

## Consolidated Cash Flow Statement

Year ended 31 December 2004

HK\$'000	Notes	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		306,217	338,172
Adjustments for:			
Finance costs	6	87,516	78,164
Share of profits and losses of:			
A jointly-controlled entity		(20,675)	(759)
Associates		(56,258)	(18,904)
Depreciation	5	70,354	53,914
Amortisation of goodwill	5	63,220	62,826
Amortisation of trading right	5	300	300
Provision for doubtful debts	5	3,170	7,117
Write-back of provision against loans receivable	5	–	(30,000)
Provision against inventories	5	5,970	13,597
Unrealised losses/(gains) on revaluation of short term investments	5	(27,359)	432
Provisions for product warranties and long service payments, net	32	4,765	5,248
Write-back of provision for a foreseeable loss on properties held for sale	5	(5,469)	(23,967)
Dividend income from listed investments	5	(7,115)	(2,603)
Gain on disposal of subsidiaries	5	(90,795)	(13,402)
Loss/(gain) on disposal of fixed assets, net	5	1,304	(3,755)
Provision for losses on open foreign exchange positions	5	–	21,533
Rental income, net	5	(20,022)	(16,540)
Interest income	5	(30,104)	(39,845)
Operating profit before working capital changes		285,019	431,528
Increase in short term investments		(38,311)	(7,244)
Increase in inventories		(1,499,475)	(374,105)
Decrease in properties held for sale		131,494	129,594
Increase in trade receivables and sundry receivables		(388,067)	(188,581)
Decrease/(increase) in loans receivable		547,688	(1,207)
Decrease/(increase) in cash held on behalf of securities clients		7,051	(8,490)
Increase in trade and bills payables, and sundry payables and accruals		489,865	993,173
Decrease in provisions of product warranties and long service payments		(15,315)	(10,583)
Cash generated from/(used in) operations		(480,051)	964,085

## Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2004

HK\$'000	Notes	2004	2003
Cash generated from/(used in) operations		(480,051)	964,085
Dividends received from listed investments		7,115	2,603
Rental received		20,022	16,540
Interest received		19,460	35,089
Hong Kong profits tax paid		(6,160)	(4,152)
Overseas taxes paid		(13,876)	(82,133)
Net cash inflow/(outflow) from operating activities		(453,490)	932,032
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends from associates		4,410	23,993
Dividend from a jointly-controlled entity		–	16,874
Other interest received		10,644	4,756
Investments in associates		–	(3)
Repayment from associates		3,731	9,018
Purchases of fixed assets	13	(398,540)	(185,642)
Proceeds from disposal of fixed assets		20,410	24,653
Additional interests in subsidiaries	38(d)	(17,901)	–
Proceeds from disposal of subsidiaries	38(c)	252,834	150,276
Proceeds from acquisition of a subsidiary	38(e)	61,138	–
Additions to long term investments		(225,414)	(87,350)
Additions to properties under development		(219,979)	(77,269)
Decrease/(increase) in pledged time deposits		669,196	(141,436)
Net cash inflow/(outflow) from investing activities		160,529	(262,130)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(88,867)	(86,895)
Dividend paid		(28,535)	(28,535)
Proceeds from exercise of warrants		295,053	–
Repayment of short term bank loans and other loan		(1,439,888)	(470,519)
Repayment of long term bank loans		(139,761)	(65,000)
Increase in trust receipt loans		31,488	108,767
New short term bank loans and other loan		1,254,080	200,965
New long term bank loans		382,245	157,215
Additions to minority interests in investments in subsidiaries		38,652	15,446
Repayment to minority interests		(18,155)	(16,478)
Repayment to minority interests upon liquidation of subsidiaries		–	(1,557)
Net cash inflow/(outflow) from financing activities		286,312	(186,591)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(6,649)	483,311
Cash and cash equivalents at beginning of year		934,746	447,472
Effect of foreign exchange rate changes, net		14,748	3,963
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>942,845</b>	<b>934,746</b>

## Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2004

HK\$'000	Notes	2004	2003
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	28	840,744	463,255
Non-pledged time deposits with maturity of less than three months when acquired	28	128,903	471,491
Bank overdrafts	31	(26,802)	–
		<b>942,845</b>	<b>934,746</b>