

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31st December, 2004

Note	2004 HK\$	2003 HK\$
<b>OPERATING ACTIVITIES</b>		
Profit (loss) from operations	<b>15,138,095</b>	(21,873,823)
Adjustments for:		
Depreciation	<b>3,714,426</b>	3,857,958
Loss on disposal of property, plant and equipment	<b>63,849</b>	138,586
Gain on disposal of investment properties	<b>(2,376,620)</b>	–
Gain on disposal of listed investment securities	<b>(3,089,802)</b>	(5,275,613)
(Surplus) deficit on revaluation of investment properties	<b>(460,000)</b>	45,451,938
Impairment loss on investment securities reversed	<b>(1,843,838)</b>	(3,089,978)
Impairment loss on property, plant and equipment recognised (reversed)	<b>3,185,376</b>	(654,354)
Unrealised holding gain on listed other investments	<b>(4,545,221)</b>	(6,239,799)
Interest income	<b>(271,336)</b>	(154,127)
Operating cash flows before movements in working capital	<b>9,514,929</b>	12,160,788
Decrease in inventories	<b>1,225,176</b>	975,436
Increase in other investments	<b>(1,942,403)</b>	(51,018)
Decrease in trade and other receivables	<b>3,302,685</b>	2,203,387
Decrease in amounts due from minority shareholders	<b>498,438</b>	398,907
(Increase) decrease in amounts due from associates	<b>(680,802)</b>	602,474
(Decrease) increase in trade and other payables	<b>(12,582,610)</b>	8,990,651
Increase in amount due to a minority shareholder	<b>14,408</b>	968,462
Increase (decrease) in amounts due to directors	<b>187,093</b>	(13,925,348)
Increase in amount due to a jointly controlled entity	–	209,161
Decrease in amounts due to related companies	<b>(3,789,396)</b>	(960,131)
Cash (used in) generated from operations	<b>(4,252,482)</b>	11,572,769
Overseas tax paid	<b>(362,941)</b>	(612,584)
Hong Kong Profits Tax paid	<b>(42,849)</b>	(684,000)
<b>NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES</b>	<b>(4,658,272)</b>	10,276,185
<b>INVESTING ACTIVITIES</b>		
Interest received	<b>271,336</b>	154,127
Proceeds on disposal of property, plant and equipment	<b>6,315</b>	1,367
Net proceeds on disposal of investment properties	<b>30,176,620</b>	–
Proceeds on disposal of investment securities	<b>9,190,379</b>	12,658,660
Net cash outflow arising on disposal of subsidiaries	<b>(69,960)</b>	–
Expenditure spent on of investment properties	<b>(3,290,000)</b>	–
Investment in an associate	<b>(240)</b>	–
Acquisition of property, plant and equipment	<b>(5,455,253)</b>	(3,410,946)
Dividend received from an associate	<b>1,768,898</b>	–
Decrease (increase) in pledged bank deposits	<b>9,119,481</b>	(7,702,653)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>41,717,576</b>	1,700,555

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For the year ended 31st December, 2004

	<b>2004</b>	2003
	<b>HK\$</b>	HK\$
<b>FINANCING ACTIVITIES</b>		
Dividend paid to minority shareholders	<b>(1,171,599)</b>	(1,881,842)
Repayment of bank and other loans	<b>(54,969,523)</b>	(27,343,306)
Repayment of obligations under finance leases	–	(23,827)
New bank and other loans	<b>28,126,671</b>	21,555,149
Interest paid on bank and other loans	<b>(1,653,146)</b>	(5,693,260)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(29,667,597)</b>	(13,387,086)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>7,391,707</b>	(1,410,346)
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>7,082,948</b>	8,548,753
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(7,891)</b>	(55,459)
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b> represented by bank balances and cash	<b>14,466,764</b>	7,082,948

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