

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		439,236	733,690
Adjustments for:			
Finance costs		65,715	32,929
Share of profits and losses of jointly-controlled entities		(94,516)	(337,675)
Amortisation of goodwill on acquisition of jointly-controlled entities		57,321	78,433
Depreciation	6	248,434	161,363
Impairment of short term investments (previously a jointly controlled entity)		29,026	—
Goodwill amortisation	6	33,227	33,410
Negative goodwill recognised as income	6	(49,820)	(654)
Loss/(gain) on disposal of fixed assets	6	(1,331)	1,416
Interest income	6	(13,811)	(9,188)
Amortisation of trademarks	6	3,155	2,892
Impairment of a long term investment		13,011	—
Loss/(gain) on disposal of subsidiaries	37(b)	2,075	(1,331)
Loss on cessation of a subsidiary		—	1,987
Operating profit before working capital changes		731,722	697,272
Decrease/(increase) in inventories		(400,517)	128,400
Increase in trade and bills receivables from third parties		(3,095,025)	(929,860)
Decrease/(increase) in prepayments, deposits and other receivables		(608,932)	38,332
Increase in net amounts due to related parties		275,553	148,451
Decrease/(increase) in net amounts due from jointly-controlled entities		32,016	(11,120)
Increase in trade and bills payables to third parties		1,239,735	115,989
Increase in other payables and accruals		783,165	71,986
Decrease/(increase) in net amount due from the ultimate holding company		24,343	(24,343)
Increase in provisions		70,493	—
Increase in pensions and other post-employment benefits		7,300	—
Cash generated from/(used in) operations		(940,147)	235,107
Interest paid		(65,715)	(32,682)
Income taxes paid		(171,040)	(46,967)
Net cash inflow/(outflow) from operating activities		(1,176,902)	155,458

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Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	15	(617,141)	(324,666)
Purchases of long term investments		(4,651)	—
Purchases of short term investments	27	(84,093)	—
Proceeds from disposal of fixed assets		71,203	28,748
Decrease in pledged bank deposits		5,199	84,141
Prepayment for the acquisition of a subsidiary		—	(47,815)
Acquisition of subsidiaries	37(a)	(159,477)	—
Acquisition/formation of jointly-controlled entities		—	(14,282)
Acquisition of minority interests of a subsidiary		—	(3,000)
Disposal of subsidiaries	37(b)	(99)	7,251
Interest received		13,811	9,188
Dividend received from jointly-controlled entities		124,090	157,184
Net cash outflow from investing activities		(651,158)	(103,251)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		1,968,428	19,811
Repayment of bank loans		(320,544)	(30,159)
Proceeds from issue of shares upon exercise of share options	35	69,986	70,117
Loan from the ultimate holding company		246,965	—
Contribution from minority shareholders		312	33,962
Loan from a minority shareholder	31	1,033,796	—
Dividend paid	36	(383,860)	(185,483)
Dividend paid to minority shareholders		(943)	(472)
Net cash inflow/(outflow) from financing activities		2,614,140	(92,224)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		786,080	(40,017)
Cash and cash equivalents at beginning of year		1,069,562	1,093,187
Effect of foreign exchange rate changes, net		(22,370)	16,392
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,833,272	1,069,562
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,833,272	1,069,562