

## Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	1,436,388	145,731
Adjustments for:		
Share of results of associates	3,359	(3,354)
Share of results of jointly controlled entities	290	3,689
Finance costs	75,869	121,060
Gain on disposal of subsidiaries engaging in property investment and development	(11,818)	(77,430)
Depreciation and amortisation	5,081	4,065
Fair value changes on investment properties	(1,251,078)	–
Fair value changes on held for trading/other investments	12	(3,344)
Loss (gain) on disposal of investments	900	(2,778)
Loss on disposal of investment properties	2,424	100,803
Write down of properties held for sale	36,233	–
Allowance for trade and other receivables	472	5,449
Dividend income from equity investments	(1,771)	(2,005)
Interest income	(44,884)	(67,710)
Gain on disposal of property, plant and equipment	(84)	–
Recognition of discount on acquisition	(36,787)	–
Release of negative goodwill	–	(39,428)
Amortisation of transaction costs on bank loans	1,869	1,535
(Decrease) increase in provision for rental guarantee resulting from re-measurement	(2,226)	14,045
Operating cash flows before movements in working capital	214,249	200,328
Decrease (increase) in inventories	1,099	(846)
Increase in properties held for sale	(125,823)	(1,620,767)
(Increase) decrease in receivables, deposits and prepayments	(128,746)	186,065
Increase (decrease) in payables, deposits received and accrued charges	86,942	(29,312)
Increase (decrease) in sales deposits on properties held for sale received	87,059	(24,320)
Repayment of other payable	(1,410)	–
Payment of rehousing compensation	(5,173)	–
Cash generated from (used in) operations	128,197	(1,288,852)
Dividend received from equity investments	1,771	2,005
Interest received	44,035	78,546
Interest and facilities charges paid on bank and other borrowings	(113,992)	(145,910)
Dividends paid	(52,155)	(51,141)
Dividends paid to minority shareholders	(1,080)	–
Hong Kong Profits Tax (paid) refunded	(453)	627
Overseas tax (paid) refunded	(225)	4,556
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>6,098</b>	<b>(1,400,169)</b>

## Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	Notes	2005 HK\$'000	2004 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Purchase of investment properties		(115)	(164,276)
Proceeds on disposal of investment properties		865,633	830,275
Purchase of property, plant and equipment		(117,198)	(371,839)
Proceeds on disposal of property, plant and equipment		860	991
Dividend received from an associate		1,249	2,987
Purchase of investments		–	(12,428)
Proceeds on disposal of investments		7,902	37,338
Repayment to jointly controlled entities		(3,310)	–
Loans to associates		(2,077)	(537)
Addition of other loans receivable		(70,075)	(74,502)
Repayment of other loans receivable		70,938	65,439
Repayment of loan to a director of an indirect subsidiary		–	1,638
Increase in pledged bank deposits		(45,154)	(69,214)
Payment of compensation for rental guarantees		(42,109)	(38,801)
Purchase of further interests in subsidiaries		(76,727)	(28,716)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	39	–	36
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	40	58,642	53,436
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>648,459</b>	231,827
<b>FINANCING ACTIVITIES</b>			
Repayment of bank and other loans		(1,144,026)	(3,870,495)
Payment of transaction costs		–	(7,987)
Funds received from bank and other loans		466,017	3,994,212
Advances from minority shareholders		63,706	2,581
Proceeds on issuance of shares		51,363	402
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(562,940)</b>	118,713
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>91,617</b>	(1,049,629)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>732,316</b>	1,811,232
Effect of foreign exchange rate changes		(28,226)	(29,287)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and deposits</b>		<b>795,707</b>	732,316