

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	Notes	Year ended 31 December 2004 HK\$'000	Period from 1 April 2003 to 31 December 2003 HK\$'000
Cash flows from operating activities			
Profit before taxation and minority interests		100,301	115,889
Adjustments for:			
Depreciation and amortisation on property, plant and equipment		18,295	18,840
Amortisation of intangible assets		46,947	34,842
Amortisation of goodwill on interests in associates		466	–
Negative goodwill recognised as income		(18,158)	(13,618)
Write off of intangible assets		148	27
Net gain on disposal and dissolution of subsidiaries	41(b)	(2,304)	(40,388)
Gain on disposal of other investments		(77)	–
Loss on disposal of property, plant and equipment		12,305	1,594
Surplus on revaluation of hotel properties and investment properties		–	(16,000)
(Surplus)/Deficit on revaluation of properties under development		(3,992)	12,598
Impairment losses on short term investments		3,053	–
Write back of impairment losses on land held for development		–	(17,391)
Impairment losses on goodwill		–	9,664
Interest waived by creditors		–	(41,419)
Decrease/(Increase) in fair value of short term investments		9	(416)
Provision for bad and doubtful debts		5,708	7,203
Provision for inventories		1,741	–
Written off of property, plant and equipment		908	–
Write back of other payables		–	(2,226)
Share of results of associates		(1,745)	124
Reduction of goodwill due to recognition of deferred tax assets		–	13,327
Defined benefit retirement scheme expenses		–	592
Interest income		(5,326)	(10,330)
Interest expenses		13,269	35,192
Operating profit before working capital changes		171,548	108,104

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	Notes	Year ended 31 December 2004 HK\$'000	Period from 1 April 2003 to 31 December 2003 HK\$'000
(Decrease)/Increase in amounts due to associates		(2,253)	625
(Increase)/Decrease in inventories		(2,855)	1,902
(Increase)/Decrease in trade receivables, other receivables and deposits		(17,836)	138,718
Increase in trade payables, other payables and accruals		54,469	12,081
Payment for defined benefit retirement scheme		–	(1,763)
(Decrease)/Increase in amount due to a director		(7,508)	1,917
Decrease in amounts due to shareholders		(3,105)	–
Net cash generated from operations		192,460	261,584
Overseas taxes paid		(11,427)	(3,959)
Net cash generated from operating activities		181,033	257,625
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(62,109)	(19,450)
Proceeds from disposal of property, plant and equipment		65,697	21,098
Repayments (to)/from a related company		(12,531)	14,929
Net cash inflow/(outflow) in respect of acquisition of subsidiaries	41(a)	982	(50,041)
Net cash outflow from deconsolidation of a subsidiary	41(c)	(21,600)	–
Net cash outflow in respect of disposal of subsidiaries	41(b)	(72)	(362)
Compensation received upon expiry of options to acquire shares		–	100,000
Payment to acquire intangible assets		(2,458)	–
Proceeds from disposal of unlisted investments		1,600	–
Proceeds from disposal of land held for development		76,179	–
Advances to prospective investee companies		(18,825)	(7,171)
Deposit paid for acquisition of investments		–	(87,472)
Payment for land cost		–	(21,231)
Payment for land premium		(20,755)	(16,559)
Interest received		5,326	10,330
Net cash generated from/(used in) investing activities		11,434	(55,929)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

Notes	Year ended 31 December 2004 HK\$'000	Period from 1 April 2003 to 31 December 2003 HK\$'000
Cash flows from financing activities		
Issue of convertible notes	–	200,000
Capital element of finance lease payments	–	(195)
New loans and other borrowings raised	13,237	64,496
Receipts from/(Repayments to) securities brokers and margin financiers	2,501	(2,363)
Repayments of loans and other borrowings	(204,432)	(357,407)
Interest paid	(58,993)	(64,872)
Net cash used in financing activities	(247,687)	(160,341)
Net (decrease)/increase in cash and cash equivalents	(55,220)	41,355
Cash and cash equivalents at 1 January/April	107,193	66,198
Effect of foreign exchange rate changes	–	(360)
Cash and cash equivalents at 31 December	51,973	107,193
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	52,244	107,464
Bank overdrafts	(271)	(271)
	51,973	107,193