

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Operating activities			
Loss before taxation		(102,843)	(47,840)
Adjustments for:			
Allowance for bad and doubtful debts		581	3,142
Allowance for obsolete inventory		–	1,863
Depreciation of property, plant and equipment		4,330	4,779
Amortisation of goodwill		9,901	4,381
Amortisation of intangible assets		314	143
Impairment of goodwill		54,949	5,109
Loss on disposal of property, plant and equipment		258	31
Impairment of property, plant and equipment		–	5,704
Loss on disposal of subsidiaries		1,006	14,309
Decrease (increase) on revaluation of investment properties		1,070	(1,666)
Interest income		(12)	(7)
Interest expenses		2,350	883
Loss before working capital changes		(28,096)	(9,169)
(Increase) decrease in inventories		(1,440)	786
Decrease (increase) in trade, other receivables and prepayments		3,028	(1,615)
Increase (decrease) in trade, other payables and accruals		7,299	(678)
Cash used in operations		(19,209)	(10,676)
Interest paid		(2,350)	(883)
Hong Kong Profits Tax paid		(42)	(106)
Net cash used in operating activities		(21,601)	(11,665)
Investing activities			
Interest received		12	7
Proceeds from disposal of property, plant and equipment		3,538	43
Acquisition of interest in a subsidiary, net of cash acquired	28	171	(30,696)
Disposal of subsidiaries, net of cash disposed of	29	1,128	5,426
Purchase of property, plant and equipment		(4,303)	(1,634)
Purchase of intangible assets		(777)	–
Increase in pledged bank deposits		(2)	(9,654)
Payment of consideration of acquisition of subsidiaries		(33,500)	–
Investment in unlisted shares		–	(300)
Payments of obligations of finance leases		(865)	–
Net cash used in investing activities		(34,598)	(36,808)

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	2004 HK\$'000	2003 HK\$'000
Financing activities		
New borrowings	64,000	63,422
Issue of shares	5,080	–
Issue of subsidiary's shares to minority interests	4,145	–
Repayment of borrowings	(22,963)	(2,169)
Net cash from financing activities	50,262	61,253
Net (decrease) increase in cash and cash equivalents	(5,937)	12,780
Cash and cash equivalents at the beginning of the year	11,404	(1,376)
Cash and cash equivalents at the end of the year	5,467	11,404
Being:		
Bank balances and cash	5,467	16,382
Bank overdrafts	–	(4,978)
	5,467	11,404