

Consolidated Cash Flow Statement

For the year ended 30 June 2005

Notes	2005 HK\$	2004 HK\$
Cash flow from operating activities		
Loss before taxation	(9,250,358)	(13,479,325)
Adjustments for:		
Depreciation of property, plant and equipment	267,531	164,963
Interest income	(488,266)	(2,277)
Interest expenses	278,541	55,761
Dividend income	(193,384)	(99,398)
Unrealised holding (gains)/losses on investments in securities, net	(1,008,112)	6,278,525
Loss on disposal/write-off of property, plant and equipment	531,672	–
Operating loss before working capital changes	(9,862,376)	(7,081,751)
Increase in investments in securities	(7,061,413)	(26,191,845)
Increase in prepayment, deposits and other receivables	(132,345)	(9,362,101)
Increase in amount due from a related company	(7,600)	–
Increase in accrued liabilities	518,811	343,552
Increase in amount due to a related company	6,116,250	–
Increase in amount due to a director	135,000	–
Decrease in amount due to a shareholder	–	(186,760)
Cash used in operating activities	(10,293,673)	(42,478,905)
Dividend received from investments in listed securities	193,384	99,398
Interest received	241,339	2,277
Interest on bank overdrafts and other loan	(26,986)	(55,761)
Interest on obligation under finance lease	(135,305)	–
Net cash used in operating activities	(10,021,241)	(42,432,991)
Cash flow from investing activities		
Purchase of property, plant and equipment	(797,764)	(800,265)
Proceeds from disposal of property, plant and equipment	21,789	–
Increase in investment in associates	–	(14,220)
Proceeds from disposal of an associate	300	–
Increase in advance to an associate	(23,010)	(156,750)
Net cash used in investing activities	(798,685)	(957,015)
Cash flow from financing activities		
Repayment of obligations under finance lease	(85,000)	–
Proceeds from issue of shares	10,918,000	53,000,000
Share issue expenses	(163,770)	(6,150,000)
Net cash from financing activities	10,669,230	46,850,000
Net (decrease)/increase in cash and cash equivalents	(150,696)	3,459,994
Cash and cash equivalents at beginning of year	3,465,426	5,432
Cash and cash equivalents at end of year	3,314,730	3,465,426

20

The accompanying notes form an integral part of these financial statements.