

28 CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003
(Expressed in Hong Kong dollars)

	Note	2003 \$'000	2002 \$'000
Operating activities			
(Loss)/profit from ordinary activities before taxation		(1,576)	13,873
Adjustments for:			
Interest income		(3,833)	(4,766)
Dividend income from unlisted investments		–	(566)
Dividend income from trading securities		(752)	–
Guaranteed investment return		(426)	–
Interest expense		324	1,598
Depreciation		6,483	6,455
Share of profits less losses of jointly controlled entities		(1,528)	(4,557)
Amortisation of intangible assets		448	588
Impairment loss on intangible assets		–	705
Loss on disposal of fixed assets		3	931
Profit on disposal of subsidiaries		–	(4,987)
Profit on disposal of unlisted investments		–	(1,947)
Provision for bad and doubtful debts		–	6,535
Provision for loans receivable		283	2,747
Provision for obsolete inventories		–	5,263
Compensation of guarantee profit by minority shareholder		–	(3,057)
(Surplus)/deficit on property revaluation		(154)	3,517
Unrealised loss on trading securities carried at fair value		–	1,414
Profit on disposal of trading securities		(7,635)	–
Professional fees written off in respect of rights issue and major transaction		6,509	–
Operating (loss)/profit before changes in working capital		(1,854)	23,746
Increase in inventories		(919)	(26,615)
Increase in accounts receivable		(13,546)	(66,173)
Increase in bills receivable		(94)	–
Decrease/(increase) in retentions receivable from customers		15,456	(17,035)
Decrease in gross amount due from customers for contract work		1,018	7,339
Decrease/(increase) in prepayments, deposits and other receivables		2,477	(23,955)
Increase/(decrease) in accounts payable		13,556	(775)
(Decrease)/increase in gross amount due to customers for contract work		(1,933)	3,317
Increase/(decrease) in bills payable		2,803	(3,677)
Decrease in receipts in advance		(129)	(27,001)
(Decrease)/increase in other payables and accrued liabilities		(7,201)	105,934
Cash generated from/(used in) operations		9,634	(24,895)
PRC income tax paid		(2,282)	(2,226)
Net cash generated from/(used in) operating activities		7,352	(27,121)

CONSOLIDATED CASH FLOW STATEMENT 29

For the year ended 31 December 2003
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	Note	2003 \$'000	2002 \$'000
Investing activities			
Payment for purchase of additional interest in a subsidiary		–	(697)
Acquisitions of subsidiaries, net of cash acquired	34(a)	(1,469)	–
Proceeds on disposal of subsidiaries, net of cash disposed of	34(b)	29,227	(54,787)
Proceeds on disposal of unlisted investments		–	6,598
Capital injection to a jointly controlled entity		(9,460)	–
Payments for purchases of fixed assets		(7,841)	(13,340)
Payments for construction in progress		(1,969)	–
Proceeds from sales of fixed assets		2	96
Payments for purchases of intangible assets		–	(1,343)
Payments for purchases of trading securities		–	(20,582)
Proceeds on disposal of trading securities		26,803	–
Payments of investment fund		(19,336)	(16,956)
Repayments of investment fund		16,956	–
Repayments of loans receivable		46,665	24,846
Advances of loans		(50,596)	(36,675)
Capital injection from minority shareholder to a subsidiary		786	–
Pledged deposits		–	6,091
Interest received		3,806	3,847
Dividend received from trading securities		752	–
Dividend received from unlisted investments		–	566
Guaranteed investment return		426	–
Professional fees written off in respect of rights issue and major transaction		(3,861)	–
Net cash generated from/(used in) investing activities		30,891	(102,336)
Financing activities			
Repayments of bank loans		(4,710)	(43,116)
New bank loans		3,768	96,230
Dividends paid to minority shareholders		(4,484)	(2,122)
Interest paid		(324)	(1,598)
Net cash (used in)/generated from financing activities		(5,750)	49,394
Net increase/(decrease) in cash and cash equivalents		32,493	(80,063)
Effect of foreign exchange rates changes		7	(3)
Cash and cash equivalents at 1 January		15,966	96,032
Cash and cash equivalents at 31 December	26	48,466	15,966

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*For the year ended 31 December 2003
(Expressed in Hong Kong dollars)*

Included in the above amounts are the following net cash flows related to discontinued operation for the year ended 31 December 2002:

	2002 \$'000
Cash used in operating activities	(51,090)
Cash generated from investing activities	4,842
Cash generated from financing activities	<u>60,434</u>

The notes on pages 31 to 82 form part of these financial statements.