

# Consolidated Cash Flow Statement

for the year ended 31 December 2004

	Note	2004		2003	
		HK\$M	HK\$M	HK\$M	HK\$M
<b>Operating activities</b>					
Net cash inflow from operations	28	11,502		7,858	
Operating interest paid		(807)		(579)	
Interest received		62		17	
Profits tax paid		(562)		(860)	
Net cash inflow from operating activities			10,195		6,436
<b>Investing activities</b>					
Capital expenditure		(5,292)		(5,451)	
Capitalised interest paid		(266)		(241)	
Proceeds from disposal of fixed assets		251		402	
Proceeds from disposal of other investments		55		659	
Acquisition of remaining interest in a subsidiary		(376)		–	
Net cash outflow for acquisition of subsidiaries		–		(354)	
Net cash outflow on settlement of forward contracts for investment hedging		(183)		(326)	
Investments in and advances to jointly controlled entities		(565)		(983)	
Purchase of investment securities		–		(438)	
Proceeds from realisation of employee retirement benefit plan assets		–		1,155	
Dividends received from investments					
– jointly controlled entities		2,612		2,970	
– associated company		60		50	
– other investments		–		34	
Profit received from Hok Un joint venture		454		612	
Net cash outflow from investing activities			(3,250)		(1,911)
Net cash inflow before financing activities			6,945		4,525
<b>Financing activities</b>					
Proceeds from long-term borrowings		2,700		2,019	
Repayment of long-term borrowings		(2,798)		(1,562)	
Decrease in short-term borrowings		(145)		–	
Dividends paid		(5,057)		(4,744)	
Net cash outflow from financing activities			(5,300)		(4,287)
Increase in cash and cash equivalents			1,645		238
Cash and cash equivalents at beginning of year			787		516
Effect of exchange rate changes			88		33
<b>Cash and cash equivalents at end of year</b>			<b>2,520</b>		<b>787</b>
Analysis of balances of cash and cash equivalents					
Short-term investments			21		44
Deposits with banks			2,382		617
Cash at banks and on hand			117		126
			<b>2,520</b>		<b>787</b>