

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		454,211	617,193
Adjustments for:			
Finance costs	7	84,265	53,797
Share of profits less losses of associates		(28,801)	(105,296)
Interest income	5	(19,534)	(29,311)
Dividends from an unlisted long term investment and listed equity securities	5	(3,875)	(2,316)
Loss on disposal of fixed assets	6	8,523	1,240
Gain on disposal of listed debt securities	6	(920)	–
Gain on trading of investments	6	–	(1,055)
Gain on disposal of subsidiaries	6	–	(721)
Gain arising from changes in fair value of biological assets	6	(972)	(1,604)
Depreciation	6	196,425	160,566
Amortisation of a long term investment	6	1,400	1,400
Amortisation of goodwill	6	41,705	40,438
Negative goodwill recognised as income	6	(3,400)	(3,399)
Unrealised holding gains on listed debt securities	6	–	(1,610)
Unrealised holding gains on listed equity securities	6	(870)	(148)
Unrealised holding gains on unlisted portfolio funds	6	(1,668)	–
Write back of provision against inventories	6	(2,407)	(3,074)
Provision for/(write back of provision for) doubtful debts	6	641	(434)
Write off of other investments	6	–	655
Release of reserve upon write off of other investment	6	–	(1,752)
Operating profit before working capital changes		724,723	724,569

Consolidated Cash Flow Statement

Year ended 31 December 2004

	2004	2003
	HK\$'000	HK\$'000
		(Restated)
Operating profit before working capital changes	724,723	724,569
Decrease/(increase) in inventories	735,176	(826,632)
Increase in accounts receivable	(203,581)	(38,798)
Decrease/(increase) in other debtors, prepayments and deposits	360,400	(493,695)
Increase in amounts due from fellow subsidiaries	(8,064)	(12,432)
Decrease/(increase) in amount due from the ultimate holding company	(6,899)	45,070
Decrease/(increase) in amounts due from related companies	(1,840)	88,614
Increase/(decrease) in accounts payable	(31,540)	169,196
Increase/(decrease) in other payables and accruals	(365,497)	189,568
Increase/(decrease) in amounts due to fellow subsidiaries	42,871	(32,121)
Decrease in amount due to the immediate holding company	–	(14,037)
Increase/(decrease) in amounts due to related companies	(151,668)	159,279
Increase/(decrease) in amount due to the ultimate holding company	(5,388)	5,388
Decrease in amounts due to minority shareholders of subsidiaries	(34,306)	(9,393)
Cash generated from/(used in) operations	1,054,387	(45,424)
Interest received	19,534	29,311
Interest paid	(84,265)	(53,797)
Hong Kong profits tax paid	(1,040)	(3,697)
Mainland China tax paid	(83,694)	(81,702)
Mainland China tax refunded	–	3,601
Net cash inflow/(outflow) from operating activities	904,922	(151,708)

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Advances from/(repayments to) associates		(8,140)	4,216
Repayments from/(advances to) a long term investment		889	(3,623)
Payment for acquisition of a subsidiary in prior year		(52,358)	–
Acquisition of a subsidiary		–	(70,308)
Acquisition of additional interest in an existing subsidiary		–	(33,063)
Disposal of subsidiaries		–	(148)
Dividends from associates		2,938	7,009
Dividends received from an unlisted long term investment and listed equity securities		3,875	2,316
Proceeds from disposal of fixed assets		1,007	10,487
Net proceeds from disposal of other investments		221,468	–
Net proceeds from trading of investments		–	1,055
Purchases of a long term investment		–	(1,320)
Purchases of other investments		(274,165)	(4,717)
Purchases of fixed assets	14	(443,246)	(826,010)
Decrease/(increase) in time deposits with original maturity of more than three months when acquired		(63,506)	102,343
Net cash outflow from investing activities		(611,238)	(811,763)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of share options	27	13,695	61,562
New bank and other loans		8,054,536	7,040,617
Repayments of bank and other loans		(8,309,361)	(6,166,539)
Loan from/(repayment) to minority shareholders of subsidiaries		689	(2,843)
Additional capital injection from minority shareholders of a subsidiary		52,599	567
Dividends paid		(136,351)	(173,569)
Dividends paid to minority shareholders of subsidiaries		(2,261)	(14,473)
Net cash inflow/(outflow) from financing activities		(326,454)	745,322

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Note	2004 HK\$'000	2003 HK\$'000 (Restated)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(32,770)	(218,149)
Cash and cash equivalents at beginning of year		1,078,108	1,296,280
Effect of foreign exchange rate changes, net		(88)	(23)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,045,250	1,078,108
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	620,014	557,741
Non-pledged time deposits with original maturity of less than three months when acquired		425,236	520,367
		1,045,250	1,078,108