

# Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2003

|  | 2003<br>HK\$'000 | 2002<br>HK\$'000 |
|--|------------------|------------------|
| <b>Operating activities</b>                                  |                  |                  |
| Loss before taxation   | (11,860)         | (27,223)         |
| Adjustments for:   |                  |                  |
| Depreciation   | –                | 107              |
| Interest expense   | 61               | 148              |
| Loss on disposal of listed investments                       | 1,014            | 481              |
| Loss on disposal of property, plant and equipment            | –                | 267              |
| Impairment loss recognised in respect of<br>other securities | 8,800            | 20,995           |
| Property, plant and equipment written off                    | 69               | –                |
| Provision for amount due from a related company              | 178              | –                |
| Operating loss before working capital changes                | (1,738)          | (5,225)          |
| Decrease/(Increase) in trade and other receivables           | 1,772            | (1,613)          |
| Increase in amount due from a related company                | –                | (178)            |
| (Decrease)/Increase in other payables                        | (1,219)          | 502              |
| Increase/(Decrease) in amounts due to directors              | 236              | (6)              |
| (Decrease)/Increase in amount due to a related company       | (114)            | 114              |
| Net cash used in operating activities                        | (1,063)          | (6,406)          |
| <b>Investing activities</b>                                  |                  |                  |
| Purchases of investments in securities                       | –                | (13,978)         |
| Net proceeds from disposal of investments in securities      | 4,274            | 8,560            |
| Purchases of property, plant and equipment                   | –                | (208)            |
| Proceeds from disposal of property, plant and equipment      | –                | 8                |
| Net cash from/(used in) investing activities                 | 4,274            | (5,618)          |
| <b>Financing activities</b>                                  |                  |                  |
| Interest paid  | (61)             | (108)            |
| Net proceeds from placement of ordinary shares               | 842              | 6,608            |
| New loan raised  | –                | 1,000            |
| Repayment of secured loan                                    | (1,000)          | –                |
| Net cash (used in)/from financing activities                 | (219)            | 7,500            |
| <b>Net increase/(decrease) in cash at banks</b>              | <b>2,992</b>     | <b>(4,524)</b>   |
| <b>Cash at banks at 1 January</b>                            | <b>114</b>       | <b>4,638</b>     |
| <b>Cash at banks at 31 December</b>                          | <b>3,106</b>     | <b>114</b>       |