

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(24,468)	(55,054)
Adjustments for:			
Share of losses of associates		3,991	2,280
Finance costs	9	6,753	7,988
(Write-back of)/provision for impairment in values of properties held for resale	19	(1,286)	27,000
Provision for corporate guarantee for an associate		–	9,480
Provision for impairment of goodwill		18,722	–
Provision for impairment of interest in an associate		5,800	–
Amortisation of goodwill	6	386	520
Bad and doubtful debts	6	2,125	3,715
Depreciation	6	2,966	3,799
Provision for obsolete inventories	6	2,610	1,486
Provision for advances to an associate	6	1,518	–
Unrealised holding (gains)/losses on other investments	6	(3,536)	11,830
(Gain)/loss on disposal of fixed assets		(7)	55
Gain on disposal of subsidiaries	6	(2,246)	–
Interest income	5	(408)	(526)
Dividend income from an unlisted investment	5	–	(27)
Operating profit before working capital changes		12,920	12,546
Decrease in other assets		2,139	394
(Increase)/decrease in inventories and gross amount due from contract customers		(19,812)	3,345
Increase in trade, retention monies and other receivables		(22,243)	(17,996)
Decrease in properties held for resale		2,212	–
Increase in trade, bills and other payables		12,454	5,365
Increase in amounts due from related companies, net		(553)	(978)
Cash (used in)/generated from operations		(12,883)	2,676
Interest received		408	526
Interest paid		(6,753)	(7,988)
Hong Kong profits tax paid, net		(2,034)	(1,393)
Overseas taxes paid		(132)	–
Dividend received from an unlisted investment		–	27
Net cash outflow from operating activities – page 31		(21,394)	(6,152)

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Net cash outflow from operating activities – page 30		(21,394)	(6,152)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	<i>13</i>	(167)	(510)
Proceeds from disposal of fixed assets		16	10
Investment in an associate		–	(10,537)
Advances to an associate		(1,518)	(16,280)
Acquisition of shares from a minority shareholder		–	(900)
Disposal of subsidiaries	<i>35</i>	14,977	–
Net cash inflow/(outflow) from investing activities		13,308	(28,217)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares	<i>32, 34</i>	–	13,750
Share issue expenses	<i>34</i>	–	(282)
Increase in trust receipt loans		31,305	16,705
New bank loans		–	14,000
Repayment of bank loans		(24,752)	(35,952)
Net cash inflow from financing activities		6,553	8,221
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		8,580	34,653
Effect of foreign exchange rate changes, net		(19)	75
CASH AND CASH EQUIVALENTS AT END OF YEAR		7,028	8,580
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	<i>25</i>	16,427	18,547
Non-pledged time deposits with original maturity of less than three months when acquired	<i>25</i>	25,293	23,881
Bank overdrafts	<i>28</i>	(34,692)	(33,848)
		7,028	8,580