

# Consolidated Cash Flow Statement

Year ended 31st December 2005

	Notes	2005 HK\$	2004 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(8,430,792)	(6,230,649)
Adjustments for:			
Interest income	8	(2,621,562)	(2,728,780)
Dividend income from listed investments	6	(40,884)	(109,589)
Finance costs	7	6,506,291	6,426,706
Amortisation of intangible assets	8	—	505,910
Depreciation	8	52,575	219,262
Gain on disposal of items of property, plant and equipment	8	—	(400)
Gain on disposal of equity investments at fair value through profit or loss/short term investments	8	(103,854)	(1,176,500)
Unrealised losses/(gains) on equity investments at fair value through profit or loss/short term investments		(443,365)	719,000
Changes in fair value of investment properties	15	(10,630,000)	(6,280,000)
Charge to/(write-back of) provision for doubtful debts		1,622,788	(962,514)
Impairment of intangible assets		2,336,028	702,055
Operating loss before working capital changes		(11,752,775)	(8,915,499)
Decrease in loans receivable		3,612,808	13,961,961
Decrease in accounts receivable		4,040,278	2,077,602
Increase in prepayments, deposits and other receivables		(1,676,125)	(893,219)
Decrease in equity investments at fair value through profit or loss/short term investments		56,557	13,835,723
Decrease/(increase) in client trust bank accounts		1,309,291	(1,538,976)
Decrease in accounts payable		(1,891,360)	(310,845)
Increase in other payables and accruals		6,186,769	6,427,543
Exchange realignment		—	36,299
Cash generated from/(used in) operations		(114,557)	24,680,589
Hong Kong profits tax paid		—	(27,018)
Interest received		2,621,562	2,728,780
Dividend received from listed investments		40,884	109,589
Interest paid		(6,506,291)	(6,426,706)
Net cash inflow/(outflow) from operating activities		(3,958,402)	21,065,234

## Consolidated Cash Flow Statement

Year ended 31st December 2005

	Notes	2005 HK\$	2004 HK\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(100,688)	(23,560)
Proceeds from disposals of items of property, plant and equipment		—	400
<b>Net cash outflow from investing activities</b>		<b>(100,688)</b>	<b>(23,160)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of bank loans		—	(1,561,678)
Repayment to a fellow subsidiary		—	(1,932,500)
Repayment to the immediate holding company		—	(12,067,500)
<b>Net cash outflow from financing activities</b>		<b>—</b>	<b>(15,561,678)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		11,668,439	6,191,060
Effect of foreign exchange rate changes, net		(27,795)	(3,017)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>7,581,554</b>	<b>11,668,439</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	2,581,554	3,257,012
Bank overdrafts, secured	25	—	(588,573)
Non-pledged time deposits with original maturity of less than three months when acquired	23	5,000,000	9,000,000
		<b>7,581,554</b>	<b>11,668,439</b>