

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		306,744	212,651
Adjustments for:			
Write-back of provision for advances to associates		—	(20,657)
Impairment of trade and loans receivables		13,990	14,719
Provision against obsolete inventories	6	12,863	19,472
Decrease in biological assets due to harvest		664	412
Depreciation	6	59,258	45,019
Dividend income from listed investments	6	(2,192)	(1,367)
Dividend income from associates	6	—	(268)
Gain on disposal of available-for-sale financial assets		(1,045)	(28,827)
Excess over the cost of business combinations and acquisition of minority interest		(241,308)	(15,071)
Dilution gain on a subsidiary	6	(3,555)	—
Finance costs	7	34,608	20,622
Interest income		(4,296)	(3,074)
Fair value gains on investment properties		(66,304)	(144,948)
Gain on disposal of investment properties		(5,280)	—
Fair value (gains)/losses on biological assets		(3,664)	5,588
Recognition of prepaid land lease payments	6	750	363
Fair value (gains)/losses of financial assets at fair value through profit or loss		(1,261)	16,046
Impairment loss of available-for-sale financial assets		—	553
Impairment of goodwill	6	—	625
Reversal of impairment of property, plant and equipment		(11,620)	(110)
Loss/(gain) on disposal of property, plant and equipment	6	53	(961)
Equity settled share option expenses		6,711	—
Share of profits and losses of associates		(35,772)	(46,099)
Operating cash flow before working capital changes		59,344	74,688
Increase in inventories		(5,277)	(42,287)
Increase in trade and other receivables		(48,022)	(76,175)
(Increase)/decrease in loans receivables		(54,900)	20,865
Increase in financial assets at fair value through profit or loss		(70,950)	(24,625)
Decrease/(increase) in amounts due from related companies		255	(790)
(Increase)/decrease in cash held on behalf of clients		(126,909)	97,825
Increase/(decrease) in client deposits		134,119	(69,526)
Increase in trade and other payables		113,384	91,656
Cash generated from operations		1,044	71,631
Hong Kong profits tax paid		(2,075)	(12,475)
Mainland China tax paid		(2,908)	(4,321)
Net cash (outflow)/inflow from operating activities		(3,939)	54,835

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Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(33,140)	(32,538)
Additions to construction in progress	18	(96,372)	(56,777)
Additions to prepaid land lease payments	17	(64)	(3,232)
Purchases of available-for-sale investments		(16,965)	(78,068)
Acquisition of subsidiaries	45	(71,723)	(7,213)
Advances to associates, net		(1,359)	90,898
Acquisition of minority interests		(78,752)	(12,572)
Proceeds from disposal of available-for-sale financial assets		7,603	128,033
Interest received		4,296	3,074
Proceeds from disposal of items of property, plant and equipment		7,435	5,145
Dividends received from associates		—	268
Dividends received from listed investments		2,192	1,367
Proceeds from (acquisition)/disposal of other non-current assets		(1,718)	85
Proceeds from disposal of investment properties		39,160	—
Net cash (outflow)/inflow from investing activities		(239,407)	38,470
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		(180,731)	(187,792)
Increase/(decrease) in trust receipt loans		21,463	(7,549)
(Repayment to)/advance from shareholders		(5,017)	17,895
Advances from minority shareholders		2,358	30,314
Interest paid		(34,608)	(20,622)
Dividends paid to minority shareholders of subsidiaries		(5,990)	(14,993)
Repurchase of shares in a subsidiary from minority shareholders		—	(10)
Capital element of finance lease rental payments		(6,028)	(13,163)
New bank loans		449,432	183,984
Proceeds from issue of warrants by a subsidiary		—	25,220
Capital contribution from minority shareholders of subsidiaries		32,627	—
Net cash inflow from financing activities		273,506	13,284
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		30,160	106,589
Cash and cash equivalents at beginning of year		251,863	142,163
Effect of foreign exchange rate changes, net		3,742	3,111
CASH AND CASH EQUIVALENTS AT END OF YEAR		285,765	251,863
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	32	365,891	256,575
Time deposits with original maturity of less than three months when acquired	32	17,630	20,980
Bank overdrafts		(97,756)	(25,692)
		285,765	251,863