

► Consolidated Cash Flow Statement
Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		667,985	507,827
Adjustments for:			
Finance costs	6	195,063	151,772
Share of profits and losses of associates		(65,522)	(54,949)
Depreciation of property, plant and equipment	5	131,475	96,488
Depreciation of investment properties	5	9,693	4,970
Recognition of prepaid land premiums	5	6,472	4,289
Release of goodwill upon sales of developed properties	5	11,599	7,972
Write-down of inventories to net realisable value	5	34,115	20,258
Impairment of trade receivables	5	11,629	18,154
Impairment of a short term receivable	5	5,000	–
Provisions for product warranties and long service payments, net	35	17,761	21,726
Gain on disposal of items of property, plant and equipment	5	(596)	(128)
Dividend income from listed investments	5	(10,951)	(7,463)
Rental income, net	5	(31,057)	(15,661)
Interest income	5	(60,611)	(48,308)
		922,055	706,947
Decrease/(increase) in inventories		(593,139)	981,181
Decrease in properties held for sale		405,227	193,359
Decrease/(increase) in trade and bills receivables		(99,090)	76,029
Decrease/(increase) in net investments in finance leases		78,859	(125,007)
Increase in loans and receivables		(17,750)	(39,058)
Increase in prepayments, deposits and sundry receivables		(90,634)	(340,980)
Decrease in equity investments at fair value through profit or loss		98,163	22,333
Increase in trade and bills payables, and sundry payables and accruals		508,221	418,305
Decrease in provisions of product warranties and long service payments		(19,452)	(15,009)
Cash generated from operations		1,192,460	1,878,100
Dividends received from listed investments		10,951	7,463
Rental received		31,057	15,661
Interest received		24,735	18,857
Hong Kong profits tax paid		(6,945)	(17,460)
Overseas taxes paid		(248,942)	(101,880)
Net cash inflow from operating activities		1,003,316	1,800,741

► Consolidated Cash Flow Statement (continued)
Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Net cash inflow from operating activities		1,003,316	1,800,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends from associates		41,161	–
Bank interest received	4	35,876	29,451
Investment in an associate		(4,724)	(227,962)
Repayment from/(to) associates		(157,891)	102,106
Purchases of items of property, plant and equipment	13	(684,719)	(529,528)
Purchases of investment properties	14	(19,881)	(274,485)
Additions to prepaid land premiums	15	(72,104)	(48,570)
Additions to properties under development	16	(390,245)	(606,903)
Proceeds from disposal of items of property, plant and equipment		117,653	40,743
Proceeds from disposal of prepaid land premiums		68,188	6,901
Purchases of additional interests in subsidiaries	40(a)	(135,349)	(17,549)
Purchases of additional interests in associates	40(b)	(6,751)	–
Disposal of a subsidiary	40(c)	(11,622)	–
Purchases of available-for-sale investments		–	(2,624)
Proceeds from disposal of an available-for-sale investment		1,893	–
Decrease/(increase) in pledged time deposits		(5,014)	173,524
Net cash outflow from investing activities		(1,223,529)	(1,354,896)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(195,063)	(151,772)
Dividend paid		(31,816)	(31,816)
Proceeds from exercise of warrants		205	33,000
Repayment of short term bank loans and other loan		(582,567)	(1,319,294)
Decrease in trust receipt loans		(534,965)	(130,410)
New short term bank loans and other loan		860,732	771,687
New long term bank loans		538,117	534,879
Additions to minority interests in investments in subsidiaries		9,884	31,551
Repayment to minority interests		(747)	(2,557)
Net cash inflow/(outflow) from financing activities		63,780	(264,732)
NET INCREASE/(DECREASE) IN			
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,291,148	1,107,824
Effect of foreign exchange rate changes, net		11,284	2,211
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,145,999	1,291,148

► Consolidated Cash Flow Statement (continued)
Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	30	1,121,078	1,052,191
Non-pledged time deposits with original maturity of less than three months when acquired	30	262,198	248,194
Bank overdrafts	34	(237,277)	(9,237)
		1,145,999	1,291,148