

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2004

| | Note | 2004 HK\$'000 | 2003 HK\$'000 |
|--|-------|------------------|------------------|
| Net cash inflow generated from operations | 26(a) | 290,713 | 415,653 |
| PRC income tax paid | | (52,762) | (40,099) |
| Net cash inflow from operating activities | | <u>237,951</u> | <u>375,554</u> |
| Investing activities | | | |
| Purchase of fixed assets and construction-in-progress | | (193,081) | (80,775) |
| Sale of fixed assets | | 1,370 | 34,107 |
| Prepayment of fixed assets and construction-in-progress | | (94,076) | — |
| Payment of earn-out payables | | (41,130) | — |
| Government grants received | | 6,950 | 4,300 |
| Interest received | | 4,144 | 6,911 |
| Purchase of subsidiaries, net of cash acquired | 26(c) | (14,617) | (191,171) |
| Purchase of additional interests in subsidiaries | | (167,168) | — |
| Sale of marketable securities | | — | 45,509 |
| Net cash outflow from investing activities | | <u>(497,608)</u> | <u>(181,119)</u> |
| Net cash (outflow)/inflow before financing | | <u>(259,657)</u> | <u>194,435</u> |
| Financing activities | | | |
| New trust receipt bank loans | 26(b) | 9,953 | 43,610 |
| New / (repayment of) short-term bank loans | 26(b) | 158,340 | (82,117) |
| Drawdown of long-term bank loans | 26(b) | 370,000 | — |
| Repayment of long-term bank loans | 26(b) | (110,000) | — |
| Interest paid | | (18,177) | (8,941) |
| Capital injection by minority shareholders of subsidiaries | 26(b) | — | 9,749 |
| Dividends paid | | (232,861) | (203,518) |
| Dividends paid by subsidiaries to minority shareholders | 26(b) | (16,948) | (15,345) |
| Net cash inflow/(outflow) from financing | | <u>160,307</u> | <u>(256,562)</u> |
| Decrease in bank balances and cash | | (99,350) | (62,127) |
| Bank balances and cash at 1st January | | 643,771 | 709,751 |
| Effect of foreign exchange rate changes | | (614) | (3,853) |
| Bank balances and cash at 31st December | | <u>543,807</u> | <u>643,771</u> |