

Consolidated cash flow statement

Year ended 31 December 2004
(Expressed in HK\$'000)

	Notes	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		116,919	(52,005)
Adjustments for:			
Finance costs	9	50,169	171
Interest income	5	(25,743)	(13,273)
Dividend income from listed investments	5	(4,405)	–
Depreciation	6	56,642	12,971
Amortisation	6	51,076	–
Loss on disposal/write-off of fixed assets	6	5,166	713
Provision for impairment of fixed assets	6	–	4,502
Additional provision for long service payments	6	1,853	–
Professional fees incurred in relation to aborted investment projects	6	–	25,662
Operating profit/(loss) before working capital changes		251,677	(21,259)
Increase in inventories		(472,297)	(5,833)
Increase in prepayments, deposits and other receivables		(211,292)	(3,707)
Decrease/(increase) in accounts receivable		145,561	(2,503)
Increase in accounts payable		10,078	2,340
Increase/(decrease) in accrued liabilities and other payables		(28,976)	6,582
Increase in deferred income and other payables		50,317	–
Cash used in operations		(254,932)	(24,380)
Hong Kong profits tax paid		–	–
Australian income tax paid		(10,958)	–
Net cash outflow from operating activities		(265,890)	(24,380)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		25,882	12,220
Dividend received from listed investments		4,405	–
Proceeds from disposal of a long term investment		–	2,500
Purchases of fixed assets	13	(70,953)	2,114
Proceeds from disposal of fixed assets		1,196	355
Purchases of long term investments		(8,510)	–
Purchases of short term investments		(89)	–
Acquisition of subsidiaries	30(a)	120,492	–
Decrease/(increase) in pledged bank deposits		20,399	(20,399)
Payments of legal and professional fees incurred in relation to potential investment projects		(2,474)	(16,318)
Net cash inflow/(outflow) from investing activities		90,348	(19,528)

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Year ended 31 December 2004
(Expressed in HK\$'000)

	Notes	2004	2003
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	28	391,682	–
Shares issuance expenses	29	(22,471)	–
Dividends paid to minority shareholders		(3,202)	–
New bank and other loans		531,921	20,735
Repayment of bank and other loans		(180,272)	–
Interest paid		(46,461)	(171)
		<u>671,197</u>	<u>20,564</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		495,655	(23,344)
Cash and cash equivalents at beginning of year		1,100,153	1,123,498
Effect of foreign exchange rate changes, net		<u>11,025</u>	<u>(1)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>1,606,833</u>	<u>1,100,153</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	212,958	1,647
Non-pledged time deposits with original maturity of less than three months when acquired	23	<u>1,393,875</u>	<u>1,098,506</u>
		<u>1,606,833</u>	<u>1,100,153</u>