

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>382,327</b>	364,210
Adjustments for:			
Finance costs	9	<b>7,944</b>	18,273
Share of profits and losses of jointly-controlled entities and associates		<b>(39,597)</b>	(45,666)
Interest income	6	<b>(14,451)</b>	(11,656)
Depreciation	6	<b>111,820</b>	104,397
Amortisation of permanent quota	6	<b>2,085</b>	2,030
Impairment of fixed assets	6	<b>1,094</b>	6,372
Reversal of impairment of interests in a jointly-controlled entity	6	<b>-</b>	(300)
Provision/(reversal of provision) for inventory obsolescence	6	<b>(17,758)</b>	3,524
Provision for a loan to an associate	6	<b>-</b>	8,282
Loss on disposal of fixed assets	6	<b>7,113</b>	5,953
Gain on disposal of permanent quota	6	<b>(42)</b>	(2,466)
Loss on disposal of a jointly-controlled entity	6	<b>-</b>	80
Loss on disposal of an associate	6	<b>714</b>	-
Net revaluation deficit on land and buildings	6	<b>1,295</b>	-
Revaluation surplus on an investment property	6	<b>(250)</b>	-
Effect of foreign exchange rate changes, net		<b>4,235</b>	20,373
Operating profit before working capital changes		<b>446,529</b>	473,406
Decrease in amounts due from jointly-controlled entities		<b>1,051</b>	1,227
Increase/(decrease) in amounts due to jointly-controlled entities		<b>(4,376)</b>	3,531
Decrease/(increase) in amounts due from associates		<b>2,802</b>	(1,722)
Decrease in amounts due to associates		<b>(7,213)</b>	(672)
Decrease/(increase) in inventories		<b>(33,829)</b>	11,326
Decrease/(increase) in trade and bills receivables		<b>124,257</b>	(18,831)
Increase in prepayments, deposits and other receivables		<b>(24,755)</b>	(1,715)
Increase in amounts due from related companies		<b>(13,398)</b>	(1,579)
Increase/(decrease) in trade and bills payables		<b>(25,572)</b>	33,429
Increase in other payables and accruals		<b>87,249</b>	116,820
Cash generated from operations		<b>552,745</b>	615,220
Interest received		<b>14,451</b>	11,656
Interest paid	9	<b>(7,819)</b>	(17,952)
Interest element on finance lease rental payments	9	<b>(125)</b>	(321)
Dividend received from jointly-controlled entities		<b>1,694</b>	9,503
Dividend received from associates		<b>13,623</b>	14,674
Hong Kong profits tax paid		<b>(13,353)</b>	(21,012)
Overseas taxes paid		<b>(12,224)</b>	(5,128)
Net cash inflow from operating activities		<b>548,992</b>	606,640

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Net cash inflow from operating activities		<b>548,992</b>	606,640
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		<b>(123,520)</b>	(135,300)
Additions to permanent quota	19	<b>(920)</b>	(1,684)
Proceeds from disposal of fixed assets		<b>2,720</b>	4,686
Proceeds from disposal of permanent quota		<b>42</b>	2,466
Investments in jointly-controlled entities		-	(12,540)
Investments in associates		<b>(1,275)</b>	(1,015)
Disposal of an associate		<b>600</b>	-
Disposal of a jointly-controlled entity		-	2,801
Advances of loans to associates		<b>(43,032)</b>	(20,000)
Decrease in pledged bank deposits		<b>15,433</b>	4,489
Net cash outflow from investing activities		<b>(149,952)</b>	(156,097)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		<b>39,210</b>	217,841
Repayment of bank loans		<b>(93,045)</b>	(252,863)
Capital element of finance lease rental payments		<b>(1,938)</b>	(1,726)
Capital contributed by a minority shareholder		<b>496</b>	94
Dividends paid		<b>(102,060)</b>	(102,060)
Dividends paid to minority shareholders		<b>(89,821)</b>	(71,080)
Increase/(decrease) in trust receipt loans		<b>(26,029)</b>	16,179
Net cash outflow from financing activities		<b>(273,187)</b>	(193,615)
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>125,853</b>	256,928
Cash and cash equivalents at beginning of year		<b>1,111,431</b>	848,991
Effect of foreign exchange rate changes, net		<b>1,954</b>	5,512
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>1,239,238</b>	1,111,431
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		<b>1,251,865</b>	1,121,178
Bank overdrafts	25	<b>(12,627)</b>	(9,747)
		<b>1,239,238</b>	1,111,431