

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>32,158</b>	18,051
Adjustments for:			
Finance costs	7	<b>6,651</b>	5,355
Share of profits and losses of associates		<b>2,213</b>	591
Share of profits and losses of jointly-controlled entities		<b>230</b>	(223)
Amortisation of goodwill on acquisition of a jointly-controlled entity		<b>1,429</b>	–
Provision against an amount due from an associate		–	5,592
Interest income	6	<b>(1,102)</b>	(1,394)
Loss/(gain) on disposal of fixed assets	6	<b>864</b>	(185)
Gain on disposal of investment properties	6	–	(1,164)
Depreciation	6	<b>16,916</b>	12,575
Amortisation of goodwill	6	<b>14,503</b>	12,254
Release of goodwill upon disposal of partial interests in subsidiaries	6	<b>10,750</b>	–
Negative goodwill recognised as income	6	<b>(1,939)</b>	(3,354)
Amortisation of intangible assets	6	<b>1,918</b>	1,886
Revaluation deficit/(surplus) of investment properties		<b>(200)</b>	902
Operating profit before working capital changes		<b>84,391</b>	50,886
Increase in inventories		<b>(3,952)</b>	(14,750)
Decrease/(increase) in amounts due from customers for contract work		<b>1,404</b>	(3,517)
Decrease in properties held for sale		–	60
Increase in trade receivables		<b>(123,578)</b>	(58,408)
Decrease/(increase) in other receivables, prepayments and deposits		<b>39,584</b>	(55,487)
Increase in trade and bills payables		<b>21,104</b>	17,137
Increase /(decrease) in amounts due to customers for contract work		<b>(182)</b>	1,204
Increase in other payables and accruals		<b>17,595</b>	13,581
Cash generated from/(used in) operations		<b>36,366</b>	(49,294)
Interest received		<b>1,102</b>	1,394
Interest paid		<b>(6,651)</b>	(5,355)
Hong Kong profits tax refunded/(paid)		<b>105</b>	(179)
Overseas taxes paid		<b>(1,491)</b>	(1,122)
Dividends paid to minority shareholders		<b>(4,389)</b>	(69)
Net cash inflow/(outflow) from operating activities		<b>25,042</b>	(54,625)

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Year ended 31 December 2003

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	Notes	2003 HK\$'000	2002 HK\$'000
Net cash inflow/(outflow) from operating activities		25,042	(54,625)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	13	(20,956)	(20,655)
Proceeds from disposal of fixed assets		394	439
Proceeds from disposal of investment properties		–	1,842
Purchase of intangible assets	15	(1,886)	–
Purchase of a long term investment	19	(472)	–
Acquisition of subsidiaries	33(a)	(12,055)	(781)
Acquisition of additional interests in subsidiaries		(962)	–
Balance payment for the acquisition of a subsidiary		(2,240)	(1,660)
Acquisition of a jointly-controlled entity		(7,016)	–
Investments in associates		(2,584)	–
Decrease/(increase) in amounts due from associates		(80)	4,969
Decrease/(increase) in pledged deposits		(10,137)	19,004
Net cash inflow/(outflow) from investing activities		(57,994)	3,158
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		9,434	101,826
Repayment of bank loans		(8,403)	(32,208)
Capital contributed by minority shareholders		2,826	11,082
Advance from/(repayment to) minority shareholders		4,690	(2,400)
Net cash inflow from financing activities		8,547	78,300
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		(24,405)	26,833
Cash and cash equivalents at beginning of year		114,117	87,722
Effect of foreign exchange rate changes, net		(523)	(438)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>89,189</b>	<b>114,117</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		90,281	114,117
Bank overdrafts	27	(1,092)	–
		<b>89,189</b>	<b>114,117</b>