

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		261,831	123,778
Adjustments for:			
Finance costs	7	18,108	9,675
Share of profits and losses of associates		(45,980)	10,611
Interest income	5	(3,045)	(2,571)
Fair value gains on investment properties		(108,568)	(25,833)
Gains on disposal of items of property, plant and equipment	5	(1,066)	(1,056)
Excess over the cost of a business combination		(15,071)	(15,665)
Fair value losses/(gains) on biological assets		5,588	(123)
Decrease in biological assets due to harvest	6	412	123
Dividend income from listed available-for-sale investments/non-trading securities	5	(442)	(325)
(Gains)/losses on disposal of available-for-sale investments/non-trading securities		(29,226)	268
Provision for/(write-back of provision for) doubtful debts		319	(8,019)
Provision against obsolete inventories	6	19,472	40,605
Depreciation	6	38,553	41,617
Write-back of provision for advances to associates		(20,647)	(58,627)
Write-back of impairment of items of property, plant and equipment	6,15	(109)	—
Impairment of goodwill	6,19	625	—
Impairment of available-for-sale investments	6	553	—
Recognition of prepaid land lease payments	17	363	362
Write-off of land pending development		—	5,000
Operating profit before working capital changes		121,670	119,820
Increase in inventories		(42,349)	(90,710)
Increase in trade receivables		(20,504)	(7,239)
Decrease in prepayments, deposits and other receivables		12,536	18,722
Decrease in amounts due from fellow subsidiaries		—	23
Increase in trade and bills payables		24,078	1,031
Increase in other payables and accruals		55,965	18,582
Decrease in amounts due to fellow subsidiaries		—	(8)
Cash generated from operations		151,396	60,221
Hong Kong profits tax paid		(5,059)	(10,240)
Mainland China tax paid		(4,321)	(675)
Net cash inflow from operating activities		142,016	49,306

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Net cash inflow from operating activities		142,016	49,306
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	38(a)	(25,761)	(24,974)
Additions to construction in progress	18	(56,777)	—
Additions to prepaid land lease payments	17	(3,232)	—
Purchases of available-for-sale investments/non-trading securities		(77,224)	(5,123)
Dividends received from listed available-for-sale investments/non-trading securities		442	325
Acquisition of subsidiaries	37	(7,213)	1,364
Repayments from/(advances to) associates, net		79,573	(3,550)
Advances from an associate		1,039	—
Acquisition of minority interests		(12,572)	(22,018)
Increase in pledged bank deposits		(780)	(2,550)
Proceeds from disposal of available-for-sale investments/non-trading securities		128,141	34,577
Interest received		3,045	2,571
Proceeds from disposal of items of property, plant and equipment		3,516	1,799
Net cash inflow/(outflow) from investing activities		32,197	(17,579)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		(116,491)	(219,198)
(Decrease)/increase in trust receipt loans		(7,549)	21,831
(Repayment to)/advance from an intermediate holding company		(2,745)	4,151
Repayment of advances from minority shareholders		(355)	(378)
Interest paid		(18,108)	(9,246)
Dividends paid		(30,229)	(10,607)
Dividends paid to minority shareholders of subsidiaries		(5,184)	(3,278)
Capital element of finance lease rental payments		(11,673)	(8,191)
New bank loans		100,984	191,058
Net cash outflow from financing activities		(91,350)	(33,858)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		82,863	(2,131)
Cash and cash equivalents at beginning of year		87,663	89,703
Effect of foreign exchange rate changes, net		2,549	91
CASH AND CASH EQUIVALENTS AT END OF YEAR		173,075	87,663

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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	174,743	113,365
Bank overdrafts	(1,668)	(25,702)
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	173,075	87,663