

# Consolidated Cash Flow Statement

For the year ended December 31, 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit from operations	22,924	31,706
Adjustments for:		
Dividend income	(2)	(8)
Interest income	(2,396)	(2,419)
Impairment losses recognised in respect of investments in securities	1,535	–
Loss (gain) on disposal of investments in securities	174	(758)
Revaluation decrease on investment properties	7,595	115
Depreciation and amortisation	2,493	4,775
Loss (gain) on disposal of property, plant and equipment	16	(4,594)
Allowance for doubtful debts	26,618	19,112
Operating cash flows before movements in working capital	58,957	47,929
Decrease (increase) in inventories	5,949	(4,806)
Increase in trade and other receivables, deposits and prepayments	(96,538)	(91,608)
Decrease (increase) in amount due from an associate	415	(493)
Decrease in amounts due from related companies	3,911	4,064
Increase in trade and other payables	52,348	16,805
Increase (decrease) in bills payable	13,221	(2,202)
Increase in amount due to a related company	7,309	8,866
CASH GENERATED FROM (USED IN) OPERATIONS	45,572	(21,445)
Hong Kong Profits Tax refunded	1,278	–
Hong Kong Profits Tax paid	(8,001)	(6,992)
Overseas Tax paid	(156)	(4,985)
Interest paid	(3,275)	(9,574)
Interest on obligations under finance leases	–	(39)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	35,418	(43,035)

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For the year ended December 31, 2004

	Note	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Dividend received		2	8
Interest received		2,396	2,419
Purchase of investment properties		(66,252)	(120)
Purchase of property, plant and equipment		(3,603)	(2,804)
Investment in an associate		(871)	–
Repayment of staff advances		1,013	1,056
Advances to staff		–	(420)
Purchase of investments in securities		(1,987)	(2,334)
Disposal of a subsidiary	36	–	(768)
Decrease (increase) in pledged bank deposits		3,866	(25,010)
Proceeds from partial disposal of interest in an associate		14,246	–
Proceeds from disposal of property, plant and equipment		654	6,471
Proceeds from disposal of investments in securities		2,002	4,170
NET CASH USED IN INVESTING ACTIVITIES		(48,534)	(17,332)
FINANCING ACTIVITIES			
Dividends paid		(5,371)	(5,371)
New bank loans raised		430,355	597,026
New trust receipt loans raised		–	208,155
New loans raised from related companies		17,024	–
Repayment of loans from related companies		(1,615)	–
Repayment of obligations under finance leases		–	(100)
Repayment of bank loans		(392,993)	(542,674)
Repayment of trust receipt and other loans		–	(194,276)
Repayment of advance from minority shareholders		(86)	–
NET CASH FROM FINANCING ACTIVITIES		47,314	62,760
NET INCREASE IN CASH AND CASH EQUIVALENTS		34,198	2,393
CASH AND CASH EQUIVALENTS AT JANUARY 1		128,047	122,078
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,686	3,576
CASH AND CASH EQUIVALENTS AT DECEMBER 31		163,931	128,047
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		165,349	145,005
Bank overdrafts		(1,418)	(16,958)
		163,931	128,047