

Consolidated Cash Flow Statement

for the year ended 30 June 2006

	Note	2006 HK\$ million	2005 re-stated HK\$ million
Operating activities			
Profit before taxation		17,196.0	13,699.3
Adjustments for:			
Interest income		(280.7)	(160.7)
Loss/(profit) on disposal of fixed assets		8.1	(7.7)
Deemed profit on placement of a listed subsidiary's shares		(829.6)	—
Excess of interest in fair values of the acquirees' identifiable assets over cost of business combination		(812.5)	—
(Reversal of impairment loss)/impairment loss on properties under development for own use		(86.0)	204.0
(Write-back of provision)/provision on inventories		(26.3)	23.9
Impairment loss for bad and doubtful debts		34.3	24.7
Impairment loss on other fixed assets		4.5	—
Premium on redemption of guaranteed convertible notes		—	(444.9)
Surplus on revaluation of other investments		—	(25.1)
Impairment loss in value of investment securities		—	10.9
Amortisation of goodwill		—	63.9
Impairment loss on goodwill		161.8	—
Gain on disposal of a subsidiary	(a)	(24.3)	—
Increase in fair value of investment properties		(7,297.0)	(6,765.5)
Finance costs		496.2	209.5
Amortisation and depreciation		122.1	144.0
Dividend income from investments		(20.4)	(35.4)
Surplus on winding up of an associate		—	(0.4)
Share of profits less losses of associates		(2,534.8)	(2,751.7)
Share of profits less losses of jointly controlled entities		(3,805.3)	(2,250.7)
Net foreign exchange gain		(17.3)	—
Operating profit before changes in working capital		2,288.8	1,938.1
(Increase)/decrease in instalments receivable		(1,032.6)	89.7
Decrease/(increase) in long term receivable		16.2	(1.4)
Increase in deposits for acquisition of properties		(553.1)	(603.6)
Increase in inventories		(886.6)	(1,269.7)
Increase in debtors, prepayments and deposits		(34.6)	(213.7)
Decrease/(increase) in gross amount due from customers for contract work		31.6	(37.3)
Decrease/(increase) in cash held by stakeholders		32.5	(55.9)
Increase in creditors and accrued expenses		491.1	73.8
Decrease in gross amount due to customers for contract work		(8.2)	(26.1)
Increase in rental and other deposits		57.0	26.9
Cash generated from/(used in) operations		402.1	(79.2)
Interest received		114.3	89.7
Tax paid			
Hong Kong		(320.1)	(195.6)
Outside Hong Kong		(38.3)	(48.1)
Net cash generated from/(used in) operating activities		158.0	(233.2)

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Investing activities			
Additions to fixed assets		(1,639.9)	(1,152.8)
Proceeds from sale of fixed assets		3.4	76.3
Additional investments in associates		(814.6)	(23.7)
Repayment from associates		361.0	308.0
Repayment from jointly controlled entities		207.6	882.9
Payment for the purchase of available-for-sale securities		(45.1)	(77.2)
Proceeds from redemption of held-to-maturity securities		—	40.8
Proceeds from sale of a subsidiary	(a)	117.3	—
Acquisition of subsidiaries	(b)	(790.0)	(74.1)
Additional investments in subsidiaries		—	(50.9)
Payment for privatisation of listed subsidiaries		(1,651.9)	—
Interest received		168.0	71.6
Repayment of loans receivable		—	47.1
Dividends received from associates		916.6	947.0
Dividends received from jointly controlled entities		781.4	15.6
Dividends received from available-for-sale securities (2005: investment securities)		20.4	35.4
Net cash (used in)/generated from investing activities		(2,365.8)	1,046.0
Financing activities			
Proceeds received from share placement of a listed subsidiary		3,103.1	—
Advances (to)/from minority shareholders		(93.9)	160.0
Proceeds from new bank loans		8,751.2	13,963.7
Repayment of bank and other loans		(3,939.4)	(3,076.2)
Payment for the redemption of guaranteed convertible notes		(154.7)	(5,116.4)
Increase/(decrease) in amount due to a fellow subsidiary		695.0	(3,704.3)
Interest and other borrowing costs paid		(805.1)	(362.6)
Expenses paid in connection with share placement		(1.5)	—
Dividends paid to equity shareholders of the Company		(1,814.6)	(1,723.9)
Dividends paid to minority shareholders		(310.1)	(275.6)
Net cash generated from/(used in) financing activities		5,430.0	(135.3)
Net increase in cash and cash equivalents		3,222.2	677.5
Cash and cash equivalents as at 1 July		4,231.2	3,553.7
Effect of foreign exchange rate changes		4.6	—
Cash and cash equivalents as at 30 June	26	7,458.0	4,231.2

The notes on pages 111 to 173 form part of these accounts.

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for the year ended 30 June 2006

Notes to the consolidated cash flow statement

(a) Disposal of a subsidiary

	2006 HK\$ million	2005 HK\$ million
Net assets disposed of:		
Fixed assets	0.1	—
Deferred tax assets	1.5	—
Inventories	175.0	—
Creditors and accrued expenses	(83.6)	—
Net assets	93.0	—
Gain on disposal	24.3	—
Total consideration received, satisfied in cash	117.3	—
Net cash inflow in respect of the disposal of a subsidiary	117.3	—

(b) Acquisition of subsidiaries

	2006 HK\$ million	2005 HK\$ million
Net assets acquired:		
Fixed assets	—	10.4
Inventories	790.0	63.9
Rental and other deposits	—	(0.1)
Current taxation	—	(0.1)
Total consideration paid, satisfied in cash	790.0	74.1
Net cash outflow in respect of the acquisition of subsidiaries	(790.0)	(74.1)

The notes on pages 111 to 173 form part of these accounts.