

Consolidated Cash Flow Statement

*For the year ended 31st December, 2001
(Expressed in thousands of Hong Kong dollars)*

	Note	2001	2000 <i>(Note 28)</i>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	a	<u>(15,889)</u>	<u>(24,047)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		7,011	3,293
Interest paid		(156)	(5,765)
Dividends paid to a joint venture partner		<u>(400)</u>	<u>–</u>
NET CASH INFLOW (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>6,455</u>	<u>(2,472)</u>
INVESTING ACTIVITIES			
Purchase of fixed assets		(1,261)	(8,351)
Proceeds from disposal of fixed assets		62	110
Cash outflow in respect of the liquidation of subsidiaries		<u>–</u>	<u>(52)</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(1,199)</u>	<u>(8,293)</u>
NET CASH OUTFLOW BEFORE FINANCING		<u>(10,633)</u>	<u>(34,812)</u>
FINANCING ACTIVITIES	b		
Net proceeds from issuance of shares		–	255,242
Repayment of long-term borrowing		(307)	(265)
Repayment of loan from a joint venture partner		(129)	(189)
Repayment of loan from a shareholder		–	(24,072)
Repayment of loan from a former shareholder		–	(15,000)
Increase in pledged bank deposits		<u>(500)</u>	<u>–</u>
NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES		<u>(936)</u>	<u>215,716</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(11,569)</u>	<u>180,904</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>200,713</u>	<u>19,888</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<u>–</u>	<u>(79)</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>189,144</u>	<u>200,713</u>

Consolidated Cash Flow Statement

For the year ended 31st December, 2001

(Expressed in thousands of Hong Kong dollars)

a. Reconciliation of loss before tax to net cash outflow from operating activities:

	2001	2000 (Note 28)
Loss before tax	(35,502)	(15,599)
Write-back of minority interest (Note 6(i))	(3,394)	–
Revaluation deficit	900	1,417
Depreciation	4,369	12,822
Fixed assets written-off	24	–
Write-back of net liabilities of subsidiaries under liquidation	–	(813)
Interest income	(7,011)	(3,293)
Interest expense	156	3,690
Gain on disposal of fixed assets	(12)	(51)
Decrease (Increase) in rental, utilities and other deposits	50	(344)
Decrease (Increase) in inventories	545	(225)
Decrease (Increase) in prepayments and deposits	290	(284)
Increase in other receivables, net	(1,316)	(367)
Decrease in accounts receivable, net	3,048	6,635
Decrease (Increase) in amount due from a related company	20,028	(25,095)
Increase (Decrease) in accounts payable	89	(80)
Increase (Decrease) in accruals and other payables	4,285	(1,138)
Decrease in amount due to a related company	(2,438)	(1,322)
	<u>(15,889)</u>	<u>(24,047)</u>
Net cash outflow from operating activities	<u>(15,889)</u>	<u>(24,047)</u>

b. Analysis of changes in financing during the year:

	Share capital and share premium	Long-term borrowing	Minority interests	Loan from a former shareholder	Loan from a shareholder	Total
At 1st January, 2000	131,713	2,436	19,996	15,000	24,072	193,217
Issue of ordinary shares less expenses	255,242	–	–	–	–	255,242
Repayment of long-term borrowing	–	(265)	–	–	–	(265)
Repayment of loans	–	–	–	(15,000)	(24,072)	(39,072)
Share of profit for the year	–	–	1,313	–	–	1,313
Repayment of loan from a joint venture partner	–	–	(189)	–	–	(189)
	<u>386,955</u>	<u>2,171</u>	<u>21,120</u>	<u>–</u>	<u>–</u>	<u>410,246</u>
At 31st December, 2000	386,955	2,171	21,120	–	–	410,246
Repayment of long-term borrowing	–	(307)	–	–	–	(307)
Write-back of minority interest (Note 6(ii))	–	–	(3,394)	–	–	(3,394)
Share of loss for the year	–	–	(392)	–	–	(392)
Dividends paid to a joint venture partner	–	–	(400)	–	–	(400)
Repayment of loan from a joint venture partner	–	–	(129)	–	–	(129)
	<u>386,955</u>	<u>1,864</u>	<u>16,805</u>	<u>–</u>	<u>–</u>	<u>405,624</u>
At 31st December, 2001	386,955	1,864	16,805	–	–	405,624