

Cash Flow Statement

(For the year ended 31 December 2004)

	2004 <i>HK\$</i>	2003 <i>HK\$</i>
Cash flows from operating activities		
Loss before taxation	(9,078,931)	(398,369)
Adjustment for:		
Provision for investment in convertible loan notes	8,500,000	–
Operating loss before working capital changes	(578,931)	(398,369)
Increase in interest receivables	(492,994)	(643,803)
Increase in other receivables	(1,564,409)	–
(Increase)/decrease in deposits and prepayment	(57,372)	51,692
Decrease/(increase) in amounts due from substantial shareholders	60,805	(60,805)
(Decrease)/increase in other payable and accruals	(46,652)	117,110
Net cash used in operating activities	(2,679,553)	(934,175)
Cash flows from investing activities		
Addition of investments in securities	–	(17,428,045)
Decrease in deposits for investment	–	6,399,225
Net cash used in investing activities	–	(11,028,820)
Cash flows from financing activities		
Repurchase of issued shares	–	(49,840)
Issuing expenses of new shares	–	(18,070)
Net cash used in financing activities	–	(67,910)
Net decrease in cash and cash equivalents	(2,679,553)	(12,030,905)
Cash and cash equivalents at beginning of year	9,422,543	21,453,448
Cash and cash equivalents at end of year	6,742,990	9,422,543
Analysis of balances of cash and cash equivalents		
Cash and bank balances	6,742,990	9,422,543