

# Consolidated Cash Flow Statement

For the year ended 31 December 2004 (in HK Dollars)

	2004	2003
Notes	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>		
Loss from operations	(283,367)	(11,694)
Adjustments for:		
Interest income	(1,872)	(3,932)
Depreciation	1,238	2,583
Deficit/(Surplus) on revaluation of investment properties	17,800	(1,100)
Impairment loss on other investments	253,466	—
Loss on disposal of fixed assets	584	6,710
Loss on disposal of investment properties	1,845	—
Provision for amount due from a fellow subsidiary	2,405	—
Provision for doubtful debts	2,299	—
Exchange differences	—	(259)
Operating loss before working capital changes	(5,602)	(7,692)
Decrease in accounts receivable, other receivables and prepayment	9,772	13,725
Increase in other deposit	(14,151)	—
Decrease in accounts payables, other payables and accruals	(4,545)	(59)
Decrease in investment deposits	—	92,000
Increase in amount due to ultimate holding company	6,582	1,060
Decrease in amount due to related party	—	(3,222)
Increase/(Decrease) in amount due to a director	50	(2,622)
Cash (used in)/generated from operations	(7,894)	93,190
Interest received	3	3,932
Interest element of finance lease	—	(1)
Other borrowing costs paid	(2,452)	(4,500)
Net cash (used in)/generated from operating activities	(10,343)	92,621
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets and properties under development	(19,686)	(25,444)
Payment of acquisition of other investments	—	(92,000)
Proceeds from disposal of investment properties and other fixed assets	2,975	14,207
Refund of investment deposits	—	12,836
Deposits for investments	—	(49,525)
Loans to third parties	—	(18,050)
Repayment of loans from third parties	—	8,416
Net cash used in investing activities	(16,711)	(149,560)
<b>Net cash used before financing activities carried forward</b>	<b>(27,054)</b>	<b>(56,939)</b>



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<b>Net cash used before financing activities carried forward</b>		<b>(27,054)</b>	(56,939)
<b>Cash Flows from Financing Activities</b>			
Proceeds from placing of shares		—	74,500
Repayment of bank loans		<b>(2,630)</b>	(18,602)
Net cash (used in)/generated from financing activities		<b>(2,630)</b>	55,898
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(29,684)</b>	(1,041)
Effect of foreign exchange rate changes		<b>17</b>	(84)
Cash and cash equivalents at beginning of year		<b>27,124</b>	28,249
<b>Cash and cash equivalents at end of year</b>		<b>(2,543)</b>	27,124
<b>Analysis of Balances of Cash and Cash Equivalents</b>			
Cash and bank balances	25	<b>4,595</b>	37,055
Bank overdrafts	25	<b>(7,138)</b>	(9,931)
		<b>(2,543)</b>	27,124

The accompanying notes form an integral part of these financial statements.