| Decrease in amounts due from associates | 31 | 202 |
| Decrease in hire purchase debtors and instalments receivable | 43,310 | 35,339 |
| Decrease/(increase) in inventories | 84,092 | (222,575) |
| Decrease in properties held for sale | 29,960 | 18,535 |
| Decrease/(increase) in trade debtors | 5,870 | (32,465) |
| Decrease/(increase) in other debtors, deposits and prepayments | 94,227 | (28,928) |
| (Decrease)/increase in trade creditors | (76,332) | 39,816 |
| (Decrease)/increase in other creditors and accruals | (66,617) | 10,623 |
| Decrease in amounts due to related companies | (1,212) | (55) |
| Increase in provisions | 1,867 | 155 |
| Cash generated from operations | 709,101 | 368,217 |
| Interest paid | (17,854) | (15,608) |
| Taxes paid | (116,748) | (86,083) |
| Effect of exchange differences | 15,426 | (3,719) |
| Net cash generated from operating activities | 589,925 | 262,807 |

CONSOLIDATED CASH FLOW STATEMENT (continued)

for the year ended 31 December 2006
(Expressed in Hong Kong dollars)

| | Note | 2006 \$'000 | 2005 \$'000 |
|---|------|----------------|----------------|
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 32,424 | 21,325 |
| Proceeds from sale of unlisted equity securities | | - | 49,265 |
| Dividends received from associates | | 9,040 | 7,193 |
| Dividends received from listed equity securities | | 801 | 808 |
| Dividends received from unlisted equity securities | | 20,264 | 16,878 |
| Purchase of property, plant and equipment | | (239,046) | (183,025) |
| Additions to property under development | | - | (37,166) |
| Interest received | | 42,619 | 19,690 |
| Proceeds from sale of investment properties | | 2,482 | 2,761 |
| Payment for interest in an associate | | - | (4,056) |
| Payment for purchase of equity securities | | (33,195) | - |
| Net cash used in investing activities | | (164,611) | (106,327) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | (151,273) | - |
| Proceeds from drawdown of borrowings | | 50,356 | 35,110 |
| Dividends paid to shareholders | | (130,865) | (120,798) |
| Capital contribution from minority shareholders | | - | 14,198 |
| Net cash used in financing activities | | (231,782) | (71,490) |
| Net increase in cash and cash equivalents | | 193,532 | 84,990 |
| Cash and cash equivalents at 1 January | | 972,348 | 902,450 |
| Effect of foreign exchange rate changes | | 63,566 | (15,092) |
| Cash and cash equivalents at 31 December | 24 | 1,229,446 | 972,348 |

The notes on pages 31 to 75 form part of these financial statements.