

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	55,610	32,144
Adjustments for:		
Depreciation	47,824	51,507
Allowance for loans receivable	369,239	–
Amortisation of development costs	–	1,396
Amortisation of goodwill	–	138
Amortisation of technology licence right	–	377
Interest income	(2,239)	(2,230)
Interest expenses	49,657	64,363
Finance lease charges	478	282
Waiver of interest expense on other loans	–	(36,273)
Waiver of debts	(193,520)	–
Gain on disposal of property, plant and equipment	(2,885)	(16,694)
Surplus on revaluation of investment properties	(60,898)	(5,910)
Allowance for amounts due from jointly controlled entities	26,949	–
Allowance (reversal of allowance) for doubtful debts	5,355	(4,262)
(Reversal of impairment loss) impairment loss recognised in respect of property, plant and equipment	(93,104)	12,639
Gain on deemed disposal of an associate	(11,590)	–
Reversal of allowance for obsolete inventories	(19,371)	(23,104)
Gain on partial disposal of subsidiaries	–	(238)
(Gain) loss on deemed disposal of subsidiaries	(65,806)	28,331
Loss on disposal of an associate	–	78
Share of results of associates	102	(3,701)
Share of results of jointly controlled entities	9,996	–
Operating cash flows before movements in working capital	115,797	98,843
(Increase) decrease in inventories	(41,802)	45,502
Decrease (increase) in trade and other receivables	39,021	(139,905)
Decrease (increase) in amounts due from associates	5,626	(10,028)
Increase in amounts due from jointly controlled entities	(26,949)	–
Decrease in trade and other payables	(107,797)	(26,498)
(Decrease) increase in amounts due to associates	(1,397)	15,291
Cash used in operations	(17,501)	(16,795)
Income taxes paid	(807)	(4,425)
NET CASH USED IN OPERATING ACTIVITIES	(18,308)	(21,220)

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For the year ended 31 December 2004

	NOTE	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of investment properties		21,541	14,770
Proceeds on disposal of property, plant and equipment		13,910	57,449
Purchase of property, plant and equipment		(54,487)	(58,024)
Net cash flows in respect of deemed disposal of subsidiaries	31	(1,677)	(25,722)
Repayment of loans receivable		4,978	18,149
Decrease in pledged bank deposits		795	11,166
Development costs incurred		–	(2,603)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(14,940)	15,185
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(52,686)	(55,189)
Interest received		2,239	2,230
Finance lease charges		(478)	(282)
New loans raised		488,941	214,376
Contribution from minority shareholders		50	981
Repayment of loans		(326,208)	(118,123)
Repayment of obligations under finance leases		(6,789)	(4,812)
Repayment to a major shareholder		(3)	–
NET CASH FROM FINANCING ACTIVITIES		105,066	39,181
NET INCREASE IN CASH AND CASH EQUIVALENTS		71,818	33,146
CASH AND CASH EQUIVALENTS AT 1 JANUARY		254,232	221,086
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		326,050	254,232
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		326,050	301,440
Bank overdrafts		–	(47,208)
		326,050	254,232