

Consolidated Cash Flow Statement

For the year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Operating activities			
Profit (loss) from operations		36,543	(14,599)
Adjustments for:			
Amortisation of goodwill		410	444
Amortisation of intangible assets		1,176	1,643
Interest income		(265)	(206)
Write back of other payables		–	(11,700)
Depreciation and amortisation of property, plant and equipment		5,573	6,130
(Gain) loss on disposal of property, plant and equipment		(5)	25
Gain on disposal of investments in securities		(847)	(16)
Unrealised gain on revaluation of investments in securities		(36,200)	–
Allowance for doubtful debts		6,268	3,810
Allowance for inventories		–	626
Exchange difference		(368)	(27)
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Operating cash flows before movements in working capital		12,285	(13,870)
Increase in inventories		(1,962)	(486)
Increase in debtors and prepayments		(89,023)	(11,228)
Increase (decrease) in creditors and accrued charges		24,203	(505)
Decrease in amounts due to directors		(354)	(1,940)
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Net cash used in operating activities		(54,851)	(28,029)
Investing activities			
Purchase of investments in securities		(40,894)	(25,774)
Deposits paid for the acquisition of a subsidiary		(14,143)	(38,186)
Acquisition of subsidiaries	32	(2,641)	–
Purchase of property, plant and equipment		(820)	(17,228)
Purchase of intangible assets		(660)	–
Proceeds on disposal of investments in securities		23,891	31,890
Disposal of subsidiaries	33	11,435	100
Interest received		265	206
Proceeds on disposal of property, plant and equipment		99	12
Repayment from an associate		35	–
Amount paid for the acquisition of beneficial rights to a drug under development		–	(7,000)
Payment on behalf of an associate		–	(2,220)
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Net cash used in investing activities		(23,433)	(58,200)

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For the year ended 31 December 2003

	2003 HK\$'000	2002 HK\$'000
Financing activities		
Proceeds from issue of shares, net of expenses	81,191	80,314
Repayments of bank and other borrowings	(6,400)	(4,558)
Interest on bank borrowings paid	(676)	(1,890)
Repayments of obligations under finance leases	(340)	(295)
Finance charges on finance leases paid	(40)	(76)
Interest on other loan paid	(14)	(130)
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Net cash from financing activities	73,721	73,365
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Net decrease in cash and cash equivalents	(4,563)	(12,864)
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Cash and cash equivalents at beginning of the year	17,856	30,720
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Cash and cash equivalents at end of the year	13,293	17,856
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Analysis of the balance of cash and cash equivalents		
Bank balances and cash	13,293	17,856
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