

Consolidated Cash Flow Statement

At 31st December 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(32,909)	(21,026)
Adjustment for:		
Depreciation of plant and equipment	764	949
Reversal of impairment loss recognised in respect of other receivables	(1,495)	—
Interest income	(2)	(279)
Finance costs	10,473	6,685
Operating cash flow before movements in working capital	(23,169)	(13,671)
Increase in property under development for sale	(11,259)	(573,730)
Decrease (increase) in prepayments and other receivables	7,046	(8,163)
Decrease in trade payables	(116,566)	(27,457)
(Decrease) increase in accruals and other payables	(948)	68,117
Increase in advances from a customer	175,976	712,683
Cash generated from operations	31,080	157,779
Interest paid	(19,031)	(22,316)
Net cash from operating activities	12,049	135,463
INVESTING ACTIVITIES		
Purchase of plant and equipment	(116)	(616)
Interest received	2	279
Net cash used in investing activities	(114)	(337)
FINANCING ACTIVITIES		
Repayments of bank borrowings	(80,000)	(125,000)
Proceeds from other borrowings	30,000	—
Repayment of other borrowings	(30,000)	—
Repayments of obligations under finance lease	(47)	(751)
Proceeds from issue of convertible bond	—	12,000
Net cash used in financing activities	(80,047)	(113,751)
(Decrease) increase in cash and cash equivalents	(68,112)	21,375
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	125,904	100,014
Effect of foreign exchange rate changes	6,292	4,515
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	64,084	125,904