

# Consolidated Cash Flow Statement

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(198,343)	(127,749)
Adjustments for:		
Gain on disposal of property, plant and equipment	(120)	—
Depreciation	702	934
Net realised (gain) loss on trading securities	(3,044)	5,107
Net unrealised (gain) loss on trading securities	(10,638)	32,337
Interest income	(21)	(545)
Interest expenses	5,100	4,060
Amortisation of the issue costs of convertible note payable	500	500
Dividend income	(1,620)	(165)
Share of results of associates	6,309	1,412
Share of results of joint ventures	292	238
Amortisation of goodwill in respect of acquisition of associates	26,294	35,017
Impairment loss recognised in respect of interests in associates	153,410	—
Write-down of inventories	939	—
Impairment loss recognised in respect of goodwill arising from the acquisition of an associate	—	24,806
Operating cash flows before movements in working capital	(20,240)	(24,048)
(Increase) decrease in inventories	(5,406)	306
Decrease (increase) in trade and other receivables	2,933	(3,824)
Increase (decrease) in trade and other payables	7,096	(138)
Cash used in operations	(15,617)	(27,704)
Interest received	21	545
Interest paid	(5,100)	(2,036)
Dividend received	1,620	165
NET CASH USED IN OPERATING ACTIVITIES	(19,076)	(29,030)

## Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
INVESTING ACTIVITIES		
Purchases of trading securities	(21,347)	(87,866)
Purchases of property, plant and equipment	(420)	(371)
Proceeds from disposal of trading securities	20,726	66,097
Proceeds from disposal of property, plant and equipment	331	—
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NET CASH USED IN INVESTING ACTIVITIES	(710)	(22,140)
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FINANCING ACTIVITIES		
New short-term borrowings raised	31,000	—
Repayments of short-term borrowings	(6,000)	—
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NET CASH FROM FINANCING ACTIVITIES	25,000	—
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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,214	(51,170)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,386	52,556
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6,600	1,386
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ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	6,600	1,386
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