

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	Note	Year ended 31 December	
		2004 HK\$'000	2003 HK\$'000
<b>Operating activities</b>			
Operating profit/(loss)		24,254	(109,415)
Adjustments for:			
Interest income		(1,325)	(2,295)
Depreciation		5,241	6,881
Goodwill amortisation		203	513
Loss on disposal of fixed assets		35	543
(Gain)/loss on disposal of investments in non-trading securities		(1,346)	4,047
Net realized and unrealized gains on trading investments		(196)	(498)
(Net write back of provision)/provision for impairment of non-trading securities		(6,574)	58,869
Surplus on revaluation of investment properties		(4,130)	(5,782)
Provision for loans and interest receivable		450	3,482
Provision for doubtful debts		—	1,469
Provision for investment deposit		—	30,000
Provision for long service payments		—	290
Other employee benefits		—	6,100
(Gain)/loss on disposal of subsidiaries		(10,193)	432
Deemed gain on disposal of a subsidiary		(12,604)	—
Gain on deemed disposal of a jointly controlled entity		(1,260)	—
Gain on disposal of investment properties		(420)	(1,242)
Net exchange loss		3,379	8,958
Write back of provision for doubtful debts/loans receivable		(121)	(1,702)
Dividend income		(7,081)	(991)
Other expenses/(income)		885	(198)
<b>Operating loss before changes in working capital</b>		<b>(10,803)</b>	<b>(539)</b>
Increase in statutory and other deposits		—	(1,184)
Decrease in inventories		4,096	649
Increase in accounts receivable		(166)	(37,243)
Decrease in sundry debtors, prepayments and deposits		512	5,025
Decrease in trading investments		196	127
(Decrease)/increase in accounts payable		(6,048)	28,759
(Decrease)/increase in other payables and deposits received		(119)	8,088
Decrease in net amount due to a related company		(10,793)	(5,681)

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	Note	Year ended 31 December	
		2004 HK\$'000	2003 HK\$'000
<b>Cash used in operations</b>		<b>(23,125)</b>	(1,999)
Interest received		748	2,697
Interest paid		(3,993)	(11,663)
Dividends received from non-trading securities		7,081	991
Dividends paid to minority shareholders of subsidiaries		(1,492)	(1,679)
Tax paid			
Hong Kong profits tax (paid)/refunded		(278)	968
Overseas tax paid		(59)	(1,377)
<b>Net cash used in operating activities</b>		<b>(21,118)</b>	(12,062)
<b>Investing activities</b>			
Purchase of fixed assets		(1,205)	(7,269)
Proceeds from sale of fixed assets		7,559	5,787
Purchase of non-trading securities		(27,739)	—
Proceeds from sale of non-trading securities		44,122	37,440
Advance of loans receivable		(7,800)	(750)
Repayment of loans receivable		—	1,633
Payment for purchase of a subsidiary, net of cash acquired	30(b)	(7,370)	6,568
Proceeds from disposal of a subsidiary, net of cash disposed of	30(a)	23,134	(51,504)
Payment for acquisition of an associated company		—	(11,860)
Advance to associated companies		(4,690)	—
Subscription of equity interest in a jointly controlled entity		(23,400)	(7,800)
Advance to jointly controlled entities		(3,335)	(260)
Payment of an investment deposit		—	(7,808)
<b>Net cash used in investing activities</b>		<b>(724)</b>	(35,823)

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For the year ended 31 December 2004

	Note	Year ended 31 December	
		2004	2003
		HK\$'000	HK\$'000
<b>Financing activities</b>			
Issue of ordinary shares		420	—
Share issuance expenses		(11)	(49)
Issue of convertible notes		48,000	—
Repayment of loan from a former substantial shareholder		—	(41,196)
Repayment of loans from minority shareholders		—	(1,525)
Repayment of bank loans		(2,830)	(2,536)
<b>Net cash from financing activities</b>		<b>45,579</b>	<b>(45,306)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>23,737</b>	<b>(93,191)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>37,387</b>	<b>130,578</b>
<b>Cash and cash equivalents at the end of year</b>		<b>61,124</b>	<b>37,387</b>
<b>Analysis of cash and cash equivalents:</b>			
Cash and bank balances as shown in the consolidated balance sheet		61,124	37,387

Significant non-cash transactions are disclosed in notes 23(a) and 30.