

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 HK\$'000	2001 HK\$'000
OPERATING ACTIVITIES			
Loss from operations		(49,748)	(45,427)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		4,765	10,839
Impairment loss recognised in respect of intangible assets		–	1,188
Impairment loss recognised in respect of property, plant and equipment		29,623	–
Amortisation of intangible assets		–	395
Loss on disposal of property, plant and equipment		5,363	10,685
Allowance for doubtful debts		12,371	8,492
Interest income		(30)	(898)
Operating cash flows before movements in working capital		2,344	(14,726)
(Increase) decrease in inventories		(6,636)	13,360
Increase in trade and other receivables		(37,297)	(22,622)
Increase in trade and other payables		15,103	11,007
Cash used in operations		(26,486)	(12,981)
Income taxes refunded		–	107
Interest paid		(582)	(1,622)
NET CASH USED IN OPERATING ACTIVITIES		(27,068)	(14,496)
INVESTING ACTIVITIES			
Interest received		30	898
Net cash outflow arising on disposal of subsidiaries	22	(84)	–
Proceeds on disposal of property, plant and equipment		230	3,953
Purchase of property, plant and equipment		(1,185)	(13,190)
NET CASH USED IN INVESTING ACTIVITIES		(1,009)	(8,339)

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FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 HK\$'000	2001 HK\$'000
FINANCING ACTIVITIES		
Increase in pledged bank deposits	(3,003)	–
Repayment of amount due to a director	(53)	(5,409)
Repayment of bank loans	(2,950)	(4,198)
Repayment of loan from minority shareholder of a subsidiary	–	(3,595)
New bank loans raised	–	13,152
Net increase (decrease) in trust receipt loans	15,919	(6)
Net proceeds on issue of shares	41,174	–
	<u>51,087</u>	<u>(56)</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES		
	<u>51,087</u>	<u>(56)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,010	(22,891)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	62	22,953
	<u>62</u>	<u>22,953</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	23,072	62
	<u>23,072</u>	<u>62</u>
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported	23,072	(2,889)
Effect of reclassification of trust receipt loans	–	2,951
	<u>23,072</u>	<u>62</u>
Cash and cash equivalents as restated	23,072	62
	<u>23,072</u>	<u>62</u>
Being:		
Bank balances and cash	23,072	74
Bank overdrafts	–	(12)
	<u>23,072</u>	<u>62</u>