

# Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>1,314,277</b>	1,672,562
Adjustments for:			
Finance costs	9	<b>786,034</b>	616,582
Share of profits of jointly-controlled entities		<b>(36,986)</b>	(63,359)
Share of profits less losses of associates		<b>(53,246)</b>	(53,713)
Interest income	7	<b>(14,032)</b>	(19,028)
Depreciation	7	<b>529,685</b>	362,150
Amortisation of deferred expenses	7	<b>37</b>	8,154
Amortisation of reusable packaging materials	7	<b>—</b>	2,023
Amortisation of the operating right	7	<b>493,287</b>	493,287
Amortisation of prepaid rental	7	<b>69,646</b>	111,010
Amortisation of goodwill	7	<b>259</b>	238
Investment property revaluation deficit/(surplus), net	7	<b>(38,214)</b>	89,416
Hotel property revaluation surplus, net	7	<b>(11,903)</b>	(62,010)
Impairment of fixed assets	7	<b>113,681</b>	23,554
Provision for/(write-back of provision for) impairment of interests in jointly-controlled entities	7	<b>(24,800)</b>	60,000
Impairment of investment securities	7	<b>—</b>	10,256
Provision for/(write-back of provision for) impairment of properties under development	7	<b>(9,902)</b>	26,836
Loss on disposal of fixed assets, net	7	<b>16,805</b>	415
Loss on disposal of investment properties	7	<b>—</b>	977
Write-back of provision for impairment in a deconsolidated subsidiary	7	<b>—</b>	(46,895)
Write-back of provision for an amount due from a fellow subsidiary	7	<b>(573)</b>	(994)
Provision against/(write-back of provision against) inventories, net	7	<b>(293)</b>	9,771
Provision for/(write-back of provision for) doubtful debts, net	7	<b>6,858</b>	(58,031)
Negative goodwill recognised as income	7	<b>(14,700)</b>	(11,633)
Gain on disposal of subsidiaries and associates, net	7	<b>—</b>	(19,474)
Operating profit before working capital changes — page 63		<b>3,125,920</b>	3,152,094

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Year ended 31 December 2004

Notes	2004 HK\$'000	2003 HK\$'000
Operating profit before working capital changes — page 62	<b>3,125,920</b>	3,152,094
Decrease/(increase) in amounts due from jointly-controlled entities	<b>5,621</b>	(274)
Decrease in amounts due from associates	<b>—</b>	1,995
Decrease in amounts due to associates	<b>—</b>	(5,279)
Decrease in loan receivables	<b>16,516</b>	22,452
Decrease in an amount due from a related company	<b>69</b>	136
Increase in an amount due from the immediate holding company	<b>(1,941)</b>	—
Increase in amounts due from minority shareholders of subsidiaries	<b>—</b>	(329)
Increase in amounts due from fellow subsidiaries	<b>(588)</b>	(431)
Decrease/(increase) in inventories	<b>330</b>	(196,880)
Decrease/(increase) in receivables, prepayments and deposits	<b>244,058</b>	(453,277)
Increase/(decrease) in trade payables, accruals and other liabilities	<b>(125,577)</b>	184,432
Increase/(decrease) in amounts due to fellow subsidiaries	<b>743</b>	(772)
Increase/(decrease) in an amount due to the immediate holding company	<b>(1,041)</b>	1,037
Increase in amounts due to the ultimate holding company	<b>235</b>	—
Increase/(decrease) in amounts due to minority shareholders of subsidiaries	<b>(240)</b>	9,122
Cash generated from operations	<b>3,264,105</b>	2,714,026
Interest received	<b>14,032</b>	29,303
Dividends from associates	<b>17,746</b>	57,045
Hong Kong profits tax refunded/(paid)	<b>88</b>	(957)
Mainland China tax paid	<b>(124,136)</b>	(109,389)
Net cash inflow from operating activities	<b>3,171,835</b>	2,690,028

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	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of other investments		(102,795)	(48)
Proceeds from sales of investment securities		4,348	—
Purchases of fixed assets	14	(114,506)	(47,434)
Additions to properties under development		(756)	—
Additions to other long term assets		—	(693,129)
Acquisition of a subsidiary	44(c)	(29,060)	—
Acquisition of additional interests in subsidiaries		(11,396)	(11,073)
Advance to an associate		—	(61,139)
Repayments by a contractual joint venture		—	135,345
Disposal of subsidiaries and associates	44(b)	—	693,528
Disposal of a deconsolidated subsidiary		46,895	—
Additional interest in an associate		(14,149)	—
Proceeds from disposal of fixed assets		1,803	22,467
Proceeds from disposal of an investment property		1,500	11,693
Decrease/(increase) in restricted cash and bank balances		8,491	(16,487)
Decrease/(increase) in non-pledged bank deposits with original maturity of more than three months when acquired		3,653	(78,284)
<b>Net cash outflow from investing activities</b>		<b>(205,972)</b>	<b>(44,561)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of new ordinary shares	41	42,735	51,818
New bank loans		—	1,012,776
Repayment of bank loans		(1,065,657)	(1,746,006)
Loans from the immediate holding company		—	202,031
Loan from the ultimate holding company		1,878	—
Repayment of loans to the immediate holding company		—	(327,965)
Repayment of transferable loan instruments		—	(265,034)
Redemption of floating rate notes		—	(245,282)
Redemption of Straight Bonds		(497,320)	—
Repayment of notes payable and Tranche B Credit		—	(174,958)
Redemption of 2005 Guaranteed Bonds		—	(417,085)
Loan from a fellow subsidiary		1,261	—
Repayment of loan from a minority shareholder of a subsidiary		(4,786)	—
Repayment of provision for bank loans guaranteed		—	(358,521)
Interest paid	9	(362,702)	(488,285)
Finance charges paid for interest rate swap agreements, net	9	(423,332)	(153,908)
Dividends paid to minority shareholders		(224,515)	(229,841)
Dividends paid to shareholders		(136,997)	—
<b>Net cash outflow from financing activities</b>		<b>(2,669,435)</b>	<b>(3,140,260)</b>

## Consolidated Cash Flow Statement

Year ended 31 December 2004

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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		296,428	(494,793)
Cash and cash equivalents at beginning of year		1,270,629	1,770,410
Effect of foreign exchange rate changes, net		500	(4,988)
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CASH AND CASH EQUIVALENTS AT END OF YEAR		1,567,557	1,270,629
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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	44(d)		
Cash and bank balances		569,805	827,758
Non-pledged bank deposits with original maturity of less than three months when acquired		997,752	442,871
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		1,567,557	1,270,629
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