

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2006

	2006 HK\$	2005 HK\$
Operating activities		
Loss before taxation	(28,541,032)	(92,273,442)
Adjustments for:		
Depreciation on property, plant and equipment	147,106	143,147
Net unrealised holding loss on financial assets at fair value through profit or loss	34,531,924	79,798,895
Loss on disposal of property, plant and equipment	–	75,248
Interest expenses	932,074	796,027
Interest income	(39,527)	(25,308)
Dividend income from financial assets at fair value through profit or loss	(1,188,277)	(550,455)
Operating cash flows before movements in working capital	5,842,268	(12,035,888)
Increase in financial assets at fair value through profit or loss	(34,632,801)	(32,340,538)
Increase in accounts receivable, deposit and prepayment	(619,211)	(109,227)
(Decrease)/increase in creditors and accrued expenses	(5,973,512)	10,920,038
Net cash used in operations	(35,383,256)	(33,565,615)
Interest paid	(932,074)	(669,349)
Net cash used in operating activities	(36,315,330)	(34,234,964)
Investing activities		
Interest received	39,527	16,975
Dividend received from financial assets at fair value through profit or loss	1,188,277	550,455
Purchase of unlisted financial assets at fair value through profit or loss	–	(48,000,047)
Proceeds on disposal of property, plant and equipment	–	280,000
Purchase of property, plant and equipment	(153,579)	(545,554)
Net cash generated from/(used in) investing activities	1,074,225	(47,698,171)
Financing activities		
Net proceeds from issue of shares	47,842,200	71,434,443
(Decrease)/increase in borrowings	(15,000,000)	15,000,000
Net cash generated from financing activities	32,842,200	86,434,443
Net (decrease)/increase in cash and cash equivalents	(2,398,905)	4,501,308
Cash and cash equivalents at beginning of the year	5,013,776	512,468
Cash and cash equivalents at end of the year	2,614,871	5,013,776
Cash and cash equivalents represent:		
Cash and bank balances	2,614,871	5,013,776