

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Operating activities			
(Loss) profit from operations		(57,991)	36,543
Adjustments for:			
Amortisation of goodwill		185	410
Amortisation of intangible assets		710	1,176
Interest income		(1,834)	(265)
Depreciation and amortisation of property, plant and equipment		1,013	5,573
Gain on disposal of property, plant and equipment		(44)	(5)
Surplus on revaluation of investment property		(280)	–
Loss (gain) on disposal of investments in securities		41,293	(847)
Unrealised gain on revaluation of investments in securities		–	(36,200)
Allowance for doubtful debts		2,665	6,268
Loss on disposal of beneficial rights to a drug under development		400	–
Equity-settled consultancy services		17,461	–
Exchange difference		–	(368)
Operating cash flows before movements in working capital		3,578	12,285
Decrease (increase) in inventories		38	(1,962)
Increase in debtors and prepayments		(10,415)	(89,023)
(Decrease) increase in creditors and accrued charges		(2,067)	24,203
Increase (decrease) in amounts due to directors		160	(354)
Cash used in operations		(8,706)	(54,851)
Income tax paid		(161)	–
Net cash used in operating activities		(8,867)	(54,851)

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For the year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
Investing activities			
Deposits paid for the acquisition of beneficial rights to drugs under development		(54,686)	–
Advances to consulting companies		(48,069)	–
Purchase of investments in securities		(17,650)	(40,894)
Purchase of property, plant and equipment		(1,679)	(820)
(Advance to) repayment from an associate		(632)	35
Proceeds on disposal of investments in securities		49,600	23,891
Promissory notes repaid		30,779	–
Repayment from a consulting company		28,286	–
Proceeds on disposal of beneficial rights to a drug under development		6,600	–
Interest received		1,834	265
Proceeds on disposal of property, plant and equipment		100	99
Deposits paid for the acquisition of a subsidiary		–	(14,143)
Acquisition of subsidiaries	34	–	(2,641)
Purchase of intangible assets		–	(660)
Disposal of subsidiaries	35	–	11,435
Net cash used in investing activities		(5,517)	(23,433)
Financing activities			
Proceeds from issue of warrants, net of expenses		24,567	–
Proceeds from issue of shares, net of expenses		13,409	81,191
Payment on repurchase of shares, net of expenses		(23,519)	–
Repayments of bank and other borrowings		(3,801)	(6,400)
Payment on repurchase of warrants		(1,321)	–
Interest on bank borrowings paid		(269)	(676)
Repayments of obligations under finance leases		(44)	(340)
Interest on other loan paid		(19)	(14)
Finance charges on finance leases paid		(1)	(40)
Net cash from financing activities		9,002	73,721
Net decrease in cash and cash equivalents		(5,382)	(4,563)
Cash and cash equivalents at beginning of the year		13,293	17,856
Cash and cash equivalents at end of the year		7,911	13,293
Analysis of the balance of cash and cash equivalents			
Bank balances and cash		7,911	13,293