

# Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		31,719	32,796
Adjustments for:			
Finance costs	7	9,373	6,651
Share of profits and losses of associates		1,811	1,757
Share of profits and losses of jointly-controlled entities		116	48
Amortisation of goodwill on acquisition of a jointly-controlled entity		–	1,429
Interest income	6	(796)	(1,102)
Loss on disposal of fixed assets	6	577	864
Gain on disposal of investment properties	6	(238)	–
Depreciation	6	17,338	16,916
Amortisation of goodwill	6	–	14,503
Release of goodwill upon disposal of partial interests in subsidiaries	6	7,135	10,750
Negative goodwill recognised as income during the year	6	–	(1,939)
Amortisation of intangible assets	6	2,264	1,918
Impairment of long term investments	6	107	–
Revaluation surplus of investment properties		(200)	(200)
Operating profit before working capital changes		69,206	84,391
Increase in inventories		(16,922)	(3,952)
Decrease/(increase) in amounts due from customers for contract works		(2,463)	1,404
Decrease in properties held for sale		11,478	–
Increase in trade and bills receivables		(64,137)	(123,578)
Decrease in other receivables, prepayments and deposits		2,191	39,584
Increase in trade and bills payables		12,995	21,104
Increase/(decrease) in amounts due to customers for contract works		7,337	(182)
Increase/(decrease) in other payables and accruals		(5,488)	17,595
Cash generated from operations		14,197	36,366
Interest received		796	1,102
Interest paid		(9,373)	(6,651)
Taxes paid		(1,290)	(1,386)
Dividends paid to minority shareholders		(1,034)	(4,389)
Net cash inflow from operating activities		3,296	25,042

## Consolidated Cash Flow Statement *(continued)*

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	13	(7,173)	(20,956)
Proceeds from disposal of fixed assets		80	394
Proceeds from disposal of investment properties		6,678	–
Purchase of intangible assets		–	(1,886)
Purchase of long term investments		(1,594)	(472)
Acquisition of subsidiaries, net of cash acquired	34	(639)	(12,055)
Acquisition of additional interests in subsidiaries		–	(962)
Balance payment for the acquisition of subsidiaries		(7,119)	(2,240)
Acquisition of a jointly-controlled entity		–	(7,016)
Proceeds from the disposal of a jointly-controlled entity		474	–
Additional investment in a jointly-controlled entity		(22,642)	–
Increase in an amount due from a jointly-controlled entity		(498)	–
Investments in associates		–	(2,584)
Increase in amounts due from associates		(43)	(80)
Increase in pledged deposits		(3,680)	(10,137)
Net cash outflow from investing activities		(36,156)	(57,994)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		75,000	9,434
Repayment of bank loans		(41,211)	(8,403)
Capital contributed by minority shareholders		564	2,826
Advance from/(repayment to) minority shareholders		(1,803)	4,690
Net cash inflow from financing activities		32,550	8,547
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		89,189	114,117
Effect of foreign exchange rate changes, net		51	(523)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>88,930</b>	<b>89,189</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		102,506	90,281
Bank overdrafts	28	(13,576)	(1,092)
		<b>88,930</b>	<b>89,189</b>