

Consolidated Cash Flow Statement

For the year ended 31 December

	Note	2004 (HK\$'000)	2003 (HK\$'000)
Operating activities			
Profit before taxation		909,896	320,953
Adjustments for:			
Amortisation and depreciation		153,127	153,673
Finance costs		12,850	39,994
Interest income		(26,952)	(12,474)
Dividends from investments		(120,759)	(17,216)
Net investment loss		48,543	38,272
Share of results of associates		(86,197)	(42,314)
Share of results of jointly controlled entities		616	7,586
Net loss on disposal of fixed assets		4,570	17,372
Capital reserve released upon realisation of assets		—	(55,958)
Surplus on revaluation of investment properties		—	(35,024)
Profit on disposal of a subsidiary		(3,680)	—
Gain on investments		(2,097)	(1,129)
Interest and redemption premium on convertible guaranteed bonds written back		(88,220)	—
Gain on repurchase of convertible guaranteed bonds		—	(27)
Provision (written back)/made for bad and doubtful debts		(1,463)	3,308
Excess loss attributable to minority interests		—	898
Operating profit before working capital changes		800,234	417,914
Decrease in properties under development and inventories of properties, excluding net finance costs capitalised		1,409,598	2,759,589
Decrease in other inventories		3,870	20,486
Decrease/(increase) in trade & other debtors, deposits and prepayments		133,317	(27,146)
Decrease in sale proceeds of properties held by stakeholders		654,970	117,136
Decrease in trade & other creditors, deposits and accrued charges		(222,361)	(1,017,953)
Increase/(decrease) in provision for employee benefits		3,419	(4,317)
Cash generated from operations		2,783,047	2,265,709
Hong Kong profits tax paid		(19,827)	(62,125)
Overseas tax paid		(2,390)	(4,309)
Net cash from operating activities		2,760,830	2,199,275

	Note	2004 (HK\$'000)	2003 (HK\$'000)
Investing activities			
Purchase of fixed assets, excluding net finance costs capitalised		(29,933)	(110,975)
Advances to associates		(5,125)	(61)
Repayments from associates		1,500	50,331
Acquisition of interests in jointly controlled entities		—	(16,670)
Capital contribution to a jointly controlled entity		(2,831)	—
Capital refund from a jointly controlled entity		3,900	11,696
Advances to jointly controlled entities		(452)	(17,088)
Repayments from jointly controlled entities		4,000	5,272
Acquisition of investments		(81,588)	(1)
Advances from investee companies		99,980	54,681
New mortgage loans		(23,328)	(109,768)
Repayments of mortgage loans		664,442	23,556
Acquisition of interests in subsidiaries (net of cash and cash equivalents acquired)	25(a)	—	19,870
Proceeds on disposal of interests in subsidiaries (net of cash and cash equivalents disposed of)	25(b)	(79)	342,000
Proceeds on partial disposal of interest in a subsidiary		—	100,194
Proceeds on disposal of investments		9,781	948
Proceeds on disposal of fixed assets		5,104	215
Time deposits released from a bank		—	1,200
Decrease/(increase) in time deposits with a maturity over three months		35,250	(36,000)
Interest received		63,477	18,892
Dividends received from investments		5,216	11,895
Dividends received from associates		29,273	11,040
Net cash from investing activities		778,587	361,227
Financing activities			
New loans		100,000	944,340
Repayments of loans		(1,082,240)	(2,664,033)
Proceeds from issue of shares		23,616	—
Expenses paid on issue of shares		(204)	—
Repurchase of convertible guaranteed bonds		—	(14,274)
Interest paid		(16,045)	(37,538)
Dividends paid to shareholders		(163,958)	(97,006)
Dividends paid to minority shareholders		(48,980)	(11,600)
Net cash used in financing activities		(1,187,811)	(1,880,111)
Net increase in cash and cash equivalents		2,351,606	680,391
Effect of foreign exchange rates changes		23	(63)
Cash and cash equivalents at 1 January		1,578,172	897,844
Cash and cash equivalents at 31 December	25(c)	3,929,801	1,578,172

The notes on pages 54 to 99 form an integral part of these financial statements. The Report of the Auditors is on page 45.