

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

	<i>Notes</i>	<b>2004</b> <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>18,734</b>	(32,440)
Adjustments for:			
Depreciation	6	<b>9,217</b>	11,664
Goodwill amortisation and impairment	6	<b>2,057</b>	267
Goodwill amortisation and impairment included in share of profits and losses of associates	6	—	16,334
Finance costs	7	<b>377</b>	969
Dividend income from listed investments	5	<b>(5,624)</b>	(4,162)
Dividend income from unlisted investments	5	—	(3,409)
Interest income	5	<b>(7,767)</b>	(7,140)
Share of profits and losses of associates		<b>5,112</b>	3,138
Gain on disposal of an associate		<b>(23)</b>	—
Write-back of deficits on revaluation:			
Resort and recreational club properties	6	<b>(35,180)</b>	(9,699)
Investment properties	6	<b>(600)</b>	—
Provision for a loan to an associate	6	<b>1,365</b>	—
Provision for doubtful other receivable	6	<b>8,670</b>	—
Write-back of provision for amounts due from associates	6	—	(171)
Impairment of fixed assets	6	—	3,600
(Gain)/loss on disposal of fixed assets	6	<b>(333)</b>	258
Net realised and unrealised gains on investments in other securities	6	<b>(14,170)</b>	(15,093)
Impairment of long term investment securities	6	<b>22,988</b>	32,800
Foreign exchange (gains)/losses, net		<b>(239)</b>	122
<b>Operating profit/(loss) before working capital changes</b>		<b>4,584</b>	(2,962)
(Increase)/decrease in inventories		<b>(3,569)</b>	11,027
Decrease/(increase) in trade receivables		<b>1,764</b>	(8,124)
(Increase)/decrease in prepayments, deposits and other receivables		<b>(172)</b>	14,284
Decrease in trade and other payables		<b>(33,461)</b>	(38,158)
Decrease/(increase) in amounts due from associates		<b>223</b>	(3,381)
(Decrease)/increase in amounts due to an associate		<b>(2,866)</b>	3,248
<b>Cash used in operations</b>		<b>(33,497)</b>	(24,066)
Interest received		<b>7,894</b>	7,490
Dividends received from listed investments		<b>5,624</b>	4,162
Dividends received from unlisted investments		—	3,409
Hong Kong profits tax refunded/(paid)		<b>328</b>	(3)
Overseas taxes paid		<b>(15)</b>	(74)
<b>Net cash outflow from operating activities</b>		<b>(19,666)</b>	(9,082)

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(3,177)</b>	(4,229)
Acquisition of subsidiaries	31	—	9,253
(Deposits paid)/refunds received in respect of acquisitions of securities and associates		<b>(2,567)</b>	29,564
Increase in investment in an associate		—	(6,224)
Acquisition of a business		—	(754)
Repayment of amounts due from associates		<b>281</b>	1,018
Proceed from disposal of an associate		<b>2,150</b>	—
Proceeds from disposal of fixed assets		<b>3,136</b>	7
Proceeds from disposal of investments in other securities		<b>7,115</b>	—
Decrease in pledged deposits		<b>47,194</b>	—
<b>Net cash inflow from investing activities</b>		<b>54,132</b>	28,635
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		<b>12,269</b>	—
Repayment of bank loans		<b>(52,352)</b>	(2,948)
Redemption of debentures		<b>(540)</b>	(1,720)
Interest paid		<b>(377)</b>	(1,085)
<b>Net cash outflow from financing activities</b>		<b>(41,000)</b>	(5,753)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>(6,534)</b>	13,800
<b>Cash and cash equivalents at beginning of year</b>		<b>587,522</b>	573,576
<b>Effect of foreign exchange rate changes, net</b>		<b>19</b>	146
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>581,007</b>	587,522
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	<b>49,266</b>	34,880
Non-pledged time deposit with original maturity of less than three months when acquired		<b>531,741</b>	552,642
		<b>581,007</b>	587,522