

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	114,449	103,609
Adjustments for:		
Share of results of associates	(7,970)	(6,118)
Loss on deemed disposal of an associate	109	125
Finance costs	4,056	3,657
Allowance for doubtful debts provided (reversed)	7,030	(13,740)
Dividend income from equity investments	(3,432)	(2)
Interest income	(3,290)	(3,963)
(Reversal of) allowance for impairment loss on consideration receivables	(5,773)	15,408
Impairment loss recognised in respect of interests in associates	-	795
Impairment losses recognised in respect of available-for-sale investments	-	2,656
Gain on disposal of available-for-sale investments	(4,544)	(7,161)
Increase in fair value of investment properties	(754)	(17,123)
Loss (gain) on fair value changes on derivative financial instruments	1,145	(365)
Depreciation of property, plant and equipment	2,553	2,410
Amortisation of prepaid lease payments	23	23
(Gain) loss on disposal of property, plant and equipment	(210)	11
Operating cash flows before movements in working capital	103,392	80,222
Increase in inventories	(25,957)	(39,344)
(Increase) decrease in trade and other receivables, deposits and prepayments	(61,785)	7,923
Increase in investments held-for-trading	(4,039)	(50,175)
Increase (decrease) in trade and other payables	58,205	(6,536)
Increase in bills payable	37,311	212
Decrease in trade payable to a related company	(1,162)	(15,022)
CASH FROM (USED IN) OPERATIONS	105,965	(22,720)
Hong Kong Profits Tax paid	(14,940)	(9,674)
Overseas Tax paid	(406)	(193)
Interest paid	(4,056)	(3,657)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	86,563	(36,244)

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES		
Dividend received from associates	1,190	873
Dividend received from equity investments	3,432	2
Interest received	3,290	3,963
Increase in pledged bank deposits	(563)	(505)
Investments in associates	-	(828)
Purchase of available-for-sale investments	-	(17,980)
Proceeds from disposal of available-for-sale investments	4,544	19,535
Purchase of property, plant and equipment	(3,581)	(1,653)
Proceeds from disposal of property, plant and equipment	452	449
New advances to staff	(2,750)	-
Repayments of staff advances	709	372
NET CASH FROM INVESTING ACTIVITIES	6,723	4,228
FINANCING ACTIVITIES		
Dividends paid	(12,085)	(5,371)
New bank loans raised	245,499	197,016
Repayment of advance from minority shareholders	-	(118)
Repayment of bank loans	(268,320)	(211,958)
Repayment of loans from related companies	-	(15,400)
Repayment of trust receipt and other loans	-	(432)
NET CASH USED IN FINANCING ACTIVITIES	(34,906)	(36,263)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	58,380	(68,279)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	94,879	163,931
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(1,131)	(773)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	152,128	94,879
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	152,128	94,943
Bank overdrafts	-	(64)
	152,128	94,879