

# Consolidated Cash Flow Statement

For the year ended 31st December, 2004

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>		
(Loss) profit from operations	<b>(14,953)</b>	19,561
Adjustments for:		
Interest income, other than from investments	<b>(487)</b>	(54)
Surplus on revaluation of investment properties	<b>(6,216)</b>	(2,000)
Unrealized loss (gain) on other investments	<b>8,281</b>	(3,704)
Depreciation and amortisation of property, plant and equipment	<b>11,532</b>	23,209
Impairment loss on property, plant and equipment	–	4,750
Loss on disposal of property, plant and equipment	<b>1,174</b>	–
Allowance for short-term loan receivable	<b>3,000</b>	–
Amortisation of trading right	<b>338</b>	–
Amortisation of goodwill	<b>59</b>	–
Release of negative goodwill	<b>(2,101)</b>	(780)
Operating cash flows before movements in working capital	<b>627</b>	40,982
Decrease (increase) in inventories	<b>263</b>	(3,425)
Increase in investments in securities	<b>(2,650)</b>	(23,038)
Increase in trade receivables, other receivables and prepayments	<b>(2,651)</b>	(27,323)
Decrease (increase) in short-term loans receivable	<b>25,404</b>	(53,960)
Increase in trade and other payables	<b>4,844</b>	11,834
Decrease in other payable to a minority shareholder of a subsidiary	<b>(3,316)</b>	(283)
Cash from (used in) operations	<b>22,521</b>	(55,213)
Interest paid	<b>(6,118)</b>	(13,066)
The PRC enterprise income tax refund	–	101
Hong Kong Profits Tax paid	<b>(170)</b>	(26)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>16,233</b>	(68,204)

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For the year ended 31st December, 2004

	<i>Notes</i>	<b>2004</b> <b>HK\$'000</b>	2003 <i>HK\$'000</i>
<b>INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries	31	<b>(5,230)</b>	(56,283)
Payment for deferred cash consideration on acquisition of subsidiaries in prior year	31	<b>(20,000)</b>	–
Purchase of property, plant and equipment		<b>(90,765)</b>	(4,440)
Deposits paid for acquisition of property, plant and equipment		<b>(63,049)</b>	–
Disposal of subsidiaries	32	–	28,477
Decrease in pledged bank deposits		–	21,048
Proceeds from disposal of property, plant and equipment		<b>304</b>	3,938
Dividend received from a jointly controlled entity		<b>4,304</b>	2,242
Interest received, other than from investments		<b>487</b>	54
Payments of improvement works		<b>(418)</b>	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(174,367)</b>	(4,964)
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings		<b>(58,224)</b>	(30,952)
Repayment of borrowings to a minority shareholder of a subsidiary		–	(6,127)
Borrowings raised		<b>212,431</b>	32,509
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>		<b>154,207</b>	(4,570)
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,927)</b>	(77,738)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(3)</b>	5
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>		<b>77,513</b>	155,246
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented bank balances, deposits and cash</b>		<b>73,583</b>	77,513