

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2006

	NOTE	2006 HK\$'M	2005 HK\$'M
Cash flows from operating activities			
Profit from operations		1,016.0	529.3
Adjustments for:			
Gain on disposal of an investment property		(18.2)	–
Gain on disposal of strategic investments		–	(67.1)
Share-based payments		2.6	0.5
Change in fair value of investment properties		(336.3)	(276.1)
Impairment losses recognised in respect of strategic investments		0.7	2.0
Interest and investment income		(19.3)	(21.8)
Depreciation and amortisation			
– trademark		0.2	0.1
– leasehold land and land use rights	14	4.1	7.2
– other properties, plant and equipment	17	26.9	24.6
(Gain)/loss on disposal of other properties, plant and equipment		(0.7)	1.2
Operating cash flows before movements in working capital		676.0	199.9
Decrease in inventories		7.2	5.7
Decrease/(increase) in properties for sale		510.9	(147.0)
Decrease/(increase) in trade, bills and other receivables, deposits and prepayments		299.5	(311.4)
Decrease/(increase) in sales proceeds held in stakeholders' accounts		47.8	(12.4)
Increase in amounts due from associates		(9.3)	(0.9)
(Decrease)/increase in trade, bills, other payables and accruals		(62.2)	124.7
(Decrease)/increase in properties pre-sale deposits received		(902.5)	795.1
Increase in amount due to an associate		0.1	4.8
Net cash generated from operations		567.5	658.5
Interest and dividend income received		12.2	13.6
Interest paid on bank and other borrowings		(65.8)	(46.1)
Hong Kong profits tax (paid)/refunded		(44.6)	0.2
Tax refunded/(paid) in other jurisdictions		0.1	(0.4)
Net cash generated from operating activities		469.4	625.8

CONSOLIDATED CASH FLOW STATEMENT (cont'd)

For the year ended 31 December 2006

	NOTE	2006 HK\$'M	2005 HK\$'M
Cash flows from investing activities			
Purchase of investment properties	15	(1.2)	–
Purchase of leasehold land and land use rights	14	–	(735.0)
Purchase of properties under development		(16.4)	(239.8)
Purchase of other properties, plant and equipment		(33.0)	(42.5)
Purchase of strategic investments		(60.2)	(8.7)
Purchase of trademark		(0.1)	(0.2)
Deposit paid for acquisition of investment properties	21	(85.8)	–
Net repayment of amounts due from associates		75.1	31.5
Increase in investments the underlying business of which is property development		(5.1)	(36.8)
Proceeds from redemption of debt securities		–	1.8
Other interest received	10	9.4	6.0
Repayment of mortgage loans receivable		–	1.2
Investments in associates		(0.4)	(42.7)
Proceeds from disposal of strategic investments		–	266.6
Proceeds from disposal of other properties, plant and equipment		0.8	–
Net proceeds from disposal of an investment property		104.2	–
Net cash used in investing activities		(12.7)	(798.6)
Cash flows from financing activities			
Issue of shares	32 & 34	1.1	–
Bank and other loans raised		925.9	1,782.4
Repayment of bank and other loans		(1,069.3)	(1,591.8)
(Decrease)/increase in trust receipts and import loans		(2.2)	1.3
Dividends paid by the Company		(55.2)	(17.1)
Net cash (used in)/generated from financing activities		(199.7)	174.8
Effect of foreign exchange rate changes		5.9	(3.6)
Increase/(decrease) in cash and cash equivalents		262.9	(1.6)
Cash and cash equivalents at the beginning of the year		137.7	139.3
Cash and cash equivalents at the end of the year	26	400.6	137.7

The notes on page 50 to 115 are an integral part of these financial statements.