

# Consolidated Cash Flow Statement

for the year ended 31st December, 2004

	2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>		
Profit from operations	888,126	512,844
Adjustments for:		
Bad and doubtful debts	147,837	230,759
Depreciation	30,032	29,367
Impairment loss recognised in respect of non-trading securities	16,418	6,713
Premium on acquisition of loan receivables of consumer finance customers	12,016	–
Loss on dilution of interest in an associate	4,455	–
Amortisation of intangible assets	2,701	2,780
Net unrealised loss (profit) on trading securities	1,174	(7,142)
Loss on disposal of property, plant and equipment	589	3,273
Loss on write off of intangible assets	96	–
(Surplus) deficit arising on revaluation of investment properties	(99,220)	6,145
Impairment loss (reversed) recognised in respect of properties held for sale	(22,924)	22,546
Amortisation of capital reserve	(20,158)	(20,095)
Profit on repurchase of loan notes	(11,219)	(23,226)
(Profit) loss on disposal of subsidiaries	(8,647)	2,229
Impairment loss (reversed) recognised in respect of properties under development	(3,000)	12,200
(Profit) loss on disposal of non-trading securities	(2,483)	753
Profit on deemed disposal of a jointly controlled entity	(942)	–
Profit on disposal of partial interest in a subsidiary	(789)	–
Loss on disposal of an associate	–	3,088
Write-back of loss arising from default of loan agreement	–	(26,412)
Operating cash flow before movements in working capital	934,062	755,822
Decrease in properties held for sale and other inventories	20,741	19,220
Increase in trading securities	(15,196)	(10,238)
Increase in loans and advances to consumer finance customers	(370,252)	(224,171)
Increase in long-term loan receivable	(3,200)	–
Decrease (increase) in accounts receivable, deposit and prepayments	400,705	(757,983)
(Decrease) increase in accounts payable and accrued charges	(496,632)	771,167
Decrease in other employee benefits	(3,051)	(1,336)
Cash generated from operations	467,177	552,481
Hong Kong Profits Tax paid	(106,307)	(43,146)
Interest paid	(49,132)	(63,111)
Tax outside Hong Kong (paid) refunded	(248)	95
<b>Net cash from operating activities</b>	<b>311,490</b>	<b>446,319</b>

# Consolidated Cash Flow Statement (Cont'd)

33

for the year ended 31st December, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Investing activities</b>			
Amounts repaid by associates		242,563	22,342
Proceeds on disposal of non-trading securities		40,510	6,348
Proceeds on disposal of an associate		12,187	2,446
Dividend received from associates		6,182	17,812
Amount repaid by a jointly controlled entity		2,770	2,338
Decrease (increase) in pledged bank deposit		267	(487)
Proceeds on disposal of property, plant and equipment		139	101
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	35	(125,239)	(49,579)
Acquisition of associates		(102,350)	(6,156)
Purchase of non-trading securities		(32,285)	(560)
Purchase of property, plant and equipment		(31,377)	(14,788)
Additions to properties under development		(14,186)	(14,790)
Purchase of intangible assets		(6,091)	(5,001)
Amount advanced to a jointly controlled entity		(3,772)	(2,830)
Acquisition of a jointly controlled entity		(2,294)	–
Amount advanced to investee companies		(1,950)	–
Acquisition of additional interest in subsidiaries		(1,132)	(20,301)
Additions to investment subsidiaries		(110)	–
Amount advanced to an associate		(2)	–
Amounts repaid by investee companies		–	2,951
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	36	–	87
<b>Net cash used in investing activities</b>		<b>(16,170)</b>	<b>(60,067)</b>
<b>Financing activities</b>			
New bank and other borrowings raised		740,500	877,954
Amount advanced by a jointly controlled entity		29,500	23,617
Net proceeds received from issue of shares by a subsidiary		27,831	29
Repayment of bank and other borrowings		(684,126)	(897,686)
Repurchase of loan notes		(139,024)	(124,349)
Dividends paid by subsidiaries to minority shareholders		(134,841)	(72,202)
Amounts paid on share repurchase		(35,370)	(119,898)
Repayment of obligations under a finance lease		(890)	(850)
Amount repaid to associates		(148)	(163)
Amount repaid to a jointly controlled entity		(95)	–
Net distribution to minority interests		(33)	–
Share repurchased and cancelled by a listed subsidiary		–	(83,945)
Amounts advanced by associates		–	1,450
<b>Net cash used in financing activities</b>		<b>(196,696)</b>	<b>(396,043)</b>
<b>Increase (decrease) in cash and cash equivalents</b>		<b>98,624</b>	<b>(9,791)</b>
<b>Exchange adjustments</b>		<b>12</b>	<b>935</b>
<b>Cash and cash equivalents at 1st January</b>		<b>607,825</b>	<b>616,681</b>
<b>Cash and cash equivalents at 31st December</b>		<b>706,461</b>	<b>607,825</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank deposits, bank balances and cash		765,765	763,072
Bank overdrafts		(59,304)	(155,247)
		<b>706,461</b>	<b>607,825</b>