

# Consolidated Cash Flow Statement

For the Year ended 31 December 2006

Notes	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	234,756	183,691
Adjustments for:		
Impairment of advance to an investee company	—	1,350
Allowance of bad and doubtful debts	2,719	15,418
Write-down of properties held for sale	—	10,000
(Surplus) deficit on revaluation of leasehold land and buildings	(93)	38,673
Depreciation and amortisation	10,281	13,069
Fair value gain on investment properties	(8,289)	(53,802)
Loss on disposal of available-for-sale investments	—	1,730
Gain on disposal of an investment property	(50)	—
Gain on disposal of interest in a subsidiary	—	(61,352)
Finance costs	69,870	60,694
Impairment loss recognised in respect of available-for-sale investments	—	37,005
Imputed interest income on non-current interest-free loans to investee companies	(8,788)	(3,193)
Interest income	(26,030)	(18,798)
Loss on disposal of property, plant and equipment	131	5,195
Share of results of associates	(226,932)	(184,113)
Unrealised holding (gain) loss on investments held for trading	(1,572)	829
Operating cash flows before movements in working capital	46,003	46,396
Increase in properties under development	(217,922)	(167,705)
Decrease (increase) in loans receivable	16,292	(13,431)
Increase in inventories	(409)	(1,208)
Decrease in properties held for sale	188,594	238,928
Decrease in trade and other receivables	13,248	19,371
Increase in trade and other payables	2,808	21,860
Cash generated from operations	48,614	144,211
Hong Kong Profits Tax paid	(3,123)	(12,495)
Hong Kong Profits Tax refunded	—	1,440
The People's Republic of China Foreign Enterprise Income Tax refunded	5,935	—
Interest received	26,030	18,798
Dividends paid	(83,288)	(68,145)
<b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>	<b>(5,832)</b>	<b>83,809</b>

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	Notes	2006 HK\$'000	2005 HK\$'000
<b>INVESTING ACTIVITIES</b>			
Increase in bank deposits with more than three months to maturity when raised		(246,756)	(124,964)
Purchase of a subsidiary	36	(135,000)	—
Purchase of available-for-sale investments		(33,604)	(25,485)
Purchase of property, plant and equipment		(5,186)	(23,245)
Dividend received from an associate		121,479	114,952
Repayment from investee companies		26,050	87,167
Proceeds from disposal of investment properties		13,750	—
Proceeds from disposal of available-for-sale investments		5,140	81,619
Proceeds from disposal of interest in a subsidiary	37	—	121,590
Acquisition of additional interest in an associate		—	(16,576)
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(254,127)</b>	215,058
<b>FINANCING ACTIVITIES</b>			
New borrowings raised		1,221,657	569,909
Capital contribution from minority shareholders		6,158	—
Repayments of borrowings		(801,267)	(498,991)
Interest paid		(118,598)	(77,449)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>307,950</b>	(6,531)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>47,991</b>	292,336
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>553,344</b>	253,888
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>14,297</b>	7,120
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>615,632</b>	553,344
Cash and cash equivalents at end of the year, represented by:			
Bank accounts with Chong Hing Bank Limited and its subsidiaries		91,281	275,417
Other bank balances and cash		524,351	277,927
		<b>615,632</b>	553,344