

## Consolidated Cash Flow Statement

Year ended 31 December 2005

|  | Notes | 2005<br>HK\$'000 | 2004<br>HK\$'000<br>(Restated) |
|--|-------|------------------|--------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |       |                  |                                |
| Profit before tax  |       | 212,651          | 193,367                        |
| Adjustments for:   |       |                  |                                |
| Write-back of provision for advances to associates   |       | (20,657)         | (57,918)                       |
| Provision for bad and doubtful debts   |       | 14,719           | 792                            |
| Provision against obsolete inventories   | 6     | 19,472           | 40,605                         |
| Decrease in biological assets due to harvest   |       | 412              | 123                            |
| Depreciation   | 6     | 45,019           | 49,921                         |
| Dividend income from listed investments  | 6     | (1,367)          | (687)                          |
| Dividend income from associates  | 6     | (268)            | —                              |
| Loss/(gain) on disposal of available-for-sale financial assets/non-trading securities                        |       | (28,827)         | 87                             |
| Impairment of land pending development   |       | —                | 5,000                          |
| Excess over the cost of a business combination   |       | (15,071)         | (15,665)                       |
| Finance costs  | 7     | 20,622           | 10,408                         |
| Interest income  |       | (3,074)          | (2,571)                        |
| Fair value gains on investment properties  |       | (144,948)        | (77,528)                       |
| Fair value losses/(gains) on biological assets   |       | 5,588            | (123)                          |
| Amortisation of intangible assets  | 6     | —                | 162                            |
| Recognition of prepaid land lease payments   | 6     | 363              | 362                            |
| Fair value losses/(gains) of financial assets at fair value through profit or loss/trading securities        |       | 16,046           | (11,445)                       |
| Impairment loss of available-for-sale financial assets/reversal of impairment loss of non-trading securities |       | 553              | (3,220)                        |
| Impairment of goodwill   | 6     | 625              | —                              |
| Reversal of impairment of property, plant and equipment  | 6     | (110)            | —                              |
| Loss/(gain) on disposal of property, plant and equipment   | 6     | (961)            | 1,225                          |
| Share of profits and losses of associates  |       | (46,099)         | 10,056                         |
| Operating cash flow before working capital changes   |       | 74,688           | 142,951                        |
| Increase in inventories  |       | (42,287)         | (90,951)                       |
| Decrease/(increase) in trade and other receivables   |       | (76,175)         | 65,273                         |
| Decrease in loans receivables  |       | 20,865           | 13,031                         |
| Decrease/(increase) in financial assets at fair value through profit or loss/trading securities              |       | (24,625)         | 3,484                          |
| Increase in amount due from a related company  |       | (790)            | (306)                          |
| Decrease/(increase) in cash held on behalf of clients  |       | 97,825           | (59,224)                       |
| Increase/(decrease) in client deposits   |       | (69,526)         | 48,460                         |
| Increase/(decrease) in trade and other payables  |       | 91,656           | (24,196)                       |
| Cash generated from operations   |       | 71,631           | 98,522                         |
| Hong Kong profits tax paid   |       | (12,475)         | (11,546)                       |
| The PRC tax paid   |       | (4,321)          | (827)                          |
| Net cash from operating activities   |       | 54,835           | 86,149                         |

## Consolidated Cash Flow Statement

Year ended 31 December 2005

|   | Notes | 2005<br>HK\$'000 | 2004<br>HK\$'000<br>(Restated) |
|---|-------|------------------|--------------------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |       |                  |                                |
| Purchases of items of property, plant and equipment   |       | (32,538)         | (38,222)                       |
| Additions to construction in progress   | 18    | (56,777)         | —                              |
| Additions to prepaid land lease payment   | 17    | (3,232)          | —                              |
| Purchases of available-for-sale financial assets/<br>non-trading securities   |       | (78,068)         | (11,541)                       |
| Acquisition of subsidiaries   | 43    | (7,213)          | 1,364                          |
| Advances to associates, net   |       | 90,898           | (3,490)                        |
| Payment for acquisition of interests<br>held by minority shareholders   |       | (12,572)         | (22,131)                       |
| Proceeds from disposal of available-for-sale<br>financial assets/non-trading securities   |       | 128,033          | 35,727                         |
| Interest received   |       | 3,074            | 2,571                          |
| Proceeds from disposal of items of property,<br>plant and equipment   |       | 5,145            | 7,049                          |
| Dividend received from associates   |       | 268              | —                              |
| Dividends received from listed investments  |       | 1,367            | 687                            |
| Proceeds from disposal/(acquisition) of<br>other non-current assets   |       | 85               | (5)                            |
| <b>Net cash from/(used in) investing activities</b>   |       | <b>38,470</b>    | <b>(27,991)</b>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |       |                  |                                |
| Repayment of bank loans   |       | (187,792)        | (220,171)                      |
| Increase/(decrease) in trust receipt loans  |       | (7,549)          | 21,830                         |
| Advance from shareholders   |       | 17,895           | 9,018                          |
| Advances from/(repayment to) minority shareholders  |       | 30,314           | (488)                          |
| Interests paid  |       | (20,622)         | (10,740)                       |
| Dividends paid  |       | —                | (10,029)                       |
| Dividends paid to minority shareholders of subsidiaries   |       | (14,993)         | (8,708)                        |
| Repurchase of shares in a subsidiary from<br>minority shareholders  |       | (10)             | (405)                          |
| Capital element of finance lease payments   |       | (13,163)         | (8,378)                        |
| New bank loans  |       | 183,984          | 173,543                        |
| Proceeds from issue of warrants by a subsidiary   |       | 25,220           | —                              |
| <b>Net cash from/(used in) financing activities</b>   |       | <b>13,284</b>    | <b>(54,528)</b>                |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>  |       |                  |                                |
| Cash and cash equivalents at beginning of year  |       | 142,163          | 138,450                        |
| Effect of foreign exchange rate changes, net  |       | 3,111            | 83                             |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>   |       | <b>251,863</b>   | <b>142,163</b>                 |
| <b>ANALYSIS OF BALANCES OF CASH AND<br/>CASH EQUIVALENTS</b>  |       |                  |                                |
| Cash and bank balances  | 32    | 256,575          | 173,381                        |
| Time deposits with original maturity of less than<br>three months when acquired, pledged as<br>security for bank overdraft facilities | 32    | 20,980           | 19,950                         |
| Bank overdrafts   | 35    | (25,692)         | (51,168)                       |
|   |       | <b>251,863</b>   | <b>142,163</b>                 |