

Consolidated Cash Flow Statement

For the period from 1 January 2004 to 31 March 2005

(Expressed in Hong Kong dollars)

	Note	Period from		Year ended	
		1 January 2004 to 31 March 2005		31 December 2003	
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Profit from ordinary activities					
before taxation			241,229		1,707,284
Adjustments for:					
– Interest charges			11,235		3,603
– Interest income			(4,339)		(2,509)
– Dividend income			(2,964)		–
– Share of profits less losses of associates			16,368		15,182
– Share of profits less losses of a jointly controlled entity			1,420		–
– Amortisation and depreciation			15,738		8,767
– Loss/(gain) on disposal of interest in subsidiaries			2,447		(2,853)
– Gain on disposal/deemed disposal of interest in associates			(2,212)		–
– (Gain)/loss on disposal of property, plant and equipment			(33,510)		1,119
– Revaluation (surplus)/deficit on investment properties			(878)		5,785
– Net realised/unrealised gain on equity/debt securities			(53,182)		(1,849,377)
– (Write-back of provision)/provision for impairment loss on non-trading securities			(78,893)		40,420
– Provision for loan receivable			–		11,730
– Impairment loss on positive goodwill			3,518		18,041
– Derecognition of negative goodwill			(2,928)		–
– Provision for diminution in value of a property held for sale			3,722		19,887
– Reversal of impairment loss on properties			(10,102)		–
– Provision for other receivables			10,943		–
– Write-off of disposal receivables			–		8,199
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Operating profit/(loss) before changes in working capital			117,612		(14,722)

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Operating activities <i>(Continued)</i>					
Decrease/(increase) in amount due from/to associates (net)		4,482		(2,842)	
Increase in inventories		(10,457)		(12,169)	
(Increase)/decrease in debtors, prepayments and other receivables		(200,788)		53,180	
(Increase)/decrease in gross amount due from customers for contract work		(6,856)		5,278	
Increase in pledged deposits		(18,285)		(12,173)	
(Increase)/decrease in amounts due from related companies		(5,672)		12,051	
Increase/(decrease) in creditors, accruals and other payables		72,018		(48,478)	
Increase in amounts due to related companies		3,548		295	
Foreign exchange		790		(779)	
			(161,220)		(5,637)
Cash used in operations			(43,608)		(20,359)
Tax paid:					
– Hong Kong Profits Tax (paid)/refund		(20)		7	
– PRC tax paid		(5,472)		(2,442)	
Interest received		4,339		2,509	
			(1,153)		74
Net cash used in operating activities			(44,761)		(20,285)

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Investing activities					
Acquisition of subsidiaries	37(b)	(321,741)		–	
Acquisition of additional equity interest in a subsidiary	37(b)	(369)		(4,961)	
Deposit for acquisition of a subsidiary		–		(236,475)	
Deposits for investments		(75,823)		–	
Disposal of interests in subsidiaries	37(d)	(2,643)		(5,381)	
Purchase of property, plant and equipment		(19,630)		(69,916)	
Proceeds from sale of property, plant and equipment		42,864		519	
Purchase of investments		(92,395)		(4,791)	
Proceeds from disposal of investments		1,126,399		650,485	
Acquisition of associates		(8,388)		–	
Disposal of interest in an associate		3,840		–	
Advance to a jointly controlled entity		(86,502)		–	
Net cash from investing activities			565,612		329,480
Financing activities					
Interest paid		(11,235)		(3,603)	
Dividends paid		(43,188)		–	
Dividend paid to minority shareholders		(554,372)		(319,988)	
Issue of shares through exercise of share options		4,760		198	
Issue of convertible notes		180,000		220,000	
Expenses paid in connection with share issues and conversion of convertible notes		(152)		(41)	
New other loan		–		116,475	
Repayment of other loan		(116,970)		–	
New bank loans		31,103		23,092	
Repayment of bank loans		(31,162)		(34,670)	
Net cash (used in)/from financing activities			(541,216)		1,463

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Net (decrease)/increase in cash and cash equivalents			(20,365)		310,658
Effect on foreign exchange rate changes			1,341		(816)
Cash and cash equivalents at 1 January			<u>523,534</u>		<u>213,692</u>
Cash and cash equivalents at 31 March/31 December	28		<u><u>504,510</u></u>		<u><u>523,534</u></u>

The notes on pages 38 to 98 form part of these financial statements.