

Consolidated Cash Flow Statement

For the year ended 31 July 2003

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	2003 HK\$'000	2002 HK\$'000 (Restated)
Cash flows from operating activities		
Loss before taxation	(132,013)	(138,027)
Adjustment for:		
Share of results of associates	42,132	1,709
Loss on disposal of discontinued operations	-	45,493
Loss on disposal of fixed assets	-	18
Loss on disposal of investments in securities	-	3,903
Loss on disposal of an associate	3,706	-
Loss on deemed disposal of an associate	1,742	-
Net allowances of bad and doubtful debts	4,084	14,193
Depreciation and amortisation	6,197	5,445
Interest income	(2,716)	(10,833)
Interest on bank borrowings	5,919	13,650
Finance charges in respect of finance leases	17	25
Gain realised on expiry of warrants	(38,845)	-
Reversal of impairment loss in respect of fixed assets	(1,232)	-
Impairment loss in respect of fixed assets	3,515	13,200
Impairment loss in respect of golf resort under construction	5,000	27,000
Impairment loss in respect of properties under development	12,000	-
Impairment losses in respect of properties for sale	38,537	19,000
Deficit arising from revaluation of investment properties	26,206	5,000
Operating loss before working capital changes	(25,751)	(224)
Decrease in trade debtors – due after one year	8,388	2,290
Decrease in properties for sale	8,864	7,512
Decrease in amount due from an associate	2,940	209
Decrease/(increase) in trade and other debtors	3,618	(20,041)
Decrease in deposits and prepayments	2,791	10,179
Increase in other deposit	-	(12,500)
Increase in retention money receivable	-	(6,378)
Increase in advances to subcontractors	-	(1,687)
Increase/(decrease) in trade and other creditors	10,741	(26,937)
(Decrease)/increase in accrual charges	(16,564)	6,787
Increase in retention money payable	-	1,082
Increase in amount due to an associate	330	285
Increase in amounts due from Wing Fai Subsidiaries	-	39,998
Cash (used in)/generated from operations	(4,643)	575
Interest paid	(5,919)	(13,650)
Finance charges paid in respect of finance leases	(17)	(25)
PRC sales tax refunded/(income tax paid)	3,655	(364)
Net cash used in operating activities	(6,924)	(13,464)

	2003	2002
	HK\$'000	HK\$'000
		<i>(Restated)</i>
Cash flows from investing activities		
Interest received	2,716	10,833
Proceeds from disposal of investment in securities	-	19,454
Proceeds from disposal of subsidiaries	-	5,100
Purchases of investments in securities	-	(23,357)
Additions to golf resort under construction	-	(15,567)
Additions to investment properties	-	(5,424)
Purchase of fixed assets	(993)	(2,134)
Decrease in pledged bank deposits	23,069	217,758
	<u>24,792</u>	<u>206,663</u>
Net cash generated from investing activities		
Cash flows from financing activities		
Issue of warrants for cash	-	40,000
Issue of shares for cash	-	150
Net cash outflow from trust receipt loans	-	(36,760)
Repayment of bank loans	(3,593)	(3,524)
Repayment of obligations under finance leases	(50)	(1,266)
Expenses incurred in connection with the issue of shares, warrants and options	-	(1,155)
	<u>(3,643)</u>	<u>(2,555)</u>
Net cash used in financing activities		
Net increase in cash and cash equivalents	14,225	190,644
Cash and cash equivalents at the beginning of the year	(180,993)	(371,637)
Effect on foreign exchange rate changes	(2,077)	-
	<u>(168,845)</u>	<u>(180,993)</u>
Cash and cash equivalents at the end of the year		
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	3,076	4,737
Bank overdrafts, secured	(171,921)	(185,730)
	<u>(168,845)</u>	<u>(180,993)</u>

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