

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss from ordinary activities before taxation		(29,999)	(340,797)
Adjustments for:			
Depreciation		295	2,294
Amortisation of goodwill		–	2,853
Loss on disposal of investment properties		–	4,771
Gain on disposal of investment properties relating to discontinued operations (included in “gain/(loss) on discontinued operations” shown on the face of the consolidated income statement)		(435)	–
(Gain)/Loss on disposal of subsidiaries, net	39(a), (b)	(3)	115,526
Impairment loss of goodwill (included in “gain/(loss) on discontinued operations” shown on the face of the consolidated income statement)		–	6,417
Impairment loss recognised in relation to an associate (included in “gain/(loss) on discontinued operations” shown on the face of the consolidated income statement)		–	3,402
Deficit on revaluation of investment properties		982	21,295
Gain on strike off of subsidiaries		(30)	–
Loss on disposal of associates		–	19,148
Gain on disposal of a short term investment		(708)	–
Write off of deposits and expenses for proposed investments		–	36,553
Finance costs		4,460	7,387
Results attributable to associates		3,732	17,726
Negative goodwill arising on acquisition of subsidiaries recognised as income		–	(386)
Bank interest income		(19)	(59)
Write back of accruals		–	(2,000)
Loss on disposal of fixed assets		21	24,559
Impairment loss of fixed assets		161	360
Provision for doubtful debts		13,638	82,076
Write off of other receivables		71	–
Write off of amounts due from associates		–	84
Operating (loss)/profit before working capital changes		(7,834)	1,209
Decrease in inventories		–	28
Decrease in properties held for sale		90	12,622
Decrease in trade receivables		143	10,075
(Increase)/Decrease in loan and interest receivables		(782)	8,089
Increase in other receivables		(935)	(16,246)
Decrease in trade payables		(612)	(5,324)
Increase in other payables		10,997	1,752
Cash generated from operations		1,067	12,205
Hong Kong profits tax paid		(13)	–
Overseas taxes paid		–	(62)
Net cash generated from operating activities		1,054	12,143

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FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 HK\$'000	2003 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(7)	(207)
Proceeds from disposal of fixed assets		–	9,402
Proceeds from disposal of investment properties		2,735	7,629
Additions to properties under development		–	(3,377)
Disposal of subsidiaries	39(a), (b)	(4)	7,521
Deconsolidation of a subsidiary	39(c)	–	(25)
Capital contribution to an associate		–	(1,941)
Advances to associates		(123)	(84)
Proceeds from disposal of interests in associates		–	300
Proceeds from disposal of short term investment		3,563	–
Refund of advances for potential investment		–	2,000
Bank interest received		19	59
Net cash from investing activities		<u>6,183</u>	<u>21,277</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest element on finance lease payments		(26)	(11)
Interest paid		(2,291)	(11,089)
Net repayments in trust receipt loans		–	(7,878)
Net repayments in invoice financing loans		(2,210)	(8,297)
Capital element of finance lease rental payments		(204)	(60)
New bank and other borrowings		1,050	33,537
Repayment of bank and other borrowings		(2,900)	(40,470)
Capital contributed by minority shareholders		–	1,891
Repayment to minority interests		–	(306)
Net cash used in financing activities		<u>(6,581)</u>	<u>(32,683)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>656</b>	<b>737</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>(3,680)</b>	<b>(4,784)</b>
Effect of foreign exchange rate changes, net		383	367
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<u><b>(2,641)</b></u>	<u><b>(3,680)</b></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		862	857
Time deposits with original maturity of less than three months when acquired, pledged as security for banking facilities		37	764
Bank overdrafts		(3,540)	(5,301)
		<u><b>(2,641)</b></u>	<u><b>(3,680)</b></u>