

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2004 (Expressed in Hong Kong dollars)

	2004	2003
Note	\$'000	\$'000
<b>Operating activities</b>		
Profit from ordinary activities before taxation	<b>243,924</b>	182,676
Adjustments for:		
– Depreciation	<b>83,580</b>	81,686
– Amortisation of intangible assets	<b>1,622</b>	2,173
– Amortisation of goodwill	<b>1,682</b>	1,682
– Finance costs	<b>5,245</b>	2,913
– Dividend income	<b>(541)</b>	(377)
– Interest income	<b>(11,406)</b>	(18,822)
– Realised losses/(gains) on disposal of non-trading securities	<b>188</b>	(4,884)
– Profit on disposals of fixed assets	<b>(1,602)</b>	(43)
– Profit on disposal of associate	<b>(4,858)</b>	–
– Share of loss of associate	–	11,706
Effect of foreign exchange rates	<b>1,501</b>	2,400
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<b>Operating profit before changes in working capital</b>	<b>319,335</b>	261,110
Increase in amount due from associate	–	(742)
Decrease/(increase) in trading securities	<b>8,054</b>	(14,078)
Increase in inventories	<b>(75,176)</b>	(39,165)
Increase in trade and other receivables	<b>(249,860)</b>	(6,616)
Increase in trade and other payables	<b>147,041</b>	67,688
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<b>Cash generated from operations</b>	<b>149,394</b>	268,197
Tax paid		
– Hong Kong profits tax paid	<b>(6,744)</b>	(34,327)
– Overseas tax paid	<b>(9,518)</b>	(5,619)
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<b>Net cash from operating activities</b>	<b>133,132</b>	228,251
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<b>Investing activities</b>		
Proceeds from disposal of fixed assets	<b>4,815</b>	986
Payment for purchase of fixed assets	<b>(83,843)</b>	(98,847)
Payment for purchase of patent rights	–	(30,845)
Proceeds from disposal of associate	<b>9,348</b>	–
Proceeds from disposal of non-trading securities	<b>206,895</b>	133,424
Purchase of non-trading securities	<b>(93,089)</b>	(77,497)
Dividends received	<b>541</b>	377
Interest received	<b>12,734</b>	19,877
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<b>Net cash from/(used in) investing activities</b>	<b>57,401</b>	(52,525)
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**Consolidated Cash Flow Statement**

For the year ended 31 December 2004 (Expressed in Hong Kong dollars)

	2004	2003
Note	<b>\$'000</b>	<b>\$'000</b>
<b>Financing activities</b>		
New bank loans	<b>46,367</b>	22,845
Repayment of bank loans	<b>(19,653)</b>	(7,331)
Interest paid	<b>(5,245)</b>	(2,913)
Proceeds on issue of shares	<b>809</b>	2,746
Dividends paid	<b>(76,586)</b>	(117,081)
Dividend paid to minority shareholders	<b>(4,056)</b>	(2,125)
	<u><b>(58,364)</b></u>	<u>(103,859)</u>
<b>Net cash used in financing activities</b>	<b>(58,364)</b>	(103,859)
<b>Net increase in cash and cash equivalents</b>	<b>132,169</b>	71,867
<b>Cash and cash equivalents at 1 January</b>	<b>534,884</b>	460,875
<b>Effect of foreign exchange rates changes</b>	<b>2,341</b>	2,142
<b>Cash and cash equivalents at 31 December</b>	<b>669,394</b>	534,884
20	<u><b>669,394</b></u>	<u>534,884</u>

**Note to the Consolidated Cash Flow Statement****(a) Major non cash transactions**

During the year shares were issued as a result of scrip dividends.

The notes on pages 27 to 57 form part of these financial statements.