

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December 2005

	2005 HK\$	2004 HK\$
Operating activities		
Loss before taxation	(92,273,442)	(28,435,675)
Adjustments for:		
Depreciation on property, plant and equipment	143,147	114,527
Net unrealised holding gain on investments in listed securities	–	(25,207,137)
Net unrealised holding loss on investments in unlisted securities	–	37,961,905
Net unrealised holding loss on financial assets at fair value through profit or loss	79,798,895	–
Impairment loss on goodwill	–	5,217,058
Loss on disposal of property, plant and equipment	75,248	107,782
Interest expenses	796,027	205,757
Interest income	(25,308)	(105,619)
Dividend income from investments in securities	–	(1,048,737)
Dividend income from financial assets at fair value through profit or loss	(550,455)	–
Operating cash flows before movements in working capital	(12,035,888)	(11,190,139)
Increase in investments in securities	–	(4,602,248)
Increase in financial assets at fair value through profit or loss	(32,340,538)	–
(Increase)/decrease in accounts receivable, deposit and prepayment	(109,227)	856,897
Increase/(decrease) in creditors and accrued expenses	10,920,038	(5,290,776)
Net cash used in operations	(33,565,615)	(20,226,266)
Interest paid	(669,349)	(205,757)
Net cash used in operating activities	(34,234,964)	(20,432,023)
Investing activities		
Interest received	16,975	278,223
Dividend received from investments in securities	–	1,200,302
Dividend received from financial assets at fair value through profit or loss	550,455	–
Purchase of investment in securities	–	(47,200,000)
Purchase of unlisted financial assets at fair value through profit or loss	(48,000,047)	–
Proceeds on disposal of debt securities	–	19,017,640
Proceeds on disposal of property, plant and equipment	280,000	200,000
Acquisition of a subsidiary	–	(2,000,000)
Purchase of property, plant and equipment	(545,554)	(473,664)
Net cash used in investing activities	(47,698,171)	(28,977,499)
Financing activities		
Net proceeds from issue of shares	71,434,443	49,647,600
Increase in borrowings	15,000,000	–
Net cash from financing activities	86,434,443	49,647,600
Net increase in cash and cash equivalents	4,501,308	238,078
Cash and cash equivalents at beginning of the year	512,468	274,390
Cash and cash equivalents at end of the year	5,013,776	512,468