

# Consolidated Cash Flow Statement

For The Year Ended 31 December 2006

|   | NOTES | 2006<br>HK\$'000   | 2005<br>HK\$'000 |
|---|-------|--------------------|------------------|
| <b>OPERATING ACTIVITIES</b>   |       |                    |                  |
| Operating profit from continuing operations   |       | <b>3,111,364</b>   | 2,259,048        |
| Operating profit from discontinued operations   |       | —                  | 35,466           |
| Total operating profit  |       | <b>3,111,364</b>   | 2,294,514        |
| Adjustments for:  |       |                    |                  |
| Impairment losses and allowances reversed   | 9     | —                  | (50,000)         |
| Depreciation and amortisation   |       | <b>148,585</b>     | 129,474          |
| Interest income   |       | <b>(135,132)</b>   | (85,870)         |
| Dividend income   |       | <b>(12,601)</b>    | (20,959)         |
| Investment income from infrastructure projects  |       | <b>(23,835)</b>    | (26,976)         |
| Share-based payment expense   |       | <b>133</b>         | 6,163            |
| Increase in fair value of investment properties   |       | <b>(205,440)</b>   | (391,495)        |
| Loss (gain) on change in value of interest rate swap agreements                         |       | <b>2,156</b>       | (28,810)         |
| Gain on change in value of other property interest                                      |       | —                  | (106,875)        |
| Gain on disposal of subsidiaries  | 46    | <b>(23,674)</b>    | —                |
| Loss (gain) on disposal of associates   |       | <b>1,309</b>       | (26,769)         |
| Gain on disposal of property, plant and equipment                                       |       | <b>(3,646)</b>     | (6,746)          |
| Gain on change in value of investment held for trading                                  |       | <b>(152,284)</b>   | —                |
| Operating cash flows before movements in working capital                                |       | <b>2,706,935</b>   | 1,685,651        |
| Decrease in instalments receivable  |       | <b>2,084</b>       | 23,247           |
| (Increase) decrease in inventories  |       | <b>(3,704)</b>     | 5,185            |
| Increase in stock of properties   |       | <b>(7,194,547)</b> | (3,451,754)      |
| Increase in investments held-for-trading  |       | <b>(198,790)</b>   | (11,489)         |
| Decrease in amounts due from customers for contract work                                |       | —                  | 24,973           |
| Increase in trade and other receivables, deposits and prepayments                       |       | <b>(584,569)</b>   | (352,531)        |
| (Increase) decrease in restricted bank balances   |       | <b>(146,537)</b>   | 25,171           |
| Increase in trade and other payables, pre-sales deposits, and rental and other deposits |       | <b>3,609,230</b>   | 592,067          |
| Increase in amounts due to customers for contract work                                  |       | —                  | 58,139           |
| Cash used in operations   |       | <b>(1,809,898)</b> | (1,401,341)      |
| Income taxes paid   |       | <b>(462,206)</b>   | (289,620)        |
| Income taxes refunded   |       | <b>334</b>         | 5,966            |
| <b>NET CASH USED IN OPERATING ACTIVITIES</b>  |       | <b>(2,271,770)</b> | (1,684,995)      |

## Consolidated Cash Flow Statement

For The Year Ended 31 December 2006

|  | NOTES | 2006<br>HK\$'000 | 2005<br>HK\$'000 |
|--|-------|------------------|------------------|
| <b>INVESTING ACTIVITIES</b>  |       |                  |                  |
| Interest received  |       | 83,940           | 47,289           |
| Dividends from associates received   |       | 125              | 2,294            |
| Dividends from syndicated property project companies received  |       | 12,601           | 20,959           |
| Investment income from infrastructure projects   |       | 23,835           | 26,976           |
| Decrease in pledged bank deposits  |       | 829              | 62,211           |
| Purchase of property, plant and equipment  |       | (493,543)        | (255,934)        |
| Prepaid lease payments for land  |       | (2,033)          | (45,205)         |
| Additions to investment properties   |       | —                | (9,756)          |
| Acquisition of subsidiaries (net of cash and cash equivalents acquired)                                  | 44    | (995,053)        | (65,378)         |
| Disposal of subsidiaries (net of cash and cash equivalents disposed of)                                  | 46    | 292,647          | 675,474          |
| Consideration for acquisition of subsidiaries in prior year paid (Advances to) repayment from associates |       | —                | (73,482)         |
| Investments in jointly controlled entities   |       | (72,815)         | (16,231)         |
| Repayment from (advances to) jointly controlled entities   |       | 403,822          | (38,646)         |
| Repayment of capital from jointly controlled entities  |       | 26,038           | 26,038           |
| Repayment of capital from infrastructure investments   |       | 17,419           | 14,990           |
| Repayment from infrastructure project companies  |       | 9                | 31,718           |
| Repayment from syndicated property project companies   |       | 25,887           | 86,747           |
| Net proceeds on sales of investment properties   |       | 62,620           | 25,685           |
| Net proceeds on sales of property, plant and equipment   |       | 15,667           | 73,202           |
| Net proceeds on disposal of prepaid lease payments for land  |       | —                | 7,371            |
| Net proceeds on disposal of associates   |       | 899              | 16,200           |
| <b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>  |       | <b>(704,265)</b> | 694,666          |
| <b>FINANCING ACTIVITIES</b>  |       |                  |                  |
| Interest paid  |       | (397,208)        | (223,645)        |
| Other finance costs paid   |       | (23,342)         | (16,677)         |
| Cash dividends paid  |       | (536,119)        | (446,613)        |
| Distribution of discontinued operations  | 45    | —                | (485,800)        |
| Dividends paid to minority shareholders  |       | (2,630)          | (967)            |
| Government grant on property, plant and equipment  |       | —                | 34,615           |
| Net proceeds from issue of shares  |       | 2,345,586        | 82,470           |
| Repurchase of own shares   |       | —                | (90,030)         |
| Guaranteed notes issued  |       | —                | 2,319,034        |
| New bank loans raised  |       | 4,564,000        | 1,731,692        |
| Repayment of bank loans  |       | (3,175,692)      | (1,442,642)      |
| Advances from jointly controlled entities  |       | 666,591          | —                |
| Repayment of contributions from minority shareholders of subsidiaries                                    |       | (108,954)        | —                |
| Contributions and advances from minority shareholders of subsidiaries                                    |       | —                | 66,024           |
| <b>NET CASH FROM FINANCING ACTIVITIES</b>  |       | <b>3,332,232</b> | 1,527,461        |
| NET INCREASE IN CASH AND CASH EQUIVALENTS  |       | 356,197          | 537,132          |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY   |       | 3,126,381        | 2,571,076        |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES  |       | 106,473          | 18,173           |
| <b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>  | 48    | <b>3,589,051</b> | 3,126,381        |