

Consolidated Cash Flow Statement

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For the Year ended 31st December, 2004

	Notes	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES			
Loss from operations		(16,370,503)	(31,959,850)
Adjustments for:			
Allowance for bad debts written back		–	(1,105,360)
Allowance for doubtful loans and overdrafts		440,416	–
Gain on disposal of investment securities		(7,563)	–
Impairment loss recognised in respect of investment securities		7	–
Depreciation of property, plant and equipment		874,164	1,951,952
Amortisation of intangible assets		271,430	271,430
Loss on disposal of property, plant and equipment		276,517	1,696,615
Operating cash flows before movements in working capital		(14,515,532)	(29,145,213)
Decrease (increase) in accounts receivable		1,504,643	(13,523,292)
Increase in other receivable, deposits and prepayments		(10,277,044)	(1,872,984)
Increase in investment securities		–	(7)
Decrease (increase) in amount due from a shareholder		29,839,067	(29,839,067)
Decrease (increase) in bank balances – trust and segregated accounts		3,879,026	(18,898,443)
(Decrease) increase in accounts payable		(4,180,838)	33,182,337
Increase in other payables and accrued charges		2,949,018	897,745
(Decrease) increase in amounts due to directors		(1,388,483)	2,600,402
NET CASH FROM (USED IN) OPERATING ACTIVITIES		7,809,857	(56,598,522)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,858,623)	(17,511)
Proceeds from disposal of property, plant and equipment		–	4,500,000
Proceeds from disposal of investment securities		57,563	–
Refund of statutory deposits		1,980,773	25,000
Advance from an associate		159,305	16,008
Disposal of subsidiaries	30	–	31,785,363
NET CASH FROM INVESTING ACTIVITIES		339,018	36,308,860

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For the Year ended 31st December, 2004

	2004	2003
	HK\$	HK\$
FINANCING ACTIVITIES		
Repayment from loans payable	(500,000)	(27,599,095)
Interest paid for obligation under finance lease	(8,045)	–
Interest paid for bank loans	(152,610)	(4,575,774)
Repayments of obligation under finance lease	(42,901)	–
Repayment of bank loans	–	(6,864,602)
Cash proceeds from shares issued	22,200,000	42,840,000
NET CASH FROM FINANCING ACTIVITIES	21,496,444	3,800,529
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,645,319	(16,489,133)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	3,973,070	20,462,203
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	33,618,389	3,973,070
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances (general accounts) and cash	33,618,389	4,431,134
Bank overdrafts	–	(458,064)
	33,618,389	3,973,070