

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Note</i>	2002 <i>HK\$'000</i>	2001 <i>HK\$'000</i>
Cash flows from operating activities			
Operating loss before working capital changes	23(a)	(12,835)	(13,271)
Decrease/(increase) in inventories		63	(157)
Increase in debtors and prepayments		(13,904)	(30,426)
Decrease in trading securities		77	7,333
Increase in creditors and accruals		3,832	1,685
Increase in advances from a Director		4,482	—
		<u>(18,285)</u>	<u>(34,836)</u>
Cash used in operations		(18,285)	(34,836)
Interest paid		(4,193)	(668)
Interest element of finance lease rental payments		(56)	(19)
Overseas taxation paid		(714)	—
		<u>(23,248)</u>	<u>(35,523)</u>
Cash flows from investing activities			
Purchase of fixed assets		(2,817)	(8,988)
Disposal of fixed assets		19,786	485
Acquisition of a subsidiary company	23(b)	—	962
Acquisition of an associated company		(40,285)	—
Dividend received		3	3
Interest received		3	45
		<u>(23,310)</u>	<u>(7,493)</u>
Cash flows from financing activities			
Issue of new shares less expenses		42,480	29,973
New long-term bank loan		—	11,000
New short-term loan repayable more than three months from date of advance		20,000	—
Repayment of long-term bank loans		(10,528)	(472)
Capital element of finance lease rental payments		(214)	(41)
		<u>51,738</u>	<u>40,460</u>
Net cash flows from financing activities	23(c)	<u>51,738</u>	<u>40,460</u>
Increase/(decrease) in cash and cash equivalents		5,180	(2,556)
Cash and cash equivalents at beginning of year		(1,364)	1,192
		<u>3,816</u>	<u>(1,364)</u>
Cash and cash equivalents at end of year		<u>3,816</u>	<u>(1,364)</u>
Analysis of cash and cash equivalents			
Cash and bank balances		3,850	1,595
Bank overdrafts		(34)	(2,959)
		<u>3,816</u>	<u>(1,364)</u>