

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>261,137</b>	58,947
Adjustments for:			
Finance costs	7	<b>10,917</b>	6,028
Share of profits and losses of jointly-controlled entities		<b>2,642</b>	3,313
Bank interest income	5	<b>(5,349)</b>	(3,113)
Write-back of trade and other payables	5	<b>(2,928)</b>	(34,419)
Equity-settled share option expense	36	<b>3,380</b>	–
Fair value gains on investment properties, net		<b>(245,120)</b>	(141,096)
Excess over the cost on acquisition of an additional interest in a subsidiary	5	–	(3,755)
Gain on disposal of items of property, plant and equipment	5	<b>(328)</b>	(46)
Gain on disposal of investment properties	5	–	(431)
Depreciation	6	<b>18,626</b>	19,865
Recognition of prepaid land lease payments	6	<b>2,113</b>	1,058
Amortisation of technical know-how	6	–	500
Impairment of goodwill	6	<b>77,716</b>	169,000
Impairment of an interest in an associate	6	<b>3</b>	3
Impairment of technical know-how	6	–	3,000
Impairment of trade receivables	6	<b>163</b>	8,311
Impairment of available-for-sale investments	6	<b>473</b>	1,003
Exchange adjustment		<b>5,486</b>	3,319
		<b>128,931</b>	91,487
Increase in inventories		<b>(6,032)</b>	(65)
Increase in trade receivables		<b>(4,951)</b>	(6,037)
(Increase)/decrease in prepayments, deposits and other receivables		<b>7,617</b>	(6,384)
Increase/(decrease) in trade payables		<b>(2,036)</b>	9,004
Increase in other payables and accruals		<b>17,509</b>	11,871
Increase/(decrease) in an amount due to a related company		<b>(2,068)</b>	16,497
Increase in rental deposits		<b>6,368</b>	4,523
Cash generated from operations		<b>145,338</b>	120,896
Interest paid		<b>(10,917)</b>	(6,028)
Hong Kong profits tax (paid)/refunded		<b>(16)</b>	57
Overseas taxes paid		<b>(4,157)</b>	(2,893)
Net cash inflow from operating activities		<b>130,248</b>	112,032

## Consolidated Cash Flow Statement (Cont'd)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash inflow from operating activities		<b>130,248</b>	112,032
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		<b>5,349</b>	3,113
Purchases of items of property, plant and equipment		<b>(107,429)</b>	(93,047)
Increase in a non-current time deposit		–	(15,600)
Decrease in time deposits with original maturity of more than three months when acquired		–	27,924
(Increase)/decrease in pledged deposits		<b>6,482</b>	(27,351)
Acquisition of minority interests	38(a)	–	(52,591)
Proceeds from disposal of items of property, plant and equipment		<b>2,730</b>	135
Proceeds from disposal of investment properties		–	5,591
Purchase of shareholding in a jointly-controlled entity		<b>(1,560)</b>	–
Purchase of an available-for-sale investment		<b>(139)</b>	–
Net cash outflow from investing activities		<b>(94,567)</b>	(151,826)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		<b>11,168</b>	–
New bank loans		<b>18,869</b>	123,040
Repayment of bank loans		<b>(24,650)</b>	(58,538)
Capital element of finance lease rental payments		<b>(496)</b>	–
Increase/(decrease) in amounts due to directors		<b>614</b>	(26,016)
Decrease in an amount due to a related company		<b>(1,528)</b>	(1,100)
Dividends paid		<b>(39,412)</b>	(39,256)
Net cash outflow from financing activities		<b>(35,435)</b>	(1,870)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>246</b>	(41,664)
Cash and cash equivalents at beginning of year		<b>90,143</b>	131,908
Effect of foreign exchange rate changes, net		<b>(227)</b>	(101)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>90,162</b>	90,143
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	<b>37,420</b>	38,903
Non-pledged time deposits with original maturity of less than three months when acquired	26	<b>52,742</b>	51,240
		<b>90,162</b>	90,143