

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	155,913	95,681
Adjustments for:		
Allowance for bad and doubtful debts made (written back)	792	(950)
Allowance for inventories made	40,605	6,874
Amortisation of intangible assets	162	1,867
Decrease in biological assets due to harvest	123	504
Depreciation of property, plant and equipment	50,283	62,289
Dividend income from listed investments	(687)	(651)
Gain arising from changes in fair value of fruit trees	(123)	(3,884)
Loss (gain) on disposal of non-trading securities	87	(13,022)
Impairment loss on land and buildings written back	–	(4,446)
Impairment loss on land pending development	5,000	–
Impairment loss recognised on non-trading securities (written back) made	(3,220)	181
Interest income	(2,571)	(3,564)
Loss on disposal of property, plant and equipment	1,225	678
Loss on write-off of fruit trees	–	7,380
Gain from changes in fair value of investment properties	(77,528)	(588)
Unrealised holding gain of trading securities	(11,445)	(33,875)
Discount on acquisition of an additional interest in a subsidiary	(15,665)	–
Operating cash flow before movements in working capital	142,951	114,474
Increase in inventories	(90,951)	(56,620)
Increase in properties held for sale	–	(2,721)
Decrease in trade and other receivables	65,273	3,706
Decrease in trading securities	3,484	11,917
Decrease in loans and advances receivables	13,031	39,136
Increase in cash held on behalf of clients	(59,224)	(129,434)
(Decrease) increase in trade and other payables	(24,196)	37,889
Increase in client deposits	48,460	109,288
Decrease in amounts due to related companies	(306)	(1,695)
Cash generated from operations	98,522	125,940
Hong Kong Profits Tax paid	(11,546)	(1,260)
PRC income tax paid	(827)	(1,035)
NET CASH FROM OPERATING ACTIVITIES	86,149	123,645

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For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(38,222)	(46,111)
Purchases of non-trading securities		(11,541)	(44,219)
Advances to associates, net		(3,490)	(3,032)
Acquisition of additional interests in a subsidiary	7	(22,131)	(944)
Increase in pledged bank deposits		(6,550)	(812)
Proceeds on disposal of non-trading securities		35,727	33,971
Dividends received from associates		–	24,176
Interest received		2,571	3,564
Proceeds on disposal of property, plant and equipment		7,049	794
Dividends received from listed investments		687	651
(Acquisition) proceeds from disposal of other non-current assets		(5)	81
Acquisition of subsidiaries	38	1,364	–
NET CASH USED IN INVESTING ACTIVITIES		(34,541)	(31,881)
FINANCING ACTIVITIES			
Repayment of borrowings		(220,171)	(129,132)
Advances to minority shareholders of subsidiaries		(488)	(18,337)
Advance from shareholders		9,018	–
Increase (decrease) in trust receipt loans		21,830	(17,887)
Interest paid		(10,740)	(11,523)
Dividends paid to shareholders		(10,029)	–
Dividends paid to minority shareholders of subsidiaries		(8,708)	(4,988)
Repayment of obligations under finance lease		(8,378)	(4,302)
Repurchase of shares in a subsidiary from minority shareholders		(405)	(525)
Repayment to associates		–	(163)
Borrowings raised		173,543	121,711
Contribution by minority shareholders of subsidiaries		–	100
NET CASH USED IN FINANCING ACTIVITIES		(54,528)	(65,046)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(2,920)	26,718
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		125,050	98,719
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		83	(387)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		122,213	125,050
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		173,381	188,625
Bank overdrafts		(51,168)	(63,575)
		122,213	125,050