

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax:			
From continuing operations		<b>1,477,771</b>	719,034
From discontinued operations	13	<b>19,654</b>	119,086
Adjustments for:			
Finance costs	8	<b>255,847</b>	172,934
Share of profits and losses of associates		<b>(250,669)</b>	(137,601)
Interest income	6	<b>(44,894)</b>	(37,076)
Dividends from unlisted available-for-sale investments and listed securities	6	<b>(48,816)</b>	(45,592)
Fair value gains on investments at fair value through profit or loss	6	<b>(38,768)</b>	(8,875)
Fair value gains on biological assets	7	<b>(9,565)</b>	(2,217)
Loss on disposal of subsidiaries	7	<b>106,848</b>	–
Gain on partial disposal of an interest in a subsidiary	6	–	(8,218)
Impairment of receivables	7	<b>9,881</b>	9,929
Equity-settled share option expenses	7	<b>5,696</b>	13,202
Depreciation	7	<b>441,516</b>	392,702
Fair value losses on investment properties	7	–	1,650
Loss on disposal of items of property, plant and equipment	7	<b>16,789</b>	2,876
Loss on additional contribution to an existing subsidiary	7	–	2,121
Impairment of items of property, plant and equipment	7, 16	<b>2,193</b>	96
Recognition of prepaid land premiums	18	<b>11,119</b>	8,269
Impairment of available-for-sale investments	7	–	2,949
Impairment of goodwill	7, 19	<b>20,324</b>	19,310
Provision against inventories	7	<b>2,892</b>	240
Unrealised fair value losses/(gains) of derivative instrument transactions not qualifying as hedges	7	<b>11,966</b>	(11,382)
Government grants	6	<b>(191,807)</b>	(8,200)
Compensation income	6	<b>(56,607)</b>	–
		<b>1,741,370</b>	1,205,237

# Consolidated Cash Flow Statement

Year ended 31 December 2006

Notes	<b>2006</b> <b>HK\$'000</b>	2005 HK\$'000 (Restated)
	<b>1,741,370</b>	1,205,237
Increase in inventories	<b>(1,016,086)</b>	(1,199,236)
Increase in accounts and bills receivable	<b>(130,366)</b>	(183,905)
Increase in prepayments, deposits and other receivables	<b>(545,438)</b>	(153,975)
Decrease/(increase) in due from fellow subsidiaries	<b>(24,141)</b>	19,788
Decrease/(increase) in due from the ultimate holding company	<b>(98,212)</b>	6,945
Decrease/(increase) in due from related companies	<b>33,359</b>	(29,249)
Increase in due from the immediate holding company	<b>(165)</b>	–
Increase in accounts and bills payable	<b>211,457</b>	267,011
Increase in other payables and accruals	<b>486,542</b>	145,996
Increase in due to fellow subsidiaries	<b>141,394</b>	29,093
Increase/(decrease) in due to related companies	<b>(173,018)</b>	483,089
Increase/(decrease) in due to the ultimate holding company	<b>(370,452)</b>	190,848
Increase in due to the immediate holding company	<b>311</b>	–
Increase in due to minority shareholders of subsidiaries	<b>9,975</b>	2,143
Government grants received	<b>148,960</b>	–
Cash generated from operations	<b>415,490</b>	783,785
Interest received	<b>44,894</b>	37,076
Interest paid	<b>(263,574)</b>	(172,934)
Hong Kong profits tax paid	<b>(7,368)</b>	(701)
Mainland China tax paid	<b>(177,359)</b>	(168,306)
Net cash inflow from operating activities	<b>12,083</b>	478,920

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Net cash inflow from operating activities		<b>12,083</b>	478,920
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease/(increase) in pledged deposits		<b>361,177</b>	(395,506)
Advances from/(repayments to) associates		<b>23,553</b>	(33,891)
Repayments from/(advances to) a long term investment		<b>12,523</b>	(1,996)
Repayments from a minority shareholder of a subsidiary		–	8,083
Dividends from associates		<b>55,933</b>	57,512
Dividends received from unlisted available-for-sale investments and listed securities		<b>48,816</b>	45,592
Proceeds from disposal of items of property, plant and equipment		<b>27,974</b>	32,959
Proceeds from disposal of investments at fair value through profit or loss		<b>62,460</b>	306,732
Proceeds from disposal of available-for-sale investments		–	7,580
Purchases of investments at fair value through profit or loss		<b>(31,010)</b>	(62,935)
Purchases of available-for-sale investments		<b>(3,389)</b>	(22,267)
Acquisition of subsidiaries	35	<b>240,141</b>	–
Acquisitions of minority interests		<b>(352,388)</b>	–
Disposal of subsidiaries	36	<b>(197,045)</b>	–
Capital contribution made to an associate		–	(3,248)
Purchases of items of property, plant and equipment		<b>(1,384,306)</b>	(924,788)
Additions to prepaid land premiums		<b>(90,467)</b>	(37,751)
Deposits for purchase of property, plant and equipment		<b>(229,621)</b>	(45,319)
Additions to biological assets		<b>(8,179)</b>	–
Government grants received		<b>33,288</b>	7,832
Compensation income received		<b>2,950</b>	28,372
Net cash outflow from investing activities		<b>(1,427,590)</b>	(1,033,039)

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	32	862,920	4,919
New bank loans		8,390,533	7,346,519
New other loans		4,413,711	2,319,481
Repayments of bank loans		(6,367,192)	(7,855,005)
Repayments of other loans		(5,308,804)	(1,207,309)
Contributions from minority shareholders		60,763	–
Contributions from the immediate holding company		882,180	132,522
Dividends paid		(158,109)	(190,572)
Dividends paid to minority shareholders of subsidiaries		(111,231)	(62,202)
Decrease in due to a fellow subsidiary		(49,249)	–
Increase in due to minority shareholders of subsidiaries		37,229	7,010
		<hr/>	
Net cash inflow from financing activities		2,652,751	495,363
		<hr/>	
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		1,237,244	(58,756)
Cash and cash equivalents at beginning of year		1,231,169	1,284,150
Effect of foreign exchange rate changes, net		47,560	5,775
		<hr/>	
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		2,515,973	1,231,169
		<hr/>	
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	28	1,770,362	1,127,453
Non-pledged time deposits with original maturity of less than three months when acquired		745,611	103,716
		<hr/>	
		2,515,973	1,231,169
		<hr/>	