

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
Operating activities		
Loss before taxation	(86,040)	(34,013)
Adjustments for:		
Deficit (surplus) on revaluation of investment properties	6,600	(15,400)
Dividend income	(21)	(1)
Interest expense	2,373	3,379
Interest income	(137)	(50)
Amortisation of goodwill	2,914	2,914
Depreciation of property, plant and equipment	1,600	2,788
Loss on disposal of property, plant and equipment	57	180
Impairment loss recognised in respect of goodwill arising on acquisition of an associate	8,355	-
Impairment loss recognised in respect of investments in securities	20,000	10,000
Share of results of associates	28,065	1,051
Operating cash outflows before movements in working capital	(16,234)	(29,152)
Increase in inventories	(48)	(97)
Decrease in trade and other receivables	13,912	23,423
Increase in investments in securities	(7,455)	(14)
Increase (decrease) in trade and other payables	38,176	(1,581)
Decrease in amount due to a director	-	(4,482)
Cash generated from (used in) operations	28,351	(11,903)
Mainland China (the "PRC") Enterprise income tax paid	(456)	(574)
Net cash generated from (used in) operating activities	27,895	(12,477)
Investing activities		
Dividend received	21	1
Interest received	137	50
Purchase of property, plant and equipment	(976)	(2,670)
Acquisition of an associate	(46,698)	-
Acquisition of other security	-	(30,000)
Increase in pledged bank deposits	(9,112)	(1,230)
Increase in pledged deposits in financial institutions	(6,208)	-
Proceeds from disposal of property, plant and equipment	227	-
Net cash used in investing activities	(62,609)	(33,849)
Financing activities		
Interest paid	(2,373)	(3,379)
Net proceeds from issue of new shares	44	92,067
Proceeds from issue of convertible bond	-	36,000
New bank borrowings raised	-	42,910
Repayment of bank borrowings	(4,000)	(2,000)
Repayment of short-term loan	-	(20,000)
Repayment of obligation under finance leases	(321)	(308)
Net cash (used in) generated from financing activities	(6,650)	145,290
Net (decrease) increase in cash and cash equivalents	(41,364)	98,964
Cash and cash equivalents at 1 January	102,780	3,816
Cash and cash equivalents at 31 December	61,416	102,780
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	61,416	102,780