

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

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	2005	2004
	<i>HK\$</i>	<i>HK\$</i>
OPERATING ACTIVITIES		
Loss before taxation	(22,736,301)	(21,130,464)
Adjustments for:		
Finance costs	4,091,833	4,365,041
Share-based payment expense	650,000	–
Share of results of associates	–	394,920
Allowance for doubtful loans and bad debts	–	440,416
Gain on disposal of investment securities	–	(7,563)
Impairment loss recognised in respect of investment securities	–	7
Depreciation of property, plant and equipment	1,008,306	874,164
Amortisation of trading rights	271,430	271,430
Loss on disposal of property, plant and equipment	80,202	276,517
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Operating cash flows before movements in working capital	(16,634,530)	(14,515,532)
Decrease in account receivables	10,184,892	1,504,643
Increase in other receivables, deposits and prepayments	(21,417,212)	(10,277,044)
Decrease in amount due from a shareholder	–	29,839,067
Decrease in bank balances - trust and segregated accounts	17,116,076	3,879,026
Decrease in account payables	(26,714,890)	(4,180,838)
(Decrease) increase in other payables and accrued charges	(2,514,339)	2,949,018
Decrease in amounts due to directors	–	(1,388,483)
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NET CASH (USED IN) FROM OPERATING ACTIVITIES	(39,980,003)	7,809,857
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(315,731)	(1,858,623)
Proceeds from disposal of property, plant and equipment	9,281	–
Proceeds from disposal of investment securities	–	57,563
Refund of statutory deposits for financial services business	100,000	1,980,773
Advance from an associate	–	159,305
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NET CASH (USED IN) FROM INVESTING ACTIVITIES	(206,450)	339,018

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	2005 HK\$	2004 <i>HK\$</i>
FINANCING ACTIVITIES		
Repayment from loans payable	–	(500,000)
Interest paid for obligations under finance lease	(16,090)	(8,045)
Interest paid for bank loans	–	(152,610)
Repayments of obligations under finance lease	(85,802)	(42,901)
Cash proceeds from shares issued	–	22,200,000
Increase in amount due to directors	10,569,306	–
NET CASH FROM FINANCING ACTIVITIES	10,467,414	21,496,444
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(29,719,039)	29,645,319
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	33,618,389	3,973,070
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,899,350	33,618,389
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances (general accounts) and cash	3,899,350	33,618,389