

Consolidated Cash Flow Statement

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

	Note	2005	2004 (Restated)
Operating activities			
(Loss)/profit before taxation		\$ (12,726,109)	\$ 5,833,729
Adjustments for:			
– Depreciation		14,229	–
– Interest income		(1,071,862)	(89,522)
– Dividend income from listed securities		(550,000)	(1,006,380)
– Gain on deemed disposal of associates		(3,065,080)	(11,202,890)
– Gain on disposal of available-for-sale securities		–	(16,938,629)
– Share of losses of associates		8,552,351	12,614,506
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Operating loss before changes in working capital		\$ (8,846,471)	\$ (10,789,186)
Decrease in other receivables		432,600	788,741
(Decrease)/increase in other payables		(2,104,335)	1,866,062
Increase/(decrease) in amount due to an associate		152	(86)
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Cash used in operations		\$ (10,518,054)	\$ (8,134,469)
Hong Kong Profits Tax paid		–	(4,582,442)
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Net cash used in operating activities		\$ (10,518,054)	\$ (12,716,911)
Investing activities			
Payment for purchase of property, plant and equipment		\$ (512,253)	\$ –
Interest received from bank deposits		1,071,862	83,732
Refund of investment deposit		5,715,068	–
Dividends received from listed securities		550,000	1,006,380
Dividends received from an associate		2,658,852	3,004,344
Payment for purchase of available-for-sale securities		(9,386,005)	–
Proceeds from disposal of available-for-sale securities, net of expenses		–	28,475,729
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Net cash generated from investing activities		\$ 97,524	\$ 32,570,185

Consolidated Cash Flow Statement (Cont'd)

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

	<i>Note</i>	2005	2004 (Restated)
Financing activities			
Proceeds from issue of new shares by ING Beijing		\$ –	\$ 15,064,000
Net cash from financing activities		<u>\$ –</u>	<u>\$ 15,064,000</u>
Net (decrease)/increase in cash and cash equivalents		\$ (10,420,530)	\$ 34,917,274
Cash and cash equivalents at 1 January		<u>49,387,783</u>	<u>14,470,509</u>
Cash and cash equivalents at 31 December	<i>18</i>	<u>\$ 38,967,253</u>	<u>\$ 49,387,783</u>

The notes on pages 44 to 92 form part of these financial statements.