

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Note	GROUP	
		2005 US\$'000	2004 US\$'000
OPERATING ACTIVITIES			
Cash generated from operations	(a)	358,206	356,184
Interest paid		(144,202)	(74,483)
Interest received		8,138	2,948
Income tax paid		(2,170)	(1,698)
Net cash inflow from operating activities		219,972	282,951
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(668,997)	(468,270)
Proceeds from sale of property, plant and equipment		186	82,171
Acquisition of a subsidiary, net of cash acquired	(b)	—	(4,647)
Acquisition of an equity investment in Valuar Limited		—	(15,148)
Payment of additional purchase consideration for NCLH acquisition		(7,654)	—
Others		(1,139)	(4,695)
Net cash outflow from investing activities		(677,604)	(410,589)
FINANCING ACTIVITIES			
Proceeds from long-term borrowings		715,696	1,499,697
Principal repayments of long-term borrowings		(373,401)	(1,358,100)
Proceeds from issuance of ordinary shares pursuant to the Pre-listing Employee Share Option Scheme		1,874	18
Payment of loan arrangement fees		(16,211)	(53,375)
Restricted cash, net		(19,514)	2,204
Others, net		(3,103)	(504)
Net cash inflow from financing activities		305,341	89,940
Effect of exchange rate changes on cash and cash equivalents		(1,038)	1,692
Net decrease in cash and cash equivalents		(153,329)	(36,006)
Cash and cash equivalents at beginning of year		341,027	377,033
Cash and cash equivalents at end of year		187,698	341,027
NON-CASH INVESTING ACTIVITY			
Acquisition of motor vehicles by means of finance lease		10,310	—

Notes to Consolidated Cash Flow Statement

(a) Cash generated from operations

	GROUP	
	2005	(Restated) 2004
	US\$'000	US\$'000
OPERATING ACTIVITIES		
Profit/(Loss) before taxation	20,547	(10,613)
Depreciation and amortisation		
- relating to operating function	166,300	172,299
- relating to selling, general and administrative function	9,722	9,567
	176,022	181,866
Interest expense, net of capitalised interest	155,930	110,005
Interest income	(8,484)	(2,985)
Impairment loss	1,400	14,500
Loss/(Gain) on translation of debts	(29,418)	9,545
Others	4,245	444
	320,242	302,762
Decrease/(Increase) in :		
Trade receivables	(8,879)	7,768
Consumable inventories	(13,373)	(3,635)
Prepaid expenses and others	(16,989)	24,966
Other assets	(1,714)	(1,617)
Increase/(Decrease) in :		
Trade creditors	5,835	(14,019)
Provisions, accruals and other liabilities	23,504	(3,915)
Amounts due to related companies	243	(234)
Advance ticket sales	49,337	44,108
Cash generated from operations	358,206	356,184

(b) Acquisition of a subsidiary, net of cash acquired

In November 2004, the Group acquired all of the outstanding shares of Polynesian Adventure Tours, Inc. ("Polynesian"), a tour bus operator in Hawaii that had previously provided the Group with shore excursions. The purchase price was approximately US\$4.6 million, net of cash acquired. The acquisition of the tour bus company did not have a material impact on the Group's consolidated income statement for the year ended 31 December 2004. The details of the net assets acquired and cash flow arising from the acquisition of Polynesian are shown below.

	GROUP	
	2005	2004
	US\$'000	US\$'000
Net assets acquired:		
Property, plant and equipment	—	2,288
Other assets	—	4,347
Consumable inventories	—	349
Trade and other receivables	—	1,653
Cash and bank balances	—	638
Trade and other creditors	—	(1,112)
Long-term borrowings (including current portion)	—	(2,673)
Other long-term liabilities	—	(205)
Purchase consideration	—	5,285
Cash and bank balances of a subsidiary acquired	—	(638)
Satisfied by cash	—	4,647