

CONSOLIDATED CASH FLOW STATEMENT

For year ended December 31, 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES			
Profit before taxation		415,196	329,013
Adjustments for:			
Amortization of prepaid lease payments		383	317
Depreciation of property, plant and equipment		3,881	3,450
Discount on acquisition of additional equity interest in a subsidiary		–	(18,550)
Change in fair values of investment properties		(53,511)	21,321
Change in fair values of held-for-trading investments		–	302
Gain on disposal of available-for-sale investments		(129)	–
Operating cash flows before movements in working capital		365,820	335,853
Decrease in properties under development for sales		738,949	149,161
(Increase) decrease in properties held for sales		(897,859)	29,278
Increase in trade and other receivables		(52,306)	(81,179)
Increase (decrease) in trade and other payables		160,830	(215,688)
Increase in deposits received on sales of properties		220,974	144,964
Cash generated from operations		536,408	362,389
Interest paid		(94,322)	(68,402)
Peoples' Republic of China ("PRC") taxes paid		(74,728)	(22,380)
NET CASH FROM OPERATING ACTIVITIES		367,358	271,607
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,776)	(2,556)
Additions to investment properties		(8,708)	(5,340)
Additions to development in progress		(351,038)	(65,591)
Advance to related companies		(425,208)	(287,007)
Decrease in pledged bank deposits		28,877	123,109
Proceeds from disposal of held-for-trading investments		–	9,275
Proceeds from disposal of available-for-sale investments		25,003	–
Consideration for acquisition of additional equity interest in a subsidiary		–	(1,867)
Transfer of controlling interests in subsidiaries	29	(42)	–
NET CASH USED IN INVESTING ACTIVITIES		(733,892)	(229,977)

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For year ended December 31, 2006

	2006 HK\$'000	2005 HK\$'000
FINANCING ACTIVITIES		
Issue of shares	387,700	—
Share issue expenses	(12,675)	—
New bank loans raised	489,045	657,753
Advance to (repayment from) related companies	(41,482)	43,765
Repayment of bank loans	(433,962)	(812,883)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	388,626	(111,365)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,092	(69,735)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,852	80,572
Effect of foreign exchange rate changes	(258)	(3,985)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	28,686	6,852