

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004
(Expressed in Hong Kong dollars)

	2004	2003
Note	\$'000	\$'000
Operating activities		
Profit from ordinary activities before taxation	169,579	120,320
Adjustments for:		
— Finance costs	697	7,664
— Interest income	(3,726)	(4,526)
— Dividend from listed securities	(235)	(260)
— Net realised and unrealised loss/(gain) on other securities carried at fair value	47	(562)
— Provision for diminution in value of investment securities	338	—
— Net loss on disposal of investment securities	—	236
— Net gain on disposal of an associate	(83)	—
— Net (gain)/loss on disposal of fixed assets	(243)	1,069
— Write-back of liabilities	(76,223)	(33,185)
— Net gain on disposal of a subsidiary	—	(9,097)
— Net loss on disposal of discontinued operations	11,793	—
— Write-back of provision for bad debts	(2,251)	(7,329)
— Provision for impairment losses on fixed assets	—	30,862
— Provision for inventories	—	282
— Amortisation of negative goodwill	—	(1,447)
— Depreciation	5,696	9,050
— Share of profits less losses of associates	(27,252)	(19,376)
Operating profit before changes in working capital carried forward	78,137	93,701

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		2004		2003	
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Operating profit before changes in working capital brought forward		78,137		93,701	
Decrease in inventories		628		3,507	
Decrease/(increase) in trade debtors, bills and other receivables, deposits and prepayments		25,593		(25,620)	
Decrease/(increase) in amounts due from fellow subsidiaries		5,049		(4,986)	
Decrease in amounts due from minority shareholders		—		250	
Decrease/(increase) in amounts due from related companies		33		(10)	
Decrease in amounts due from associates		10,483		15,725	
(Decrease)/increase in trade creditors, other payables and accrued charges		(35,681)		14,920	
(Decrease)/increase in amounts due to related companies		(1,820)		1,523	
Decrease in amounts due to holding company and fellow subsidiaries		(23,115)		(68)	
(Decrease)/increase in amounts due to associates		(2,387)		703	
Decrease in amounts due to minority shareholders		—		(663)	
Restricted cash deposits against legal claims	32(b)	(4,634)		—	
Cash generated from operations		52,286		98,982	
Interest received		3,106		5,446	
Interest paid		(113)		(7,664)	
Hong Kong Profits Tax refunded		3,021		—	
Hong Kong Profits Tax paid		(1,843)		—	
PRC income tax paid		(13,438)		(13,468)	
Net cash from operating activities			43,019		83,296

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		2004		2003
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				\$'000
Investing activities				
Payment for purchase of fixed assets		(13,742)		(3,700)
Proceeds on sales of investment securities		—		303
Proceeds on sales of other securities		—		128
Proceeds on sales of an associate		400		—
Dividends received from listed securities		235		260
Dividends received from associates		565		1,340
Proceeds on disposal of fixed assets		739		125
Net cash inflow from disposal of a subsidiary	30(b)	—		4,387
Net cash inflow from disposal of discontinued operations	30(b)	<u>3,542</u>		<u>—</u>
Net cash (used in)/from investing activities			(8,261)	2,843
Financing activities				
Dividends paid		(466)		—
Repayment of convertible notes		—		(80,000)
Issue of new shares		—		2,616
Repayment of bank borrowings		(2,817)		(4,812)
Proceeds from new bank loans		<u>2,817</u>		<u>7,504</u>
Net cash used in financing activities			(466)	(74,692)
Increase in cash and cash equivalents			34,292	11,447
Cash and cash equivalents at 1 January			254,457	243,010
Cash and cash equivalents at 31 December	24		<u>288,749</u>	<u>254,457</u>

The notes on pages 34 to 91 form part of these financial statements.