

CASH FLOW STATEMENT

For the year ended 31 December 2001

	Note	Year ended 31 December 2001 HK\$	Period from 9 February 2000 to 31 December 2000 HK\$
Net Cash Outflow from Operating Activities	21	<u>(5,855,646)</u>	<u>(5,151,080)</u>
Returns on Investments and Servicing of Finance			
Interest received		49,732	507,903
Interest element of finance lease		<u>(1,956)</u>	<u>–</u>
Net cash inflow from returns on investments and servicing of finance		<u>47,776</u>	<u>507,903</u>
Investing Activities			
Increase in convertible loans receivable		(5,000,000)	(8,800,000)
Increase in short-term loans receivable		(3,900,000)	–
Deposits paid for investment in unlisted shares		(5,000,000)	(2,424,242)
Refund of deposits for investment in unlisted shares		2,424,242	–
Payments for purchases of tangible fixed assets		(299,240)	(1,081,240)
Payments for purchases of securities		(44,899,048)	(47,633,849)
Receipts from disposal of trading securities		<u>51,004,814</u>	<u>20,231,229</u>
Net cash outflow from investing activities		<u>(5,669,232)</u>	<u>(39,708,102)</u>
Net Cash Outflow before Financing		<u>(11,477,102)</u>	<u>(44,351,279)</u>
Financing			
Capital element of finance lease payments		(8,664)	–
Proceeds from issue of ordinary shares		–	60,000,000
Proceeds from grant of share options		–	7
Expenses incurred in connection with issue of shares		–	<u>(3,675,383)</u>
Net cash (outflow)/inflow from financing	22	<u>(8,664)</u>	<u>56,324,624</u>
(Decrease)/increase in cash and cash equivalents		<u>(11,485,766)</u>	<u>11,973,345</u>
Cash and Cash Equivalents at 1 January 2001/9 February 2000		<u>11,973,345</u>	<u>–</u>
Cash and Cash Equivalents at 31 December 2001/2000		<u><u>487,579</u></u>	<u><u>11,973,345</u></u>
Analysis of Cash and Cash Equivalents			
Bank balances and cash		<u><u>487,579</u></u>	<u><u>11,973,345</u></u>

The notes on pages 20 to 36 form part of these financial statements.