

Consolidated Cash Flow Statement

Year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,205	4,535
Adjustments for:		
(Surplus)/deficit on revaluation of leasehold land and buildings, net	(4,843)	1,015
(Write back of provision)/provision against properties held for sale	(3,150)	2,967
Share of profits less losses of associates	(2,791)	(1,727)
Interest income on bank deposits	(1,575)	(3,621)
Dividend income from listed investments	(363)	-
Negative goodwill recognised as income	(13,062)	(23,550)
Gain on disposal of partial interest in Swank	(8,458)	(18,407)
Gain on disposal of interests in associates	(10,900)	-
(Gain)/loss on disposal of properties held for sales	(3,900)	240
Depreciation	35,279	34,836
Amortisation of prepaid rental	737	737
Amortisation of deferred product development costs	1,421	1,189
(Write back of provision)/provision against doubtful accounts receivable	(1,090)	8,021
Provision against inventories	289	12,397
Provision against loans receivable	-	20
(Gain)/loss on disposal of fixed assets	(21)	118
Exchange differences	(183)	(437)
Operating profit before working capital changes	12,595	18,333
Additions to deferred product development costs	(2,499)	(1,777)
Decrease in balances with associates, net	3,648	822
Increase in short-term investments	(7,491)	-
Decrease/(increase) in accounts receivable	25,617	(43,581)
Decrease in bills receivable	1,307	24
Decrease in loans receivable	9,254	98,193
(Increase)/decrease in interest receivable on loans	(7)	110
Decrease/(increase) in prepayments, deposits and other receivables	12,417	(9,006)
(Increase)/decrease in inventories	(11,789)	11,432
(Decrease)/increase in accounts payable	(26,571)	48,157
(Decrease)/increase in accrued liabilities and other payables	(7,199)	1,641
Decrease in provision for long service payments	(294)	(222)
Cash generated from operations	8,988	124,126
Interest received	1,575	3,621
Hong Kong profits tax paid	(1,631)	(804)
Overseas tax paid	(56)	-
NET CASH INFLOW FROM OPERATING ACTIVITIES	8,876	126,943

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Year ended 31 December 2004

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CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from listed investments	363	-
Purchase of property, plant and equipment	(13,956)	(21,241)
Purchase of investment properties	(83,348)	-
Purchase of properties held for sales	(9,683)	-
Proceeds from disposal of properties held for sale	16,433	4,093
Proceeds from disposal of fixed assets	274	168
Refund of rental deposits	388	584
Proceeds from disposal of partial interest in subsidiaries	12,088	18,407
Dividends received from associates	5,000	-
Proceeds from disposal of interests in associates	4,700	-
Proceeds from Swank's issue of shares	-	5,225
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(67,741)	7,236
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(58,865)	134,179
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	456,589	322,410
CASH AND CASH EQUIVALENTS AT END OF YEAR	397,724	456,589
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	107,255	309,397
Non-pledged time deposits with original maturity of less than three months when acquired	290,469	147,192
	397,724	456,589

The notes on pages 32 to 71 form an integral part of these financial statements.