

For the year ended 31 December 2003

	2003	2002
	HK\$	HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(23,557,366)	(13,582,092)
Adjustments for:		
Amortisation of goodwill	91,494	365,977
Depreciation	89,210	87,359
Property, plant and equipment written off	—	966
Gain on disposal of an associate	(1,719,702)	—
Gain on disposal of a jointly controlled entity	(5,583,473)	—
Gain on disposal of investment securities	(22,740)	—
Gain on disposal of trading investments	(95,009)	—
Dividend income from investment securities	(1,970,538)	(2,453,015)
Investment income from held-to-maturity debt securities	(378,000)	(378,000)
Interest income	(615,689)	(548,796)
Other payable written back	(3,817,960)	—
Provision for non-recovery of other loan	4,230,135	—
Provision for non-recovery of receivable arising from disposal of interest in a jointly controlled entity	30,680,100	—
Share of net (profits)/losses of associates	(3,171,032)	5,478,519
Share of net (profits)/losses of jointly controlled entities	(2,554,436)	6,115,690
Operating loss before working capital changes	(8,395,006)	(4,913,392)
Increase in other receivables	(20,326,794)	(4,145,726)
(Increase)/decrease in amount due from Sinox Fund Management Limited	(5,010,958)	1,445,850
Decrease in amounts due from jointly controlled entities	2,403,909	1,710,182
Increase in amounts due from associates	(310,168)	(1,889,588)
Increase/(decrease) in other payables	15,481,602	(843,834)
Net cash used in operations	(16,157,415)	(8,636,508)
Hong Kong tax paid	—	(125,782)
Overseas tax paid	(4,692,348)	(192,805)
Net cash used in operating activities	(20,849,763)	(8,955,095)

The notes on pages 20 to 47 form an integral part of these financial statements.

Consolidated Cash Flow Statement

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For the year ended 31 December 2003

2003
HK\$

2002
HK\$

CASH FLOWS FROM INVESTING ACTIVITIES

Dividends received from jointly controlled entities	—	856,269
Dividends received from investment securities	1,970,538	2,453,015
Investment income received from held-to-maturity debt securities	378,000	378,000
Interest received	615,689	548,796
Additions of property, plant and equipment	(14,317)	(2,789)
Acquisition of associates	—	(135,002)
Acquisition of investment securities	(13,918,611)	—
Loan to an investee company	—	(9,000,000)
Proceeds from sale of investment in an associate	5,693,221	—
Proceeds from sale of interest in a jointly controlled entity	37,373,940	—
Proceeds from sale of investment securities	411,000	—
Proceeds from sale of trading investments	381,125	—
Net cash generated from/(used in) investing activities	32,890,585	(4,901,711)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of shares	43,195,200	—
Net cash generated from financing activities	43,195,200	—

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

55,236,022 (13,856,806)

CASH AND CASH EQUIVALENTS AT 1 JANUARY

42,498,674 56,355,480

CASH AND CASH EQUIVALENTS AT 31 DECEMBER

97,734,696 42,498,674

ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

Cash with brokers	190,138	4,556
Cash and bank balances	97,544,558	42,494,118
Total	97,734,696	42,498,674

The notes on pages 20 to 47 form an integral part of these financial statements.