

# Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (As restated)
<b>OPERATING ACTIVITIES</b>			
Net cash outflow generated from operations	29(a)	(34,582)	(12,696)
Interest paid on bank and other borrowings		(1,217)	(3,181)
Hong Kong profits tax refund/(paid)		146	(330)
PRC income tax paid		(27)	–
<b>Net cash outflow from operating activities</b>		<b>(35,680)</b>	<b>(16,207)</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(4,858)	(5,277)
Acquisition of short term investment		(23,415)	–
Interest received		568	1,149
Deposit paid for acquisition of Chinese medicine intellectual property and knowhow		(4,673)	–
Deposit paid for the proposed acquisition of a pharmaceutical investment		–	(90,000)
Deposit paid for acquisition of a subsidiary		–	(11,500)
Acquisition of subsidiaries (net of deposits paid and cash acquired)	29(b)	(10,127)	(34,990)
Acquisition of an associated company		–	(170,000)
Decrease/(increase) in time deposits pledged to banks		9,203	(469)
<b>Net cash outflow from investing activities</b>		<b>(33,302)</b>	<b>(311,087)</b>
<b>NET CASH OUTFLOW BEFORE FINANCING ACTIVITIES</b>		<b>(68,982)</b>	<b>(327,294)</b>

# Consolidated Cash Flow Statement (continued)

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (As restated)
<b>FINANCING ACTIVITIES</b>			
	29(c)		
Gross proceeds from issue of new shares		71,260	325,276
Share issue expenses		(1,790)	(3,301)
Advance from a director		5,990	–
New bank borrowings		–	4,000
Repayment of bank borrowings		(1,575)	(1,426)
New other borrowings		3,405	–
Repayment of other borrowings		(1,250)	(750)
Interest element of finance lease payments		(62)	(163)
Repayment of finance lease payables		(293)	(659)
Capital injection by minority interests of a subsidiary		–	7
Dividends paid to minority shareholders		–	(1,350)
<b>Net cash inflow from financing activities</b>		<b>75,685</b>	<b>321,634</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>6,703</b>	<b>(5,660)</b>
Effect on foreign exchange rate changes		(187)	–
Cash and cash equivalents at beginning of year		20,504	26,164
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>27,020</b>	<b>20,504</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		31,658	26,421
Bank overdrafts		(888)	(917)
Trust receipt and export loans with maturity within three months		(3,750)	(5,000)
		<b>27,020</b>	<b>20,504</b>