

Consolidated Cash Flow Statement

Year ended 31 December 2002

	Notes	2002 HK\$	2001 HK\$ (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating loss before tax		(38,130,280)	(21,092,116)
Adjustments for:			
Interest income	5	(3,538,308)	(8,003,722)
Depreciation	6	5,927,225	6,039,904
Fixed assets written off		3,857,649	–
Impairment of fixed assets		142,441	–
Impairment of long term investments		8,911,880	–
Provision against deposit paid		3,500,000	–
Gain on disposal of property, plant and equipment	5	–	(9,843)
Operating loss before working capital changes		(19,329,393)	(23,065,777)
Decrease in inventories		166,009	2,258,794
Decrease in accounts receivable		214,737	1,062,650
Increase in prepayments, deposits and other receivables		(9,446,784)	(214,683)
Decrease/(increase) in amounts due from related companies		(1,961,011)	103,967
Purchase of other investment	18	(4,000,000)	–
Decrease in accounts payable		(217,757)	(2,413,928)
Increase/(decrease) in accrued liabilities and other payables		8,456,792	(3,179,622)
Increase/(decrease) in rental deposits		48,841	(9,242)
Cash used in operations		(26,068,566)	(25,457,841)
Hong Kong profits tax refunded		–	48,995
Interest received		3,538,308	8,003,722
Net cash outflow from operating activities		(22,530,258)	(17,405,124)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	12	(996,451)	(1,220,974)
Purchases of long term investment	14	(4,250,000)	–
Proceeds from disposal of property, plant and equipment		–	23,000
Increase in pledged bank deposits		(189,000)	–
Net cash outflow from investing activities		(5,435,451)	(1,197,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	22	35,090,000	–
Share issue expenses	24	(438,550)	–
Net cash inflow from financing activities		34,651,450	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		6,685,741	(18,603,098)
Cash and cash equivalents at beginning of year		212,543,223	231,146,321
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	219,228,964	212,543,223
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	14,393,804	4,990,332
Time deposits with original maturity of less than three months when acquired	19	204,835,160	207,552,891
		219,228,964	212,543,223