

Consolidated cash flow statement

Year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
(Loss)/profit from operating activities	(75,552)	16,009
Interest income	(287)	(170)
Depreciation	10,158	10,527
Loss on disposal of fixed assets, net	8,030	4
Provision for/(reversal of) impairment of properties under development	2,584	(6,107)
Impairment of goodwill arising from acquisition of subsidiaries	–	56
Amortisation of goodwill attributable to associates	3,532	3,532
Provision for inventories	116	2,400
Provision for legal claims	29,929	1,698
Loss on write off of an associate	–	1,161
Provision for other receivables	2,310	–
Write back for doubtful debts	–	(103)
Provision for amounts due from associates	3,254	–
Operating (loss)/profit before working capital changes	(15,926)	29,007
Increase in properties under development	(19,452)	(42,872)
Increase in properties held for sale	–	(1,098)
Decrease/(increase) in inventories	59	(215)
Increase in other receivable, deposits and prepayments	(606)	(8,177)
Increase in amount due to a former director	134	–
Increase in other payables and accruals	29,452	44,004
Decrease in amount due to directors	–	(960)
Decrease in trade receivables	50	250
Increase/(decrease) in trade payables	8,240	(27,712)
(Decrease)/increase in deposits received	(28,102)	14,998
Decrease in provision for legal claims	(1,698)	–
CASH (USED IN)/GENERATED FROM OPERATIONS	(27,849)	7,225
Mainland China income tax paid	(7,583)	–
Hong Kong profits tax paid	(2,537)	–
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(37,969)	7,225

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Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of fixed assets		(474)	(5,733)
Interest income received		287	170
Proceeds on disposals of fixed assets		90	–
Net cash inflow from acquisition of subsidiaries	35(a)	–	152
Net cash inflow from inclusion of a subsidiary previously omitted		–	828
Net cash outflow from disposal of subsidiaries	35(b)	–	(617)
Increase in amount due from associates		(461)	(259)
Decrease/(increase) in pledged and restricted bank balances		857	(111)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		299	(5,570)
FINANCING ACTIVITIES			
New bank loans		–	11,474
Repayment of bank loans		(3,320)	(165)
Repayment of other loans		–	(284)
New other loan		16,500	–
Increase/(decrease) in amount due to a major shareholder		13,883	(17,160)
Interest paid		(4,863)	(2,957)
Repayment of finance lease payable		(249)	(322)
Capital contributed by a minority shareholder		–	4,246
Increase in amount due to a minority shareholder of a subsidiary		–	17,320
NET CASH GENERATED FROM FINANCING ACTIVITIES		21,951	12,152
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(15,719)	13,807
Cash and cash equivalents, at beginning of year		17,012	3,205
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,293	17,012

The notes on pages 28 to 76 form an integral part of these financial statements.