## Consolidated Cash Flow Statement

Year ended 31 December 2006

CASH FLOWS FROM OPERATING ACTIVITIES   Profit before tax   136,120,964   27,917,20		Notes	2006 HK\$	2005 <i>HK</i> \$
Profit before tax         136,120,964         27,917,20           Adjustments for:         3         (10,705,073)         (7,399,12)           Bank interest income         5         (10,705,073)         (7,399,12)           Dividend income         5         (961,487)         (15,46,34           Share of profits of associates         (15,373,215)         (8,636,04           Fair value gains on available-for-sale investments (transfer from equity)         (48,314,483)         (10,79           Net realised gains on disposal of available-for-sale investments         14         4,370,568         2,028,35           Recognition of prepaid land lease payments         15         40,950         40,950           Write-back of impairment of accounts receivable and loans and advances         (1,700,000)         (3,200,00           Fair value gain on an unlisted financial instrument at fair value through profit or loss         (33,291,492)         (10,806,16           Gain on disposal of items of property, plant and equipment         7         (16,570)         (42,80           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Increase in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease/(increase) in loans and advances	CASH ELONAS EDOM ODEDATING ACTIVITIES	710003	ΤΑΨ	
Adjustments for:  Bank interest income 5 (10,705,073) (7,399,12 Dividend income 5 (961,487) (1,546,34 Share of profits of associates (15,373,215) (8,636,04 Fair value gains on available-for-sale investments (transfer from equity) (48,314,483)  Net realised gains on disposal of available-for-sale investments (transfer from equity) (48,314,483)  Net realised gains on disposal of available-for-sale investments (10,709,000) (10,709,000) (10,709,000) (10,709,000) (10,709,000) (10,709,000) (10,709,000) (10,700,00			136 120 964	27 917 206
Bank interest income         5         (10,705,073)         (7,399,12)           Dividend income         5         (961,487)         (1,546,34           Share of profits of associates         (15,373,215)         (8,636,04           Fair value gains on available-for-sale investments (transfer from equity)         (48,314,483)         (10,79           Net realised gains on disposal of available-for-sale investments         -         (10,79           Depreciation         14         4,370,568         2,028,35           Recognition of prepaid land lease payments         15         40,950         40,95           Write-back of impairment of accounts receivable and loans and advances         (1,700,000)         (3,200,00           Fair value gain on an unlisted financial instrument at fair value through profit or loss         (33,291,492)         (10,806,16           Gain on disposal of items of property, plant and equipment         7         (16,570)         (42,80           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances <td< td=""><td></td><td></td><td>130,120,304</td><td>27,917,200</td></td<>			130,120,304	27,917,200
Dividend income   5   961,487   (1,546,34   Share of profits of associates   (15,373,215)   (8,636,04   Share of profits of associates   (15,373,215)   (8,636,04   Share of profits of associates   (15,373,215)   (8,636,04   Share of profits of associates   (16,707,312)   (10,709   Share of profits of available-for-sale investments   (10,79   Share of prepaid land lease payments   14   4,370,568   2,028,35   2,028,35   2,028,35   3,000   3,000,0		5	(10 705 073)	(7 399 127)
Share of profits of associates   (15,373,215)   (8,636,04				
Fair value gains on available-for-sale investments (transfer from equity)  Net realised gains on disposal of available-for-sale investments  Depreciation  14  4,370,568  2,028,35  Recognition of prepaid land lease payments  15  40,950  Write-back of impairment of accounts receivable and loans and advances  Fair value gain on an unlisted financial instrument at fair value through profit or loss  Gain on disposal of items of property, plant and equipment  To (16,570)  Increase in other assets  Decrease in equity investments at fair value through profit or loss  Decrease in equity investments at fair value through profit or loss  Decrease in equity investments at fair value through profit or loss  To (16,570)  Decrease in other assets  Decrease in equity investments at fair value through profit or loss  Decrease in equity investments at fair value through profit or loss  Decrease in equity investments at fair value  Through profit or loss  Decrease in deposits, prepayments and other receivables  Decrease/(increase) in loans and advances  (204,883,954)  Decrease/(increase) in bank balances held on behalf of customers  Increase/(decrease) in accounts payable  Increase/(decrease) in accounts payable  Decrease/(decrease) in accounts payable  Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations  Bank interest received  Dividends received from listed equity investments  Political increase increase in the payables and accruals  Political increase incre		3		
investments (transfer from equity)  Net realised gains on disposal of available-for-sale investments  Depreciation  Recognition of prepaid land lease payments  Write-back of impairment of accounts receivable and loans and advances  Fair value gain on an unlisted financial instrument at fair value through profit or loss  Gain on disposal of items of property, plant and equipment  To (16,570)  Increase in other assets  Decrease (increase) in accounts receivable  To (24,883,954)  Decrease/(increase) in loans and advances  Increase in deposits, prepayments and other receivables  To becrease (increase) in bank balances held on behalf of customers  Cash generated from/(used in) operations  Cash generated from/(used in) operations  Dividends received from listed equity investments  Net cash inflow/(outflow) from	·		(10,070,210)	(0,030,013)
Net realised gains on disposal of available-for-sale investments         — (10,79 (10,79)           Depreciation         14 (14,370,568)         2,028,35 (20,835)           Recognition of prepaid land lease payments         15 (17,00,000)         40,950           Write-back of impairment of accounts receivable and loans and advances         (1,700,000)         (3,200,000)           Fair value gain on an unlisted financial instrument at fair value through profit or loss         (33,291,492)         (10,806,16           Gain on disposal of items of property, plant and equipment         7 (16,570)         (42,80)           Increase in other assets         (2,654,575)         (1,404,84)           Decrease in equity investments at fair value through profit or loss         32 (1,549,494)         40,220,02           Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (12,763)           Decrease/(increase) in loans and advances         (374,640,541)         102,867,11           Increase/(decrease) in bank balances held on behalf of customers         (374,640,541)         102,867,11           Increase/(decrease) in accounts payable         1,105,894,199         (360,054,75           Increa	· · · · · · · · · · · · · · · · · · ·		(48 314 483)	_
available-for-sale investments — (10,79 Depreciation	• •		(40,514,403)	
Depreciation			_	(10.790)
Recognition of prepaid land lease payments         15         40,950         40,950           Write-back of impairment of accounts receivable and loans and advances         (1,700,000)         (3,200,00)           Fair value gain on an unlisted financial instrument at fair value through profit or loss         (33,291,492)         (10,806,16           Gain on disposal of items of property, plant and equipment         7         (16,570)         (42,80           Increase in other assets         (2,654,575)         (1,404,84           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (127,63           Decrease/(increase) in bank balances held on behalf of customers         (374,640,541)         102,867,11           Increase/(decrease) in accounts payable         1,105,894,199         (360,054,75           Increase/(decrease) in other payables and accruals         55,887,075         (6,394,97           Cash generated from/(used in) ope		14	4 370 568	
Write-back of impairment of accounts receivable and loans and advances         (1,700,000)         (3,200,000)           Fair value gain on an unlisted financial instrument at fair value through profit or loss         (33,291,492)         (10,806,16           Gain on disposal of items of property, plant and equipment         7         (16,570)         (42,80           Increase in other assets         (2,654,575)         (1,404,84           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (127,63           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (127,63           Decrease/(increase) in bank balances held on behalf of customers         (374,640,541)         102,867,11           Increase/(decrease) in accounts payable         1,105,894,199         (360,054,75           Increase/(decrease) in other payables and accruals         55,887,075         (6,394,97           Cash generated from/(used in) operations         (10,705,073)	·			
receivable and loans and advances  Fair value gain on an unlisted financial instrument at fair value through profit or loss  Gain on disposal of items of property, plant and equipment  7 (16,570) (42,80)		15	40,550	10,330
Fair value gain on an unlisted financial instrument at fair value through profit or loss       (33,291,492)       (10,806,16         Gain on disposal of items of property, plant and equipment       7       (16,570)       (42,80         Increase in other assets       (2,654,575)       (1,404,84         Decrease in equity investments at fair value through profit or loss       32       45,194,948       40,220,02         Decrease/(increase) in accounts receivable       (756,154,943)       227,714,46         Decrease/(increase) in loans and advances       (204,883,954)       9,795,55         Increase in deposits, prepayments and other receivables       (2,290,345)       (127,63         Decrease/(increase) in bank balances held on behalf of customers       (374,640,541)       102,867,11         Increase/(decrease) in accounts payable       1,105,894,199       (360,054,75         Increase/(decrease) in other payables and accruals       55,887,075       (6,394,97         Cash generated from/(used in) operations       (103,477,974)       10,960,18         Bank interest received       10,705,073       7,399,12         Dividends received from listed equity investments       961,487       1,546,34         Dividend received from an associate       20,375,250       23,217,71         Hong Kong profits tax refunded/(paid)       167,577       (61	•		(1 700 000)	(3.200.000)
at fair value through profit or loss       (33,291,492)       (10,806,16         Gain on disposal of items of property, plant and equipment       7       (16,570)       (42,80         Increase in other assets       (2,654,575)       (1,404,84         Decrease in equity investments at fair value through profit or loss       32       45,194,948       40,220,02         Decrease/(increase) in accounts receivable       (756,154,943)       227,714,46         Decrease/(increase) in loans and advances       (204,883,954)       9,795,55         Increase in deposits, prepayments and other receivables       (2,290,345)       (127,63         Decrease/(increase) in bank balances held       (2,290,345)       (127,63         Obecrease/(idecrease) in accounts payable       1,105,894,199       (360,054,75         Increase/(decrease) in accounts payables and accruals       1,105,894,199       (360,054,75         Cash generated from/(used in) operations       (103,477,974)       10,960,18         Bank interest received       10,705,073       7,399,12         Dividends received from listed equity investments       961,487       1,546,34         Dividend received from an associate       20,375,250       23,217,71         Hong Kong profits tax refunded/(paid)       167,577       (613,84         Net cash inflow/(outflow) from<			(1,7 00,000)	(3,200,000)
Gain on disposal of items of property, plant and equipment         7         (16,570)         (42,80           Increase in other assets         (2,654,575)         (1,654,75)           Increase in other assets         (2,654,575)         (1,404,84           Decrease in equity investments at fair value through profit or loss         32         45,194,948         40,220,02           Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (127,63           Decrease/(increase) in bank balances held on behalf of customers         (374,640,541)         102,867,11           Increase/(decrease) in accounts payable         1,105,894,199         (360,054,75)           Increase/(decrease) in other payables and accruals         55,887,075         (6,394,97)           Cash generated from/(used in) operations         (103,477,974)         10,960,18           Bank interest received         10,705,073         7,399,12           Dividends received from listed equity investments         961,487         1,546,34           Dividend received from an associate         20,375,250         23,217,71           Hong Kong profits tax refunded/(paid)         167,577	· · · · · · · · · · · · · · · · · · ·		(33 291 492)	(10.806.166)
Plant and equipment   7	· .		(33,231,432)	(10,000,100)
30,170,162	· · · · · · · · · · · · · · · · · · ·	7	(16.570)	(42,800)
Increase in other assets  Decrease in equity investments at fair value through profit or loss  Decrease/(increase) in accounts receivable  Decrease/(increase) in loans and advances Increase in deposits, prepayments and other receivables  Decrease/(increase) in bank balances held on behalf of customers  Increase/(decrease) in accounts payable Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations  Bank interest received Dividends received from listed equity investments Dividend received from an associate  Net cash inflow/(outflow) from  (1,404,84  40,220,02  45,194,948  40,220,02  47,56,154,943  227,714,46  (204,883,954) 9,795,55 (22,290,345) (127,63) (127,63)  (2290,345) (127,63) (127,63) (127,63) (127,63) (103,4640,541) 102,867,11 105,894,199 (360,054,75) (63,94,97)  (63,94,97)  10,960,18  10,705,073 10,399,12  10,705,073 10,399,	plant and equipment	,		
Increase in other assets   (2,654,575)   (1,404,84]     Decrease in equity investments at fair value   through profit or loss   32   45,194,948   40,220,02     Decrease/(increase) in accounts receivable   (756,154,943)   227,714,46     Decrease/(increase) in loans and advances   (204,883,954)   9,795,55     Increase in deposits, prepayments and other receivables   (2,290,345)   (127,63     Decrease/(increase) in bank balances held   (374,640,541)   102,867,11     Increase/(decrease) in accounts payable   (360,054,75     Increase/(decrease) in other payables and accruals   (103,477,974)   (360,054,75     Increase/(decrease) in other payables and accruals   (103,477,974)   10,960,18     Bank interest received   (103,477,974)   10,960,18     Dividends received from listed equity investments   961,487   1,546,34     Dividend received from an associate   (20,375,250)   (23,217,71     Hong Kong profits tax refunded/(paid)   (613,84     Net cash inflow/(outflow) from				(1,654,758)
Decrease in equity investments at fair value through profit or loss 32 45,194,948 40,220,02 Decrease/(increase) in accounts receivable (756,154,943) 227,714,46 Decrease/(increase) in loans and advances (204,883,954) 9,795,55 Increase in deposits, prepayments and other receivables (2,290,345) (127,63) Decrease/(increase) in bank balances held on behalf of customers (374,640,541) 102,867,11 Increase/(decrease) in accounts payable 1,105,894,199 (360,054,75) Increase/(decrease) in other payables and accruals 55,887,075 (6,394,97)  Cash generated from/(used in) operations (103,477,974) 10,960,18 Bank interest received 10,705,073 7,399,12 Dividends received from listed equity investments 961,487 1,546,34 Dividend received from an associate 20,375,250 23,217,71 Hong Kong profits tax refunded/(paid) 167,577 (613,84)  Net cash inflow/(outflow) from	Increase in other assets			(1,404,849)
through profit or loss 32 45,194,948 40,220,02  Decrease/(increase) in accounts receivable (756,154,943) 227,714,46  Decrease/(increase) in loans and advances (204,883,954) 9,795,55  Increase in deposits, prepayments and other receivables (2,290,345) (127,63)  Decrease/(increase) in bank balances held (374,640,541) 102,867,11  Increase/(decrease) in accounts payable 1,105,894,199 (360,054,75)  Increase/(decrease) in other payables and accruals 55,887,075 (6,394,97)  Cash generated from/(used in) operations (103,477,974) 10,960,18  Bank interest received 10,705,073 7,399,12  Dividends received from listed equity investments 961,487 1,546,34  Dividend received from an associate 20,375,250 23,217,71  Hong Kong profits tax refunded/(paid) 167,577 (613,84)	Decrease in equity investments at fair value			
Decrease/(increase) in accounts receivable         (756,154,943)         227,714,46           Decrease/(increase) in loans and advances         (204,883,954)         9,795,55           Increase in deposits, prepayments and other receivables         (2,290,345)         (127,63           Decrease/(increase) in bank balances held         (374,640,541)         102,867,11           Increase/(decrease) in accounts payable         1,105,894,199         (360,054,75           Increase/(decrease) in other payables and accruals         55,887,075         (6,394,97           Cash generated from/(used in) operations         (103,477,974)         10,960,18           Bank interest received         10,705,073         7,399,12           Dividends received from listed equity investments         961,487         1,546,34           Dividend received from an associate         20,375,250         23,217,71           Hong Kong profits tax refunded/(paid)         167,577         (613,84           Net cash inflow/(outflow) from		32	45,194,948	40,220,028
Increase in deposits, prepayments and other receivables  Decrease/(increase) in bank balances held on behalf of customers  Increase/(decrease) in accounts payable Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations  Bank interest received  Dividends received from listed equity investments  Dividend received from an associate  Net cash inflow/(outflow) from  (127,63 (2,290,345) (374,640,541) 102,867,11 105,894,199 (360,054,75 (6,394,97 (6,394,97 (6,394,97 (103,477,974) (103,4	• •		(756,154,943)	227,714,462
Decrease/(increase) in bank balances held on behalf of customers (374,640,541) 102,867,11 Increase/(decrease) in accounts payable Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations (103,477,974) 10,960,18 Bank interest received 10,705,073 7,399,12 Dividends received from listed equity investments 961,487 1,546,34 Dividend received from an associate 20,375,250 23,217,71 Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from	Decrease/(increase) in loans and advances		(204,883,954)	9,795,551
Decrease/(increase) in bank balances held on behalf of customers (374,640,541) 102,867,11 Increase/(decrease) in accounts payable Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations (103,477,974) 10,960,18 Bank interest received 10,705,073 7,399,12 Dividends received from listed equity investments 961,487 1,546,34 Dividend received from an associate 20,375,250 23,217,71 Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from	Increase in deposits, prepayments and other receivables			(127,637)
Increase/(decrease) in accounts payable Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations  Bank interest received Increase/(decrease)  Topological increase	· · · · ·			
Increase/(decrease) in other payables and accruals  Cash generated from/(used in) operations  Bank interest received  Dividends received from listed equity investments  Dividend received from an associate  Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from  (6,394,97  (103,477,974)  10,960,18  10,705,073  7,399,12  20,375,250  23,217,71  (613,84)	on behalf of customers		(374,640,541)	102,867,112
Cash generated from/(used in) operations  Bank interest received  10,705,073  7,399,12  Dividends received from listed equity investments  961,487  Dividend received from an associate  20,375,250  23,217,71  Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from	Increase/(decrease) in accounts payable		1,105,894,199	(360,054,753)
Bank interest received 10,705,073 7,399,12 Dividends received from listed equity investments 961,487 1,546,34 Dividend received from an associate 20,375,250 23,217,71 Hong Kong profits tax refunded/(paid) 167,577 (613,84)  Net cash inflow/(outflow) from	Increase/(decrease) in other payables and accruals		55,887,075	(6,394,973)
Bank interest received 10,705,073 7,399,12 Dividends received from listed equity investments 961,487 1,546,34 Dividend received from an associate 20,375,250 23,217,71 Hong Kong profits tax refunded/(paid) 167,577 (613,84) Net cash inflow/(outflow) from	Cash generated from/(used in) operations		(103,477,974)	10,960,183
Dividend received from an associate  Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from  20,375,250 23,217,71 (613,84)				7,399,127
Dividend received from an associate  Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from  20,375,250 23,217,71 (613,84)	Dividends received from listed equity investments			1,546,345
Hong Kong profits tax refunded/(paid)  Net cash inflow/(outflow) from  167,577 (613,84)	. ,			23,217,710
				(613,842)
operating activities – page 35 (71,268,587) 42,509,52	Net cash inflow/(outflow) from			
	operating activities – page 35		(71,268,587)	42,509,523

## Consolidated Cash Flow Statement (Cont'd)

Year ended 31 December 2006

		2006	2005
	Notes	НК\$	НК\$
Net cash inflow/(outflow) from			
operating activities – page 34		(71,268,587)	42,509,523
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds received on disposals of			
available-for-sale investments		52,708,748	149,972
Purchases of available-for-sale investments		-	(16,612,686)
Purchases of items of property, plant and equipment	14	(4,921,827)	(9,231,548)
Proceeds from disposal of items of property,			
plant and equipment		30,176	48,300
Net cash inflow/(outflow) from investing activities		47,817,097	(25,645,962)
CASH FLOWS FROM FINANCING ACTIVITY			
Dividends paid and cash outflow from financing activity		(15,922,774)	(5,307,591)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(39,374,264)	11,555,970
Cash and cash equivalents at beginning of year		114,014,555	102,458,585
CASH AND CASH EQUIVALENTS AT END OF YEAR		74,640,291	114,014,555
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	36,465,742	31,458,275
Fime deposits with original maturity of less than three			
months when acquired	25	38,174,549	82,556,280
		74,640,291	114,014,555