

# Consolidated Cash Flow Statement

for the year ended 31 December 2017

	Note	2017 HK\$ million	2016 HK\$ million
<b>Operating activities</b>			
Profit before taxation		<b>32,936</b>	24,441
Adjustments for:			
– Interest income		<b>(954)</b>	(612)
– Dividend income from investments in available-for-sale securities	8(d)	<b>(214)</b>	(263)
– Net (gain)/loss on disposal of investment properties	7	<b>(1,211)</b>	32
– (Reversal of provision)/provision on inventories, net	7	<b>(25)</b>	332
– (Reversal of impairment loss)/impairment loss on trade debtors	7	<b>(2)</b>	11
– Net gain on transfers of subsidiaries	7 & 34	<b>(3,837)</b>	(1,959)
– Net gain on winding-up of subsidiaries	7	<b>(33)</b>	–
– Net gain on disposal of available-for-sale securities	7	<b>(336)</b>	(2)
– Net fair value (gain)/loss on derivative financial instruments:			
Interest rate swap contracts	7	<b>(21)</b>	(597)
Other derivatives	7	<b>35</b>	(78)
– Cash flow hedges: reclassified from hedging reserve to profit or loss	7	<b>371</b>	12
– Increase in fair value of investment properties and investment properties under development	16(a)	<b>(9,911)</b>	(7,013)
– Finance costs	8(a)	<b>837</b>	882
– Depreciation	8(d)	<b>94</b>	106
– Share of profits less losses of associates		<b>(4,966)</b>	(3,891)
– Share of profits less losses of joint ventures		<b>(4,378)</b>	(3,889)
– Net foreign exchange gain		<b>(55)</b>	(67)
– Other cash flows from operating activities		<b>(2)</b>	2
<b>Operating profit before changes in working capital</b>		<b>8,328</b>	7,447
Increase in instalments and loans receivable		<b>(2,647)</b>	(3,209)
Increase in deposits for acquisition of properties		<b>(310)</b>	(23)
(Increase)/decrease in inventories (other than through transfers of subsidiaries and transfers to/from investment properties)		<b>(3,685)</b>	4,269
Increase in debtors, prepayments and deposits		<b>(2,636)</b>	(2,568)
Increase in gross amount due from customers for contract work		<b>(6)</b>	(4)
(Increase)/decrease in cash held by stakeholders		<b>(1,044)</b>	1,444
Decrease/(increase) in cash restricted for use		<b>130</b>	(520)
Increase/(decrease) in creditors and accrued expenses		<b>264</b>	(501)
Increase/(decrease) in gross amount due to customers for contract work		<b>7</b>	(14)
(Decrease)/increase in rental and other deposits		<b>(242)</b>	386
Increase in forward sales deposits received		<b>1,303</b>	576
<b>Cash (used in)/generated from operations</b>		<b>(538)</b>	7,283
Interest received		<b>316</b>	266
Tax paid			
– Hong Kong		<b>(839)</b>	(866)
– Outside Hong Kong		<b>(733)</b>	(353)
<b>Net cash (used in)/generated from operating activities</b>		<b>(1,794)</b>	6,330

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for the year ended 31 December 2017

	Note	2017 HK\$ million	2016 HK\$ million
<b>Investing activities</b>			
Payment for purchase of investment properties and other property, plant and equipment		(28,000)	(3,414)
Proceeds from disposal of investment properties and other property, plant and equipment		3,427	923
Repayment from associates		241	256
(Advances to)/repayment from joint ventures		(2,744)	1,450
Additional investments in associates		(452)	(93)
Additional investments in joint ventures		(277)	–
Payment for purchase of available-for-sale securities		(741)	(299)
Payment for purchase of held-to-maturity debt securities		–	(31)
Payment for purchase of other derivatives		(18)	(2)
Proceeds from sale of available-for-sale securities, net		1,831	3
Proceeds from redemption of held-to-maturity debt securities		633	112
Net cash outflow in respect of the acquisition of subsidiaries		(47)	–
Net cash inflow in respect of the transfers of subsidiaries	34	9,161	4,301
Additional investments in subsidiaries		(17)	(69)
Interest received		646	304
Dividends received from associates		2,180	1,991
Dividends received from joint ventures		1,362	1,378
Dividends received from available-for-sale securities		214	216
Decrease/(increase) in deposits with banks and other financial institutions over three months of maturity at acquisition		6,293	(6,503)
<b>Net cash (used in)/generated from investing activities</b>		<b>(6,308)</b>	<b>523</b>
<b>Financing activities</b>			
(Repayment to)/advance from non-controlling interests, net	26(b)	(75)	1,846
Proceeds from new bank loans	26(b)	60,741	30,261
Repayment of bank loans	26(b)	(34,421)	(22,825)
Proceeds from issue of guaranteed notes	26(b)	1,339	–
Repayment of guaranteed notes	26(b)	(5,767)	(2,225)
Increase/(decrease) in amount due to a fellow subsidiary	26(b)	1,438	(869)
Interest and other borrowing costs paid	26(b)	(1,562)	(1,691)
Distribution to non-controlling interests		(15)	–
Dividends paid to equity shareholders of the Company	12	(6,031)	(5,066)
Dividends paid to non-controlling interests		(567)	(1,282)
<b>Net cash generated from/(used in) financing activities</b>		<b>15,080</b>	<b>(1,851)</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,978</b>	<b>5,002</b>
<b>Cash and cash equivalents at 1 January</b>		<b>12,839</b>	<b>8,465</b>
<b>Effect of foreign exchange rate changes</b>		<b>1,047</b>	<b>(628)</b>
<b>Cash and cash equivalents at 31 December</b>	26(a)	<b>20,864</b>	<b>12,839</b>

The notes on pages 148 to 249 form part of these financial statements.