

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	54,495	64,969
Adjustments for:		
Amortisation of prepaid lease payments	1,187	1,228
Change in fair value of derivative financial instruments	326	(4,146)
Write down of inventories	2,200	993
Depreciation	35,861	36,758
Gain on expiration of derivative financial instruments	(1,330)	(1,694)
Gain on disposal of investment properties	—	(199)
Allowance for (write back of) bad and doubtful debts	3,630	(100)
Interest income	(2,905)	(1,889)
Loss on disposal of property, plant and equipment and prepaid lease payments	11,906	4,578
Decrease in fair value of investment properties	500	970
Discount on acquisition of additional interest in a subsidiary	(5,696)	—
Impairment loss on goodwill	6,500	10,184
Finance costs	32,208	31,066
Gain on disposal of subsidiaries	—	(2,406)
Share of results of jointly controlled entities	(244)	(60)
Share of results of associates	(1,454)	(1,218)
Operating cash flows before movements in working capital	137,184	139,034
Decrease (increase) in inventories	11,018	(17,379)
(Increase) decrease in trade and other receivables	(30,417)	42,130
Change in derivative financial instruments	1,330	1,694
Increase in amount due from jointly controlled entities	(48)	(92)
Decrease (increase) in amount due from associates	188	(682)
(Decrease) increase in trade and other payables	(754)	21,150
Effect of foreign exchange rate changes	(1,990)	(478)
Cash generated from operations	116,511	185,377
Hong Kong Profits Tax paid	(2,690)	(6,656)
Taxation outside Hong Kong paid	(921)	(8,088)
Hong Kong Profits Tax refunded	79	160
NET CASH FROM OPERATING ACTIVITIES	112,979	170,793

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	Note	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(12,491)	(12,091)
Decrease (increase) in pledged bank deposits		735	(6,262)
Acquisition of associates		—	(5,449)
Advance of loans		—	(950)
Proceeds from disposal of property, plant and equipment and prepaid lease payments		2,097	18,475
Proceeds from disposal of investment properties		—	11,459
Repayment of loans advanced		3,836	6,385
Net inflow of cash and cash equivalents in respect of disposal of subsidiaries	35	—	5,006
Interest received		2,967	2,255
Consideration on acquisition of additional interest in a subsidiary		(4,235)	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(7,091)	18,828
FINANCING ACTIVITIES			
Bank loans raised		184,738	179,952
Mortgage loans raised		12,000	—
Capital contribution from minority shareholders		—	4,410
Repayment of bank loans		(204,584)	(243,281)
Interest paid		(32,753)	(30,233)
Dividend paid to minority shareholders of subsidiaries		(15,944)	(27,142)
Dividend paid		(11,347)	—
Net repayment of trust receipt loans		(3,710)	(15,429)
Repayment of mortgage loans		(6,475)	(14,223)
Repayment of obligations under finance leases		(7,410)	(6,305)
Repayment to minority shareholders		(1,367)	(2,091)
NET CASH USED IN FINANCING ACTIVITIES		(86,852)	(154,342)
NET INCREASE IN CASH AND CASH EQUIVALENTS		19,036	35,279
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		121,940	86,055
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,973	606
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		142,949	121,940
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		143,481	124,845
Bank overdrafts		(532)	(2,905)
		142,949	121,940