

# Consolidated Cash Flow Statement

For the year ended 31 July 2005

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	2005 HK\$'000	2004 HK\$'000
Cash flows from operating activities		
Loss before taxation	(58,516)	(66,191)
Adjustments for:		
Share of results of associates	6,221	16,311
Gain on disposal of subsidiaries	-	(2,161)
Gain on disposal of fixed assets	(272)	(140)
Allowances of bad and doubtful debts	3,049	96
Depreciation and amortisation	5,696	6,069
Interest income	(1,557)	(402)
Interest on bank borrowings	2,831	3,697
Provision for claims	2,000	-
Reversal of other payables	(5,779)	-
Reversal of impairment loss in respect of fixed assets	(515)	(10,300)
Impairment loss in respect of golf resort	8,800	1,500
Impairment loss in respect of properties under development	10,800	13,418
Deficit arising from revaluation of investment properties	10,700	14,917
Operating loss before working capital changes	(16,542)	(23,186)
Decrease in trade debtors – due after one year	-	181
Decrease in properties for sale	3,008	5,230
Decrease in amount due from an associate	-	159
Decrease in trade and other debtors	425	8,206
Increase in deposits and prepayments	(1,053)	(2,180)
Increase/(decrease) in trade and other creditors	14,132	6,547
(Decrease)/increase in accrual charges	(7,457)	7,162
Decrease in amount due to an associate	(809)	(24)
Increase in amounts due to directors	1,453	4,735
Cash (used in)/generated from operations	(6,843)	6,830
Interest paid	(2,831)	(3,697)
PRC income tax paid	(775)	(186)
Net cash (used in)/generated from operating activities	(10,449)	2,947

	2005 HK\$'000	2004 HK\$'000
<b>Cash flows from investing activities</b>		
Interest received	1,557	402
Disposal of subsidiaries	-	50
Purchase of fixed assets	(2,979)	(876)
Proceeds from disposal of fixed assets	2,431	2,980
Proceeds from rights issue	45,133	-
Share issue expenses	(1,971)	-
Decrease/(increase) in pledged bank deposits	116,851	(613)
<b>Net cash generated from investing activities</b>	<b>161,022</b>	<b>1,943</b>
<b>Cash flows from financing activities</b>		
New interest bearing borrowings	6,300	-
Repayment of bank loans	(3,268)	(3,753)
Repayment of obligations under finance leases	-	(25)
<b>Net cash generated from/(used in) financing activities</b>	<b>3,032</b>	<b>(3,778)</b>
<b>Net increase in cash and cash equivalents</b>	<b>153,605</b>	<b>1,112</b>
Cash and cash equivalents at the beginning of the year	(167,733)	(168,845)
Effect on foreign exchange rate changes	2,129	-
<b>Cash and cash equivalents at the end of the year</b>	<b>(11,999)</b>	<b>(167,733)</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	8,370	4,085
Bank overdrafts, secured	(20,369)	(171,818)
	<b>(11,999)</b>	<b>(167,733)</b>

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