

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

Notes	<b>Year ended 31 December 2004 HK\$'000</b>	Period from 1 April 2003 to 31 December 2003 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>5,238</b>	63,545
Adjustments for:		
Interest income	<b>(3,363)</b>	(6,848)
Interest expenses	<b>2,369</b>	22,251
Depreciation and amortisation on property, plant and equipment	<b>946</b>	4,070
Gain on disposal of property, plant and equipment	<b>(6)</b>	(2,393)
Write-off of product development costs	<b>149</b>	27
Write back of provision for a doubtful debt	<b>65</b>	–
Amortisation of goodwill	<b>1,085</b>	181
Negative goodwill recognised as income	<b>(14,089)</b>	(10,566)
Share of (profits)/losses of associates	<b>(1,244)</b>	550
Loss on dissolution of a subsidiary/ (Gain on disposal of subsidiaries)	<b>177</b>	(53,421)
28(b)		
Operating (loss)/profit before working capital changes	<b>(8,673)</b>	17,396
(Increase)/Decrease in inventories	<b>(6)</b>	2,105
Increase in amount due from a fellow subsidiary	<b>–</b>	(239)
Decrease in trade receivables and other receivables	<b>99,611</b>	41,451
(Decrease)/Increase in trade payables, other payables and amounts due to fellow subsidiaries and ultimate holding company	<b>(42,234)</b>	214,328
Cash generated from operations	<b>48,698</b>	275,041
Interest received	<b>3,363</b>	6,848
Interest paid	<b>(11,844)</b>	(62,465)
Profits and income tax paid	<b>(57)</b>	–
<i>Net cash generated from operating activities</i>	<b>40,160</b>	219,424
<b>Cash flows from investing activities</b>		
Payment to acquire property, plant and equipment	<b>(183)</b>	(360)
Payment for land held for development	<b>(949)</b>	(21,231)
Proceeds from disposal of property, plant and equipment	<b>6</b>	1,097
Net cash (outflow)/inflow arising from dissolution of a subsidiary/disposal of subsidiaries	<b>(28)</b>	22,987
28(b)		
Deposit paid for acquisition of investment	<b>–</b>	(87,472)
Acquisition of a subsidiary	<b>–</b>	(37,737)
28(a)		
Advance to an associate	<b>(3,113)</b>	–
<i>Net cash used in investing activities</i>	<b>(4,267)</b>	(122,716)
<b>Cash flows from financing activities</b>		
Repayment of bank and other loans (secured)	<b>(55,821)</b>	(84,368)
Capital element of finance lease payments	<b>–</b>	(195)
<i>Net cash used in financing activities</i>	<b>(55,821)</b>	(84,563)

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<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(19,928)</b>	12,145
<b>Cash and cash equivalents at 1 January/April</b>	<b>20,695</b>	8,550
<b>Cash and cash equivalents at 31 December</b>	<b>767</b>	20,695
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash at banks and in hand	<b>1,039</b>	20,967
Bank overdrafts	<b>(272)</b>	(272)
	<b>767</b>	20,695