

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2002

Note	2002 HK\$'000	2001 HK\$'000
Operating activities		
Loss before taxation	(6,256)	(10,853)
Adjustments for:		
Interest expenses	2,060	2,994
Interest income	(30)	(308)
Depreciation	234	285
Impairment loss on land and buildings	1,487	232
Deficit arising from revaluation of investment properties	2,500	800
Loss on disposal of fixed assets	–	29
Operating loss before changes in working capital	(5)	(6,821)
Decrease in inventories	2,117	3,695
Decrease/(increase) in prepayments, deposits and other receivable	232	(5)
(Increase)/decrease in trade receivables	(163)	497
Decrease in trade payables, other payables and accruals	(3,197)	(495)
Increase/(decrease) in deposits received	1,191	(564)
Cash generated from/(used in) operations	175	(3,693)
Interest received	30	308
Interest paid	(2,060)	(2,994)
Tax paid	(11)	(2,282)
Net cash used in operating activities	(1,866)	(8,661)
Investing activities		
Decrease in pledged time deposits	5,735	4,782
Payment to acquire fixed assets	–	(2)
Net cash from investing activities	5,735	4,780
Financing activities		
Issue of share capital	12,413	5,520
Share issue expenses	(1,867)	(439)
(Repayment to)/advance from a related party	(6,873)	14,649
New bank loan	–	9,000
Advance from/(repayment to) Directors	34	(347)
Repayment of bank loans	(510)	(173)
Net cash from financing activities	3,197	28,210
Net increase in cash and cash equivalents	7,066	24,329
Cash and cash equivalents at 1 January	(18,649)	(43,005)
Effect of foreign exchange rates changes	(149)	27
Cash and cash equivalents at 31 December	(11,732)	(18,649)

The annexed notes form an integral part of these financial statements.