

# Cash Flow Statement

For the year ended 31 December 2004

	2004 HK\$	2003 HK\$
<b>Cash flows from operating activities</b>		
Loss from operations	<b>(6,142,836)</b>	(3,813,105)
Adjustments for:		
Depreciation	<b>176,978</b>	176,941
Impairment loss recognised on non-trading securities	<b>2,578,000</b>	3,078,000
Net unrealised holding losses/(gains) from trading securities	<b>2,255,375</b>	(10,600)
Net realised losses on disposal of trading securities	–	955
Operating loss before changes in working capital	<b>(1,132,483)</b>	(567,809)
Changes in working capital:		
Sundry deposits, prepayments and other receivables	<b>(275,135)</b>	4,000,621
Sundry payables and accruals	<b>(153,369)</b>	(104,262)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,560,987)</b>	3,328,550
<b>Cash flows from investing activities</b>		
Repayment of convertible loans receivable	<b>5,000,000</b>	2,800,000
Payments for purchase of fixed assets	–	(430)
Payments for purchase of non-trading securities	–	(4,000,000)
Payments for purchase of trading securities	<b>(927,235)</b>	–
Receipts from disposal of trading securities	–	249,045
<b>Net cash generated from/(used in) investing activities</b>	<b>4,072,765</b>	(951,385)
<b>Net increase in cash and cash equivalents</b>	<b>2,511,778</b>	2,377,165
<b>Cash and cash equivalents as at 1 January 2004/2003</b>	<b>2,840,146</b>	462,981
<b>Cash and cash equivalents as at 31 December 2004/2003</b>		
Representing cash and bank balances	<b>5,351,924</b>	2,840,146

The accompanying notes form an integral part of these financial statements.