

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		<b>45,007</b>	(148,136)
Adjustments for:			
Interest expense	6	<b>4,407</b>	2,563
Interest income	5	<b>(1,157)</b>	(315)
Loss on disposal of fixed assets	5	<b>7</b>	3
Write off of fixed assets	5	<b>–</b>	183
Gain on disposal of interests in subsidiaries	5	<b>(85,763)</b>	(22,568)
Depreciation	5	<b>9,456</b>	769
Amortisation of intangible assets	5	<b>8,429</b>	1,318
Amortisation of goodwill on acquisition of subsidiaries and jointly-controlled entities		<b>5,281</b>	21,350
Impairment of intangible assets	5	<b>6,806</b>	–
Amortisation of prepaid rental	5	<b>580</b>	–
Impairment of goodwill		<b>7,000</b>	132,680
Provision for amounts due from jointly-controlled entities	5	<b>–</b>	5,873
Waiver of accrued directors' remuneration	5	<b>(5,299)</b>	–
Provision for deposit paid for a telecommunication project	5	<b>15,978</b>	–
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Operating profit/(loss) before working capital changes		<b>10,732</b>	(6,280)
Decrease/(increase) in trade receivables		<b>(1,787)</b>	248
Decrease in prepayments, deposits and other receivables		<b>148,091</b>	71,234
Decrease in trade payables, other payables and accruals		<b>(4,704)</b>	(6,858)
Exchange adjustments on translation of the financial statements of overseas subsidiaries		<b>167</b>	430
		<hr/>	<hr/>
Cash generated from operations		<b>152,499</b>	58,774
Interest received		<b>1,157</b>	315
Interest paid		<b>(4,343)</b>	(2,563)
Interest element on finance lease		<b>(64)</b>	–
Overseas taxes paid		<b>–</b>	(25)
		<hr/>	<hr/>
Net cash inflow from operating activities		<b>149,249</b>	56,501
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(326)</b>	(10,448)
Additions to intangible assets		<b>–</b>	(37,000)
Acquisition of subsidiaries	31	<b>(135,956)</b>	–
Decrease/(increase) in deposits pledged to a bank		<b>(223)</b>	1,647
		<hr/>	<hr/>
Net cash outflow from investing activities		<b>(136,505)</b>	(45,801)

<i>Notes</i>	<b>2004</b> <b>HK\$'000</b>	2003 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	<b>42,750</b>	–
Repayments of bank loans	<b>(20,055)</b>	(10,081)
Issue of convertible bonds	<b>30,000</b>	–
Capital element of finance lease payments	<b>(336)</b>	–
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Net cash inflow/(outflow) from financing activities	<b>52,359</b>	(10,081)
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<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of year	<b>41,312</b>	40,857
Effect of foreign exchange rate changes, net	<b>(161)</b>	(164)
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<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>106,254</b>	41,312
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<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>106,254</b>	41,312
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