

## | CONSOLIDATED CASH FLOW STATEMENT |

Year ended 31 December 2005

|   | Notes | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|---|-------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |       |                  |                  |
| Profit before tax   |       | <b>889,895</b>   | 894,229          |
| Adjustments for:  |       |                  |                  |
| Fair value gains on investment properties, net                                  |       | <b>(13,635)</b>  | (13,785)         |
| Finance costs   | 6     | <b>156,220</b>   | 138,048          |
| Share of profits and losses of jointly-controlled entities and associates       |       | <b>5,099</b>     | (107,628)        |
| Depreciation  | 5     | <b>594,861</b>   | 592,985          |
| Amortisation of operating concessions   | 5     | <b>102,605</b>   | 101,367          |
| Amortisation of management information systems                                  | 5     | <b>1,887</b>     | 1,886            |
| Amortisation of licences  | 5     | <b>1,491</b>     | 1,435            |
| Impairment of property, plant and equipment                                     | 5     | <b>3,780</b>     | 29,386           |
| Impairment of goodwill  | 5     | <b>59,658</b>    | 17,512           |
| Impairment of licences  | 5     | <b>12,000</b>    | –                |
| Impairment of deferred development costs  | 5     | <b>5,870</b>     | –                |
| Impairment of available-for-sale financial assets                               | 5     | <b>1,083</b>     | 44,300           |
| Impairment on an amount due from an associate                                   | 5     | <b>4,500</b>     | 474              |
| Impairment on trade receivables   | 5     | <b>48,398</b>    | 34,855           |
| Impairment on other receivables   | 5     | <b>22,445</b>    | 60,300           |
| Interest income   | 4     | <b>(73,165)</b>  | (44,751)         |
| Investment income   | 4     | <b>(3,271)</b>   | (3,053)          |
| Excess over the cost of acquisition of a subsidiary and minority interests      | 4     | <b>(3,677)</b>   | (35,767)         |
| Loss on disposal of property, plant and equipment, net                          | 5     | <b>5,556</b>     | 14,370           |
| Gain on disposal of investment properties                                       | 4     | <b>(2,466)</b>   | (238)            |
| (Gain)/loss on disposal of interests in subsidiaries, net                       | 5     | <b>(81,097)</b>  | 6,433            |
| Gain on deemed disposal of interest in a subsidiary                             | 4     | <b>(14,498)</b>  | (20,715)         |
| Gain on disposal of interests in jointly-controlled entities                    | 4     | <b>(120,273)</b> | –                |
| Loss on deemed disposal of interest in a jointly-controlled entity              | 5     | <b>316</b>       | 680              |
| Gain on disposal of interests in associates                                     | 4     | <b>–</b>         | (96,766)         |
| (Gain)/loss on deemed disposal of an interest in an associate                   | 5     | <b>927</b>       | (369)            |
| Gain on disposal of available-for-sale financial assets                         | 4     | <b>(1,514)</b>   | (6,298)          |
| Gain on disposal of financial assets at fair value through profit or loss, net  | 4     | <b>(2,074)</b>   | (841)            |
| Fair value losses on financial assets at fair value through profit or loss, net | 5     | <b>4,132</b>     | 4,570            |
| Operating profit before working capital changes                                 |       | <b>1,605,053</b> | 1,612,619        |

## | CONSOLIDATED CASH FLOW STATEMENT |

Year ended 31 December 2005

| <i>Notes</i>   | <b>2005</b><br><b>HK\$'000</b> | 2004<br>HK\$'000 |
|--|--------------------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                |                  |
|  | <b>1,605,053</b>               | 1,612,619        |
| Operating profit before working capital changes                                    | <b>64,049</b>                  | 15,709           |
| Decrease in prepaid land premiums  | <b>(190,269)</b>               | (11,058)         |
| Increase in properties under development   | <b>23,584</b>                  | 465,786          |
| Decrease in properties held for sale   | <b>(220,048)</b>               | (305,424)        |
| Increase in inventories  | <b>(8,323)</b>                 | (10,165)         |
| Increase in amounts due from customers for contract work                           | <b>(143,136)</b>               | (207,404)        |
| Increase in trade and bills receivables  | <b>(88,085)</b>                | (302,687)        |
| Increase in other receivables  |                                |                  |
| Purchases of financial assets at fair value<br>through profit or loss              | <b>(6,871)</b>                 | (40,082)         |
| Proceeds from disposal of financial assets at fair value<br>through profit or loss | <b>9,464</b>                   | 34,916           |
| Increase in taxes recoverable  | <b>(17,355)</b>                | (1,240)          |
| Increase in trade and bills payables   | <b>340,926</b>                 | 108,220          |
| Increase/(decrease) in amounts due to customers<br>for contract work               | <b>(3,190)</b>                 | 25,954           |
| Increase in other payables and accruals  | <b>385,268</b>                 | 36,749           |
| Increase/(decrease) in other taxes payable   | <b>49,008</b>                  | (5,096)          |
| Increase/(decrease) in other long term liabilities                                 | <b>24,216</b>                  | (29,787)         |
| Exchange adjustments   | <b>10,981</b>                  | 896              |
| Cash generated from operations   | <b>1,835,272</b>               | 1,387,906        |
| Dividends received from jointly-controlled entities<br>and associates              | <b>25,405</b>                  | 98,978           |
| Hong Kong profits tax paid   | <b>(590)</b>                   | (712)            |
| Mainland China income tax paid   | <b>(201,078)</b>               | (187,418)        |
| Overseas income tax paid   | <b>(1,097)</b>                 | (486)            |
| Net cash inflow from operating activities  | <b>1,657,912</b>               | 1,298,268        |

## | CONSOLIDATED CASH FLOW STATEMENT |

Year ended 31 December 2005

|   | Notes     | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|---|-----------|------------------|------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |           |                  |                  |
| Purchases of property, plant and equipment  | 6, 14     | (1,366,308)      | (1,058,061)      |
| Proceeds from disposal of property,<br>plant and equipment                                    |           | 52,895           | 121,906          |
| Proceeds from disposal of investment properties   |           | 3,474            | 6,679            |
| Purchases of other intangible assets  | 18        | (2,668)          | (15,642)         |
| Acquisition of subsidiaries   | 44        | (77,326)         | 223,920          |
| Acquisition of minority interests   |           | (1,874)          | (27,382)         |
| Disposal of subsidiaries  | 45        | 80,675           | (14,333)         |
| Acquisition of and increase in investments in<br>jointly-controlled entities and associates   |           | (47,369)         | (258,166)        |
| Proceeds from disposal of interests<br>in jointly-controlled entities and associates          |           | 392,277          | 355,722          |
| Deposit paid for acquisition of interests in companies  | 29(a)(ii) | (36,743)         | (156,827)        |
| Net (increase)/decrease in amounts due from/to<br>jointly-controlled entities and associates  |           | 18,880           | (7,422)          |
| Purchases of available-for-sale financial assets  |           | (133,891)        | (10,828)         |
| Proceeds from disposal of available-for-sale financial assets                                 |           | 1,814            | 41,512           |
| Decrease/(increase) in time deposits with maturity<br>of more than three months when acquired |           | 677,737          | (142,926)        |
| Decrease in pledged bank balances   |           | 3,670            | 10,620           |
| Interest received   |           | 58,132           | 44,751           |
| Investment income received  |           | 3,271            | 3,053            |
| Net cash outflow from investing activities  |           | (373,354)        | (883,424)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |           |                  |                  |
| Capital contributions from minority shareholders  |           | 19,917           | 80,870           |
| New loans   |           | 2,500,426        | 2,886,896        |
| Repayment of loans  |           | (3,536,684)      | (2,549,491)      |
| Interest paid   | 6         | (156,524)        | (139,152)        |
| Dividends paid  |           | (186,750)        | (174,300)        |
| Dividends paid to minority shareholders   |           | (71,643)         | (94,773)         |
| Net cash inflow/(outflow) from financing activities   |           | (1,431,258)      | 10,050           |

## | CONSOLIDATED CASH FLOW STATEMENT |

Year ended 31 December 2005

|   | Notes | 2005<br>HK\$'000 | 2004<br>HK\$'000 |
|---|-------|------------------|------------------|
| <hr/>   |       |                  |                  |
| NET INCREASE/(DECREASE) IN CASH AND<br>CASH EQUIVALENTS                 |       | (146,700)        | 424,894          |
| Cash and cash equivalents at beginning of year                          |       | 3,507,843        | 3,083,000        |
| Effect of foreign exchange rate changes, net                            |       | 56,431           | (51)             |
|   |       | <hr/>            | <hr/>            |
| CASH AND CASH EQUIVALENTS AT END OF YEAR                                |       | <u>3,417,574</u> | <u>3,507,843</u> |
| <br>  |       |                  |                  |
| ANALYSIS OF BALANCES OF CASH AND<br>CASH EQUIVALENTS                    |       |                  |                  |
| Cash and bank balances  | 32    | 2,917,382        | 2,990,437        |
| Cash equivalents  | 32    | 59,326           | 41,136           |
| Time deposits   | 32    | 581,588          | 1,163,802        |
| Cash and cash equivalents attributable<br>to the discontinued operation | 10(b) | –                | 134,597          |
|   |       | <hr/>            | <hr/>            |
|   |       | 3,558,296        | 4,329,972        |
| Less: Pledged bank balances   | 22    | (50,241)         | (53,911)         |
| Time deposits with maturity of more than<br>three months when acquired  |       | (90,481)         | (768,218)        |
|   |       | <hr/>            | <hr/>            |
|   |       | <u>3,417,574</u> | <u>3,507,843</u> |
|   |       | <hr/>            | <hr/>            |