

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>OPERATING ACTIVITIES</b>			
Loss before taxation, including loss from discontinued operation		(4,829)	(54,706)
Adjustments for:			
Depreciation of property, plant and equipment		298	461
Amortisation of goodwill		–	19,200
Deficit on revaluation on investment properties		15,655	47,143
Impairment loss on goodwill		76,800	–
Interest expenses		10,200	8,603
Loss on disposal of property, plant and equipment		–	9
Loss on disposal of investment properties		–	5,474
Discount on acquisition		(488)	–
Share of results of a jointly controlled entity		(47)	–
Bank and other interest income		(723)	(12)
Gain on disposal of other investments		–	(986)
Gain on cancellation of convertible notes		(19,917)	–
<b>Operating cash flows before movements in working capital</b>		<b>76,949</b>	<b>25,186</b>
Decrease/(increase) in account receivables		24,032	(9,197)
Decrease in prepayment, deposits and other receivables		50,142	64,951
(Decrease)/increase in account payables		(1,666)	1,666
Decrease in accruals and other payables		(8,392)	(45)
		141,065	82,561
Profits tax paid		(42)	–
<b>Net cash generated from operating activities</b>		<b>141,023</b>	<b>82,561</b>
<b>INVESTING ACTIVITIES</b>			
Interest received		723	12
Purchase of investment properties	20	(12,000)	(30,241)
Acquisition of subsidiaries	43	(88,343)	(50,000)
Decrease/(increase) in deposits for acquisition of land		5,360	(72,642)
Proceeds from disposal of investments in securities		–	18,995
Increase in deposit for acquisition of investment properties		(49,276)	(26,719)
Increase in deposit received for disposal of a subsidiary		60,000	–
Purchase of property, plant and equipment		(58)	(8)
Proceeds from disposal of investment properties		14,187	14,699
<b>Net cash used in investing activities</b>		<b>(69,407)</b>	<b>(145,904)</b>

# CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30 June 2006

Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
<b>FINANCING ACTIVITIES</b>		
(Decrease)/increase in amount due to related companies	(2,766)	1,082
Repayment of bank loan	–	(26,190)
Proceeds from issue of convertible notes	–	88,500
Interest paid	(10,200)	(320)
Cancellation of convertible notes	(54,500)	–
<b>Net cash (used in)/generated from financing activities</b>	<b>(67,466)</b>	<b>63,072</b>
<b>Net increase/(decrease) in cash and cash equivalent</b>		
Cash and cash equivalents at beginning of year	371	642
Effect of foreign exchange rate changes	(3,032)	–
<b>Cash and cash equivalents at end of year</b>	<b>1,489</b>	<b>371</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,489	371