

## Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(92,944)	(22,479)
Adjustments for:			
Finance costs	8	1,565	326
Share of losses of jointly-controlled entity and associates		17,491	70
Amortisation of goodwill on acquisition of associates	18	670	—
Interest income	7	(2,182)	(6,791)
Loss on deemed disposal of subsidiaries	31(d)	1,032	—
Loss on disposal of discontinued operations	31(e)	—	534
Loss on disposal of fixed assets	7	668	46
Write off of fixed assets	7	4,508	—
Depreciation	7	2,102	1,716
Co-operation fee	7	—	75
Amortisation of goodwill	7	3,950	771
Provision for bad and doubtful debts	7	1,104	—
Provision for other receivables	7	6,649	—
Provision for impairment of long term listed investments	7	12,703	—
Operating loss before working capital changes		(42,684)	(25,732)
Increase in an amount due from a jointly-controlled entity		(230)	—
Increase in an amount due from an associate		(549)	—
(Increase)/decrease in inventories		(6,293)	869
(Increase)/decrease in trade receivables		980	(25,580)
(Increase)/decrease in prepayments, deposits and other receivables		8,357	(22,913)
Increase in trade payables		605	623
Increase in other payables and accruals		7,964	8,977
Increase in amounts due to associates		802	—
Increase/(decrease) in an amount due to a related company		(1)	377
Cash used from operations — page 30		(31,049)	(63,379)

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Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
Cash used from operations — page 29		(31,049)	(63,379)
Interest received		2,182	6,791
Interest paid		(761)	(326)
Interest element on finance lease rental payments	8	(16)	—
<b>Net cash outflow from operating activities</b>			
Continuing operations		(29,644)	(57,324)
Discontinued operations		—	410
<b>Total</b>		<b>(29,644)</b>	<b>(56,914)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(1,356)	(15,267)
Proceeds from disposal of fixed assets		7	—
Purchase of long term unlisted investment	31(b)	(3,000)	—
Acquisition of subsidiaries	31(b)	503	—
Acquisition of a business	31(c)	—	(9,808)
Deemed disposal of interests in subsidiaries	31(d)	(3,671)	—
Proceeds from disposal of subsidiaries	31(e)	—	21,193
Increase in interests in subsidiaries		(400)	—
Investments in associates		(44,615)	(3,719)
Investment in a jointly-controlled entity		(390)	—
Purchases of long term listed investments		(3,011)	(11,212)
Subscription of exchangeable notes	20(a)	(28,000)	(75,560)
(Increase)/decrease in pledged time deposits		2,500	(2,500)
<b>Net cash outflow from investing activities</b>			
Continuing operations		(81,433)	(118,066)
Discontinued operations		—	21,193
<b>Total</b>		<b>(81,433)</b>	<b>(96,873)</b>

## Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$'000	2001 HK\$'000 (Restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of ordinary shares	28	21,195	88,522
Share issue expenses	28	(718)	(1,774)
New bank loans		6,226	—
Repayment of bank loans		(8,302)	—
Capital element of finance lease rental payments		(204)	—
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Net cash inflow from financing activities			
Continuing operations		18,197	86,748
Discontinued operations		—	—
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Total		18,197	86,748
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NET DECREASE IN CASH AND CASH EQUIVALENTS		(92,880)	(67,039)
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Cash and cash equivalents at beginning of year		130,548	197,587
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<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>37,668</b>	<b>130,548</b>
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<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	23	10,120	4,426
Non-pledged time deposits with original maturity less than three months when acquired	23	27,548	126,122
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		37,668	130,548
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