

consolidated cash flow statement

year ended 31 December 2004

	<u>2004</u> HK\$ million	<u>2003</u> HK\$ million
OPERATING ACTIVITIES		
Profit from operating activities	464	449
Adjustments for:		
Gain on disposal of long term investments	(10)	(10)
Gain on disposal of properties held for sale	(6)	–
Interest income	(10)	(5)
Depreciation	124	128
Change in fair value of short term equity securities	(129)	(83)
Release of negative goodwill	(1)	(1)
Amortisation of goodwill	16	16
Amortisation of brands, trademarks and patents	78	78
Amortisation of other assets	14	7
Allowance for doubtful debts	10	–
Gain on disposal of property, plant and equipment	(24)	(3)
Impairment loss reversed in respect of properties held for sale	–	(18)
Impairment loss recognised in respect of long term investments	12	10
Impairment loss recognised in respect of other assets	–	15
Operating cash flows before movements in working capital	<u>538</u>	<u>583</u>
Decrease in accounts, bills and other receivables	56	673
Decrease in inventories	3	97
Increase in short term investments	(167)	(507)
Increase in prepayments, deposits and other assets	(133)	(507)
Decrease/(increase) in amounts due from associates	92	(17)
Decrease in accounts and bills payables	(183)	(2)
Increase/(decrease) in accrued liabilities and other payables	<u>459</u>	<u>(422)</u>
Cash generated from/(used in) operations	665	(102)
Interest paid	(32)	(33)
Hong Kong profits tax paid	(9)	(4)
Overseas profits tax (paid)/refunded	<u>(2)</u>	<u>1</u>
Net cash generated from/(used in) operating activities	<u>622</u>	<u>(138)</u>

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	Notes	<u>2004</u> HK\$ million	<u>2003</u> HK\$ million
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES		<u>622</u>	<u>(138)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(55)	(90)
Purchase of subsidiaries	31(a)	–	(2)
Purchase of additional interests in a subsidiary		(11)	–
Purchase of investment properties		–	(49)
Payments for other assets		(54)	(27)
Purchase of long term investments		(593)	(2)
Decrease in pledged deposits with banks		1	40
Interest received		10	6
Proceeds from disposal of property, plant and equipment		36	35
Proceeds from disposal of long term investments		38	–
Proceeds from disposal of properties held for sale		81	–
Proceeds from disposal of investment properties		3	–
Disposal of subsidiaries	31(b)	<u>151</u>	<u>(16)</u>
Net cash used in investing activities		<u>(393)</u>	<u>(105)</u>
FINANCING ACTIVITIES			
Proceeds from issue of shares		–	576
Share issue expenses		–	(12)
Dividend paid to minority interests		(4)	(23)
Dividends paid		(97)	(90)
Capital element of finance lease rental payments		(9)	(9)
New secured bank loans		–	88
New unsecured bank loans		73	90
Repayment of secured bank loans		(62)	(157)
Repayment of unsecured bank loans		(279)	(219)
Increase/(decrease) in trust receipt loans		<u>72</u>	<u>(48)</u>
Net cash (used in)/generated from financing activities		<u>(306)</u>	<u>196</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		<u>(77)</u>	<u>(47)</u>
Cash and cash equivalents at beginning of year		169	213
Effect of foreign exchange rate changes, net		<u>1</u>	<u>3</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>93</u>	<u>169</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		789	785
Bank overdrafts		<u>(696)</u>	<u>(616)</u>
		<u>93</u>	<u>169</u>