

Consolidated Cash Flow Statement

For the year ended 31st December 2006

| | Note | 2006 HK\$M | 2005 HK\$M |
|---|-------|----------------|---------------|
| Operating activities | | | |
| Cash generated from operations | 40(a) | 5,748 | 5,158 |
| Payment of Taikoo Shing land premium | | – | (1,531) |
| Interest paid | | (826) | (529) |
| Interest received | | 114 | 63 |
| Profits tax paid | | (660) | (319) |
| | | 4,376 | 2,842 |
| Dividends received from jointly controlled and associated companies | | 2,448 | 2,152 |
| Net cash from operating activities | | 6,824 | 4,994 |
| Investing activities | | | |
| Purchase of property, plant and equipment | 40(b) | (1,671) | (1,324) |
| Additions of investment properties | | (1,834) | (489) |
| Additions of leasehold land and land use rights | | – | (2) |
| Proceeds from disposals of property, plant and equipment | | 173 | 23 |
| Proceeds from disposals of available-for-sale investments | | 399 | – |
| Purchase of available-for-sale investments | | (18) | – |
| Proceeds from investment properties disposals | | 377 | 508 |
| Purchase of shareholdings in subsidiary companies | 40(c) | (6,759) | – |
| Sale of a subsidiary company | 40(d) | – | 34 |
| Purchase of shareholdings in jointly controlled companies | | (567) | (129) |
| Loans to jointly controlled companies | | (800) | (135) |
| Purchase of shareholdings in associated companies | | (40) | (225) |
| Loans to associated companies | | (47) | (3) |
| Purchase of intangible assets | | (9) | (31) |
| Sale of shareholdings in jointly controlled companies | | – | 186 |
| Repayment of loans from jointly controlled companies | | 133 | 505 |
| Sale of shareholdings in associated companies | | 677 | 2,897 |
| Repayment of loans from associated companies | | 81 | 12 |
| Deferred expenditure incurred | | (83) | (128) |
| Net cash (used in)/generated from investing activities | | (9,988) | 1,699 |
| Net cash (outflow)/inflow before financing | | (3,164) | 6,693 |
| Financing activities | | | |
| Loans drawn and refinancing | | 10,311 | 290 |
| Repayment of loans and bonds | | (1,325) | (2,587) |
| Repayment of perpetual capital securities | | (2,336) | – |
| | 40(e) | 6,650 | (2,297) |
| Capital contribution movement of minority interests | 40(e) | (2) | (314) |
| Security deposits placed | | (424) | – |
| Security deposits uplifted | | 43 | – |
| Dividends paid to shareholders | | (3,200) | (3,093) |
| Dividends paid to minority interests | 40(e) | (107) | (593) |
| Net cash generated from/(used in) financing activities | | 2,960 | (6,297) |
| (Decrease)/Increase in cash and cash equivalents | | (204) | 396 |
| Cash and cash equivalents at 1st January | | 1,877 | 1,486 |
| Currency adjustment | | 9 | (5) |
| Cash and cash equivalents at 31st December | | 1,682 | 1,877 |
| Represented by: | | | |
| Bank balances and short-term deposits maturing within three months | 26 | 1,687 | 1,891 |
| Bank overdrafts | | (5) | (14) |
| | | 1,682 | 1,877 |

The notes on pages 88 to 130 and the principal accounting policies on pages 131 to 140 form part of these accounts.