

# Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000
<b>Cash flows from operating activities</b>			
(Loss)/Profit before taxation		<b>(15,358)</b>	133,821
Adjustments for:			
Finance costs		<b>530</b>	3,419
Interest income		<b>(8)</b>	(6)
Depreciation		<b>190</b>	59
Employee share-based compensation benefits		<b>5,778</b>	-
(Reversal of write down)/write down of properties held for resale		<b>(1,200)</b>	3,620
Impairment loss on properties under development		<b>4,803</b>	-
Allowance for bad and doubtful debts		<b>159</b>	-
Allowance for other receivables		<b>269</b>	359
Bad debts written off		<b>466</b>	-
Deposit written off		<b>20</b>	-
Loss on disposal of fixed assets		<b>6</b>	-
Gain on debts restructuring arrangements		-	(144,843)
Gain on disposal/deconsolidation of subsidiaries		<b>(253)</b>	(44)
Operating loss before working capital changes		<b>(4,598)</b>	(3,615)
Decrease in properties held for resale		<b>8,380</b>	-
Decrease/(Increase) in inventories		<b>1,697</b>	(890)
Increase in trade and other receivables		<b>(2,459)</b>	(5,188)
Decrease in trade and other payables		<b>(7,122)</b>	(2,655)
Cash used in operations		<b>(4,102)</b>	(12,348)
Interest paid		<b>(355)</b>	(1,363)
PRC taxation paid		<b>(60)</b>	(177)
PRC taxation refund		<b>177</b>	-
<b>Net cash used in operating activities</b>		<b>(4,340)</b>	(13,888)
<b>Cash flows from investing activities</b>			
Payment for purchase of fixed assets		<b>(137)</b>	(145)
Proceeds from disposal of fixed assets		<b>1</b>	-
Payment for properties under development		<b>(839)</b>	(269)
Interest received		<b>8</b>	6
Net cash outflow from acquisition of a subsidiary	36	<b>(5,540)</b>	-
Net cash inflow from disposal of a subsidiary	32	<b>1,250</b>	-
<b>Net cash used in investing activities</b>		<b>(5,257)</b>	(408)

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For the year ended 31 December 2005

Note	<b>2005</b> <b>HK\$'000</b>	2004 HK\$'000
<b>Cash flows from financing activities</b>		
Repayment of bank loans	<b>(4,493)</b>	(1,679)
Repayment of other loans	<b>(274)</b>	(12,500)
Bank loan raised	-	5,000
Other loans raised	<b>7,412</b>	8,116
Loan from a director	-	500
Loan from a shareholder	<b>5,800</b>	-
Loan from a minority shareholder	-	1,500
Repayment of debts restructuring arrangements	-	(30,500)
Debts restructuring expenses paid	-	(904)
Net proceeds from issue of new shares	-	48,128
	<b>8,445</b>	17,661
<b>Net (decrease)/increase in cash and cash equivalents</b>		
	<b>(1,152)</b>	3,365
<b>Cash and cash equivalents at 1 January</b>		
	<b>5,008</b>	(85,611)
Release of bank overdrafts as a result of the debt restructuring arrangements	-	87,254
22	<b>147</b>	-
Exchange differences	-	-
<b>Cash and cash equivalents at 31 December</b>		
	<b>4,003</b>	5,008
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank and cash balances	<b>4,003</b>	5,008