

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2004

(Expressed in Hong Kong dollars)

Note	2004	2003
	'000	'000
Operating activities		
Profit from ordinary activities before taxation	121,430	115,363
Adjustments for:		
– Depreciation	23,486	15,064
– Finance costs	36,918	22,155
– Interest income	(1,526)	(707)
– Loss/(gain) on disposal of fixed assets	431	(3)
Operating profit before changes in working capital	180,739	151,872
Decrease/(increase) in inventories	123,959	(101,893)
Increase in trade and other receivables, deposits and prepayments	(132,779)	(140,456)
Increase in other deposits	(68,308)	–
Decrease in amounts due from related companies	6,107	86,449
Decrease in amounts due to related companies	(889)	(14,745)
Increase in trade and other payables	60,437	178,842
Cash generated from operations	169,266	160,069
Income tax paid	(14,989)	(3,926)
Net cash from operating activities	154,277	156,143
Investing activities		
Payment for purchase of fixed assets	(58,923)	(36,209)
Proceeds from disposal of fixed assets	9,758	19
Payment for construction in progress	(207,254)	(84,570)
Interest received	1,526	707
Net cash used in investing activities	(254,893)	(120,053)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2004

(Expressed in Hong Kong dollars)

	Note	2004 '000	2003 '000
Financing activities			
Proceeds from bank loans		1,449,115	1,485,924
Repayment of bank loans		(1,340,444)	(1,284,662)
Increase in pledged bank deposits		(14,904)	(992)
Interest paid		(36,918)	(22,155)
Dividend paid		(1,726)	(45,234)
Proceeds from issuance of shares			
by placing and public offering		295,200	–
Shares issuing costs		(21,577)	–
Net cash generated from financing activities		328,746	132,881
Net increase in cash and cash equivalents		228,130	168,971
Cash and cash equivalents at 1 January		208,559	39,588
Cash and cash equivalents at 31 December	20	436,689	208,559

Non-cash transaction

Pursuant to the Reorganisation which resulted in the Company became the holding company of the Group, an aggregate of 700,000,000 ordinary shares of \$0.1 each were issued in exchange for the equity interest in the subsidiaries now comprising the Group, details of which are disclosed in note 26(c).

The notes on pages 36 to 84 form part of these financial statements.