

# PROFORMA COMBINED CASH FLOW STATEMENT

for the year ended 31 December 2004

(Expressed in Hong Kong dollars)

	Note	2004	2003
<b>Operating activities</b>			
Profit from ordinary activities before taxation		\$ 1,370,367	\$ 8,375,261
Adjustments for:			
– Interest income		(89,522)	(291,901)
– Dividend income from listed investments		(1,006,380)	(2,140,950)
– Gain on disposal of non-trading listed investments		(16,938,629)	(6,013,708)
– Gain on deemed disposal of associates		(11,202,890)	–
– Gain on disposal of interest in jointly controlled entity		–	(2,064,532)
– Write-back of amount due from jointly controlled entity		–	(1,528,897)
– Reversal of impairment of non-trading listed investments		–	(16,240,360)
– Share of losses of associates		14,168,595	13,810,728
– Share of losses/(profits) of jointly controlled entities		2,909,273	(1,754,967)
<b>Operating loss before changes in working capital</b>		<b>\$ (10,789,186)</b>	<b>\$ (7,849,326)</b>
Decrease/(increase) in prepayments and other receivables		788,741	(1,339,380)
Increase/(decrease) in accounts payable and accruals		1,866,062	(397,826)
Decrease in amount due to an associate		(86)	(23,857)
<b>Cash used in operations</b>		<b>\$ (8,134,469)</b>	<b>\$ (9,610,389)</b>
Hong Kong Profits Tax paid		(4,582,442)	–
<b>Net cash used in operating activities</b>		<b>\$ (12,716,911)</b>	<b>\$ (9,610,389)</b>

The notes on pages 48 to 80 form part of the proforma financial information.

PROFORMA COMBINED CASH FLOW STATEMENT (CONT'D)

for the year ended 31 December 2004

(Expressed in Hong Kong dollars)

	Note	2004	2003
<b>Investing activities</b>			
Interest received		\$ 83,732	\$ 303,307
Dividends received from listed investments		1,006,380	2,140,950
Dividends received from jointly controlled entity		3,004,344	–
Proceeds from sale of non-trading listed investments, net of expenses		28,475,729	21,413,708
Proceeds from sale of interest in jointly controlled entity, net of expenses		–	2,064,532
Amount repaid by jointly controlled entity		–	1,528,897
Payment for investment deposit		–	(35,000,000)
		<u>                    </u>	<u>                    </u>
<b>Net cash generated from/(used in) investing activities</b>		<b>\$ 32,570,185</b>	<b>\$ (7,548,606)</b>
<b>Financing activities</b>			
Proceeds from issue of new shares		\$ 15,064,000	\$ 449
		<u>                    </u>	<u>                    </u>
<b>Net cash from financing activities</b>		<b>\$ 15,064,000</b>	<b>\$ 449</b>
		<u>                    </u>	<u>                    </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>\$ 34,917,274</b>	<b>\$ (17,158,546)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>14,470,509</b>	<b>31,629,055</b>
		<u>                    </u>	<u>                    </u>
<b>Cash and cash equivalents at 31 December</b>	15	<b>\$ 49,387,783</b>	<b>\$ 14,470,509</b>
		<u>                    </u>	<u>                    </u>

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