

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(47,362)	(19,034)
Adjustments for:			
Finance costs	6	4,068	12,533
Share of profit of associates		(8,820)	–
Bank interest income	4	(133)	(162)
Dividend income	4	(32)	–
Other interest income	4	(2,428)	(1,376)
Reversal of impairment provision on property, plant and equipment	4	(4,669)	–
Gain on disposal of property, plant and equipment	4	(3,773)	(233)
Gain on disposal of subsidiaries	4	(3,278)	–
Depreciation	5	2,608	15,458
Amortisation of intangible assets	5	–	1,360
Amortisation of goodwill		22,329	–
Write-off of long term receivables		–	12,431
Provision for bad and doubtful debts		13,919	4,210
Impairment of a deposit for investment		–	10,416
Impairment of a long term investment	5	–	712
Provision against amounts due from associates	5	–	424
Provision for inventories	5	458	–
Operating (loss)/profit before working capital changes		(27,113)	36,739
Decrease in inventories		17,123	16,018
Decrease in trade receivables		25,867	270
Decrease/(increase) in loan receivables		63,200	(63,200)
(Increase)/decrease in prepayments, deposits and other receivables		(5,780)	1,638
(Decrease)/increase in trade payables		(19,726)	1,008
Increase in accrued liabilities and other payables		38,272	7,666
Exchange difference on working capital		–	(638)
Cash generated from/(used in) operations		91,843	(499)
Interest paid		(3,969)	(10,532)
Interest element on finance leases		(99)	(1)
Loan arrangement fees paid		–	(2,000)
Overseas taxes paid		–	(6,175)
Hong Kong profits tax refunded		4	–
Net cash inflow/(outflow) from operating activities			
– page 23			
Continuing operations		104,908	28,264
Discontinuing operations		(17,129)	(47,471)
		87,779	(19,207)

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Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Net cash inflow/(outflow) from operating activities			
– page 22		87,779	(19,207)
CASH FLOWS FROM INVESTING ACTIVITIES			
Settlement of long term receivables		–	14,700
Interest received		2,561	1,538
Dividend received		32	–
Purchases of property, plant and equipment	12	(12,473)	(6,145)
Proceeds from disposal of property, plant and equipment		29,383	8,861
Acquisition of subsidiaries	31(b)	(136,761)	–
Disposal of subsidiaries	31(c)	(5,287)	–
Advances to associates		–	(24)
Advances to an investee		–	(518)
Purchases of investment securities		(6,069)	–
Deposit for investment		–	(3)
Decrease in pledged time deposits		7,724	–
Net cash (outflow)/inflow from investing activities		(120,890)	24,392
Continuing operations		–	(5,983)
Discontinuing operations		–	–
		(120,890)	18,409
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		41,466	39,934
Share issue expenses	30(a)	(717)	(1,650)
Net (repayment)/drawdown of bank and other borrowings		(2,413)	76,145
Decrease in trust receipt loans		(84,128)	(1,249)
Decrease in due to a minority shareholder		(25,020)	(1,841)
Capital element of finance lease payments		(1,034)	(53)
Net cash (outflow)/inflow from financing activities		(63,610)	33,126
Continuing operations		(8,236)	78,160
Discontinuing operations		–	–
		(71,846)	111,286
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(104,957)	110,488
Cash and cash equivalents at beginning of year		134,263	23,872
Effect of foreign exchange rate changes, net		–	(97)
CASH AND CASH EQUIVALENTS AT END OF YEAR		29,306	134,263
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	40,088	134,263
Non-pledged time deposits with original maturity of less than three months when required	22	426	–
Bank overdrafts, secured	24	(11,208)	–
		29,306	134,263