

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$	2003 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,978,709)	(23,557,366)
Adjustments for:		
Amortisation of goodwill	—	91,494
Depreciation	77,475	89,210
Dividend income from investment securities and other investments	(2,163,409)	(1,970,538)
Gain on disposal of a jointly controlled entity	(3,050,344)	(5,583,473)
Gain on disposal of an associate	—	(1,719,702)
Gain on disposal of investment securities and other investments	(371,389)	(117,749)
Interest expenses	1,066,688	—
Interests in associates written off	1,407,961	—
Interest income	(1,412,622)	(615,689)
Investment income from held-to-maturity debt securities	—	(378,000)
Other payable written back	—	(3,817,960)
Provision for impairment in investment securities	1,470,130	—
Provision for impairment of interests in jointly controlled entities	3,600,000	—
Provision for non-recovery of amount due from a jointly controlled entity	1,199,313	—
Provision for non-recovery of other loan	—	4,230,135
Provision for non-recovery of receivable arising from disposal of interest in a jointly controlled entity	—	30,680,100
Share of net profits of associates	(1,765,702)	(3,171,032)
Share of net profits of jointly controlled entities	(2,924,093)	(2,554,436)
Operating loss before working capital changes	(5,844,701)	(8,395,006)
Decrease/(increase) in other receivables	2,776,679	(20,326,794)
Decrease/(increase) in amount due from Sinox Fund Management Limited	1,662,173	(5,010,958)
Decrease in amounts due from jointly controlled entities	648,519	2,403,909
Decrease/(increase) in amounts due from associates	1,925,163	(310,168)
(Decrease)/increase in other payables	(24,313,642)	15,481,602
Net cash used in operations	(23,145,809)	(16,157,415)
Overseas tax paid	—	(4,692,348)
Net cash used in operating activities	(23,145,809)	(20,849,763)

The notes on pages 24 to 55 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$	2003 HK\$
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from jointly controlled entities	583,585	—
Dividends received from investment securities and other investments	2,163,409	1,970,538
Investment income received from held-to-maturity debt securities	—	378,000
Interest received	1,412,622	615,689
Additions of property, plant and equipment	(10,970)	(14,317)
Acquisition of associates	(97,500)	—
Acquisition of investment securities and other investments	(42,937,008)	(13,918,611)
Proceeds from sale of interest in an associate	—	5,693,221
Proceeds from sale of interest in a jointly controlled entity	4,516,587	37,373,940
Proceeds from sale of investment securities and other investments	20,016,687	792,125
Interest paid	(1,066,688)	—
Proceeds from redemption of held-to-maturity debt securities	3,000,000	—
Net cash (used in)/generated from investing activities	(12,419,276)	32,890,585
CASH FLOWS FROM FINANCING ACTIVITIES		
Other borrowing obtained	5,460,000	—
Proceeds from issue of shares	—	43,195,200
Net cash generated from financing activities	5,460,000	43,195,200
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(30,105,085)	55,236,022
CASH AND CASH EQUIVALENTS AT 1 JANUARY	97,734,696	42,498,674
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	67,629,611	97,734,696
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash with brokers	767,841	190,138
Cash and bank balances	66,861,770	97,544,558
	67,629,611	97,734,696

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