

CONSOLIDATED CASH FLOW STATEMENT*For the year ended 31 December 2004*

	Notes	2004 HK\$'000	2003 HK\$'000
Cash flows from operating activities			
Loss before taxation		(18,753)	(2,805)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		1,794	471
Reversal of impairment loss on land and buildings		–	(2,691)
Amortisation and impairment of goodwill		1,837	–
Finance costs		109	–
Share of losses of associates		2,743	1,301
Interest income		(248)	(1,240)
Gain on disposal of partial interest in a subsidiary		(1,083)	–
Gain on disposal of property, plant and equipment		(10)	–
<i>Operating loss before changes in working capital</i>		(13,611)	(4,964)
Decrease/(Increase) in trade receivables		324	(826)
Decrease in prepayments, deposits and other receivables		17,159	20,300
Increase in trade payables		1,152	–
Increase in other payables		8,650	1,085
<i>Net cash generated from operating activities</i>		13,674	15,595
Cash flows from investing activities			
Payments for purchase of property, plant and equipment		(29,277)	(39)
Increase in prepayment for purchase of property, plant and equipment and deposit for a potential mining project		(41,709)	–
Capital investment in an associate		–	(42,498)
Payment for purchase of subsidiaries, net of cash acquired	26	(13,630)	–
Proceeds from disposal of partial interest in a subsidiary		7,054	–
Proceeds from disposal of property, plant and equipment		74	–
Interest received		248	1,240
<i>Net cash used in investing activities</i>		(77,240)	(41,297)
Cash flows from financing activities			
Increase in pledged bank deposit		(4,703)	–
New bank loan borrowed		37,622	–
Increase in amount due to a related company		9,406	–
Interest paid		(964)	–
<i>Net cash generated from financing activities</i>		41,361	–
Net decrease in cash and cash equivalents		(22,205)	(25,702)
Cash and cash equivalents at 1 January		53,833	79,535
Cash and cash equivalents at 31 December	17	31,628	53,833

The notes on pages 20 to 41 form part of the financial statements.