

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

Note	2005 HK\$	2004 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	<b>(7,769,405)</b>	(2,978,709)
Adjustments for:		
Depreciation	—	77,475
Dividend income from investment securities and other investments/financial assets	<b>(2,360,289)</b>	(2,163,409)
Gain on disposal of a jointly controlled entity	—	(3,050,344)
Loss on disposal of a subsidiary	<b>1,943,920</b>	—
Loss/(gain) on disposal of investment securities and other investments/financial assets	<b>8,360,670</b>	(371,389)
Interest expenses	<b>33,854</b>	1,066,688
Interests in associates written off	—	1,407,961
Interest income	<b>(1,648,651)</b>	(1,412,622)
Provision for impairment in investment securities	—	1,470,130
Provision for impairment of interests in jointly controlled entities	<b>223,671</b>	3,600,000
Provision for non-recovery of amount due from a jointly controlled entity	—	1,199,313
Unrealised gains on financial assets at fair value through profit or loss	<b>(920,902)</b>	—
Share of profits of associates	—	(1,765,702)
Share of profits of jointly controlled entities	<b>(575,386)</b>	(2,924,093)
Operating loss before working capital changes	<b>(2,712,518)</b>	(5,844,701)
Decrease in other receivables	<b>19,505,020</b>	2,776,679
Decrease in amount due from Sinox Fund Management Limited	<b>885,724</b>	1,662,173
Decrease in amounts due from jointly controlled entities	—	648,519
Decrease in amounts due from associates	—	1,925,163
Increase in amount due to Sinox Fund Management Limited	<b>346,437</b>	—
Increase/(decrease) in other payables	<b>1,420,381</b>	(24,313,642)
Net cash generated from/(used in) operations	<b>19,445,044</b>	(23,145,809)
Hong Kong profits tax paid	—	—
Net cash generated from/(used in) operating activities	<b>19,445,044</b>	(23,145,809)

## Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Note	2005 HK\$	2004 HK\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from jointly controlled entities		—	583,585
Dividends received from investment securities and other investments/financial assets		2,360,289	2,163,409
Acquisition of debt		(5,500,000)	—
Interest received		1,648,651	1,412,622
Additions of property, plant and equipment		—	(10,970)
Acquisition of associates		—	(97,500)
Acquisition of investment securities and other investments		—	(42,937,008)
Acquisition of financial assets at fair value through profit or loss		(70,163,340)	—
Acquisition of available-for-sale financial assets		(17,459,156)	—
Disposal of a subsidiary	29	23,696,917	—
Proceeds from sale of interest in a jointly controlled entity		—	4,516,587
Proceeds from sale of investment securities and other investments		—	20,016,687
Proceeds from sale of financial assets at fair value through profit or loss		13,390,123	—
Interest paid		(33,854)	(1,066,688)
Proceeds from redemption of financial assets at fair value through profit or loss		39,441,890	—
Proceeds from redemption of held-to-maturity debt securities		—	3,000,000
Deposits received from sale of available-for-sale financial assets		10,000,000	—
Deposits paid for acquisition of available-for-sale financial assets		(13,500,000)	—
Net cash used in investing activities		(16,118,480)	(12,419,276)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other borrowing obtained		—	16,060,000
Repayments of other borrowings		(5,460,000)	(10,600,000)
Net cash (used in)/generated from financing activities		(5,460,000)	5,460,000
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,133,436)</b>	<b>(30,105,085)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>67,629,611</b>	<b>97,734,696</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>65,496,175</b>	<b>67,629,611</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>			
Cash with brokers		1,279,521	767,841
Cash and bank balances		64,216,654	66,861,770
		<b>65,496,175</b>	<b>67,629,611</b>

The notes on pages 28 to 73 form an integral part of these financial statements.