

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

<i>Notes</i>	<b>2006</b> <b>HK\$'000</b>	2005 HK\$'000
<b>Cash flows from operating activities</b>	<b>424,730</b>	362,380
Profit before tax expenses		
Adjustments for:		
Interest income	<b>(4,684)</b>	(3,078)
Dividend income from listed equity securities	<b>(529)</b>	(154)
Interest expense	<b>55,064</b>	21,652
Profit on disposal of assets classified as held for sale	<b>(22,059)</b>	–
Fair value gain on financial assets at fair value through profit or loss	<b>(3,177)</b>	(34)
Loss/(profit) on disposal of financial assets at fair value through profit or loss	<b>9,266</b>	(395)
Loss on disposal of property, plant and equipment	<b>53</b>	926
Gain on disposal of an associate	<b>(124,182)</b>	–
Impairment loss on goodwill	<b>–</b>	9,128
(Reversal of impairment loss)/impairment loss on deposits for property development	<b>(13,725)</b>	13,333
Fair value loss on investment properties	<b>18,836</b>	–
Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost	<b>(80,240)</b>	(50,129)
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Depreciation of property, plant and equipment	<b>2,334</b>	1,649
Share of results of associates	<b>43,302</b>	(23,218)
<b>Operating profit before working capital changes</b>	<b>304,989</b>	332,060
Decrease/(increase) in trade and other receivables	<b>154,578</b>	(30,373)
Decrease in properties for sale	<b>36,525</b>	327,065
Decrease in deposits for property development	<b>178,848</b>	38,228
(Increase)/decrease in amounts due from associates	<b>(37,059)</b>	228,800
Decrease/(increase) in amounts due from related companies	<b>11,269</b>	(7,185)
Decrease/(increase) in amount due from a minority owner of a subsidiary	<b>16,000</b>	(31,853)
(Decrease)/increase in trade and other payables	<b>(49,688)</b>	97,671
Decrease in receipts in advance from customers	<b>(893,964)</b>	(343,092)
Increase/(decrease) in amounts due to associates	<b>14,536</b>	(1,763)
Increase/(decrease) in amounts due to related companies	<b>43,931</b>	(415)
Increase in amount due to a minority owner of a subsidiary	<b>30,679</b>	–
Decrease in amount due to a director	<b>–</b>	(4,062)
<b>Cash (used in)/generated from operations</b>	<b>(189,356)</b>	605,081
Interest received	<b>4,684</b>	3,078
Interest paid	<b>(48,781)</b>	(19,987)
Income taxes paid	<b>(64,313)</b>	(30,341)
<b>Net cash (used in)/from operating activities carried forward</b>	<b>(297,766)</b>	557,831

## Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	43	(9,901)	(42,351)
Acquisition of additional interest in a subsidiary		(30,000)	(1,751)
Purchase of property, plant and equipment		(864)	(1,415)
Proceeds from disposal of property, plant and equipment		439	2,130
Proceeds from disposal of an associate		143,659	–
Purchase of financial assets at fair value through profit or loss		(44,120)	(7,641)
Proceeds from disposal of investments at fair value through profit or loss		5,869	5,869
Proceeds from disposal of assets classified as held for sale		147,500	–
Proceeds from disposal of available-for-sale investments		1,892	–
Deposits for acquisition of investment properties		(219,396)	(288,461)
Purchase of available-for-sale investments		(3,200)	(96)
Purchase of assets classified as held for sale		–	(120,192)
Dividends received		529	154
Investment in an associate		–	(34,615)
Refund of advance for investment		–	13,106
<b>Net cash used in investing activities</b>		<b>(7,593)</b>	<b>(475,263)</b>
<b>Financing activities</b>			
Increase in bank borrowings		288,232	281,838
Repayment of bank borrowings		(220,031)	(341,346)
Proceeds from issue of shares		252,000	–
Transaction costs attributable to issue of new shares		(7,835)	–
Contribution by a minority owner of a subsidiary		19,609	6,154
Proceeds from issue of convertible notes		150,000	80,000
Dividends paid to minority interests		–	(28,571)
<b>Net cash flows from/(used in) financing activities</b>		<b>481,975</b>	<b>(1,925)</b>
<b>Net increase in cash and cash equivalents</b>		<b>176,616</b>	<b>80,643</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>361,598</b>	<b>271,476</b>
Effect of foreign exchange rate changes		48,841	9,479
<b>Cash and cash equivalents at end of year</b>	39	<b>587,055</b>	<b>361,598</b>