

# Consolidated Cash Flow Statement

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(127,749)	(28,390)
Adjustments for:		
Loss on disposal of property, plant and equipment	—	34
Depreciation	934	486
Realised loss (gain) on trading securities	5,107	(20,288)
Unrealised loss (gain) on trading securities	32,337	(8,362)
Interest income	(545)	(922)
Interest expenses	4,060	6,013
Amortisation of the issue costs of convertible note payable	500	250
Dividend income	(165)	(1,266)
Share of results of associates	1,412	(11,404)
Share of results of joint ventures	238	997
Amortisation of goodwill	35,017	37,933
Impairment loss recognised in respect of goodwill arising from the acquisition of an associate	24,806	—
Operating cash flows before movements in working capital	(24,048)	(24,919)
Decrease (increase) in inventories	306	(343)
(Increase) decrease in trade and other receivables	(3,824)	1,871
(Decrease) increase in trade and other payables	(138)	1,232
Cash used in operations	(27,704)	(22,159)
Interest received	545	922
Interest paid	(2,036)	(3,989)
Dividend received	165	1,266
NET CASH USED IN OPERATING ACTIVITIES	(29,030)	(23,960)
INVESTING ACTIVITIES		
Purchase of trading securities	(87,866)	(46,367)
Purchase of associates	—	(38,000)
Purchase of property, plant and equipment	(371)	(2,622)
Proceeds from disposal of trading securities	66,097	118,648
Proceeds from disposal of property, plant and equipment	—	30
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(22,140)	31,689

# Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2002

	2002 HK\$'000	2001 HK\$'000
FINANCING ACTIVITIES		
Proceeds from issue of shares	—	74,798
Expenses incurred on issue of shares	—	(1,998)
New short term loans raised	—	40,000
Repayment of short term loans	—	(135,000)
Proceeds from issue of convertible note payable	—	60,000
Expenses incurred on issue of convertible note payable	—	(1,500)
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NET CASH FROM FINANCING ACTIVITIES	—	36,300
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(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(51,170)	44,029
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,556	8,527
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CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,386	52,556
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ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	1,386	52,556
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