

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:			
From continuing operations		424,198	732,625
From discontinued operations	12(a)	701,851	157,270
Adjustments for:			
Finance costs	8	114,893	156,220
Fair value gains on investment properties, net	4	(4,580)	(13,635)
Excess over the cost of acquisition of subsidiaries and minority interests	4	(889)	(3,677)
Share of profits and losses of jointly-controlled entities and associates		(58,672)	5,099
Depreciation	7	705,779	594,861
Amortisation of operating concessions	7	106,415	102,605
Amortisation of management information systems	7	2,000	1,887
Amortisation of licences	7	449	1,491
Amortisation of deferred development costs	7	670	–
Impairment of items of property, plant and equipment	7	1,916	3,780
Impairment of goodwill	7	44,625	59,658
Impairment of licences	7	–	12,000
Impairment of deferred development costs	7	–	5,870
Impairment of available-for-sale investments	7	90,770	1,083
Impairment of an amount due from an associate	7	5,500	4,500
Impairment of trade and bills receivables	7	15,838	48,398
Impairment of other receivables	7	94,226	22,445
Provision/(write-back of provision) against inventories, net	7	3,459	(8,377)
Interest income	4	(82,177)	(73,165)
Investment income	4	(1,436)	(3,271)
(Gain)/loss on disposal of items of property, plant and equipment, net	7	(111,341)	5,556
Gain on disposal of investment properties	4	(3,189)	(2,466)
Gain on disposal of interests in subsidiaries, net	4	(141,469)	(81,097)
Gain on deemed disposal of interests in subsidiaries		(146,957)	(14,498)
Dilution losses on share reforms of subsidiaries		485,827	–
Gain on disposal of interests in jointly-controlled entities	4	–	(120,273)
Loss on deemed disposal of an interest in a jointly-controlled entity	7	–	316
Loss on deemed disposal of an interest in an associate	7	499	927
Gain on disposal of available-for-sale investments	4	(47,676)	(1,514)
Gain on disposal of financial assets			
at fair value through profit or loss, net	4	(2,563)	(2,074)
Fair value (gains)/losses on financial assets			
at fair value through profit or loss, net	7	(8,919)	4,132
Employee share option benefits		26,493	–
Operating profit before working capital change		2,215,540	1,596,676

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Year ended 31 December 2006



	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit before working capital changes	2,215,540	1,596,676
(Increase)/decrease in prepaid land premiums	(22,986)	64,049
(Increase)/decrease in properties under development	322,301	(190,269)
(Increase)/decrease in properties held for sale	(239,497)	23,584
Increase in inventories	(336,792)	(211,671)
Increase in amounts due from customers for contract work	(5,133)	(8,323)
(Increase)/decrease in trade and bills receivables	76,322	(143,136)
Increase in prepayments, deposits and other receivables	(676,865)	(88,085)
Purchases of financial assets at fair value through profit or loss	(38,140)	(6,871)
Proceeds from disposal of financial assets at fair value through profit or loss	74,545	9,464
(Increase)/decrease in taxes recoverable	2,228	(17,355)
Increase in trade and bills payables	555,282	340,926
Increase/(decrease) in amounts due to customers for contract work	1,924	(3,190)
Increase in other payables and accruals	524,490	379,659
Increase in other taxes payable	29,791	49,008
Increase in other long term liabilities	7,147	24,216
Exchange adjustments	3,751	10,981
Cash generated from operations	2,493,908	1,829,663
Dividends received from jointly-controlled entities and associates	2,761	25,405
Hong Kong profits tax paid	(4,605)	(590)
Mainland China income tax paid	(236,538)	(201,078)
Overseas income tax paid	(1,490)	(1,097)
Net cash inflow from operating activities	2,254,036	1,652,303

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006

	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	<i>16</i>	(1,520,316)	(1,366,308)
Proceeds from disposal of items of property, plant and equipment		248,384	52,895
Proceeds from disposal of investment properties		5,974	3,474
Purchases of other intangible assets	<i>20</i>	(1,639)	(2,668)
Share reform expenses		(3,451)	–
Acquisition of subsidiaries	<i>45</i>	(231,571)	(77,326)
Acquisition of minority interests		–	(1,874)
Disposal of subsidiaries	<i>46(a)</i>	(189,126)	80,675
Deconsolidation of subsidiaries	<i>46(b)</i>	(343,086)	–
Acquisition of and increase in investments in jointly-controlled entities and associates		(60,902)	(47,369)
Proceeds from disposal of interests in jointly-controlled entities and associates		1,462	392,277
Deposit paid for acquisition of interests in companies		–	(36,743)
Net (increase)/decrease in amounts due from/to and loans to jointly-controlled entities and associates		(49,657)	18,880
Purchases of available-for-sale investments		(350,682)	(133,891)
Proceeds from disposal of available-for-sale investments		134,013	1,814
Decrease in time deposits with maturity of more than three months when acquired		88,768	677,737
(Increase)/decrease in pledged deposits		(49,962)	3,670
Interest received		45,836	58,132
Investment income received		1,436	3,271
Net cash outflow from investing activities		(2,274,519)	(373,354)

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2006



	<i>Notes</i>	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contributions from minority shareholders		336,073	19,917
New loans		3,038,791	2,500,426
Repayment of loans		(3,710,875)	(3,536,684)
Interest paid	8	(108,892)	(150,915)
Dividends paid		(186,750)	(186,750)
Dividends paid to minority shareholders		(164,368)	(71,643)
Net cash outflow from financing activities		<u>(796,021)</u>	<u>(1,425,649)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(816,504)	(146,700)
Cash and cash equivalents at beginning of year		3,417,574	3,507,843
Effect of foreign exchange rate changes, net		105,612	56,431
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>2,706,682</u>	<u>3,417,574</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	33	2,597,596	2,917,382
Cash equivalents	33	50,225	59,326
Time deposits	33	122,079	581,588
		<u>2,769,900</u>	3,558,296
<i>Less:</i> Pledged deposits	24	(61,505)	(50,241)
Time deposits with maturity of more than three months when acquired		<u>(1,713)</u>	<u>(90,481)</u>
		<u>2,706,682</u>	<u>3,417,574</u>