

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2004

<i>Notes</i>	2004 HK\$'000	2003 <i>HK\$'000</i>
OPERATING ACTIVITIES		
Profit from operations	93,364	36,107
Adjustments for:		
Loss on disposal of interest in subsidiaries	–	8,318
Interest income	(1,055)	(861)
Allowance for bad and doubtful debts	1,369	108
Write back of allowance for bad and doubtful debts	(66)	(682)
Reversal of impairment loss in respect of property, plant and equipment	(55,946)	–
Amortisation of goodwill	555	463
Depreciation	5,797	6,973
Loss on disposal of property, plant and equipment	–	106
Operating cash flows before movements in working capital	44,018	50,532
Increase in inventories	(779)	(5,817)
Decrease (increase) in trade and other receivables	9,369	(34,206)
Decrease in amounts due from customers for contract work	2	77
Increase in amounts due from former fellow subsidiaries	–	(453)
Decrease in amounts due to customers for contract work	(1,322)	(7,094)
(Decrease) increase in trade and other payables	(4,260)	17,121
(Decrease) increase in amount due to ultimate holding company	(900)	900
Increase in amounts due to former fellow subsidiaries	–	2,846
Net cash generated from operations	42,128	23,906
Hong Kong Profits Tax paid	(2,205)	(3)
NET CASH FROM OPERATING ACTIVITIES	43,923	23,903
INVESTING ACTIVITIES		
Interest received	1,155	2,560
Purchase of property, plant and equipment	(733)	(704)
Proceeds from disposal of property, plant and equipment	–	119
Acquisition of an associate	(2,000)	–
Acquisition of subsidiaries, net of cash and cash equivalent acquired	–	(75,631)
Disposal of subsidiaries, net of cash and cash equivalent disposed of	–	95,122
Decrease (increase) in other loans receivable	4,875	(6,281)
Decrease in building mortgage loans receivable	–	115
NET CASH FROM INVESTING ACTIVITIES	3,297	15,300

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FINANCING ACTIVITIES		
Dividend paid	(80)	(8,912)
Interest paid	(10,222)	(6,461)
Repayment of borrowings	(31,876)	(151,218)
Repayment of obligations under finance leases	–	(2,020)
New borrowings raised	–	94,500
New trust receipt loans raised	–	3,693
Guarantee money received	–	3,000
NET CASH USED IN FINANCING ACTIVITIES	(42,178)	(67,418)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,042	(28,215)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	7,821	36,036
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	12,863	7,821
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	12,863	7,821