

Consolidated Cash Flow Statement

For the year ended 31 July 2005

	2005 HK\$'000	2004 HK\$'000
Cash flows from operating activities		
Loss before taxation	(27,750)	(16,479)
Adjustments for:		
Depreciation and amortisation	19,421	20,332
Interest expenses	8,999	9,359
Gain on disposal of property, plant and equipment	(160)	(16,978)
Provision for bad and doubtful debts	1,196	536
Provision for impairment loss on property, plant and equipment	932	–
Reversal of provision for annual leave	(95)	–
Provision for doubtful debts written back	–	(75)
Reversal of provision for accrued interest	(452)	–
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Operating profit/(loss) before working capital changes	2,091	(3,305)
Decrease in trade and other receivables	5,986	7,539
Increase in amounts due from related companies	(3,392)	(880)
Increase/(decrease) in trade and other payables	2,790	(10,735)
(Decrease)/increase in amounts due to related companies	(12,696)	6,659
Increase in amounts due to directors	649	–
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Cash used in operations	(4,572)	(722)
Interest paid	(405)	–
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Net cash used in operating activities	(4,977)	(722)
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Cash flows from investing activities		
Purchase of property, plant and equipment	(1,982)	(138)
Proceeds from sale of property, plant and equipment	650	28,936
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Net cash (used in)/generated from investing activities	(1,332)	28,798
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Consolidated Cash Flow Statement (Continued)

For the year ended 31 July 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
Cash flows from financing activities		
Proceeds from issuance of share capital	1,316	–
Other loans repaid	(4,660)	(26,286)
Other loans raised	12,983	–
	<hr/> 9,639	<hr/> (26,286)
Net cash generated from/(used in) financing activities		
	3,330	1,790
Net increase in cash and cash equivalents		
Cash and cash equivalents at 1 August	183	550
Effect of foreign exchange rate change, net	(3,275)	(2,157)
	<hr/> 238	<hr/> 183
Cash and cash equivalents at 31 July		
Analysis of balances of cash and cash equivalents		
Cash and bank balances	812	616
Bank overdrafts	(574)	(433)
	<hr/> 238	<hr/> 183

The notes on pages 26 to 63 form an integral part of these financial statements.