

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	904,639	883,333
Adjustments for:		
Reversal of impairment loss on investments in securities	(63,000)	—
Interest income	(1,229)	(1,926)
Dividend income	(24,947)	(22,613)
Depreciation	4,942	4,643
Gain on disposal of investments in securities	(14,619)	(48,159)
Loss (gain) on disposal of property, plant and equipment	40	(46)
Release of negative goodwill arising on acquisition of additional interest in a subsidiary	(60)	(60)
Operating cash flows before movements in working capital	805,766	815,172
Increase in accounts receivable, prepayments and deposits	(36,778)	(12,923)
Decrease in staff housing loans, secured	12,883	2,940
Increase (decrease) in rental deposits from tenants, creditors and accruals	26,628	(6,230)
Cash generated from operations	808,499	798,959
Hong Kong Profits Tax paid	(64,098)	(135,255)
NET CASH FROM OPERATING ACTIVITIES	744,401	663,704
INVESTING ACTIVITIES		
Interest received	543	1,246
Dividends received from investments in securities	24,947	22,613
Dividends received from associates	1,563	80
Additions to investment properties	(104,527)	(417,852)
Additions to property, plant and equipment	(3,563)	(1,909)
Proceeds on disposal of property, plant and equipment	—	48
Acquisition of interest in an associate	—	(1)
Repayment from (advances to) associates	86,216	(107,759)
Net proceeds received on disposal of investments in securities	26,512	115,950
Repayment from investees	27,146	—
Increase (decrease) in advance from investees	3,579	(1,187)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	62,416	(388,771)
FINANCING ACTIVITIES		
Net proceeds on exercise of share option	14,376	—
Interest paid	(147,270)	(172,404)
Bank charges	(11,312)	(6,884)
Medium Term Note Programme expenses	(976)	(897)
Dividends paid	(317,357)	(313,407)
Dividends paid to minority shareholders of subsidiaries	(29,789)	(34,145)
Share issue expenses	(47)	(20)
New unsecured bank loans	1,549,100	1,798,800
Issue of floating rate notes	550,000	—
Floating rate notes issue expenses	(2,370)	—
Advance from minority shareholders	5,542	28,949
Repayment of unsecured bank loans	(2,009,423)	(1,583,238)
Repayment of floating rate notes	(400,000)	—
NET CASH USED IN FINANCING ACTIVITIES	(799,526)	(283,246)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,291	(8,313)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	14,633	22,946
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	21,924	14,633
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,058	1,539
Time deposits	16,866	13,094
	21,924	14,633