

Consolidated Cash Flow Statement

For the year ended 31st December 2004

	2004 HK\$	2003 HK\$
Operating activities		
Loss before taxation	(28,435,675)	(1,386,612)
Adjustments for:		
Depreciation on property, plant and equipment	114,527	98,891
Net unrealised holding gain on investments in listed securities	(25,207,137)	(13,334,365)
Net unrealised holding loss on investments in unlisted securities	37,961,905	–
Impairment loss on goodwill	5,217,058	–
Loss on disposal of property, plant and equipment	107,782	–
Interest expenses	205,757	130,468
Interest income	(105,619)	(550,603)
Dividend income from investments in securities	(1,048,737)	(1,087,068)
Operating cash flows before movements in working capital	(11,190,139)	(16,129,289)
(Increase)/decrease in investments in debt securities/securities	(4,602,248)	11,141,884
Decrease in accounts receivable, deposit and prepayment	856,897	246,784
Decrease in creditors and accrued expenses	(5,290,776)	(88,779)
Net cash used in operations	(20,226,266)	(4,829,400)
Interest paid	(205,757)	(130,468)
Net cash used in operating activities	(20,432,023)	(4,959,868)
Investing activities		
Interest received	278,223	378,000
Dividend received from investments in securities	1,200,302	1,449,570
Purchase of investment in securities	(47,200,000)	–
Proceeds on disposal of debt securities	19,017,640	–
Proceeds on disposal of property, plant and equipment	200,000	–
Acquisition of a subsidiary	(2,000,000)	–
Purchase of property, plant and equipment	(473,664)	(405,386)
Net cash (used in) from investing activities	(28,977,499)	1,422,184
Financing activities		
Share capital issued	49,647,600	–
Repurchase of shares	–	(1,358,577)
Increase in borrowings	–	5,142,164
Net cash from financing activities	49,647,600	3,783,587
Net increase in cash and cash equivalents	238,078	245,903
Cash and cash equivalents at beginning of the year	274,390	28,487
Cash and cash equivalents at end of the year	512,468	274,390