

# Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
<b>Operating activities</b>			
(Loss)/profit before taxation		(21,026)	133,082
Adjustment for:			
Depreciation of property, plant and equipment		949	2,133
Loss on disposal of property, plant and equipment		—	2,222
Gain on disposal of subsidiaries	35	—	(171,978)
Interest income		(279)	(20)
Interest expenses	9	6,685	7,491
<b>Operating loss before working capital changes</b>		<b>(13,671)</b>	(27,070)
Increase in property under development for sale		(573,730)	(185,904)
Increase in trade receivables		—	(1,409)
Increase in prepayments and other receivables		(8,163)	(359,387)
Decrease in trade payables		(27,457)	(108,350)
Increase in accruals and other payables		68,117	220,096
Increase in advances from customers		712,683	488,568
Decrease in amounts due to a former related company		—	(179)
Cash generated from operations		157,779	26,365
Tax refunded		—	1,070
Interest paid		(22,316)	(24,976)
<b>Net cash generated from operating activities</b>		<b>135,463</b>	2,459
<b>Investing activities</b>			
Interest received		279	20
Disposal of subsidiaries	35	—	(594)
Purchase of property, plant and equipment		(616)	(1,059)
Proceeds from disposal of property, plant and equipment		—	8,221
Increase in restricted cash		—	(43)
<b>Net cash (used in)/generated from investing activities</b>		<b>(337)</b>	6,545

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

Notes	2005 HK\$'000	2004 HK\$'000
<b>Financing activities</b>		
Proceeds from issuance of convertible bond	12,000	—
Repayment of obligations under finance leases	(751)	(1,171)
Repayment of bank borrowings	(125,000)	—
Proceeds from other borrowings	—	23,000
<b>Net cash (used in)/generated from financing activities</b>	<b>(113,751)</b>	21,829
<b>Increase in cash and cash equivalents</b>	<b>21,375</b>	30,833
<b>Cash and cash equivalents at beginning of year</b>	<b>100,014</b>	69,181
<b>Effect on foreign exchange rate changes</b>	<b>4,515</b>	—
<b>Cash and cash equivalents at end of year</b>		
Bank balances and cash	125,904	100,014