

Consolidated Cash Flow Statement

For the year ended 31 December 2002

	<i>Notes</i>	1.1.2002 to 31.12.2002 <i>HK\$'000</i>	1.7.2000 to 31.12.2001 <i>HK\$'000</i>
OPERATING ACTIVITIES			
Loss from operations		(71,483)	(106,113)
Adjustments for:			
Interest income		(5)	(2,388)
Depreciation		107	7,542
Loss on disposal of property, plant and equipment		–	201
Unrealised holding (gain) loss of other investments		(11,056)	34,610
Allowance for doubtful loans receivable		30,000	–
Allowance for amount receivable in respect of disposal of an investee company		25,000	–
Allowance for amount receivable in respect of disposal of subsidiaries		–	3,500
Operating cash outflows before movements in working capital		(27,437)	(62,648)
Increase in inventories		–	(4,741)
Decrease (increase) in trade and other receivables, prepayments and deposits		2,668	(6,639)
Decrease (increase) in trade receivable due from an associate of an investee company		9,942	(9,942)
Decrease (increase) in other investments		11,391	(61,760)
Decrease in net amount due to a shareholder		–	(10,537)
(Decrease) increase in trade and other payables		(5,456)	14,213
Decrease in rental deposits		(828)	–
Cash used in operations		(9,720)	(142,054)
Interest paid		(1,824)	(25,486)
Finance charges on finance lease paid		(21)	(15)
Other finance costs paid		(525)	–
Hong Kong Profits Tax paid		(99)	–
NET CASH USED IN OPERATING ACTIVITIES		(12,189)	(167,555)
INVESTING ACTIVITIES			
Interest received		5	266
Proceeds on disposal of property, plant and equipment		–	2
Purchases of property, plant and equipment		(39)	(1,368)
Acquisition of subsidiaries	(30)	511	(47,010)
Net cash inflow on disposal and liquidation of subsidiaries	(31)	–	3,649
Purchase of other investment		–	(30,000)
Exchangeable loans receivable		–	(64,000)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		477	(138,461)

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For the year ended 31 December 2002

	1.1.2002 to 31.12.2002 <i>HK\$'000</i>	1.7.2000 to 31.12.2001 <i>HK\$'000</i>
FINANCING ACTIVITIES		
Issue of shares	–	428,634
Share issue expenses	–	(24,965)
New short term borrowings raised	13,263	50,300
Repayment of bank loan	(2,600)	–
Repayment of short term borrowings	(2,000)	(120,166)
Repayment of convertible bond	–	(20,000)
Repayment of obligations under a finance lease	(201)	(133)
	<u>8,462</u>	<u>313,670</u>
NET CASH FROM FINANCING ACTIVITIES		
	<u>8,462</u>	<u>313,670</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,250)	7,654
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	<u>4,517</u>	<u>(3,137)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u><u>1,267</u></u>	<u><u>4,517</u></u>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	1,440	4,517
Bank overdraft	(173)	–
	<u>1,267</u>	<u>4,517</u>