

## CONSOLIDATED CASH FLOW STATEMENT (Year ended 29 February 2004)

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(184,029)	(248,099)
Adjustments for:			
Interest expenses		8,328	13,999
Share of profits less losses of associates		25,420	11,278
Interest income		(5,023)	(10,998)
Depreciation		16,695	24,065
Goodwill amortisation and impairment		5,988	7,105
Impairment on fixed assets in People's Republic of China ("PRC")		7,036	–
Deficit on revaluation of investment properties in PRC		31,816	44,790
Impairment on properties under development in PRC		42,401	53,704
Impairment on properties under development for sale in the United Kingdom ("UK")		40,453	–
Gain on disposal of fixed assets		(147)	–
Gain on liquidation of a subsidiary	31(b)	(1,763)	–
Provision for impairment of long term unlisted investments		–	6,700
Operating loss before working capital changes		(12,825)	(97,456)
Decrease in long term receivables		2,490	4,423
Increase in properties under development for sale		(81,067)	(73,183)
Decrease in properties held for sale		29,974	15,847
Decrease in inventories		14,559	18,809
Decrease/(increase) in debtors		(705)	373
Increase in prepayments, deposits and other receivables		(463)	(4,066)
Decrease in marketable securities		78,562	59,189
Increase in creditors, deposits and accrued expenses		30,530	7,382
Increase in pension scheme assets		(268)	(374)
Cash generated from/(used in) operations		60,787	(69,056)
Interest received		5,023	10,998
Interest paid		(17,368)	(20,612)
Hong Kong taxes refunded		48	–
Overseas taxes paid		(525)	–
Net cash inflow/(outflow) from operating activities		47,965	(78,670)

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Net cash inflow/(outflow) from operating activities		<b>47,965</b>	(78,670)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets		<b>(8,538)</b>	(8,706)
Advances from associates		<b>14,273</b>	18,372
Acquisition of a subsidiary	31(a)	–	(3,065)
Liquidation of a subsidiary	31(b)	<b>(74)</b>	–
Repayment from/(additions to) long term investments		<b>1,100</b>	(5)
Refund of rental deposits		<b>6,528</b>	603
Decrease/(increase) in bank balances pledged		<b>(17,672)</b>	38,462
Decrease/(increase) in deposits with banks pledged		<b>(30,750)</b>	5,319
Payment for acquisition of shares from a minority shareholder		–	(24,206)
Proceeds on disposal of fixed assets		<b>3,104</b>	222
Net cash inflow/(outflow) from investing activities		<b>(32,029)</b>	26,996
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans, secured		<b>(107,811)</b>	(375,930)
New loans, secured		<b>124,111</b>	361,754
Minority interests		<b>3,770</b>	3,237
Net cash inflow/(outflow) from financing activities		<b>20,070</b>	(10,939)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>36,006</b>	(62,613)
Cash and cash equivalents at beginning of year		<b>6,150</b>	69,061
Effect of foreign exchange rate changes, net		<b>(23,572)</b>	(298)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>18,584</b>	6,150
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<b>47,095</b>	25,828
Bank overdrafts		<b>(28,511)</b>	(19,678)
		<b>18,584</b>	6,150