

Cash Flow Statement

For the year ended 31 December 2006

	2006 HK\$	2005 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(2,574,681)	(2,800,571)
Adjustments for:		
Depreciation	4,612	68,215
Loss on disposal of property, plant and equipment	–	16,461
Net unrealised holding losses from financial assets at fair value through profit or loss	265,530	479,010
Realised (gain)/loss on disposal of financial assets at fair value through profit or loss	(20,400)	150,360
Operating loss before working capital changes	(2,324,939)	(2,086,525)
(Increase)/decrease in prepayments, deposits and other receivables	(203,422)	863,115
(Decrease)/increase in accruals and other payables	(150,950)	121,295
Cash used in operations	(2,679,311)	(1,102,115)
Repayment of convertible loans receivable	–	6,000,000
Purchase of financial assets at fair value through profit or loss	(8,240,300)	(756,000)
Proceeds from disposal of available-for-sale financial assets	–	500,000
Proceeds from disposal of financial assets at fair value through profit or loss	93,400	655,140
Net cash (used in)/generated from operating activities	(10,826,211)	5,297,025
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	–	24,000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	7,200,000	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,626,211)	5,321,025
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	10,672,949	5,351,924
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		
Representing bank and cash balances	7,046,738	10,672,949