

# Consolidated Cash Flow Statement

For the year ended 31 December

	Note	2006 HK\$'000	2005 HK\$'000
<b>Operating activities</b>			
Cash generated from/(used in) operations	a	75,820	(1,164)
Tax paid		(14,874)	(10,103)
Net cash generated from/(used in) operating activities		60,946	(11,267)
<b>Investing activities</b>			
Purchases of property, plant and equipment		(15,168)	(22,404)
Increase in construction in progress		(17,493)	(41,414)
Proceeds on disposal of property, plant and equipment		2,165	630
Proceeds on disposal of investment properties		43,714	28,185
Proceeds on disposal of subsidiaries, less cash disposed	b	14,389	—
Proceeds on disposal of available-for-sale financial assets		137	—
Proceeds on disposal of financial assets held for trading		—	3,147
Proceeds on disposal of a jointly controlled entity		—	7,692
Repayment of finance lease receivables		657	1,346
Repayment by/(advance to) an associate		1,212	(781)
Repayment by/(advance to) jointly controlled entities		5,363	(11,479)
Purchase of financial assets at fair value through profit or loss		(22,727)	—
Interest received		1,643	1,165
Dividend received from an associate		—	891
Dividend received from jointly controlled entities		6,719	17,925
Dividend received from an available-for-sale financial asset		—	17
Net cash generated from/(used in) investing activities		20,611	(15,080)
<b>Financing activities</b>			
New shares issued		308	278
New bank loans		—	40,690
Repayment of bank loans		(107,503)	—
Repayment of other long-term liabilities		(390)	(390)
Interest paid		(3,912)	(3,578)
Dividend paid to minority interests		(186)	—
Repayment of amounts due to minority interests		(29)	—
Net cash (used in)/generated from financing activities		(111,712)	37,000
Net (decrease)/increase in cash and cash equivalents		(30,155)	10,653
Cash and cash equivalents at the beginning of the year		87,079	76,965
Effect of foreign exchange rate changes		2,052	(539)
Cash and cash equivalents at the end of the year		58,976	87,079
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash at bank and on hand	29	55,013	83,738
Short-term bank deposits	29	3,963	3,341
		58,976	87,079

## a. Reconciliation of profit after income tax expenses to cash generated from/(used in) operations

	2006 HK\$'000	2005 HK\$'000
Profit after income tax expenses	37,020	34,454
Income tax expenses recognised in consolidated profit and loss account	18,533	10,845
Depreciation of property, plant and equipment	45,826	39,932
Amortisation of leasehold land and land use rights	532	408
Net (gain)/loss on disposal of property, plant and equipment	(137)	92
Net (gain)/loss on disposal of investment properties	(1,294)	470
Share of (profits)/losses of		
an associate	(220)	69
jointly controlled entities	(27,959)	(24,343)
Reversal of impairment of jointly controlled entities	(2,900)	—
Surplus on revaluation of investment properties	(6,486)	(15,648)
Loss on disposal of subsidiaries	5,498	—
Impairment of inventories	1,236	6,423
Impairment of property, plant and equipment	312	—
Impairment of construction in progress	—	4,470
Impairment of/(reversal of impairment of)		
trade and other receivables	2,874	(139)
Profit on disposal of financial assets held for trading	—	(17)
Loss on disposal of an available-for-sale financial asset	56	—
Increase in derivative financial instruments	(649)	—
Gain on disposal of a jointly controlled entity	—	(7,692)
Write-off of an available-for-sale financial asset	—	114
Gain on liquidation of an available-for-sale financial asset	—	(21,084)
Employee share options expenses	51	176
Dividend income from an available-for-sale financial asset	—	(17)
Interest expenses	3,912	3,578
Interest income	(1,643)	(1,165)
Operating profit before working capital changes	74,562	30,926
Increase in inventories	(28,783)	(30,978)
Increase in trade and other receivables	(22,614)	(45,710)
Increase in trade and other payables	53,679	45,453
Increase in net investment in finance leases	(1,024)	(855)
Cash generated from/(used in) operations	75,820	(1,164)

**b. Disposal of subsidiaries**

The assets and liabilities of the subsidiaries disposed consisted of the following:

	2006 HK\$'000	2005 HK\$'000
Property, plant and equipment	5,148	—
Inventories	6,693	—
Trade and other receivables	12,891	—
Cash and cash equivalents	4,811	—
Net investment in finance leases	1,312	—
Deferred tax assets	819	—
Trade and other payables	(6,976)	—
	24,698	—
Less: Loss on disposal of subsidiaries	(5,498)	—
Total cash consideration	19,200	—
Net cash inflow arising on disposal :		
Proceeds on disposal of subsidiaries	19,200	—
Less: Cash of subsidiaries disposed	(4,811)	—
	14,389	—