

## Consolidated Cash Flow Statement

For the year ended 31 December 2002

	Note	<b>2002</b> <b>HK\$'000</b>	2001 HK\$'000
<b>Operating activities</b>			
Loss from operations		<b>(14,599)</b>	(42,236)
Adjustments for:			
Amortisation of goodwill		<b>444</b>	–
Amortisation of patent		<b>1,643</b>	708
Unrealised loss on revaluation of investments in securities		<b>–</b>	900
Impairment losses recognised in respect of property, plant and equipment		<b>–</b>	10,059
Interest income		<b>(206)</b>	(73)
Write back of other payables		<b>(11,700)</b>	–
Depreciation and amortisation of property, plant and equipment		<b>6,130</b>	7,074
Loss on disposal of property, plant and equipment		<b>25</b>	1,196
Loss on disposal of an investment property		<b>–</b>	142
Gain on disposals of investments in securities		<b>(16)</b>	–
Allowance for doubtful debts		<b>3,810</b>	1,544
Allowance for inventories		<b>626</b>	95
Exchange difference		<b>(27)</b>	(539)
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Operating cash flows before movements in working capital		<b>(13,870)</b>	(21,130)
(Increase) decrease in inventories		<b>(486)</b>	980
Increase in debtors and prepayments		<b>(11,228)</b>	(6,880)
(Decrease) increase in creditors and accrued charges		<b>(505)</b>	2,514
Decrease in amounts due to directors		<b>(1,940)</b>	(2,049)
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Cash used in operations		<b>(28,029)</b>	(26,565)
Interest on bank borrowings paid		<b>(1,890)</b>	(3,684)
Interest on other loan paid		<b>(130)</b>	(388)
Finance charges on finance leases paid		<b>(76)</b>	(116)
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<b>Net cash used in operating activities</b>		<b>(30,125)</b>	(30,753)

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<b>Investing activities</b>			
Proceeds from disposal of an investment property		-	10,458
Proceeds from disposal of property, plant and equipment		12	14
Proceeds from disposal of investments in securities		31,890	-
Purchase of investments in securities		(25,774)	(7,000)
Purchase of property, plant and equipment		(17,228)	(1,349)
Amount paid for the acquisition of rights to a drug under development		(7,000)	-
Payment on behalf of an associate		(2,220)	(1,338)
Deposits paid for the acquisition of a subsidiary		(38,186)	-
Disposal of subsidiaries	29	100	(10)
Interest received		206	73
<b>Net cash (used in) from investing activities</b>		<b>(58,200)</b>	848
<b>Financing activities</b>			
Proceeds from issue of shares, net of expenses		80,314	83,131
New bank and other borrowings raised		-	15,172
Repayment of bank and other borrowings		(4,558)	(38,086)
Repayment of obligations under finance leases		(295)	(255)
<b>Net cash from financing activities</b>		<b>75,461</b>	59,962
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(12,864)</b>	30,057
<b>Cash and cash equivalents at the beginning of the year</b>		<b>30,720</b>	658
<b>Effect of foreign exchange rate changes</b>		<b>-</b>	5
<b>Cash and cash equivalents at the end of the year</b>		<b>17,856</b>	30,720
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank balances and cash		17,856	31,201
Bank overdraft		-	(481)
		<b>17,856</b>	30,720