

# Consolidated Cash Flow Statement

For the Year Ended 31 December 2005

	NOTES	2005 HK\$'000	2004 HK\$'000 (restated)
<b>OPERATING ACTIVITIES</b>			
Operating profit from continuing operations		2,259,048	1,435,212
Operating profit from discontinued operations		35,466	88,173
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Total operating profit		2,294,514	1,523,385
Adjustments for:			
Impairment losses and allowances reversed	9	(50,000)	(352,369)
Depreciation and amortisation		129,474	164,454
Interest income		(85,870)	(21,542)
Dividend income		(20,959)	(2,100)
Share-based payment expense		6,163	3,297
Negative goodwill released to income		–	(8,017)
Increase in fair value of investment properties		(391,495)	–
Gain on change in value of interest rate swap agreements		(28,810)	–
Gain on change in value of other property interest		(106,875)	–
Gain on disposal of associates		(26,769)	–
Gain on disposal of subsidiaries	46	–	(81,182)
Gain on disposal of property, plant and equipment		(6,746)	(501)
Gain on disposal of investment properties		–	(600)
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Operating cash flows before movements in working capital		1,712,627	1,224,825
Decrease in instalments receivable		23,247	183,697
Decrease (increase) in inventories		5,185	(21,361)
Increase in stock of properties		(3,451,754)	(3,329,818)
Increase in trading securities		(11,489)	–
Decrease in amounts due from customers for contract work		24,973	14,166
(Increase) decrease in trade and other receivables, deposits and prepayments		(352,531)	632,392
Decrease in restricted bank balances		25,171	140,394
Increase in trade and other payables, forward property sales deposits, and rental and other deposits		592,067	629,476
Increase (decrease) in amounts due to customers for contract work		58,139	(104,464)
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Cash used in operations		(1,374,365)	(630,693)
Income taxes paid		(289,620)	(217,361)
Income taxes refunded		5,966	2,722
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<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(1,658,019)</b>	<b>(845,332)</b>

## Consolidated Cash Flow Statement

For the Year Ended 31 December 2005

	NOTES	2005 HK\$'000	2004 HK\$'000 (restated)
<b>INVESTING ACTIVITIES</b>			
Interest received		47,289	21,542
Dividends from associates received		2,294	8,736
Dividends from jointly controlled entities received		–	17,026
Other dividends received		20,959	2,100
Decrease (increase) in pledged bank deposits		62,211	(77,919)
Purchase of property, plant and equipment		(255,934)	(410,282)
Government grant on property, plant and equipment		34,615	–
Prepaid lease payments for land		(45,205)	(111,522)
Additions to investment properties		(9,756)	–
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	44	(65,378)	(317,355)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	46	675,474	229,326
Consideration for acquisition of subsidiaries in prior year paid		(73,482)	(20,335)
Investments in associates		–	(11,574)
Repayment from associates		82,144	101,122
Advances to associates		–	(203,362)
Investments in jointly controlled entities		(16,231)	(940,273)
Advances to jointly controlled entities		(38,646)	(446,777)
Repayment of capital from jointly controlled entities		26,038	26,038
Repayment of capital from infrastructure investments		14,990	12,901
Repayment from (advances to) infrastructure project companies		31,718	(31,718)
Repayment from syndicated property project companies		86,747	78,132
Repayment from other investees		–	6,719
Net proceeds on sales of investment properties		25,685	8,800
Net proceeds on sales of property, plant and equipment		73,202	50,054
Net proceeds on disposal of prepaid lease payments for land		7,371	4,436
Net proceeds on disposal of associates		16,200	45,679
Net proceeds on disposal of investment securities		–	524
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>		<b>702,305</b>	<b>(1,957,982)</b>

## Consolidated Cash Flow Statement

For the Year Ended 31 December 2005

	NOTES	2005 HK\$'000	2004 HK\$'000 (restated)
<b>FINANCING ACTIVITIES</b>			
Interest paid		(223,645)	(174,441)
Other finance costs paid		(16,677)	(32,365)
Cash dividends paid		(446,613)	(318,530)
Distribution of discontinued operations	45	(485,800)	–
Dividends paid to minority shareholders		(967)	–
Net proceeds from issue of shares		82,470	1,578,251
Repurchase of own shares		(90,030)	(36,856)
Guaranteed notes issued		2,319,034	–
New bank loans raised		1,731,692	3,248,817
Repayment of bank loans		(1,442,642)	(1,023,217)
Repayment of contributions and advances from minority shareholders of subsidiaries		–	(212,115)
Contributions and advances from minority shareholders of subsidiaries		66,024	161,845
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>1,492,846</b>	3,191,389
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>537,132</b>	388,075
CASH AND CASH EQUIVALENTS AT 1 JANUARY		<b>2,571,076</b>	2,183,001
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<b>18,173</b>	–
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>3,126,381</b>	2,571,076
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		<b>3,147,767</b>	2,617,633
Less: restricted bank deposits		(21,386)	(46,557)
		<b>3,126,381</b>	2,571,076