

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(131,715)	(336,868)
Depreciation expense		1,307	1,678
(Reversal of impairment loss) impairment loss on interest in an associate		(75,036)	75,036
Impairment loss on amount due from an associate		75,000	—
Negative goodwill released upon recognition of impairment loss in an associate		—	(21,246)
Reversal of impairment loss on leasehold land and buildings		—	(11,033)
Increase in fair value of investment properties	15	(400)	(3,350)
Interest expenses on bank and other borrowings		3,595	9,119
Interest expenses on convertible notes		4,568	5,066
Interest income from an associate		(7,124)	(7,022)
(Gain) loss on disposal of property, plant and equipment		(119)	96
Loss (gain) on disposal of investment properties		237	(730)
Net provision for bad and doubtful debts		—	63,747
Write back of provision for bad and doubtful debts		(5,050)	—
Profit on disposal of an unlisted investment		(20,528)	—
Loss on deemed acquisition of interest in an associate		13,331	—
Profit on disposal of interests in subsidiaries		(5,925)	—
(Profit) loss on deemed disposal of interest in an associate		(1,406)	24,045
Share of loss of an associate		99,351	180,577
Changes in working capital:			
Loans receivable		(57,844)	908
Other receivables		2,399	20,798
Investments held for trading		(10,724)	(2,902)
Other payables		1,517	1,874
Cash used in operations		(114,566)	(207)
Interest received from an associate		2,958	—
Net cash used in operating activities		(111,608)	(207)

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Year ended 31 December 2005

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INVESTING ACTIVITIES			
Purchase of investments held for trading		—	(427)
Purchase of additional interest in an associate		(50,000)	—
Purchase of property, plant and equipment		(1,812)	(53)
Proceeds from disposal of property, plant and equipment		273	850
Proceeds from disposal of investment properties		2,443	12,680
Proceeds from disposal of subsidiaries	28	24,720	—
Proceeds from disposal of an unlisted investment		38,000	—
Net advances to an associate		—	(38,279)
Redemption of convertible note issued by an associate	18(b)	25,300	—
Net cash from (used in) investing activities		38,924	(25,229)
FINANCING ACTIVITIES			
Issue of shares for cash		122,464	4,170
Issue of shares under share option scheme		25,810	6,635
Issue of shares on exercise of warrants		1,867	16,048
New bank loans raised		—	6,000
New other loans raised	22	77,000	84,921
Issue of convertible notes	23	98,000	55,000
Repayment of bank loans		(13,655)	(6,861)
Repayment of other loans	22	(173,080)	(79,360)
Redemption of convertible notes	23	(53,000)	(58,800)
Interest paid on bank and other borrowings		(11,087)	(11,761)
Interest paid on convertible notes		(878)	(5,066)
Net cash from financing activities		73,441	10,926
Net increase (decrease) in cash and cash equivalents		757	(14,510)
Cash and cash equivalents at beginning of year		10,663	25,173
Cash and cash equivalents at end of year		11,420	10,663