

# CONSOLIDATED CASH FLOW STATEMENT

ANNUAL REPORT 2004

For the year ended 31st December, 2004

	NOTES	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss from operations		(224,463)	(148,312)
Adjustments for:			
Interest income		(24)	(126)
Depreciation and amortisation		79	21,031
Impairment losses and revaluation decrease		221,620	134,503
Allowance for loans to minority shareholders of subsidiaries		9,363	–
Gain on disposal of subsidiaries		(15,609)	–
Gain on disposal of investments in securities		–	(1,041)
Negative goodwill released		–	(872)
Amortisation of bank borrowings arrangement fee		–	424
Loss on disposal of property, plant and equipment		–	172
Unrealised loss on investments in securities		–	26
Operating cash flow before movements in working capital		(9,034)	5,805
Decrease in inventories		–	3,469
(Increase) decrease in trade and other receivables		(1,719)	6,273
Increase (decrease) in trade and other payables		3,097	(13,271)
Increase in deposits received		10,175	4,682
Cash generated from operations		2,519	6,958
Interest received		24	126
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>2,543</b>	<b>7,084</b>
<b>INVESTING ACTIVITIES</b>			
Disposal of subsidiaries	31	40,486	(21,337)
Additional costs incurred on properties under/ held for development		(9,467)	(20,944)
Purchase of property, plant and equipment		(104)	(12,483)
Refund of investments		–	75,000
Proceeds from disposal of investment in securities		–	8,879
Proceeds from disposal of property, plant and equipment		–	237
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>30,915</b>	<b>29,352</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank and other borrowings		(30,000)	(28,640)
Interest paid		(6,472)	(36,391)
Advance from ultimate holding company		667	–
Repayment of issue of convertible note		–	(66,000)
Repayment of obligations under a finance lease		–	(1,023)
Repayment to minority shareholders of subsidiaries		–	(187)
New bank and other borrowings raised		–	39,830
Advance from related companies/fellow subsidiaries		–	3,247
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(35,805)</b>	<b>(89,164)</b>

<i>NOTES</i>	<b>2004</b>	2003
	<b>HK\$'000</b>	HK\$'000
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,347)</b>	(52,728)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>4,823</b>	57,079
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>—</b>	472
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b> – representing Bank balances and cash	<b>2,476</b>	4,823