

Consolidated Cash Flow Statement

Year ended 31 December 2005

| | <i>Notes</i> | 2005 HK\$'000 | 2004 HK\$'000 (Restated) |
|---|--------------|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 787,891 | 821,277 |
| Adjustments for: | | | |
| Finance costs | 7 | 55,453 | 51,863 |
| Interest income | 5 | (43,587) | (21,189) |
| Dividend income from listed investments | 5 | – | (47) |
| Gain on disposal of items of property, plant and equipment, net | 5 | (754) | (3,941) |
| Write-back of long outstanding payables | 5 | (3,771) | (8,908) |
| Gain on disposal of short term investments | 5 | – | (66) |
| Gain on disposal of a jointly-controlled entity | 5 | – | (1,936) |
| Gain on disposal of available-for-sale equity investments | 5 | (1,341) | – |
| Fair value gains on short term investments | 5 | – | (248) |
| Depreciation | 6 | 157,269 | 153,292 |
| Prepaid land lease payments amortisation | 6 | 57,395 | 54,900 |
| Goodwill amortisation | 6 | – | 34,377 |
| Negative goodwill recognised as income | 6 | – | (2,586) |
| Provisions for doubtful debts, net | 6 | 6,484 | 2,870 |
| Impairment of available-for-sale equity investments | 6 | 381 | – |
| Write-back of impairment of interests in jointly-controlled entities | 6 | – | (7,479) |
| Impairment of interest in an associate | 6 | – | 210 |
| Write-off of properties under development | 6 | – | 1,301 |
| Impairment of items of property, plant and equipment | 6 | 7,500 | 1,440 |
| Revaluation surplus of investment properties | 6 | (36,882) | (30,632) |
| Revaluation surplus of hotel properties | 6 | (28,725) | (54,444) |
| Fair value gains on derivative financial instruments | 6 | (99,204) | – |
| Provisions for slow-moving inventories | 6 | 20 | 44 |
| Share of profits and losses of jointly-controlled entities | | (175,598) | (251,193) |
| Share of profits and losses of associates | | (45,751) | (53,221) |
| Operating profit before working capital changes | | 636,780 | 685,684 |

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Year ended 31 December 2005

| | 2005 | 2004 |
|--|------------------|------------|
| | HK\$'000 | HK\$'000 |
| | | (Restated) |
| Operating profit before working capital changes | 636,780 | 685,684 |
| Increase in inventories | (5,171) | (486) |
| Increase in trade receivables, prepayments, deposits and other receivables | (132,232) | (160,443) |
| Decrease in short term investments | 11,581 | – |
| Decrease/(increase) in an amount due from ultimate holding company | 3,429 | (472) |
| Decrease/(increase) in amounts due from fellow subsidiaries | (2,030) | 2,619 |
| Increase in trade payables, other payables and accruals | 73,831 | 73,084 |
| Increase/(decrease) in amounts due to fellow subsidiaries | 17 | (18,552) |
| Increase in deferred income | 18,173 | 35,757 |
| Increase in amounts due from jointly-controlled entities | (12,475) | (84,846) |
| Increase in amounts due to jointly-controlled entities | 632 | – |
| Increase in amounts due from associates | (8,172) | (6,802) |
| Decrease in amounts due to associates | (702) | – |
| Effect of foreign exchange rate changes, net | 14,146 | 7,851 |
| Cash generated from operations | 597,807 | 533,394 |
| Hong Kong, PRC and Macau profits tax paid | (116,439) | (75,051) |
| Overseas taxes paid | – | (1,503) |
| Net cash inflow from operating activities | 481,368 | 456,840 |

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| Net cash inflow from operating activities | | 481,368 | 456,840 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | | 43,587 | 21,189 |
| Dividend income from listed investments | | – | 47 |
| Dividends received from an associate | | 53,543 | 49,125 |
| Dividends received from jointly-controlled entities | | 210,590 | 200,515 |
| Proceeds from disposal of a jointly-controlled entity | | – | 4,968 |
| Proceeds from disposal of short term investments | | – | 951 |
| Proceeds from disposal of available-for-sale equity investments | | 4,185 | – |
| Purchases of items of property, plant and equipment | 14 | (278,702) | (145,035) |
| Investment in a jointly-controlled entity | | (1,415) | – |
| Purchase of held-to-maturity investments | | (15,477) | – |
| Proceeds from disposal of items of property, plant and equipment | | 22,677 | 16,768 |
| Additions to properties under development | 17 | (1,132,725) | (344,821) |
| Prepayment of land lease payments | 16 | (8,332) | (849) |
| Purchases of short term investments | | – | (885) |
| Acquisition of subsidiaries | 40(b) | – | (904) |
| Acquisition of minority interests | | (10,265) | – |
| Return of capital from a jointly-controlled entity | | 94,517 | – |
| Decrease/(increase) in pledged time deposits | | (253) | 270 |
| Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired | | (264,566) | 129,447 |
| Receipt from liquidation of subsidiaries | 40(c) | – | 5,782 |
| Net cash outflow from investing activities | | (1,282,636) | (63,432) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Interest paid | | (48,489) | (10,888) |
| Interest element of finance lease and hire purchase contract payments | | – | (4) |
| Dividends paid | | (401,681) | (381,105) |
| Dividends paid to minority shareholders | | (53,832) | (16,007) |
| Contributions from minority shareholders | | 1,415 | 1,365 |
| Proceeds from issue of new shares | 37 | 212,837 | 50,057 |
| Repurchase of own shares | 37 | (2,295) | (3,545) |
| New bank loans | | 1,318,335 | 6,257 |
| Repayment of bank loans | | (12,370) | (460,905) |
| Capital element of finance lease and hire purchase contract payments | | (302) | (1,502) |
| Net cash inflow/(outflow) from financing activities | | 1,013,618 | (816,277) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | | 212,350 | (422,869) |

Consolidated Cash Flow Statement

Year ended 31 December 2005

| | <i>Note</i> | 2005 HK\$'000 | 2004 HK\$'000 (Restated) |
|--|-------------|--------------------------------|--------------------------------|
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | | 212,350 | (422,869) |
| Cash and cash equivalents at beginning of year | | 1,710,653 | 2,133,522 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | |
| | | 1,923,003 | 1,710,653 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 29 | 1,046,051 | 1,148,116 |
| Non-pledged time deposits with original maturity of less than three months when acquired | | 876,952 | 562,537 |
| | | 1,923,003 | 1,710,653 |