

Consolidated Cash Flow Statement

For the year ended 31st December, 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	267,126	463,252
Adjustments for:		
Gain on disposal of subsidiaries engaging in property investment and development	(77,430)	–
Depreciation and amortisation	4,065	3,750
Unrealised holding (gain) loss on investments in trading securities	(3,344)	155
Realised gain on disposal of investments in securities	(2,778)	(2,300)
Loss (gain) on disposal of investment properties	100,803	(72,857)
Write back of allowance for properties held for sale	–	(21,659)
Gain on deemed disposal of an associate	–	(2,175)
Bad debts written off/allowance for doubtful debts	5,449	376
Interest income	(67,710)	(54,419)
Loss on disposal of property, plant and equipment	–	967
Gain on repurchase of preference convertible promissory notes	–	(15,600)
Release of negative goodwill	(39,428)	(56,510)
Amortisation of transaction costs on bank loans	1,535	1,200
Increase in provision for rental guarantee resulting from re-measurement	14,045	–
Operating cash flows before movements in working capital	202,333	244,180
(Increase) decrease in inventories	(846)	6,641
Increase in properties held for sale	(1,620,767)	(16,582)
Decrease (increase) in debtors, deposits and prepayments	186,065	(98,426)
Decrease in creditors, deposits received and accrued charges	(29,312)	(556)
(Decrease) increase in sales deposits on properties for sale received	(24,320)	71,902
Cash (used in) generated from operations	(1,286,847)	207,159
Interest received	78,546	50,809
Interest and facilities charges paid on bank and other borrowings	(145,910)	(177,109)
Dividends paid	(51,141)	(20,450)
Hong Kong Profits Tax refunded (paid)	627	(9,016)
Overseas tax refunded (paid)	4,556	(5,989)
CASH (USED IN) FROM OPERATING ACTIVITIES	(1,400,169)	45,404

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	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of investment properties		(164,276)	(15,229)
Proceeds on disposal of investment properties		830,275	2,169,815
Purchase of property, plant and equipment		(371,839)	(131,730)
Proceeds on disposal of property, plant and equipment		991	2,369
Dividend received from an associate		2,987	5,226
Purchase of investments in securities		(12,428)	(7)
Proceeds on disposal of investments in securities		37,338	4,968
Repayment from jointly controlled entities		–	66
Loans to associates		(537)	(2,020)
Addition of other loans receivable		(74,502)	(480)
Repayment of other loans receivable		65,439	79,646
Repayment of loan to a director of an indirect subsidiary		1,638	–
(Increase) decrease in pledged bank deposits		(69,214)	88,089
Payment of compensation for rental guarantees		(38,801)	(9,912)
Purchase of further interests in subsidiaries		(28,716)	(707,049)
Purchase of subsidiaries (net of cash and cash equivalents acquired)	40	36	–
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	41	53,436	–
NET CASH FROM INVESTING ACTIVITIES		231,827	1,483,752
FINANCING ACTIVITIES			
Repayment of bank and other loans		(3,870,495)	(1,854,191)
Payment of transaction costs		(7,987)	–
Funds received from bank and other loans		3,994,212	1,331,836
Advances from (repayment to) minority shareholders		2,581	(45,893)
Proceeds on issuance of shares		402	–
Dividends paid to minority shareholders		–	(27,170)
Repayment to associates		–	(3,272)
Repayment of obligations under finance leases		–	(2,683)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		118,713	(601,373)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(1,049,629)	927,783
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		1,811,232	722,825
Effect of foreign exchange rate changes		(29,287)	160,624
CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by bank balances and deposits		732,316	1,811,232