

## Consolidated Cash Flow Statement

For the year ended 31 December 2004

|   | 2004<br>HK\$'M | 2003<br>HK\$'M |
|---|----------------|----------------|
| <b>Cash flows from operating activities</b>   |                |                |
| Profit from operations  | 58.9           | 49.3           |
| Adjustments for:  |                |                |
| Gain arising from change in fair value of investment properties   | (39.9)         | –              |
| Reversal of impairment losses in respect of investments<br>the underlying business of which is property development | (7.5)          | (11.6)         |
| Interest and investment income  | (14.3)         | (11.5)         |
| Amortisation of permanent textile quota entitlements  | 0.4            | 1.1            |
| Amortisation of trademark   | 0.1            | 0.1            |
| Depreciation and amortisation of other properties, plant and equipment  | 24.5           | 20.9           |
| Loss on disposal of other properties, plant and equipment   | 0.1            | 0.3            |
|   | <hr/>          | <hr/>          |
| Operating cash flows before movements in working capital  | 22.3           | 48.6           |
| Decrease in inventories   | 0.9            | 5.3            |
| Decrease in properties held for sale  | 29.9           | 131.8          |
| Decrease (increase) in trade and other receivables  | 76.3           | (23.0)         |
| Decrease (increase) in bills receivable   | 42.0           | (39.6)         |
| (Increase) decrease in amounts due from associates  | (2.3)          | 23.7           |
| Decrease in trade and other payables  | (16.0)         | (44.0)         |
| Increase (decrease) in bills payable  | 1.7            | (8.1)          |
| Decrease in amount due to an associate  | (0.1)          | –              |
|   | <hr/>          | <hr/>          |
| Net cash generated from operations  | 154.7          | 94.7           |
| Interest and dividend income received   | 5.5            | 3.6            |
| Interest paid on bank and other borrowings  | (19.6)         | (21.1)         |
| Hong Kong Profits Tax paid  | (0.8)          | (8.9)          |
| Tax paid in other jurisdictions   | (0.9)          | –              |
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| <b>Net cash from operating activities</b>   | <b>138.9</b>   | <b>68.3</b>    |

## Consolidated Cash Flow Statement (cont'd)

For the year ended 31 December 2004

|   | 2004<br>HK\$'M | 2003<br>HK\$'M |
|---|----------------|----------------|
| <b>Cash flows from investing activities</b>   |                |                |
| Purchase of properties under development  | (288.9)        | (15.0)         |
| Purchase of other properties, plant and equipment                                   | (35.7)         | (72.7)         |
| Development costs on properties under development incurred                          | (20.5)         | –              |
| Purchase of investment securities   | (15.6)         | (13.2)         |
| Repayment from (advances to) associates   | 116.9          | (27.4)         |
| Decrease in investments the underlying business<br>of which is property development | 20.6           | 92.5           |
| Proceeds from redemption of debt securities   | 4.7            | –              |
| Other interest received   | 1.1            | 0.5            |
| Proceeds from disposal of other property, plant and equipment                       | 0.7            | 0.2            |
| Decrease in mortgage loans receivable   | 0.7            | –              |
| Investments in associates   | –              | (3.8)          |
| Proceeds from disposal of properties  | –              | 10.4           |
|   | <hr/>          | <hr/>          |
| <b>Net cash used in investing activities</b>  | <b>(216.0)</b> | <b>(28.5)</b>  |
|   | <hr/>          | <hr/>          |
| <b>Cash flows from financing activities</b>   |                |                |
| Bank and other loans raised   | 347.5          | 266.3          |
| Issue of shares   | 6.9            | –              |
| Repayment of bank and other loans   | (335.4)        | (184.6)        |
| (Decrease) increase in trust receipts and import loans                              | (5.9)          | 8.4            |
| Dividend paid by the Company  | (5.2)          | (5.2)          |
| Dividend paid to minority shareholders of subsidiaries                              | (1.1)          | (2.2)          |
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| <b>Net cash from financing activities</b>   | <b>6.8</b>     | <b>82.7</b>    |
|   | <hr/>          | <hr/>          |
| (Decrease) increase in cash and cash equivalents                                    | (70.3)         | 122.5          |
| Cash and cash equivalents at beginning of the year                                  | 207.4          | 83.2           |
| Effect of foreign exchange rate changes   | 1.8            | 1.7            |
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| Cash and cash equivalents at end of the year  | <b>138.9</b>   | <b>207.4</b>   |
|   | <hr/>          | <hr/>          |
| Analysis of the balances of cash and cash equivalents                               |                |                |
| Bank balances and cash  | 139.4          | 207.6          |
| Bank overdrafts   | (0.5)          | (0.2)          |
|   | <hr/>          | <hr/>          |
|   | <b>138.9</b>   | <b>207.4</b>   |
|   | <hr/>          | <hr/>          |