

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>2,062</b>	5,670
Adjustments for:			
Interest income	5	<b>(1,791)</b>	(2,840)
Exchange gains, net		<b>(238)</b>	(1,264)
Dividend income from listed investments	5	–	(318)
Gain on disposal of listed investments	5	<b>(138)</b>	(1,413)
Negative goodwill recognised as income	5	–	(1,186)
Gain on deemed disposal of subsidiaries	16	<b>(15,309)</b>	–
Depreciation	6	<b>8,735</b>	7,458
Write-off of fixed assets	6	–	32
Loss on disposal of fixed assets	6	<b>14</b>	–
Amortisation of deferred development costs	6	<b>2,319</b>	413
Amortisation of goodwill	6	<b>3,672</b>	3,635
Deficit/(surplus) on revaluation of investment properties	6	<b>(1,958)</b>	200
Finance costs	9	<b>875</b>	359
Operating profit/(loss) before working capital changes		<b>(1,757)</b>	10,746
Decrease/(increase) in inventories		<b>(5,596)</b>	6,153
Decrease/(increase) in trade receivables		<b>(35,895)</b>	26,640
Decrease/(increase) in amounts due from contract customers		<b>41,069</b>	(145,246)
Decrease in an amount due from a minority shareholder of a subsidiary		–	1,852
Decrease in prepayments, deposits and other receivables		<b>734</b>	1,456
Increase/(decrease) in trade payables, other payables and accruals		<b>(30,409)</b>	21,504
Increase/(decrease) in deferred income		<b>(255)</b>	161
Increase/(decrease) in amounts due to minority shareholders of subsidiaries		<b>417</b>	(120)
Cash used in operations		<b>(31,692)</b>	(76,854)
Interest paid		<b>(875)</b>	(359)
Hong Kong profits tax paid		<b>(215)</b>	(918)
Overseas taxes paid		<b>(116)</b>	(291)
Net cash outflow from operating activities		<b>(32,898)</b>	(78,422)



## Consolidated Cash Flow Statement (continued)

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets	13	<b>(3,932)</b>	(18,958)
Purchases of listed investments		<b>(3,000)</b>	–
Purchases of held-to-maturity securities		–	(1,265)
Proceeds on disposal of fixed assets		<b>369</b>	–
Proceeds on disposal of listed investments		<b>3,138</b>	11,122
Held-to-maturity securities settled		<b>8,860</b>	–
Additions to deferred development costs		<b>(814)</b>	(8,540)
Decrease/(increase) in pledged bank deposits		<b>17,133</b>	(37,900)
Acquisition of a subsidiary	30	–	(636)
Net proceeds from deemed disposal of subsidiaries	16	<b>22,543</b>	–
Promissory note settled		–	2,080
Dividends received from listed securities		–	318
Interest received		<b>1,791</b>	2,840
		<hr/>	<hr/>
Net cash inflow/(outflow) from investing activities		<b>46,088</b>	(50,939)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	27	<b>268</b>	858
New bank loans		<b>28,000</b>	35,000
Repayment of bank loans		<b>(48,000)</b>	–
Repayment of other loan		–	(296)
		<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities		<b>(19,732)</b>	35,562
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<b>104,441</b>	198,181
Effect of foreign exchange rate changes, net		<b>151</b>	59
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>98,050</b>	104,441
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	<b>65,707</b>	61,298
Non-pledged time deposits with original maturity of less than three months when acquired	22	<b>32,343</b>	40,143
Time deposits with original maturity of less than three months when acquired, pledged as security for banking facilities	22	–	3,000
		<hr/>	<hr/>
		<b>98,050</b>	104,441