

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		16,959	(24,468)
Adjustments for:			
Share of losses of associates		3,542	3,991
Finance costs	9	6,621	6,753
Surplus arising from revaluation of land and buildings	13	(5,826)	–
Provision for impairment of goodwill	14	1,634	18,722
Provision for impairment of interest in an associate		1,400	5,800
Amortisation of goodwill	6	125	386
Bad and doubtful debts	6	5,245	2,125
Depreciation	6	2,302	2,966
(Write-back of)/provision for obsolete inventories	6	(83)	2,610
Provision for advances to an associate	6	–	1,518
Unrealised holding losses/(gains) on other investments	6	1,352	(3,536)
Write-back of impairment in values of properties held for resale	6	–	(1,286)
Gain on disposal of fixed assets		(24)	(7)
Gain on disposal of subsidiaries	6	–	(2,246)
Interest income	5	(161)	(408)
Operating profit before working capital changes		33,086	12,920
(Increase)/decrease in other assets		(1,991)	2,139
Decrease in properties held for resale		–	2,212
Increase in inventories and gross amount due from contract customers		(12,021)	(19,812)
Increase in trade and retention monies receivables		(66,193)	(17,905)
Decrease/(increase) in deposits, prepayments and other receivables		3,257	(4,338)
Increase in amounts due from related companies, net		(2,160)	(553)
Increase in trade and bills payables, other payables and accruals, and provisions		1,898	12,454
Cash used in operations		(44,124)	(12,883)
Interest received		161	408
Interest paid		(6,621)	(6,753)
Hong Kong profits tax paid, net		(1,946)	(2,034)
Overseas taxes paid		(119)	(132)
Net cash outflow from operating activities – page 23		(52,649)	(21,394)

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Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 <i>HK\$'000</i>
Net cash outflow from operating activities – page 22		<u>(52,649)</u>	<u>(21,394)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	13	(295)	(167)
Proceeds from disposal of fixed assets		63	16
Advances to an associate		–	(1,518)
Disposal of subsidiaries	35	8	14,977
Net cash (outflow)/inflow from investing activities		<u>(224)</u>	<u>13,308</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares	32, 34(b)	13,200	–
Share issue expenses	34(b)	(338)	–
Increase in trust receipt loans		57,533	31,305
New bank loans		10,000	–
Repayment of bank loans		(6,737)	(24,752)
Net cash inflow from financing activities		<u>73,658</u>	<u>6,553</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		20,785	(1,533)
Cash and cash equivalents at beginning of year		7,028	8,580
Effect of foreign exchange rate changes, net		5	(19)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>27,818</u>	<u>7,028</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	33,486	16,427
Non-pledged time deposits with original maturity of less than three months when acquired	25	29,292	25,293
Bank overdrafts	28	(34,960)	(34,692)
		<u>27,818</u>	<u>7,028</u>