

	Notes	2004 HK\$'000	2003 HK\$'000
Profit from operating activities		<b>528,877</b>	446,711
Adjustments for:			
Interest income	6	<b>(21,393)</b>	(19,959)
Depreciation of fixed assets	7	<b>97,484</b>	90,192
Provision for bad and doubtful debts, net	7	<b>24,040</b>	14,350
Loss on disposal/write-off of fixed assets, net	7	<b>14,092</b>	11,401
Gain on partial disposal of interests in subsidiaries	6	–	(52,400)
Operating profit before working capital changes		<b>643,100</b>	490,295
Decrease/(increase) in trade receivables		<b>(118,552)</b>	40,168
Increase in inventories		<b>(53,728)</b>	(26,446)
Decrease/(increase) in prepayments, deposits and other receivables		<b>49,834</b>	(39,367)
Increase in amounts due from related companies		<b>(6,991)</b>	(10,081)
Increase in trade payables		<b>30,811</b>	32,695
Increase/(decrease) in trust receipt loans		<b>(101,286)</b>	122,440
Decrease in amount due to minority shareholders, net	33(ii)	<b>(29,258)</b>	(70,244)
Decrease in accrued liabilities and other payables		<b>78,463</b>	15,212
Cash generated from operations		<b>492,393</b>	554,672
Interest paid		<b>(51,781)</b>	(39,342)
Interest element on finance lease rental payments		<b>(327)</b>	(1,392)
Arrangement fee on bank and other loans		<b>(7,036)</b>	–
Hong Kong profits tax paid		–	(392)
Mainland China corporate income tax paid		<b>(121,927)</b>	(88,806)
Net cash inflow from operating activities		<b>311,322</b>	424,740
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(157,032)</b>	(171,039)
Proceeds from sales of fixed assets		<b>527</b>	1,119
Deposits paid	33(iv)	<b>(68,047)</b>	(116,338)
Proceeds from partial disposal of interests in subsidiaries		–	52,400
Proceeds from disposal of subsidiaries		–	255,000
Interest received		<b>21,393</b>	19,959
Capital injection to jointly-controlled entities		<b>(4,668)</b>	–
Advances to jointly-controlled entities	33(iv)	<b>(295,898)</b>	–
Increase in pledged bank deposits		<b>(37,666)</b>	(37,664)
Increase in non-pledged time deposits with original maturity of more than three months when acquired		<b>(32,154)</b>	(562,391)
Net cash outflow from investing activities		<b>(573,545)</b>	(558,954)

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Exercise of options to subscribe for new ordinary shares in the Company	29(a)	49,665	36,707
Exercise of warrants to subscribe for new ordinary shares in the Company	29(b)	137,795	38,541
Placement of new shares	29(c)	517,920	–
Share issue expenses		(11,113)	–
Capital contribution by minority interests		–	107,403
New bank loans		1,140,975	152,166
New other loans		3,767	2,825
Repayment of bank loans		(547,969)	(11,112)
Repayment of other loans		(3,230)	(94)
Capital element of finance lease rental payments		(11,581)	(17,733)
Dividends paid		(84,786)	(96,257)
Dividends paid by a subsidiary to minority shareholders		(32,394)	(20,134)
Net cash inflow from financing activities		<u>1,159,049</u>	<u>192,312</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>896,826</b>	<b>58,098</b>
Cash and cash equivalents at beginning of year		<b>1,308,633</b>	1,250,535
Effect of foreign exchange rate changes		<u>(516)</u>	<u>–</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>2,204,943</u></b>	<b><u>1,308,633</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		<b>1,901,835</b>	941,099
Deposits with a non-bank financial institution		<b>203,588</b>	229,637
Non-pledged time deposits with original maturity of less than three months when acquired		<u>99,520</u>	<u>137,897</u>
		<b><u>2,204,943</u></b>	<b><u>1,308,633</u></b>