

# Consolidated Cash Flow Statement (Year ended 28 February 2005)

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(124,991)	(184,029)
Adjustments for:			
Interest expense		10,390	8,328
Share of profits less losses of associates		19,305	25,420
Interest income		(3,721)	(5,023)
Depreciation		14,814	16,695
Goodwill amortisation and impairment		6,710	5,988
Impairment on fixed assets in Mainland China		331	7,036
Impairment on fixed assets in Hong Kong ("HK")		13,575	–
Deficit on revaluation of investment properties in Mainland China		6,700	31,816
Impairment on properties under development in Mainland China		12,400	42,401
Impairment on properties under development for sale in the United Kingdom ("UK")		14,127	40,453
Loss/(gain) on disposal of fixed assets		1,758	(147)
Write-back of provision for impairment of a long term investment		(2,323)	–
Gain on liquidation of a subsidiary	31(a)	–	(1,763)
Operating loss before working capital changes		(30,925)	(12,825)
Decrease in long term receivables		3,591	2,490
Decrease/(increase) in properties under development for sale	31(b)	142,650	(81,067)
Decrease/(increase) in properties held for sale	31(b)	(61,474)	29,974
Decrease in inventories		4,161	14,559
Decrease/(increase) in debtors		1,528	(705)
Decrease/(increase) in prepayments, deposits and other receivables		1,042	(463)
Decrease in marketable securities		61,436	78,562
Increase/(decrease) in creditors, deposits and accrued expenses		(13,106)	30,530
Increase in pension scheme assets		(148)	(268)
Cash generated from operations		108,755	60,787
Interest received		3,721	5,023
Interest paid		(17,728)	(17,368)
Hong Kong taxes refunded		–	48
Overseas taxes paid		–	(525)
Net cash inflow from operating activities		94,748	47,965

## Consolidated Cash Flow Statement (Continued) (Year ended 28 February 2005)

	Notes	2005 HK\$'000	2004 HK\$'000
Net cash inflow from operating activities		<b>94,748</b>	47,965
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to fixed assets		<b>(7,938)</b>	(8,538)
Advances from associates		<b>1,138</b>	14,273
Liquidation of a subsidiary	31(a)	–	(74)
Repayment from long term investments		<b>7,672</b>	1,100
Refund/(payment) of rental deposits		<b>(847)</b>	6,528
Decrease/(increase) in bank balances pledged		<b>20,211</b>	(17,672)
Increase in deposits with banks pledged		<b>(42,459)</b>	(30,750)
Proceeds on disposal of fixed assets		<b>28,067</b>	3,104
Net cash inflow/(outflow) from investing activities		<b>5,844</b>	(32,029)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans, secured		<b>(208,220)</b>	(107,811)
New loans, secured		<b>27,396</b>	124,111
Minority interests		<b>61,179</b>	3,770
Net cash inflow/(outflow) from financing activities		<b>(119,645)</b>	20,070
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>(19,053)</b>	36,006
Cash and cash equivalents at beginning of year		<b>18,584</b>	6,150
Effect of foreign exchange rate changes, net		<b>828</b>	(23,572)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<b>359</b>	18,584
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	<b>35,444</b>	47,095
Bank overdrafts		<b>(35,085)</b>	(28,511)
		<b>359</b>	18,584