

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004



	NOTES	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Profit from operations		1,524,896	996,434
Adjustments for:			
Impairment losses and allowances reversed	6	(352,369)	(221,029)
Depreciation and amortisation		166,240	108,834
Interest income		(21,542)	(16,393)
Dividend income		(2,100)	(2,046)
Negative goodwill released to income		(8,017)	(2,917)
Gain on disposal of property development subsidiaries	38	(81,182)	—
Gain on disposal of investment properties		(600)	(55)
(Gain) loss on disposal of property, plant and equipment		(501)	334
Gain on disposal of infrastructure projects		—	(2,323)
Operating cash flows before movements in working capital		1,224,825	860,839
Decrease in instalments receivable		183,697	1,218
Increase in inventories		(21,361)	(883)
(Increase) decrease in properties for sale		(1,323,929)	1,031,781
Decrease in amounts due from customers for contract work		14,166	22,912
Decrease in investments in securities		—	4,246
Decrease (increase) in trade and other receivables, deposits and prepayments		632,392	(369,446)
Decrease (increase) in restricted bank balances		140,394	(124,333)
Increase in trade and other payables, sales and other deposits		629,476	838,847
(Decrease) increase in amounts due to customers for contract work		(104,464)	136,708
Cash generated from operations		1,375,196	2,401,889
Income taxes paid		(217,361)	(103,496)
Income taxes refunded		2,722	42,213
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,160,557</b>	<b>2,340,606</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		21,542	16,393
Dividends from associates received		8,736	6,611
Dividends from jointly controlled entities received		17,026	14,728
Other dividends received		2,100	2,046
Increase in pledged bank deposits		(77,919)	(3,584)
Purchase of property, plant and equipment		(521,804)	(116,860)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	37	(317,355)	(55,179)
Acquisition of additional interests in subsidiaries		—	(37,220)
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	38	229,326	—
Consideration for prior year's acquisition of subsidiaries paid		(20,335)	—
Investments in associates		(11,574)	(76,291)
Advances from associates		101,122	4,537
Advances to associates		(203,362)	(2,748)
Investments in jointly controlled entities		(940,273)	(312,624)
Advances to jointly controlled entities		(446,777)	(11,556)
Repayment of capital from jointly controlled entities		26,038	19,528
Repayment of capital from infrastructure investments		12,901	17,225
Advances to infrastructure project companies		(31,718)	(9)
Net proceeds on disposal of infrastructure projects		—	161,491
Repayment from syndicated property project companies		78,132	159,632
Repayment from (advances to) other investees		6,719	(6,719)
Expenditure on properties for development		(2,005,889)	(1,437,113)
Net proceeds on sales of investment properties		8,800	2,900
Net proceeds on sales of property, plant and equipment		54,490	3,558
Net proceeds on disposal of an associate		45,679	4,178
Net proceeds on disposal of investment securities		524	—
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,963,871)</b>	<b>(1,647,076)</b>



## CONSOLIDATED CASH FLOW STATEMENT *(cont'd)*

For the year ended 31 December 2004

	NOTES	2004 HK\$'000	2003 HK\$'000
<b>FINANCING ACTIVITIES</b>			
Interest paid		(174,441)	(98,410)
Other finance costs paid		(32,365)	(6,036)
Dividends paid		(318,530)	(162,374)
Net proceeds from issue of shares		1,578,251	32,683
Repurchase of own shares		(36,856)	(15,094)
New bank loans raised		3,248,817	887,736
Repayment of bank loans		(1,023,217)	(871,697)
Repayment of contributions and advances from minority shareholders of subsidiaries		(212,115)	(134,826)
Contributions and advances from minority shareholders of subsidiaries		161,845	13,387
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>3,191,389</b>	<b>(354,631)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>388,075</b>	<b>338,899</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>2,183,001</b>	<b>1,844,102</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>2,571,076</b>	<b>2,183,001</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		2,617,633	2,369,952
Less: restricted bank deposits	28	(46,557)	(186,951)
		<b>2,571,076</b>	<b>2,183,001</b>