

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st July, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Loss from operations		(1,507)	(41,053)
Adjustments for:			
Loss on disposal of properties held for sale	32	—	74
Amortisation of goodwill arising on acquisition of subsidiaries		494	2,071
Release of negative goodwill arising on acquisition of an associate		—	(187)
Interest income		(1,529)	(1,684)
(Surplus) deficit on revaluation of investment properties		(1,615)	8,885
Depreciation		38	890
Allowance for bad and doubtful debts		—	724
Loss on disposal of other securities		—	160
Loss on disposal of property, plant and equipment		2	176
Loss on disposal of investment properties		620	567
Allowance for loan receivables		—	11,003
(Reversal of allowance for) allowance for properties held for sale		(3,954)	2,225
Unrealised holding loss on trading securities		739	3,635
Operating cash flows before movements in working capital		(6,712)	(12,514)
(Increase) decrease in properties held for sale		(8,685)	5,091
Decrease (increase) in trade and other receivables		6,935	(3,827)
Decrease in inventories		371	5,287
Increase in trading securities		(7,179)	(5,587)
(Decrease) increase in trade and other payables		(1,898)	866
Cash used in operations		(17,168)	(10,684)
People's Republic of China, other than Hong Kong			
Income Tax paid		—	(333)
NET CASH USED IN OPERATING ACTIVITIES		(17,168)	(11,017)

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	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Net cash inflow from disposal of interests in subsidiaries	31	2,793	7,885
Proceeds from disposal of investment properties		4,380	363
Interest received		1,529	1,684
Acquisition of subsidiaries	30	(5,899)	—
Purchase of property, plant and equipment		(68)	(29)
Proceeds from disposal of property, plant and equipment		—	519
Proceeds from disposal of other securities		—	40
Increase in loan receivables		—	(10,003)
Purchase of other securities		—	(200)
NET CASH FROM INVESTING ACTIVITIES		2,735	259
FINANCING ACTIVITIES			
Proceeds from issue of shares		18,760	24,164
Proceeds from issue of convertible notes		8,000	—
Repayment of promissory note payables		(3,051)	(12,478)
Repayment of bank loans		(5,097)	(3,972)
Interest paid		(577)	(1,286)
Expenses paid in connection with the issue of shares		(446)	(350)
New bank loans obtained		—	15,665
NET CASH FROM FINANCING ACTIVITIES		17,589	21,743
INCREASE IN CASH AND CASH EQUIVALENTS		3,156	10,985
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		20,847	9,862
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		24,003	20,847
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		24,269	21,106
Bank overdrafts		(266)	(259)
		24,003	20,847