

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
Cash flows from operating activities		
(Loss) profit before taxation	(38,027)	22,842
Adjustments for:		
Depreciation	49,832	49,982
Amortisation of prepaid lease payments	3,282	2,766
Interest expense	12,207	11,839
Loss on disposal of property, plant and equipment	385	1,564
Gain on disposal of investment properties	—	(367)
Allowance for bad and doubtful debts	4,226	1,530
Allowance for inventories	1,589	300
Gain arising from fair value changes of investment properties	(2,618)	(2,506)
Gain arising from fair value change of investment properties classified as non-current assets held for sale	(1,500)	—
Loss (gain) arising from fair value changes of outstanding derivative financial instruments	4,041	(3,367)
Gain on revaluation of properties held for sale	(122)	(2,434)
Interest income	(338)	(403)
Dividend income from investments held for trading	(78)	(62)
Effect of foreign exchange rate changes on inter-company balances	9,422	684
Operating cash flows before movements in working capital	42,301	82,368
(Increase) decrease in inventories	(2,278)	7,465
Decrease (increase) in trade and other receivables	25,352	(26,739)
Decrease in properties held for sale	44,159	8,606
Decrease in investments held for trading	5,078	65
Increase in trade and other payables	3,145	13,111
Net cash generated from operations	117,757	84,876
Profits tax paid outside Hong Kong	(4,368)	(1,716)
Profits tax refunded outside Hong Kong	—	535
Net cash generated from operating activities	113,389	83,695

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
Cash flows from investing activities		
Interest received	338	403
Prepaid lease payments paid	—	(12,227)
Purchase of property, plant and equipment	(67,527)	(52,302)
Payments for intangible assets	(3,396)	—
Acquisition of investment properties	—	(4,244)
Deposits paid for acquisition of property, plant and equipment	(14,107)	(4,229)
Proceeds from disposal of property, plant and equipment	2,427	—
Proceeds from disposal of prepaid lease payments	453	—
Proceeds from disposal of investment properties	—	8,667
Dividends received on investments held for trading	78	62
Increase in pledged bank deposits	(10,058)	—
Net cash used in investing activities	(91,792)	(63,870)
Cash flows from financing activities		
Bank loans raised during the year	85,826	69,237
Repayment of bank loans	(141,340)	(93,581)
Advances from directors	6,000	—
Dividends paid in cash	—	(3,382)
Interest paid	(15,666)	(11,839)
Increase in bank overdrafts	2,862	7,069
Net increase (decrease) in trust receipts and import loans	7,553	(2,154)
Net cash used in financing activities	(54,765)	(34,650)
Net decrease in cash and cash equivalents	(33,168)	(14,825)
Cash and cash equivalents at the beginning of the year	81,454	95,816
Effect of foreign exchange rate changes	1,617	463
Cash and cash equivalents at the end of the year	49,903	81,454
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	49,903	81,454