

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Operating activities			
Loss before taxation		(161,416)	(50,975)
Adjustments for:			
Advertising and telecommunication services expenses	29	11,213	13,269
Allowance for bad and doubtful debts		7,630	1,073
Allowance for inventory obsolescence and write-off of inventories		19,041	7,195
Amortisation of intangible assets		1,830	1,830
Amortisation of goodwill		6,928	4,351
Depreciation and amortisation of property and equipment		44,916	49,765
Deemed gain on partial disposal of interest in Pricerite Group Limited ("Pricerite")		(769)	–
Dividends from investments		(1,015)	–
Gain on partial disposal of interest in CASH Financial Services Group Limited ("CFSG")		–	(6,321)
Impairment loss recognised in respect of goodwill held in reserves		–	300
Impairment loss recognised in respect of investments		15,500	–
Impairment loss recognised in respect of goodwill		10,000	–
Impairment loss recognised in respect of property and equipment		2,060	–
Reversal of impairment loss previously recognised in respect of property and equipment		–	(900)
Interest expenses		11,398	7,593
Loss on disposal of property and equipment		4,746	1,941
Operating cashflow before movements in working capital		(27,938)	29,121
Increase in inventories		(16,759)	(3,099)
Decrease (Increase) in accounts receivable		131,457	(324,054)
(Increase) Decrease in loans receivable		(38,118)	1,644
Decrease (Increase) in prepayments, deposits and other receivables		26,022	(5,808)
Increase in investments		(3,500)	(8,666)
Increase in bank balances - trust and segregated accounts		(51,100)	(97,036)
Increase in accounts payable		45,511	249,453
Increase (Decrease) in accrued liabilities and other payables		25,254	(16,858)
Cash from (used in) operations		90,829	(175,303)
Hong Kong Profits Tax paid		(134)	–
Dividends received		1,015	–
Interest paid		(11,376)	(7,550)
Net cash from (used in) operating activities		80,334	(182,853)

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For the year ended 31 December 2004

	Note	2004 HK\$'000	2003 HK\$'000
Investing activities			
Additional payment for acquisition of a subsidiary	16(ii)	(1,400)	–
Expenses paid for subscription of CFSG's rights shares		(800)	–
Proceeds from disposal of property and equipment		381	15,825
Purchase of property and equipment		(67,151)	(9,918)
Purchase of investments		(10,800)	(15,500)
Statutory and other deposits (paid) refunded		(1,601)	363
Acquisitions of subsidiaries (net of cash and cash equivalents acquired)		–	(2,706)
Decrease in club memberships		–	329
Proceeds from partial disposal of interest in CFSG		–	12,335
Net cash (used in) from investing activities		(81,371)	728
Financing activities			
(Decrease) Increase in trust receipt loans		(3,782)	8,444
Increase in bank deposits under conditions		(16,219)	(9,675)
(Decrease) Increase in bank loans		(86,603)	136,600
Decrease in bank overdrafts		(28,328)	(8,644)
Repayments of obligations under finance leases		(537)	(804)
Proceeds on issue of convertible notes		40,500	–
Proceeds on issue of shares		23,760	16,500
Share issue expenses		(655)	(76)
Contributions from minority shareholders		66,476	30,642
Interest paid on obligations under finance leases		(22)	(43)
Share issue expenses paid by CFSG and Pricerite		(3,330)	(2,546)
Net cash (used in) from financing activities		(8,740)	170,398
Net decrease in cash and cash equivalents		(9,777)	(11,727)
Cash and cash equivalents at beginning of year		245,924	257,651
Cash and cash equivalents at end of year		236,147	245,924
Being:			
Bank balances and cash		236,147	245,924