

CONSOLIDATED CASH FLOW STATEMENTS

Year ended 31 December 2004

	NOTES	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
LOSS BEFORE TAXATION		(13,716)	(86,470)
ADJUSTMENTS FOR:			
Depreciation	13	10,411	16,172
Interest received		-	(1)
Interest expenses		-	212
Loss on disposal of fixed assets		3,920	28,439
Tax written back on disposal of subsidiary company and tax provision		(23,608)	8,930
Provision for contingent liabilities		24,821	-
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL		1,828	(32,718)
(Increase)/Decrease in inventories		(358)	1,647
Decrease in accounts receivable		1,889	9,898
Decrease in prepayments, deposits and other receivable		10	39,840
Increase in an amount due from related companies		(10)	-
Decrease in accounts payable		(842)	(872)
Decrease in accrued liabilities and other payables		(1,868)	(5,309)
Decrease in an amount due to related companies		-	(289)
NET CASH INFLOW FROM OPERATING ACTIVITIES		649	12,197
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	1
Interest paid		-	(212)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		-	(211)
TAXATION			
Tax paid		-	-
INVESTING ACTIVITIES			
Purchases of fixed assets		(20)	(264)
NET CASH INFLOW BEFORE FINANCING ACTIVITIES		629	11,722
FINANCING ACTIVITIES			
Repayment of bank loan		-	(13,820)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		629	(2,098)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		(137)	1,961
CASH AND CASH EQUIVALENTS AT END OF YEAR		492	(137)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		492	(137)

The notes on pages 24 to 42 form an integral part of these financial statements.