

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 <i>HK\$</i>	2002 <i>HK\$</i>
Cash flows from operating activities		
Loss before taxation	(4,561,723)	(5,644,294)
Adjustment for:		
Interest income	(135,182)	(450,140)
Interest expenses	–	2,219
Depreciation	90,958	46,442
Loss on disposal of property and equipment	104,103	39,810
Unrealised loss on investment in securities	324,462	1,881,876
Operating loss before working capital changes	(4,177,382)	(4,124,087)
Increase in prepayments, deposits and other receivables	(3,716,093)	(46,099)
Increase in investments in securities	(1,541,390)	(3,161,876)
Increase in amount due from an investee company	(4,627,856)	–
Increase in accruals	23,440	91,996
Decrease in amount due to a director	–	(275,066)
Cash used in operation	(14,039,281)	(7,515,132)
Investing activities		
Purchase of property and equipment	(210,044)	(275,851)
Proceeds from disposal of property and equipment	100,000	–
Interest received	135,182	446,966
Decrease/(increase) in pledged bank deposits	90,000	(90,000)
Net cash used in investing activities	115,138	81,115
Financing activities		
Payment for share issue expenses	–	(900,000)
Interest paid	–	(2,219)
Net cash used in financing activities	–	(902,219)
Decrease in cash and cash equivalents	(13,924,143)	(8,336,236)
Cash and cash equivalents at beginning of the year	28,429,245	36,765,481
Cash and cash equivalents at end of the year	14,505,102	28,429,245
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	14,505,102	28,429,245

The notes on pages 24 to 35 form an integral part of these financial statements.