

Consolidated Cash Flow Statement

For the Year Ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
Operating activities		
Profit before taxation	132,833	58,953
Adjustments for:		
Interest income from bank deposits	(222)	(554)
Finance costs	18,733	17,202
Share of losses of associates	195	232
(Increase) decrease in fair value of investments held for trading	(1,125)	1,814
Increase in fair value of investment properties	(81,170)	(13,800)
Gain on change in value of leasehold interest in land upon transfer to investment properties	(4,980)	–
(Gain) loss on disposal of property, plant and equipment	(170)	586
Depreciation of property, plant and equipment	16,395	13,665
Release of prepaid lease payments for land	6,315	6,341
Discount on acquisition of subsidiaries	–	(13,505)
	<u>86,804</u>	<u>70,934</u>
Operating cash flows before movements in working capital		
Decrease (increase) in inventories	127	(345)
(Increase) decrease in properties for sale	(332)	69,461
Decrease in trade and other receivables	1,768	88,141
Increase in deposits and prepayments	(502)	(1,296)
Decrease (increase) in trade balances due from shareholders	1,780	(445)
Decrease (increase) in trade balance due from an associate	405	(31)
(Decrease) increase in trade and other payables	(2,246)	6,033
Increase in rental and other deposits received	2,919	20
	<u>90,723</u>	<u>232,472</u>
Cash generated from operations		
Hong Kong Profits Tax paid	(3,376)	(11,628)
Income tax elsewhere paid	(1,324)	–
Interest from bank deposits received	222	554
	<u>86,245</u>	<u>221,398</u>
Net cash from operating activities		
Investing activities		
Expenditure on properties under development	(119,167)	(9,435)
Deposits paid on acquisition of land for development	(19,500)	–
Additions to property, plant and equipment	(4,870)	(22,714)
Proceeds from disposal of property, plant and equipment	457	–
Decrease in pledged bank deposits	13	22
Acquisition of subsidiaries	–	(221,654)
Proceeds from disposal of investment properties	–	180,000
	<u>(143,067)</u>	<u>(73,781)</u>
Net cash used in investing activities		

Consolidated Cash Flow Statement (Continued)

For the Year Ended 31st December, 2006

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Financing activities		
New bank loans raised	96,000	114,640
Repayment of bank loans	(26,666)	(276,920)
Repayment of advances from a shareholder	–	(72,053)
Advances from a shareholder	13,384	–
Dividend paid	(10,930)	(8,197)
Interest paid	(25,191)	(21,386)
	<u>46,597</u>	<u>(263,916)</u>
Net cash from (used in) financing activities		
	46,597	(263,916)
Net decrease in cash and cash equivalents	(10,225)	(116,299)
Cash and cash equivalents at the beginning of the year	16,687	132,986
Effect of foreign exchange rate changes	31	–
	<u>16,718</u>	<u>132,986</u>
Cash and cash equivalents at the end of the year represented by bank balances and cash	<u>6,493</u>	<u>16,687</u>