

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September, 2001

		<b>Six months ended</b>	
		<b>30th September, 2001 (Unaudited)</b>	30th September, 2000 (Unaudited and restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Net cash outflow from operating activities</b>	<i>(a)</i>	<b>(8,785)</b>	(6,109)
<b>Returns on investments and servicing of finance</b>			
Interest received		<b>969</b>	3,080
Interest expenses		<b>(1,989)</b>	(1,573)
Finance charges on finance leases		<b>(100)</b>	(59)
Dividends paid		<b>—</b>	(6,171)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(1,120)</b>	(4,723)
<b>Taxation</b>			
Hong Kong profits tax paid		<b>(1,912)</b>	(486)
Hong Kong profits tax refunded		<b>—</b>	—
<b>Tax paid</b>		<b>(1,912)</b>	(486)
<b>Investing activities</b>			
Additions of fixed assets		<b>(4,526)</b>	(9,358)
Acquisition of subsidiaries net of cash and cash equivalents assumed	<i>(b)</i>	<b>—</b>	(5,333)
Decrease in amounts due from associated companies		<b>—</b>	5
Purchase of investments		<b>—</b>	(25,437)
<b>Net cash outflow from investing activities</b>		<b>(4,526)</b>	(40,123)
<b>Net cash outflow before financing</b>		<b>(16,343)</b>	(51,441)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT** (Continued)

For the six months ended 30th September, 2001

	<b>Six months ended</b>	
	<b>30th September, 2001</b>	30th September, 2000
	<b>(Unaudited)</b>	(Unaudited and restated)
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
<b>Financing</b>	(c)	
Proceeds from issuance of shares	26	—
Repurchase of shares	(108)	—
Loans from minority shareholders of subsidiaries	5,848	—
Capital contribution by minority shareholders in subsidiaries	—	19,500
Capital payment on finance leases obligations	(426)	(200)
<b>Net cash inflow from financing</b>	<b>5,340</b>	19,300
<b>Decrease in cash and cash equivalents</b>	<b>(11,003)</b>	(32,141)
<b>Cash and cash equivalents, beginning of period</b>	<b>48,885</b>	134,604
<b>Cash and cash equivalents, end of period</b>	<b>37,882</b>	102,463
<b>Analysis of the balances of cash and cash equivalents</b>		
Pledged bank deposits	26,800	26,800
Cash and bank deposits	30,277	97,982
Bank overdrafts and short-term loans	(19,195)	(22,319)
	<b>37,882</b>	102,463

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT** (Continued)

For the six months ended 30th September, 2001

Notes:

- (a)
- Reconciliation of (loss) profit from ordinary activities before share of loss of associated companies and taxation to net cash outflow from operating activities**

	<b>Six months ended</b>	
	<b>30th September, 2001</b>	30th September, 2000
	<b>(Unaudited)</b>	(Unaudited and restated)
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss) Profit before share of loss of associated companies and taxation	<b>(5,170)</b>	9,978
Interest income	<b>(969)</b>	(3,080)
Interest expense	<b>1,989</b>	1,573
Finance charges on finance leases	<b>100</b>	59
Depreciation of fixed assets	<b>2,849</b>	1,325
Provision for impairment in value of other investment	—	11,171
Decrease (Increase) in gross amount due from customers for contract work	<b>10,789</b>	(10,937)
Increase in stocks	<b>(2,004)</b>	(4,788)
Decrease (Increase) in accounts receivable	<b>56,750</b>	(5,123)
(Increase) Decrease in retention money receivable	<b>(1,042)</b>	10,173
Increase in prepayments, deposits and other assets	<b>(4,154)</b>	(6,094)
Increase in gross amount due to customers for contract work	<b>4,296</b>	24,452
Increase (Decrease) in accounts payable and accruals	<b>5,805</b>	(12,457)
Increase (Decrease) in retention money payable	<b>916</b>	(48)
Decrease in bills payable	<b>(78,940)</b>	(22,313)
	<hr/> <b>(8,785)</b> <hr/>	<hr/> <b>(6,109)</b> <hr/>
Net cash outflow from operating activities	<b>(8,785)</b>	<b>(6,109)</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT** (Continued)

For the six months ended 30th September, 2001

Notes: (Continued)

**(b) Acquisition of subsidiaries**

Details of the assets acquired and liabilities assumed as of the acquisition date are as follows:

	<b>Six months ended</b>	
	<b>30th September, 2001</b>	30th September, 2000
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Fixed assets	—	317
Stocks	—	1,509
Accounts receivable, net	—	2,468
Prepayments, deposits and other assets	—	309
Cash and bank deposits	—	20,472
Accounts payable and accruals	—	(6,285)
Tax payable	—	(832)
Bank overdrafts	—	(55)
Minority interest	—	(7,662)
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Net assets on acquisition	—	10,241
Add: Goodwill on acquisition	—	15,509
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Cash consideration	—	25,750
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Net cash outflow from acquisition of subsidiaries		
Cash consideration	—	25,750
Add: Bank overdrafts acquired	—	55
Less: Cash and bank deposits acquired	—	(20,472)
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Net cash outflow from acquisition of subsidiaries	—	5,333
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## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the six months ended 30th September, 2001

Notes: (Continued)

### (c) Analysis of changes in financing during the period

	Six months ended 30th September, 2001						Six months ended 30th September, 2000 Total (Unaudited and restated) HK\$'000
	Share capital (Unaudited) HK\$'000	Share premium (Unaudited) HK\$'000	Minority interest (Unaudited) HK\$'000	Obligations under finance leases (Unaudited) HK\$'000	Loans from minority shareholders of subsidiaries (Unaudited) HK\$'000	Total (Unaudited) HK\$'000	
Beginning of period	38,702	102,920	430	467	11,601	154,120	145,406
Issue of ordinary share capital	15	11	—	—	—	26	—
Share repurchased	(45)	(63)	—	—	—	(108)	—
Minority interest arising from acquisition of subsidiaries	—	—	—	—	—	—	683
Share of loss by minority shareholders	—	—	(1,565)	—	—	(1,565)	(853)
Capital contribution by minority shareholders in subsidiaries	—	—	—	—	—	—	19,500
Inception of finance lease contracts	—	—	—	1,081	—	1,081	—
Repayment of capital element of finance leases obligations	—	—	—	(426)	—	(426)	(200)
Loans from minority shareholders of subsidiaries	—	—	—	—	5,848	5,848	—
End of period	<u>38,672</u>	<u>102,868</u>	<u>(1,135)</u>	<u>1,122</u>	<u>17,449</u>	<u>158,976</u>	<u>164,536</u>