

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

	NOTES	2002 HK\$'000	2001 HK\$'000
<b>OPERATING ACTIVITIES</b>			
Loss from operations		(20,052)	(40,196)
Adjustment for:			
Depreciation and amortisation of property, plant and equipment		4,986	8,670
Impairment loss recognised in respect of property, plant and equipment		—	2,500
Impairment loss recognised in respect of intangible assets		1,000	—
Amortisation of intangible assets		585	928
Amortisation of goodwill		208	—
Allowance for slow moving and obsolete inventories		—	10,743
Allowance for bad and doubtful debts		—	2,625
Unrealised loss on investments in securities		3,560	—
Write off of bad debts		—	1,307
Gain on disposal of property, plant and equipment		—	(109)
Interest income		(231)	(150)
Dividend income		(180)	—
Operating cash flow before movements in working capital		(10,124)	(13,682)
Decrease in inventories		1,427	24,138
Increase in trade and other receivables		(18,816)	(6,341)
Increase in trade and other payables		7,366	3,459
Increase in amount due to a related company		144	—
Net cash (used in) generated from operations		(20,003)	7,574
Dividend received		180	—
Interest received		231	150
Taxation paid		(183)	(4)
<b>NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES</b>		<b>(19,775)</b>	<b>7,720</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of investments in securities		(26,674)	—
Acquisition of subsidiaries	27	(20,290)	—
Purchase of intangible asset		(2,000)	—
Purchase of property, plant and equipment		(1,941)	(6,243)
Proceeds on disposal of subsidiaries	28	18,569	—
Decrease in pledged bank deposits		1,858	5,688
Proceeds from disposal of property, plant and equipment		—	10,346
Advance to an associate		—	(18)
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>		<b>(30,478)</b>	<b>9,773</b>

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

	<b>2002</b> <i>HK\$'000</i>	2001 <i>HK\$'000</i>
<b>FINANCING ACTIVITIES</b>		
New other loan raised	<b>26,774</b>	639
Advance from (repayment to) a director	<b>5,110</b>	(2,444)
Net proceeds from issue of shares	<b>11</b>	18,558
Interest and finance charge paid	<b>(2,343)</b>	(5,644)
Repayment of obligations under a finance lease	<b>(50)</b>	(544)
Repayment of bank loans	—	(11,880)
Repayment of trust receipt loans	—	(2,501)
New bank loans raised	—	8,000
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<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>29,502</b>	4,184
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<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(20,751)</b>	21,677
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<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>27,622</b>	5,945
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<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>207</b>	—
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<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>7,078</b>	27,622
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<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	<b>13,088</b>	27,622
Bank overdrafts	<b>(6,010)</b>	—
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	<b>7,078</b>	27,622
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