

# CONSOLIDATED

## CASH FLOW STATEMENT

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>20,912</b>	7,783
Adjustments for:			
Interest income	5	<b>(1,287)</b>	(3,972)
Interest expenses	7	<b>370</b>	1,009
Share of profits of associates, net		<b>(2,593)</b>	(2,625)
Negative goodwill recognised as income on acquisition of an associate		<b>(2,818)</b>	(2,818)
Gain on disposal of a long term listed investment	5	<b>—</b>	(185)
Gain on disposal of short term listed investments	5	<b>(7,621)</b>	(5,292)
Depreciation	6	<b>1,295</b>	2,169
Gain on disposal of fixed assets	5	<b>(5,874)</b>	(41)
Unrealised losses on listed investments, net	6	<b>5,143</b>	3,120
Gain on disposal of a deconsolidated subsidiary	5	<b>(4,162)</b>	—
Provision for interest in an associate	6	<b>445</b>	1,120
Dividend income from listed investments	5	<b>(2,071)</b>	(798)
Operating profit/(loss) before working capital changes		<b>1,739</b>	(530)
Decrease in interests in deconsolidated subsidiaries		<b>—</b>	3,415
(Increase)/decrease in inventories		<b>(604)</b>	753
Decrease/(increase) in trade and bills receivables		<b>74,789</b>	(42,665)
Increase in prepayments, deposits and other receivables		<b>(20,031)</b>	(2,405)
Decrease in trade and bills payables		<b>(52,843)</b>	(5,451)
(Decrease)/increase in other payables		<b>(518)</b>	375
Net cash inflow/(outflow) from operating activities		<b>2,532</b>	(46,508)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income		<b>1,287</b>	3,972
Dividend income from listed investments		<b>2,071</b>	798
Purchases of fixed assets	13	<b>(510)</b>	(1,006)
Additions of long term investments		<b>(15,600)</b>	(13,505)
Advances to investee companies		<b>—</b>	(10,939)
Increase in interests in associates		<b>(445)</b>	(1,000)
Purchases of short term listed investments		<b>(90,433)</b>	(13,510)
Proceeds from disposal of fixed assets		<b>6,240</b>	388
Proceeds from disposal of a deconsolidated subsidiary		<b>4,162</b>	—
Proceeds from disposal of a long term listed investment		<b>—</b>	301
Proceeds from disposal of short term listed investments		<b>61,272</b>	30,576
Net cash outflow from investing activities		<b>(31,956)</b>	(3,925)

# CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(370)	(1,009)
Net cash outflow from financing activities		(370)	(1,009)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(29,794)	(51,442)
Cash and cash equivalents at beginning of the year		62,985	114,427
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		33,191	62,985
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	15,004	52,690
Non-pledged time deposits with original maturity of less than three months when acquired	19	18,187	10,295
		33,191	62,985