

# Consolidated Cash Flow Statement

for the year ended 31 July 2006

China Rich Holdings Limited Annual Report 2006

	<b>2006</b>	2005
	<b>HK\$'000</b>	HK\$'000
		(Restated)
<b>Cash flows from operating activities</b>		
Loss before taxation	<b>(43,068)</b>	(58,565)
<i>Adjustments for:</i>		
Amortisation of leasehold land	<b>15</b>	15
Loss arising from change in fair value of investment properties	<b>857</b>	10,700
Depreciation	<b>5,828</b>	5,587
Finance costs	<b>1,942</b>	2,831
Gain on disposal of property, plant and equipment	–	(272)
Loss on disposal of property, plant and equipment	<b>28</b>	–
Impairment loss in respect of golf resort	<b>9,019</b>	8,800
Impairment loss in respect of properties under development	<b>5,794</b>	10,800
Impairment loss in respect of property, plant and equipment	<b>700</b>	–
Interest income	<b>(927)</b>	(1,557)
Provision for claims	<b>1,800</b>	2,000
Provision for impairment loss on trade and other debtors	<b>6,412</b>	3,049
Reversal of impairment loss in respect of property, plant and equipment	–	(372)
Reversal of other payables	<b>(2,777)</b>	(5,779)
Share of results of an associate	<b>5,862</b>	6,221
Operating loss before working capital changes	<b>(8,515)</b>	(16,542)
Decrease in properties held for sale	<b>4,865</b>	3,008
(Increase)/Decrease in trade and other debtors	<b>(1,771)</b>	425
Decrease/(Increase) in deposits and prepayments	<b>2,241</b>	(1,053)
(Decrease)/Increase in trade and other creditors	<b>(4,885)</b>	14,132
Increase/(Decrease) in accrued charges	<b>92</b>	(7,457)
Increase/(Decrease) in amount due to an associate	<b>679</b>	(809)
(Decrease)/Increase in amount due to a director	<b>(2,428)</b>	1,453
Cash used in operations	<b>(9,722)</b>	(6,843)
Interest paid	<b>(1,942)</b>	(2,831)
PRC income tax paid	–	(775)
<i>Net cash used in operating activities</i>	<b>(11,664)</b>	(10,449)

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		(Restated)
<b>Cash flows from investing activities</b>		
Interest received	<b>927</b>	1,557
Purchase of property, plant and equipment	<b>(3,720)</b>	(2,979)
Proceeds from disposal of property, plant and equipment	–	2,431
Proceeds from rights issue	–	45,133
Share issue expenses	–	(1,971)
Decrease in pledged bank deposits	<b>52,946</b>	116,851
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<i>Net cash generated from investing activities</i>	<b>50,153</b>	161,022
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<b>Cash flows from financing activities</b>		
New interest bearing borrowings	–	6,300
Repayment of bank loans	<b>(6,293)</b>	(3,268)
Repayment of interest bearing borrowings	<b>(4,118)</b>	–
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<i>Net cash (used in)/generated from financing activities</i>	<b>(10,411)</b>	3,032
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<b>Net increase in cash and cash equivalents</b>	<b>28,078</b>	153,605
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(11,999)</b>	(167,733)
<b>Effect on foreign exchange rate changes</b>	<b>(349)</b>	2,129
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<b>Cash and cash equivalents at the end of the year</b>	<b>15,730</b>	(11,999)
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<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	<b>16,435</b>	8,370
Bank overdrafts, secured	<b>(705)</b>	(20,369)
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	<b>15,730</b>	(11,999)
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The accompanying notes form an integral part of these financial statements.