

## Consolidated Cash Flow Statement

For the year ended 31st December, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(44,357)	(52,103)
Adjustments for:			
Depreciation of property, plant and equipment		4,097	4,776
(Gain)/Loss on disposal of property, plant and equipment		(15)	43
Loss on write off of property, plant and equipment		5,644	–
Impairment of property, plant and equipment		1,506	1,236
Revaluation of investment property		–	(70)
Interest income		(1,551)	(1,172)
Provision for doubtful debts		354	3,662
Operating loss before working capital changes		(34,322)	(43,628)
Decrease/(Increase) in other receivables, prepayments and deposits		1,589	(12,679)
Decrease in inventories		96	554
Decrease/(Increase) in trade receivables		127	(127)
(Decrease)/Increase in amount due from/to a connected party		(726)	2,306
Increase in trade payables		77	26
(Decrease)/Increase in accruals and other payables		(134)	4,445
Net cash used in operating activities		(33,293)	(49,103)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	30	(2,781)	(7,424)
Proceeds from sales of property, plant and equipment	30	2,023	426
Decrease in certificates of deposit		–	1,000
Acquisition of land held for resale		(1,636)	–
Interest received		718	818
Increase in other loan receivables	14	(1,071)	(1,558)
Acquisition of long term investment	13	(21,423)	–
Increase in loan receivable from an investee company	13	(43,624)	–
Net cash used in investing activities		(67,794)	(6,738)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of share capital		–	65,119
Increase in pledged bank deposits		–	(700)
Net cash generated from financing activities		–	64,419
Net (decrease)/increase in cash and cash equivalents		(101,087)	8,578
Cash and cash equivalents at 1st January, 2004		132,915	124,309
Effect of exchange rate fluctuation		–	28
Cash and cash equivalents at 31st December, 2004		31,828	132,915