

CONSOLIDATED CASH FLOW STATEMENT

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

	<i>Note</i>	2004 \$'000	2003 \$'000
Net cash flows from operating activities	(a)	480,912	238,568
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		28,721	41,217
Proceeds from sale of listed investments		-	57,139
Proceeds from sale of unlisted debt securities		323,876	-
Dividends received from associates		4,627	3,455
Dividends received from listed investments		871	832
Dividends received from unlisted investment		886	1,019
Purchase of unlisted debt securities		-	(23,057)
Purchase of listed equity securities		-	(6,225)
Purchase of property, plant and equipment		(130,507)	(149,964)
Additions to property under development		(132,558)	(30,139)
Interest received		14,093	24,352
Payment for purchase of an associate		(171,808)	-
Payment for purchase of a subsidiary	35	(718,880)	-
<i>Net cash used in investing activities</i>		(780,679)	(81,371)
Cash flows from financing activities			
Net proceeds from drawdown/(repayment) of borrowings		348,669	(26,772)
Dividends paid to shareholders		(100,666)	(100,666)
Dividends paid to minority shareholders		-	(400)
Capital contribution from minority shareholders		11,584	-
<i>Net cash from/(used in) financing activities</i>		259,587	(127,838)
Net (decrease)/increase in cash and cash equivalents		(40,180)	29,359
Cash and cash equivalents at beginning of the year		911,663	869,401
Effect of exchange differences		30,967	12,903
Cash and cash equivalents at end of the year	23	902,450	911,663

The notes on pages 22 to 60 form part of these financial statements.

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

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

(a) The reconciliation of operating profit to net cash flows from operating activities is as follows:

	<i>2004</i> \$'000	<i>2003</i> \$'000
Profit from operations	391,646	348,654
Adjustments for:		
- Depreciation	58,384	49,406
- Impairment of goodwill	6,927	-
- Amortisation of lease prepayments	3,656	3,374
- Gain on disposal of property, plant and equipment	(6,546)	(6,426)
- Gain on sale of listed investments	-	(11,701)
- Increase in fair value of investment properties	-	(1,307)
- Decrease/(increase) in fair value of listed equity securities	2,121	(4,722)
- Impairment of unlisted debt securities	11,587	80,320
- Impairment of unlisted equity securities	14,916	-
- Interest income	(14,133)	(21,486)
- Dividend income	(1,757)	(1,851)
- Foreign exchange gain	(2,315)	(12,087)
Operating profit before working capital changes	464,486	422,174
Increase in amounts due from associates	(290)	-
Increase in hire purchase debtors and instalments receivable	(845)	(9,374)
Decrease/(increase) in inventories	113,379	(231,270)
(Increase)/decrease in trade debtors	(44,071)	59,537
Increase in other debtors, deposits and prepayments	(12,064)	(32,402)
Increase in trade creditors	3,286	52,145
Increase in other creditors and accruals	39,378	52,667
Increase/(decrease) in amounts due to related companies	1,481	(1,039)
Increase in provisions	3,330	3,719
Cash generated from operations	568,070	316,157
Interest paid	(7,877)	(5,081)
Taxes paid	(78,587)	(71,949)
Effect of exchange differences	(694)	(559)
Net cash flows from operating activities	480,912	238,568