

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
Operating activities		
Profit before tax	291,487	210,927
Adjustments for:		
Finance costs	10,811	5,136
Share of results of associates	(285,050)	(202,916)
Share of results of jointly controlled entities	(26,860)	(63,451)
Depreciation	15,558	10,918
Amortisation of prepaid lease payments on land use rights	159	67
Discount on acquisition of additional interest in an associate	(1,323)	(24,113)
Net (gain) loss on deemed disposals of partial interest in an associate	(36,085)	7,516
Interest on bank deposits	(1,637)	(859)
Interest on finance lease receivables	(120)	(174)
Interest on loans receivable	(1,463)	—
Gain on disposal of property, plant and equipment, net	(15,876)	(3,340)
Gain on disposal of commodity assets	(648)	(1,082)
Change in fair value of held-for-trading investments	(36,561)	6,495
Change in fair value of structured borrowing	10,869	—
Impairment loss recognised in respect of property, plant and equipment	15,000	—
Impairment loss on available-for-sale investments	4,503	3,700
Write-down of inventories	4,731	1,357
Allowance for doubtful debts	1,602	616
Operating cash flows before movements in working capital	(50,903)	(49,203)
Increase in inventories	(1,681)	(1,288)
(Increase) decrease in amounts due from customers for contract work	(17,898)	11,820
Increase in debtors, deposits and prepayments and prepaid royalties	(158,119)	(14,521)
Decrease in held-for-trading investments/commodity assets	5,559	12,718
(Decrease) increase in amounts due to customers for contract work	(15,067)	3,284
Increase (decrease) in creditors and accrued charges	60,242	(39,602)
Cash used in operations	(177,867)	(76,792)
Interest paid on bank and other borrowings	(11,243)	(3,980)
Hong Kong Profits Tax paid	—	(12,152)
Hong Kong Profits Tax refunded	13	8,412
Tax arising in other jurisdictions paid	(207)	(203)
Net cash used in operating activities	(189,304)	(84,715)

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	Note	2006 HK\$'000	2005 HK\$'000
Investing activities			
Interest on bank deposits received		1,637	859
Interest on loans receivable received		741	—
Interest on finance lease receivables received		120	174
Distribution of profits from jointly controlled entities		17,761	81,673
Dividends received from associates		134,296	95,208
Advances to associates		(871)	(9,154)
Advances to jointly controlled entities		(11,021)	(9,510)
Purchase of available-for-sale investments		—	(3,016)
Increase in investments in associates		(27,839)	(47,165)
Net cash outflow on acquisition of a subsidiary	46	—	(5,658)
Capital contribution to a jointly controlled entity		—	(11,826)
Capital contribution from minority shareholders of subsidiaries		2,500	4,334
Loans from minority shareholders		—	19
Proceeds from disposal of interest in an associate		—	6,624
Proceeds from disposal of property, plant and equipment		11,236	3,558
(Increase) decrease in bank deposits pledged to secure banking facilities		(5)	12,351
Purchase of property, plant and equipment		(10,788)	(29,865)
Expenditure on property and plant under construction		(31,854)	(7,525)
Increase in finance lease receivables		—	(3,556)
Repayment of finance lease receivables		714	2,182
Net cash from investing activities		86,627	79,707
Financing activities			
New bank loans raised		151,468	85,000
Structured borrowing raised		62,400	—
Other borrowings raised		—	28,302
Repayment of bank loans		(39,948)	(11,000)
Repayment of other borrowings		(16)	(231)
Dividends paid		(118,969)	(95,175)
Distribution to minority shareholders of a subsidiary		(552)	—
Advances from (repayment to) jointly controlled entities		24,777	(23,700)
Advances from (repayment to) associates		3,515	(6,625)
Net cash from (used in) financing activities		82,675	(23,429)
Net decrease in cash and cash equivalents		(20,002)	(28,437)
Cash and cash equivalents at beginning of the year		118,417	148,068
Effect of foreign exchange rate changes, net		(326)	(1,214)
Cash and cash equivalents at end of the year, represented by bank balances and cash		98,089	118,417