

# Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash Flows from Operating Activities</b>			
Profit before tax		402,908	101,131
Adjustments for:			
Gain on disposal of vessels		(63,430)	—
Gain on disposal of a discontinued operation	6, 7	—	(963)
Depreciation	7	96,560	10,797
Amortisation of intangible assets	7	2,597	1,605
Amortisation of goodwill	7	740	—
Loss/(gain) on disposal of fixed assets, other than vessels	7	352	(169)
Interest income	7	(979)	(259)
Finance costs	10	39,608	2,895
Operating profit before working capital changes		478,356	115,037
Increase in an amount due from an associate		(13,004)	—
Decrease/(increase) in bunker oil		2,284	(5,365)
Decrease/(increase) in inventories		(1,520)	9,794
Increase in accounts receivable		(102,508)	(148,166)
Decrease/(increase) in prepayments, deposits and other receivables		(16,828)	6,598
Increase in contracts in progress		(60,465)	(17,160)
Increase/(decrease) in trust receipt loans		(98,744)	97,627
Increase in accounts and bills payable		60,154	55,446
Increase/(decrease) in other payables and accruals		33,493	(7,079)
Increase in excess of progress billings over contract costs		8,808	6,971
Cash generated from operations		290,026	113,703
Interest received		979	259
Interest paid		(37,368)	(2,895)
Hong Kong taxes paid		(785)	—
Overseas profits tax refund/(paid)		464	(144)
Net cash inflow from operating activities			
Continuing operations		253,316	93,754
Discontinued operation		—	17,169
Total		253,316	110,923

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash Flows from Investing Activities</b>			
Additions in fixed assets		(790,298)	(12,706)
Deposits paid for acquisition of vessels		(68,835)	—
Proceeds from disposal of vessels		148,454	—
Proceeds from disposal of fixed assets, other than vessels		2,454	180
Acquisition of licences		—	(947)
Payment of vessel rental deposits		(92,572)	—
Capital contribution to an associate		(24,430)	—
Acquisition of subsidiaries	32(b)	(370,955)	3,645
Disposal of subsidiaries	32(c)	—	(48,152)
Expenditure incurred in respect of acquisition of associates		—	(867)
<b>Net cash outflow from investing activities</b>			
Continuing operations		(1,196,182)	(9,991)
Discontinued operation		—	(48,856)
<b>Total</b>			
		(1,196,182)	(58,847)
<b>Cash Flows from Financing Activities</b>			
Inception of new bank loans	25	976,647	20,292
Repayment of bank loans	25	(70,457)	(32,872)
Repayment of finance lease payables		(12,377)	—
Proceeds from issue of shares	29	414,000	—
Share issue expenses	29	(21,984)	—
<b>Net cash inflow/(outflow) from financing activities</b>			
Continuing operations		1,285,829	—
Discontinued operation		—	(12,580)
<b>Total</b>			
		1,285,829	(12,580)
<b>Net Increase in Cash and Cash Equivalents</b>			
Cash and cash equivalents at beginning of year		101,332	61,836
Effect of foreign exchange rate changes, net		40	—
<b>Cash and Cash Equivalents at End of Year</b>			
		444,335	101,332
<b>Analysis of Balances of Cash and Cash Equivalents</b>			
Cash and bank balances	24	400,423	101,332
Deposits with original maturity of less than three months when acquired, pledged as security for trading facilities	24	43,912	—
<b>Total</b>			
		444,335	101,332