

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2002

	1.1.2002 to 31.12.2002 HK\$	18.9.2001 to 31.12.2001 HK\$
OPERATING ACTIVITIES		
Loss before taxation	(5,644,294)	(309,426)
Adjustments for:		
Interest income	(450,140)	(18,140)
Interest expense	2,219	—
Depreciation	46,442	—
Loss on disposal of property and equipment	39,810	—
Operating cash flows before movements in working capital	(6,005,963)	(327,566)
Increase in other receivables, prepayments and deposits	(49,273)	(163,756)
Increase in investments in securities	(1,280,000)	—
Increase in pledged bank deposits	(90,000)	—
Increase in accrued charges	91,996	57,000
(Decrease) increase in amount due to a director	(275,066)	275,066
Cash generated from operations	(7,608,306)	(159,256)
Interest received	450,140	18,140
Interest paid	(2,219)	—
NET CASH USED IN OPERATING ACTIVITIES	(7,160,385)	(141,116)
CASH USED IN INVESTING ACTIVITY		
Purchase of property and equipment	(275,851)	—
FINANCING ACTIVITIES		
Proceeds from issue of new shares	—	10,000,000
Net proceeds from subscription for shares to be issued	—	26,906,597
Payment for share issue expenses	(900,000)	—
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES	(900,000)	36,906,597
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,336,236)	36,765,481
CASH AND CASH EQUIVALENT AT THE BEGINNING OF YEAR/PERIOD	36,765,481	—
CASH AND CASH EQUIVALENT AT END OF YEAR/PERIOD	28,429,245	36,765,481