

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 HK\$'M	2004 (As restated) HK\$'M
Cash flows from operating activities		
Profit from operations	529.3	57.4
Adjustments for:		
Gain on disposal of strategic investments	(67.1)	–
Compensation expense in respect of share options and incentive shares	0.5	–
Change in fair value of investment properties	(276.1)	(39.9)
Impairment losses recognised (reversal of impairment losses) in respect of strategic investments	2.0	(7.5)
Interest and investment income	(21.8)	(9.1)
Amortisation of permanent textile quota entitlements	–	0.4
Amortisation of trademark	0.1	0.1
Depreciation and amortisation		
– leasehold land and land use rights	7.2	4.7
– other properties, plant and equipment	24.6	23.9
Loss on disposal of other properties, plant and equipment	1.2	0.1
Operating cash flows before movements in working capital	199.9	30.1
Decrease in inventories	5.7	0.9
Increase in properties under development for sale	(147.0)	(163.2)
(Increase) decrease in trade and other receivables and prepayments	(351.8)	78.4
Decrease in bills receivable	40.4	42.0
Increase in sales proceeds held in stakeholders' accounts	(12.4)	(101.2)
Increase in amounts due from associates	(0.9)	(1.8)
Increase in trade and other payables	123.2	7.3
Increase in properties presale deposits received	795.1	107.4
Increase in bills payable	1.5	1.7
Increase (decrease) in amount due to an associate	4.8	(0.1)
Net cash generated from operations	658.5	1.5
Interest and dividend income received	13.6	5.5
Interest paid on bank and other borrowings	(46.1)	(20.8)
Hong Kong profits tax refund (paid)	0.2	(0.8)
Tax paid in other jurisdictions	(0.4)	(0.9)
Net cash generated from (used in) operating activities	625.8	(15.5)

## Consolidated Cash Flow Statement (cont'd)

For the year ended 31 December 2005

	2005 HK\$'M	2004 (As restated) HK\$'M
<b>Cash flows from investing activities</b>		
Purchase of leasehold land and land use rights	(735.0)	(172.7)
Purchase of properties under development	(239.8)	(143.2)
Purchase of other properties, plant and equipment	(42.5)	(33.5)
Purchase of strategic investments	(8.7)	(15.6)
Purchase of trademark	(0.2)	–
Repayment of advances from associates	31.5	128.9
(Increase) decrease in investments the underlying business of which is property development	(36.8)	20.6
Proceeds from redemption of debt securities	1.8	4.7
Other interest income received	6.0	1.1
Proceeds from disposal of other property, plant and equipment	–	0.7
Repayments of mortgage loans receivable	1.2	0.7
Investments in associates	(42.7)	–
Proceeds from disposal of strategic investments	266.6	–
<b>Net cash used in investing activities</b>	<b>(798.6)</b>	<b>(208.3)</b>
<b>Cash flows from financing activities</b>		
Bank and other loans raised	1,782.4	491.9
Issue of shares	–	6.9
Repayment of bank and other loans	(1,591.8)	(333.0)
Increase (decrease) in trust receipts and import loans	1.3	(5.9)
Dividends paid by the Company	(17.1)	(5.2)
Dividends paid to minority shareholders of subsidiaries	–	(1.1)
<b>Net cash from financing activities</b>	<b>174.8</b>	<b>153.6</b>
<b>Effect of foreign exchange rate changes</b>	<b>(3.6)</b>	<b>1.8</b>
<b>Decrease in cash and cash equivalents</b>	<b>(1.6)</b>	<b>(68.4)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>139.3</b>	<b>207.7</b>
<b>Cash and cash equivalents at end of the year</b>	<b>137.7</b>	<b>139.3</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	137.9	139.8
Bank overdrafts	(0.2)	(0.5)
	<b>137.7</b>	<b>139.3</b>

The notes on page 48 to 106 are an integral part of these financial statements.