

Consolidated Cash Flow Statement

for the year ended 31 December 2018

	Note	2018 HK\$ million	2017 (restated) HK\$ million
Operating activities			
Profit before taxation		33,495	33,382
Adjustments for:			
– Interest income		(991)	(954)
– Dividend income from investments designated as financial assets at fair value through other comprehensive income (“FVOCI”) and investments measured as financial assets at fair value through profit or loss (“FVPL”) (2017: investments in available-for-sale securities)	7(d)	(117)	(214)
– Net gain on disposal of investment properties	6	(234)	(1,024)
– Provision/(reversal of provision) on inventories, net	6	90	(25)
– Reversal of impairment loss on trade debtors, net	6	(25)	(2)
– Net gain on transfers of subsidiaries	6 & 34(b)	(1,444)	(3,837)
– Net gain on winding-up of subsidiaries	6	–	(33)
– Net gain on disposal of available-for-sale securities	6	–	(336)
– Net fair value loss on investments measured as financial assets at FVPL	6	93	–
– Net fair value (gain)/loss on derivative financial instruments:			
Interest rate swap contracts and cross currency swap contracts	6	(91)	(21)
Other derivatives	6	(13)	35
– Cash flow hedges: reclassified from hedging reserve to profit or loss	6	519	371
– Increase in fair value of investment properties and investment properties under development	15(a)	(10,465)	(9,911)
– Finance costs	7(a)	810	837
– Depreciation	7(d)	68	94
– Share of profits less losses of associates		(5,265)	(4,955)
– Share of profits less losses of joint ventures		(6,947)	(4,378)
– Net foreign exchange gain		(22)	(55)
– Other cash flows from operating activities		(20)	(2)
Operating profit before changes in working capital		9,441	8,972
Increase in instalments and loans receivable		(4,390)	(1,730)
Decrease/(increase) in deposits for acquisition of properties		341	(310)
Increase in inventories (other than through acquisitions and transfers of subsidiaries and transfers to/from investment properties)		(9,960)	(1,067)
Decrease/(increase) in debtors, prepayments and deposits		2,400	(2,214)
Increase in gross amount due from customers for contract work		(24)	(6)
Decrease/(increase) in cash held by stakeholders		175	(1,044)
Decrease in cash restricted for use		2,569	130
(Decrease)/increase in creditors and accrued expenses		(1,650)	121
(Decrease)/increase in gross amount due to customers for contract work		(4)	7
Increase/(decrease) in rental and other deposits		116	(242)
Increase/(decrease) in forward sales deposits received		6,307	(2,158)

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Cash generated from operations		5,321	459
Interest received		313	316
Tax paid			
– Hong Kong		(908)	(839)
– Outside Hong Kong		(902)	(733)
Net cash generated from/(used in) operating activities		3,824	(797)
Investing activities			
Payment for purchase of investment properties and other property, plant and equipment		(2,134)	(28,000)
Proceeds from disposal of investment properties and other property, plant and equipment		2,165	2,430
(Advances to)/repayment from associates, net		(2,742)	241
Advances to joint ventures, net		(1,663)	(2,744)
Additional investments in associates		(749)	(452)
Additional investments in joint ventures		–	(277)
Payment for purchase of investments designated as financial assets at FVOCI and investments measured as financial assets at FVPL (2017: investments in available-for-sale securities)		(119)	(741)
Payment for purchase of other derivatives		–	(18)
Proceeds from sale of investments in equity securities designated as financial assets at FVOCI (2017: investments in available-for-sale securities), net		1,623	1,831
Proceeds from redemption/disposal of held-to-maturity debt securities		495	633
Net cash outflow in respect of the acquisition of subsidiaries	34(a)	(16,211)	(47)
Net cash inflow in respect of the transfers of subsidiaries	34(b)	9,744	9,161
Additional investments in subsidiaries		–	(17)
Interest received		681	646
Dividends received from associates		2,397	2,180
Dividends received from joint ventures		1,389	1,362
Dividends received from investments in equity securities designated as financial assets at FVOCI and investments measured as financial assets at FVPL (2017: investments in available-for-sale securities)		113	214
(Increase)/decrease in deposits with banks and other financial institutions over three months of maturity at acquisition		(509)	6,293
Increase in structured bank deposits		(1,819)	(2)
Net cash used in investing activities		(7,339)	(7,307)

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for the year ended 31 December 2018

	Note	2018 HK\$ million	2017 (restated) HK\$ million
Financing activities			
Repayment to non-controlling interests, net	26(b)	(27)	(75)
Proceeds from new bank loans	26(b)	46,608	60,741
Repayment of bank loans	26(b)	(43,350)	(34,421)
Proceeds from issue of guaranteed notes	26(b)	4,880	1,339
Repayment of guaranteed notes	26(b)	(1,244)	(5,767)
(Decrease)/increase in amount due to a fellow subsidiary	26(b)	(654)	1,438
Interest and other borrowing costs paid	26(b)	(2,114)	(1,562)
Distribution to non-controlling interests		–	(15)
Dividends paid to equity shareholders of the Company	11	(7,122)	(6,031)
Dividends paid to non-controlling interests		(709)	(567)
Net cash (used in)/generated from financing activities		(3,732)	15,080
Net (decrease)/increase in cash and cash equivalents		(7,247)	6,976
Cash and cash equivalents at 1 January		20,828	12,805
Effect of foreign exchange rate changes		(682)	1,047
Cash and cash equivalents at 31 December	26(a)	12,899	20,828

The notes on pages 152 to 263 form part of these financial statements.