

Consolidated Cash Flow Statement

Year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(149,242)	(94,413)
Adjustments for:		
Impairment losses on property, plant and equipment	40,939	998
Depreciation	18,578	14,419
Loss on disposal of property, plant and equipment	2,247	1,542
Loss on disposal of investments held for disposal	—	173
Written off of trade and other receivables	3,932	8,715
(Reversal)/provision for doubtful debts	(447)	858
Amortisation of intangible assets	23,912	10,703
Impairment provision on in tangible assets	35,633	—
Impairment provision on investments held for disposal	2,969	—
Impairment on interest in an unconsolidated subsidiary	—	155
Provision for/(written back of) obsolete inventory	529	(229)
Provision on promissory note	8,000	—
Share of losses of associates	6,072	1,769
Write back of cost of investment held for disposal	—	(1,516)
Unrealised holding (gain)/loss on investments in securities	(3,591)	5,863
Write off of goodwill in an associate	—	14,369
Loss on disposal of a subsidiary	—	6,975
Discount on early redemption of Convertible Notes and Promissory Notes	(7,800)	—
Interest income	(167)	(324)
Finance cost	2,731	3,279
Operating loss before working capital changes	(15,705)	(26,664)
Decrease in inventories	950	1,442
Decrease/(increase) in trade and other receivables	4,993	(6,951)
Increase/(decrease) in provision for staff welfare and bonus	1	(20)
Decrease in trade and other payables	(7,609)	(1,715)
Increase in amounts due to directors	3,101	—
NET CASH USED IN OPERATING ACTIVITIES	(14,269)	(33,908)

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Year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES		
Interest income received	167	324
Purchase of property, plant and equipment	(9,072)	(765)
Proceeds from disposal of property, plant and equipment	12,476	9,159
Proceeds from disposal of investments held for disposal	—	2,239
Payments for acquisition of interest in an associate	—	(20,707)
Net cash received from acquisition of subsidiaries	—	8
Net cash received from disposal of a subsidiary	—	5,053
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NET CASH FROM/(USED IN) INVESTING ACTIVITIES	3,571	(4,689)
FINANCING ACTIVITIES		
Cash contribution by the minority shareholder of a subsidiary	708	—
Interest paid	(2,731)	(3,279)
New short-term bank loans	78,446	26,400
Net proceeds from issue of share capital	27,396	26,100
Repayments of short-term bank loans	(77,315)	(25,174)
Repayments to a controlling shareholder	(1,018)	(11,876)
Decrease in convertible debentures	(2,186)	—
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NET CASH FROM FINANCING ACTIVITIES	23,300	12,171
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Increase/(decrease) in cash and cash equivalents	12,602	(26,426)
Cash and cash equivalents as at 1 January	43,670	70,096
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Cash and cash equivalents as at 31 December	56,272	43,670
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