

Consolidated Cash Flow Statement

For the year ended 31st December 2004

	2004 HK\$'000	2003 HK\$'000
Profit from operations	903,270	1,132,761
Adjustments for:		
Dividend income from listed investments	(5,529)	(3,583)
Dividend income from unlisted investments	(23,408)	–
Income from investments in other projects	(4,058)	(8,254)
Interest income	(95,216)	(48,241)
Rental income	(2,838)	(2,959)
Amortisation of goodwill	15,462	6,412
Amortisation of toll road operating right	41,626	–
Release of negative goodwill	(9)	–
Depreciation and amortisation of property, plant and equipment	122,039	109,071
Allowance on doubtful debts and bad debts written off	19,135	10,326
Net unrealised holding gain on investments in securities	(85,928)	(167,528)
Gain on disposal of investments in securities	(16,593)	(78,548)
Loss on disposal of property, plant and equipment	4,434	6,266
Impairment loss recognised in respect of investments in other projects	36,677	3,231
Impairment loss recognised in respect of investments in securities	35,855	31,740
Operating cash flows before movements in working capital	944,919	990,694
(Increase) decrease in inventories	(226,227)	67,026
Decrease (increase) in trade and other receivables	8,832	(14,899)
Increase (decrease) in trade and other payables	218,378	(9,324)
Cash generated from operations	945,902	1,033,497
PRC income tax paid	(65,978)	(86,362)
Hong Kong Profits Tax paid	(114,672)	(48,243)
Hong Kong Profits Tax refunded	21	–
NET CASH FROM OPERATING ACTIVITIES	765,273	898,892

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	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of investments in securities		(2,478,720)	(1,888,900)
Purchase of property, plant and equipment		(391,114)	(139,008)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	38	(390,815)	(1,897,295)
Increase in placement of deposits with financial institutions		(188,962)	–
Capital contributions to jointly controlled entities		(144,300)	(321,018)
Purchase of additional interest in subsidiaries		(7,063)	(500,491)
Proceeds from disposal of investments in securities		3,069,902	1,131,489
Decrease (increase) in bank deposits		692,215	(1,135,396)
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	39	198,396	1,353
Dividends received from jointly controlled entities		103,474	29,280
Interest received		95,216	48,241
Dividends received from associates		79,631	85,405
Dividends received from unlisted investments		23,408	–
Dividends received from listed investments		5,524	3,583
Government grants received		5,321	14,151
Income received from investments in other projects		4,058	8,254
Decrease (increase) in deposits paid on acquisition of property, plant and equipment		3,193	(22,382)
Proceeds from disposal of property, plant and equipment		3,028	12,576
Rental income received		2,838	2,959
Repayment from a minority shareholder of a subsidiary		2,295	3,660
Proceeds from disposal of interest in jointly controlled entities		104	–
Repayment from an associate		3	102,604
Capital contributions to associates		–	(497,336)
Advance to an associate		–	(1,006)
Proceeds from disposal of investments in infrastructure projects		–	5,456,448
Capital distributions from jointly controlled entities		–	42,070
Proceeds from partial disposal of interest in a subsidiary		–	27,300
Proceeds from partial disposal of interest in an associate		–	7,475
Repayment from a jointly controlled entity		–	3,510
NET CASH FROM INVESTING ACTIVITIES		687,632	577,526

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FINANCING ACTIVITIES		
Dividends paid	(495,067)	(451,112)
Dividends paid to minority shareholders of subsidiaries	(101,561)	(102,942)
Repayment of borrowings	(26,981)	(29,502)
Interest paid on bank and other borrowings	(19,486)	(31,001)
Expenses incurred in connection with the issue of shares	(127)	(88)
Proceeds from issue of shares	147,143	99,696
Borrowings raised	105,778	8,915
Capital contributions by minority shareholders of subsidiaries	84,393	3,622
NET CASH USED IN FINANCING ACTIVITIES	(305,908)	(502,412)
INCREASE IN CASH AND CASH EQUIVALENTS	1,146,997	974,006
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,038,696	3,064,690
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,185,693	4,038,696
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	5,766,464	5,313,041
Less: Bank deposits held for investment purpose	(505,299)	(1,274,345)
Bank deposit held as a security deposit for investment	(75,472)	–
	5,185,693	4,038,696