

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	(As restated) 2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(197,556)	2,665
Adjustments for:			
Interest income	8	(833)	(3)
Gain on disposal of discontinued operations	8	(5,290)	(4,943)
Gain on disposal of subsidiary	8	(997)	–
Gain arising from changes in fair value less estimated point-of-sale costs of biological assets	8	(5,461)	(4,460)
Loss on disposal of fixed assets	8	169	–
Amortisation of goodwill on acquisition of subsidiaries	8	2,272	2,272
Amortisation of production right	8	–	499
Amortisation of computer software development cost	8	1,302	–
Depreciation	8	2,910	3,853
Provision for doubtful debts	8	25,154	1,447
Provision for amount due from minority shareholder of a subsidiary	8	20,529	–
Provision for impairment of the interest in an unconsolidated subsidiary	8	–	14,439
Provision for impairment of production right	8	–	7,481
Provision for impairment of goodwill	8	40,513	–
Provision for loss in cash deposit	8	126,845	–
Finance costs	9	14	–
Operating profit before working capital changes		9,571	23,250
Decrease in inventories		56	1,570
Decrease in biological assets		342	2,619
Decrease/(increase) in accounts receivable		25,115	(39,174)
Increase in prepayments and deposits		(26,694)	(2,093)
Increase in amount due from minority shareholder of a subsidiary		(20,529)	–
Decrease in amounts due from related companies		3	115
Increase in cash balance at PRC Trust Co-operatives Union		(127,128)	–
Decrease in accounts payable		(3,009)	(471)
(Decrease)/increase in other payables and accrued liabilities		(34,674)	1,240
Decrease in an amount due to a minority shareholder of a subsidiary		(30,000)	(2,998)
Increase in amounts due to related companies		5,679	2,476
Cash used in operations		(201,268)	(13,466)
Interest paid		(14)	–
Net cash outflow from operating activities:			
Continuing operations		(201,282)	(13,483)
Discontinued operations		–	17
		(201,282)	(13,466)

Consolidated Cash Flow Statement *(Continued)*

Year ended 31 December 2004

	<i>Notes</i>	2004 HK\$'000	(As restated) 2003 <i>HK\$'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		833	3
Purchase of computer software development cost		(6,510)	–
Purchase of fixed assets		(2,642)	(59)
Proceeds from disposal of fixed assets		365	–
Proceeds from disposal of subsidiary		997	–
Refund of deposit paid for potential future investment	26	126,000	36,000
Deposits paid for potential future investments	26	–	(126,000)
Repayment of promissory notes receivable in connection with the disposal of discontinued operations		60,000	90,000
Net cash inflow/(outflow) from investing activities:			
Continuing operations		118,046	(60,056)
Discontinued operations		60,997	60,000
		179,043	(56)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposit received in connection with a placement of shares		–	5,250
Proceeds from issue of share capital	34	22,778	–
New loan raised		1,404	–
Repayment of bank loans		(188)	–
Net cash inflow from financing activities:			
Continuing operations		23,994	5,250
Discontinued operations		–	–
		23,994	5,250
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		1,755	(8,272)
Cash and cash equivalents at beginning of year		169	8,476
Cash and cash equivalents deconsolidated		–	(61)
Effect of foreign exchange rate changes, net		127	26
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		2,051	169
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		2,051	169