

# 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:			
From continuing operations		<b>205,073</b>	112,511
From a discontinued operation	12	–	177,349
Adjustments for:			
Finance costs	7	<b>2,205</b>	3,461
Fair value adjustment to embedded derivative of convertible bonds	7	–	66,315
Share of profit of an associate	21	<b>(704)</b>	–
Acquisition of interest in an associate	21	<b>(4,485)</b>	–
Interest income	5	<b>(80,648)</b>	(21,358)
Dividend income from an unlisted investment	5	<b>(5,712)</b>	(7,520)
Depreciation	15	<b>21,267</b>	29,384
Recognition of prepaid land lease payments	16	<b>300</b>	727
Amortisation of patents and licenses	18	<b>771</b>	1,595
Loss/(gain) on disposal of property, plant and equipment		<b>3,481</b>	(88)
(Surplus)/deficit on revaluation of buildings		<b>(122)</b>	122
		<b>141,426</b>	362,498
Decrease/(increase) in inventories		<b>3,462</b>	(14,207)
(Increase) in trade receivables		<b>(10,255)</b>	(90,348)
(Increase) in prepayments, deposits and other receivables		<b>(8,965)</b>	(19,960)
(Increase) in due from related companies		<b>(1,098)</b>	(357)
Increase in trade payables		<b>3,309</b>	11,886
Increase in other payables and accruals		<b>2,561</b>	62,198
(Decrease) in due to related companies		<b>(264)</b>	(2,308)
		<b>130,176</b>	309,402
Cash generated from operations		<b>(17,920)</b>	(45,673)
Mainland China profits tax paid			
		<b>112,256</b>	263,729
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	5	<b>80,648</b>	21,358
Dividend received from an unlisted investment	5	<b>5,712</b>	7,520
Purchases of items of property, plant and equipment	15	<b>(53,855)</b>	(70,497)
Increase in prepaid land lease payments	16	<b>(9,143)</b>	(233)

## Consolidated Cash Flow Statement

Year ended 31 December, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Proceeds from disposal of items of property, plant and equipment		<b>951</b>	3,389
Additions to other intangible assets	18	<b>(16,125)</b>	(6,576)
Proceeds from disposal of a discontinued operation	12	<b>–</b>	1,514,910
Expenses in relation to the disposal of a discontinued operation	12	<b>–</b>	(20,291)
Net cash inflow from investing activities		<b>8,188</b>	1,449,580
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		<b>(2,205)</b>	(3,138)
Dividends paid		<b>(101,879)</b>	(271,676)
Dividends paid to minority shareholders		<b>(45,376)</b>	(104,667)
Capital injection by minority shareholders in subsidiary		<b>3,112</b>	–
Government grant received		<b>7,475</b>	–
Proceeds from issue of shares	32	<b>–</b>	13,320
Net cash outflow from financing activities		<b>(138,873)</b>	(366,161)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<b>(18,429)</b>	1,347,148
Cash and cash equivalents at beginning of year		<b>1,696,013</b>	344,484
Effect of foreign exchange rate changes, net		<b>6,578</b>	4,381
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>1,684,162</b>	1,696,013
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	<b>122,923</b>	223,532
Time deposits with original maturity of less than three months when acquired	26	<b>1,561,239</b>	1,472,481
		<b>1,684,162</b>	1,696,013