

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		11,668	(20,825)
Adjustments for:			
Finance costs	8	45	832
Share of profits of associates		(6,420)	(6,224)
Interest income	5	(794)	(697)
Depreciation	7	3,414	7,624
Amortisation of goodwill	7	–	321
Loss/(gain) on disposal of fixed assets	7	272	(123)
Loss/(gain) on disposal of discontinued operations	7, 28(b)	(3,255)	13,260
Operating profit/(loss) before working capital changes		4,930	(5,832)
Increase in inventories		(28,466)	(32,209)
Increase in systems integration contracts		(501)	(4,391)
Increase in trade and bills receivables		(46,212)	(2,925)
Decrease/(increase) in prepayments, deposits and other receivables		(5,164)	11,541
Increase in trade and bills payables		86,498	70,270
Increase/(decrease) in other payables and accruals		14,968	(14,996)
Exchange difference		654	(166)
Cash generated from operations		26,707	21,292
Interest received		794	697
Interest paid		(45)	(775)
Interest element on finance lease rental payments		–	(57)
Hong Kong profits tax paid		(30)	–
Net cash inflow from operating activities		27,426	21,157

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CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from an associate		918	2,935
Purchases of fixed assets and additions to construction in progress		(5,476)	(8,957)
Proceeds from disposal of fixed assets		192	1,010
Purchase of a long term investment		-	(63)
Acquisition of subsidiaries	28(a)	-	35,126
Disposal of subsidiaries	28(b)	7,547	40,129
Repayment of loans to an associate		-	3,450
Decrease/(increase) in pledged deposits		<u>(15,406)</u>	<u>41</u>
Net cash inflow/(outflow) from investing activities		<u>(12,225)</u>	<u>73,671</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in trust receipt loans		-	191
Repayment of bank loans		-	(7,413)
Capital element of finance lease rental payments		<u>-</u>	<u>(487)</u>
Net cash outflow from financing activities		<u>-</u>	<u>(7,709)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,201	87,119
Cash and cash equivalents at beginning of year		142,070	55,068
Effect of foreign exchange rate changes, net		<u>(364)</u>	<u>(117)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>156,907</u>	<u>142,070</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	135,654	119,516
Non-pledged time deposits with original maturity of less than three months when acquired	22	<u>21,253</u>	<u>22,554</u>
		<u>156,907</u>	<u>142,070</u>