

FURQAN BUSINESS ORGANISATION BERHAD ("FBO")
 INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2005

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	12 months ended 31-Dec-2005 RM	12 months ended 31-Dec-2004 RM
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
(Loss) / Profit before tax	(8,773,717)	(196,064,897)
Adjustment for:		
Depreciation	893,553	893,860
Allowance for doubtful debts	12,211,257	1,951,630
Write back allowance for doubtful debts	(26,140)	-
(Write back) for diminution in values	-	(1,093,769)
Allowance for doubtful debts no longer required	-	(1,177,241)
Bad debts recovered	-	(3,668,282)
Bad debts written off	-	47,347
Reversal of revaluation deficit on real property assets	-	(4,000,000)
Reversal of inventories written off in prior years	-	(44,910)
Goodwill written off	-	198,635,729
(Loss) / Gain on disposal of fixed asset	1,389,065	(93,382)
Gain on disposal of other investment	-	(3,589,709)
Gain on disposal of indirect subsidiary companies	-	(252,380)
Waiver of Non Guaranteed Secured Term Loan	(20,235,226)	-
Property, plant and equipment written off	-	15,671
Impairment loss of real property asset	4,229,826	-
Interest expense	13,442,411	12,826,612
Interest income	(381,171)	(823,068)
	<u>2,749,858</u>	<u>3,563,211</u>
(Increase)/Decrease in:		
Property development expenditure	(1,594,501)	13,708,317
Inventories	(4,204,176)	(174,419)
Trade and other receivables	37,108,466	(11,499,138)
Increase/(Decrease) in:		
Trade and other payables	11,448,701	6,017,568
Block discount payables	(11,010,429)	(10,013,330)
	<u>34,497,919</u>	<u>1,602,209</u>
Tax paid	(559,787)	(137,534)
Interest paid	(13,442,411)	(12,826,612)
Net Cash From / (Used In) Operating Activities	<u>20,495,721</u>	<u>(11,361,937)</u>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(43,979)	(816,148)
Purchase of investment properties	(2,728,760)	(4,427,421)
Purchase of other investment	-	(15,090,280)
Proceed from disposal of property, plant and equipment	39,072,582	209,653
Proceed from disposal of other investment	-	18,743,586
Disposal of subsidiary company	-	5,406,978
Acquisition of subsidiary company (net of cash acquired)	(2,200,000)	(199,997)
Interest income received	381,171	823,068
Deposit pledged to banks / sinking fund	348,513	631,849
Net Cash From Investing Activities	<u>34,829,527</u>	<u>5,281,288</u>
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Net (repayment) / drawdown of term loans	(46,881,439)	19,052,135
Repayment of HP and lease payables	(322,094)	(2,455,304)
Partial redemption of Redeemable Convertible Loan Stock and conversion of warrant	(3,012,225)	-
Net Cash (Used In) / From Financing Activities	<u>(50,215,758)</u>	<u>16,596,831</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,109,490	10,516,182
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(14,597,373)	(25,113,555)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(9,487,883)	(14,597,373)
CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:		
Fixed deposits with licensed banks	6,333,195	14,653,414
Cash on hand and at banks	8,006,419	915,978
Bank overdrafts	(23,478,984)	(25,109,967)
	<u>(9,139,370)</u>	<u>(9,540,575)</u>
Held under sinking fund	(348,513)	(5,056,798)
	<u>(9,487,883)</u>	<u>(14,597,373)</u>

(The explanatory notes form an integral part of and should be read in conjunction with this interim report)