

Consolidated Cash Flow Statement

Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,144,381	32,691
Adjustments for:			
Finance costs	7	29,873	28,066
Interest income	5	(21,189)	(20,825)
Dividend income from listed investments	5	(47)	(47)
Gain on disposal of fixed assets, net	5	(3,941)	(533)
Write-back of long outstanding payables	5	(8,908)	–
Gain on disposal of short term investments	5	(66)	–
Gain on disposal of a jointly-controlled entity	5	(1,936)	–
Gain on disposal of associates	5	–	(236)
Depreciation	6	141,821	134,488
Goodwill amortisation	6	34,377	37,951
Negative goodwill recognised as income	6	(3,658)	(4,314)
Provisions for doubtful debts, net	6	2,870	2,315
Loss on disposal of long term investments	6	–	771
Gain on changes in fair values of short term investments	6	(248)	(645)
Impairment of short term investment	6	–	803
Impairment/(write-back of impairment) of interests in jointly-controlled entities	6	(7,479)	1,515
Impairment of interest in an associate	6	210	–
Write-off of properties under development	6	1,301	2,805
Impairment of fixed assets	6	1,440	77,466
Impairment of depreciable investment properties	6	–	4,389
Revaluation deficit/(surplus) of other investment properties	6	(30,632)	27,763
Hotel property revaluation deficit/(surplus)	6	(239,761)	492,950
Recognition of negative goodwill from capital reserve upon impairment of underlying assets	6	–	(307,219)
Impairment of goodwill	6	–	150,475
Impairment of goodwill previously carried in capital reserve	6	–	13,061
Recognition of negative goodwill upon impairment of underlying assets	6	–	(8,047)
Provisions for slow-moving inventories	6	44	–
Share of profits and losses of jointly-controlled entities		(294,654)	(278,996)
Share of profits and losses of associates		(58,114)	(3,854)
Operating profit before working capital changes		685,684	382,793

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Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
Operating profit before working capital changes		685,684	382,793
Decrease/(increase) in inventories		(486)	3,267
Increase in trade receivables and other receivables		(160,443)	(91,341)
Increase in an amount due from ultimate holding company		(472)	(281)
Decrease/(increase) in amounts due from fellow subsidiaries		2,619	(835)
Increase in trade payables, other payables and accruals		73,084	13,202
Increase/(decrease) in amounts due to fellow subsidiaries		(18,552)	2,846
Increase in deferred income		35,757	22,164
Increase in amounts due from jointly-controlled entities		(84,846)	(22,411)
Increase in amounts due from associates		(6,802)	(24,262)
Refund of sales deposit		–	(52,000)
Effect of foreign exchange rate changes, net		7,851	1,873
Cash generated from operations		533,394	235,015
Hong Kong, PRC and Macau profits tax paid		(75,051)	(68,191)
Overseas taxes paid		(1,503)	(1,422)
Net cash inflow from operating activities		456,840	165,402
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		21,189	20,825
Dividend income from listed investments		47	47
Dividends received from an associate		49,125	12,006
Dividends received from a jointly-controlled entity		200,515	214,657
Proceeds from disposal of an associate		–	194
Proceeds from disposal of a jointly-controlled entity		4,968	–
Proceeds from disposal of short term investments		951	–
Proceeds from disposal of long term investments		–	2,295
Purchases of fixed assets		(145,884)	(119,391)
Proceeds from disposal of fixed assets		16,768	16,195
Additions to properties under development	15	(344,821)	(169,360)
Purchases of short term investments		(885)	(12,053)
Acquisition of subsidiaries	37(b)	(904)	9,346
Acquisition of jointly-controlled entities		–	(46,847)
Advance to jointly-controlled entities		–	(681)
Repayment from associates		–	23,513
Decrease/(increase) in pledged time deposits		270	(1,635)
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		129,447	(200,533)
Proceeds from liquidation of subsidiaries	37(c)	5,782	–
Net cash outflow from investing activities		(63,432)	(251,422)

Consolidated Cash Flow Statement

Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(10,888)	(20,216)
Interest element of finance lease and hire purchase			
contract payments		(4)	(41)
Dividends paid		(381,105)	(168,919)
Dividends paid to minority shareholders		(16,007)	(42,047)
Contributions from minority shareholders		1,365	–
Proceeds from issue of new shares	34	50,057	11,550
Repurchase of own shares	36	(3,545)	–
New bank loans		6,257	6,193,894
Repayment of bank loans		(460,905)	(6,060,455)
Proceeds from issue of convertible bonds	32	–	1,163,250
Convertible bonds issue expenses		–	(28,291)
Capital element of finance lease and hire purchase			
contract payments		(1,502)	(716)
Net cash inflow/(outflow) from financing activities		(816,277)	1,048,009
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		2,133,522	1,171,533
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,710,653	2,133,522
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	1,148,116	1,325,625
Non-pledged time deposits with original maturity of			
less than three months when acquired		562,537	813,152
Bank overdrafts, unsecured	29	–	(5,255)
		1,710,653	2,133,522