

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2001
(Amounts expressed in Hong Kong dollars)

	Note	2001 \$'000	2000 \$'000
Net cash (outflow) inflow from operating activities	(a)	<u>(466)</u>	<u>56,075</u>
Returns on investments and servicing of finance			
Interest received		5,551	6,313
Interest paid		(3,280)	(3,005)
Finance charges on finance leases		(82)	(84)
Dividends paid		<u>(6,778)</u>	<u>(4,916)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(4,589)</u>	<u>(1,692)</u>
Taxation			
Hong Kong profits tax paid		(12,841)	(1,994)
Hong Kong profits tax refunded		<u>901</u>	<u>503</u>
Tax paid		<u>(11,940)</u>	<u>(1,491)</u>
Investing activities			
Additions of fixed assets		(20,397)	(2,960)
Proceeds from disposal of fixed assets		39	390
Acquisition of subsidiaries net of cash and cash equivalents assumed	(b)	(5,333)	(200)
Investments in associated companies		(33,187)	(5)
Decrease (Increase) in amounts due from associated companies		156	(128)
Purchase of investments		<u>(21,516)</u>	<u>(47,445)</u>
Net cash outflow from investing activities		<u>(80,238)</u>	<u>(50,348)</u>
Net cash (outflow) inflow before financing		<u>(97,233)</u>	<u>2,544</u>

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31st March, 2001
(Amounts expressed in Hong Kong dollars)

	Note	2001 \$'000	2000 \$'000
Financing	(c)		
Proceeds from issuance of shares		—	36,337
Repurchase of shares		(87)	—
Loans from minority shareholders of subsidiaries		11,601	—
Capital contribution by minority shareholders of subsidiaries		400	3,000
Capital payment on finance lease obligations		(400)	(408)
Net cash inflow from financing		<u>11,514</u>	<u>38,929</u>
(Decrease) Increase in cash and cash equivalents		(85,719)	41,473
Cash and cash equivalents, beginning of year		<u>134,604</u>	<u>93,131</u>
Cash and cash equivalents, end of year		<u><u>48,885</u></u>	<u><u>134,604</u></u>
Analysis of the balances of cash and cash equivalents			
Pledged bank deposits		26,800	26,800
Cash and bank deposits		51,306	108,827
Bank overdrafts and short-term loans		(29,221)	(1,023)
		<u><u>48,885</u></u>	<u><u>134,604</u></u>

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31st March, 2001
(Amounts expressed in Hong Kong dollars)

Notes:

(a) **Reconciliation of (loss) profit from ordinary activities before share of loss of associated companies and taxation to net cash (outflow) inflow from operating activities.**

	2001 \$'000	2000 \$'000
(Loss) Profit before share of loss of associated companies and taxation	(34,617)	37,552
Interest income	(5,551)	(6,313)
Interest expense	3,280	3,005
Finance charges on finance leases	82	84
Loss on disposal of fixed assets	—	84
Depreciation of fixed assets	4,017	2,190
Realised loss on disposal of other investments	13,202	—
Provision for impairment in value of investment securities	38,298	—
Provision for impairment in value of fixed assets	7,972	—
Increase in gross amount due from customers for contract work	(13,079)	(39,218)
Decrease (Increase) in stocks	442	(1,266)
(Increase) Decrease in accounts receivable	(55,583)	8,098
Decrease (Increase) in retention money receivable	11,013	(5,502)
(Increase) Decrease in prepayments, deposits and other assets	(3,953)	866
(Decrease) Increase in gross amount due to customers for contract work	(3,651)	31,828
(Decrease) Increase in accounts payable and accruals	(7,039)	13,901
(Decrease) Increase in retention money payable	(6,100)	2,138
Increase in bills payable	50,801	8,628
Net cash (outflow) inflow from operating activities	<u>(466)</u>	<u>56,075</u>

(b) **Acquisition of subsidiaries:**

Details of assets acquired and liabilities assumed as of the acquisition date are as follows:

	2001 \$'000	2000 \$'000
Fixed assets	317	2
Gross amount due from customers for contract work	790	—
Stocks	719	—
Accounts receivable	1,654	160
Prepayments, deposits and other assets	309	153
Cash and bank deposits	20,472	—
Accounts payable and accruals	(6,286)	(192)
Tax payable	(832)	—
Bank overdrafts	(55)	(200)
Minority interests	(4,018)	—
Net assets (liabilities) on acquisition	13,070	(77)
Add: Goodwill on acquisition	12,680	77
Cash consideration	<u>25,750</u>	<u>—</u>
Net cash outflow from acquisition of subsidiaries		
Cash consideration	25,750	—
Add: Bank overdrafts acquired	55	200
Less: Cash and bank deposits acquired	(20,472)	—
Net cash outflow from acquisition of subsidiaries	<u>5,333</u>	<u>200</u>

CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31st March, 2001
(Amounts expressed in Hong Kong dollars)

Notes: (Continued)

(c) **Analysis of changes in financing during the year:**

	2001				2000	
	Share capital and premium \$'000	Minority interest \$'000	Obligations under finance leases \$'000	Loans from minority shareholders of subsidiaries \$'000	Total \$'000	Total \$'000
Beginning of year	141,709	2,830	867	—	145,406	106,178
Issue of ordinary share capital	—	—	—	—	—	36,337
Shares repurchased	(87)	—	—	—	(87)	—
Minority interests arising from acquisition of subsidiaries	—	4,018	—	—	4,018	—
Share of loss by minority shareholders	—	(6,818)	—	—	(6,818)	(901)
Capital contribution by minority shareholders in subsidiaries	—	400	—	—	400	3,000
Inception of finance lease contracts	—	—	—	—	—	1,200
Repayment of capital element of finance lease obligations	—	—	(400)	—	(400)	(408)
Loans from minority shareholders of subsidiaries	—	—	—	11,601	11,601	—
End of year	<u>141,622</u>	<u>430</u>	<u>467</u>	<u>11,601</u>	<u>154,120</u>	<u>145,406</u>