

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

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|------------------------------------------------------------------------------|-------|------------------|------------------|
| 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 | | | |
| 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 |