

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	1,134,015	1,436,388
Adjustments for:		
Share of results of associates	(2,436)	3,359
Share of results of jointly controlled entities	—	290
Interest expenses	90,168	75,831
Gain on disposal of subsidiaries engaging in property investment and development	—	(11,818)
Depreciation	4,098	5,081
Fair value changes on investment properties	(708,911)	(1,251,078)
Fair value changes on held for trading investments	—	12
(Gain) loss on disposal of equity investments	(10,289)	900
Loss on disposal of investment properties	—	2,424
Write down of properties held for sale	1,693	36,233
Allowance for other loans receivable	10,000	—
(Reversal of allowance) allowance for trade and other receivables	(298)	472
Dividend income from equity investments	(567)	(1,771)
Interest income	(57,379)	(44,884)
Loss (gain) on disposal of property, plant and equipment	194	(84)
Gain on disposal of associates	(66,361)	—
Recognition of discount on acquisition/gain on deemed acquisition	(81,975)	(36,787)
Increase (decrease) in provision for rental guarantee resulting from re-measurement	569	(2,226)
Operating cash flows before movements in working capital	312,521	212,342
Decrease in inventories	1,271	1,099
(Increase) decrease in properties held for sale	(1,832)	780,852
Increase in properties under development held for sale	(78,011)	(906,675)
Decrease (increase) in receivables, deposits and prepayments	41,445	(128,746)
Increase in payables, deposits received and accrued charges	116,858	86,942
Increase in sales deposits on properties held for sale received	307,342	87,059
Payment of rehousing compensation	(722)	(5,173)
Payment of compensation for rental guarantees	(3,936)	(42,109)
Cash generated from operations	694,936	85,591
Interest paid on bank and other borrowings	(137,010)	(113,954)
Hong Kong Profits Tax paid	(89,709)	(453)
Overseas tax paid	(13,319)	(225)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	454,898	(29,041)

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	NOTE	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchase of investment properties		(50,239)	(115)
Proceeds on disposal of investment properties		—	865,633
Purchase of property, plant and equipment		(36,022)	(117,198)
Proceeds on disposal of property, plant and equipment		3,101	860
Purchase of leasehold land		(51,085)	—
Dividend received from an associate		—	1,249
Dividend received from equity investments		567	1,771
Interest received		51,953	44,035
Purchase of equity investments		(453)	—
Proceeds on disposal of associates		41,771	—
Proceeds on disposal of equity investments		64,985	7,902
Advance to jointly controlled entities		(2,600)	(3,310)
Repayment of loan to (advance to) associates		32,557	(2,077)
Additions of other loans receivable		(110,094)	(70,075)
Repayments of other loans receivable		6,477	70,938
Increase in pledged bank deposits		(17,313)	(45,154)
Increase in restricted bank balances and deposits		(325,892)	—
Acquisition of additional interests in subsidiaries		(276,931)	(76,727)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	42	—	58,642
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(669,218)	736,374
FINANCING ACTIVITIES			
Repayment of bank and other loans		(975,742)	(1,144,026)
Funds received from bank and other loans		1,067,878	467,886
Advances from minority shareholders		3,118	63,706
Repayment to minority shareholders		(105,740)	—
Dividends paid		(63,858)	(52,155)
Dividends paid to minority shareholders		—	(1,080)
Repayment of other payables		—	(1,410)
Proceeds on issuance of shares		48,895	51,363
NET CASH USED IN FINANCING ACTIVITIES		(25,449)	(615,716)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(239,769)	91,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		795,707	732,316
Effect of foreign exchange rate changes		14,507	(28,226)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and deposits		570,445	795,707