

Cash Flow Statement

For the year ended 31 December 2006

| | Note | 2006 HK\$ | 2005 HK\$ |
|---|------|--------------|--------------|
| Cash flows from operating activities | | | |
| Loss before taxation | | (1,187,183) | (9,511,663) |
| Adjustments for: | | | |
| Impairment loss recognised in respect of interest receivables | | - | 1,714,777 |
| Impairment loss recognised in respect of available-for-sale investments | | - | 13,428,045 |
| Change in fair value of financial assets at fair value through profit or loss | | - | 85,400 |
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| Operating (loss)/profit before working capital changes | | (1,187,183) | 5,716,559 |
| Increase in interest receivables | | - | (577,980) |
| Decrease in other receivables | | - | 1,564,409 |
| Increase in deposits and prepayment | | (18,816) | (41,579) |
| Increase in accruals | | 280,037 | 31,582 |
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| Net cash (used in)/from operating activities | | (925,962) | 6,692,991 |
| Cash flows from investing activities | | | |
| Net addition of financial assets at fair value through profit or loss | | - | (303,825) |
| Net decrease in financial assets at fair value through profit or loss | | 218,200 | - |
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| Net cash from/(used in) investing activities | | 218,200 | (303,825) |
| Cash flows from financing activities | | | |
| Issue of rights shares | | 3,998,880 | - |
| Shares issuing expenses | | (705,172) | - |
| | | <hr/> | <hr/> |
| Net cash from financing activities | | 3,293,708 | - |
| | | <hr/> | <hr/> |
| Net increase in cash and cash equivalents | | 2,585,946 | 6,389,166 |
| Cash and cash equivalents at beginning of year | | 13,132,156 | 6,742,990 |
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| Cash and cash equivalents at end of year | 13 | 15,718,102 | 13,132,156 |
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