

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	Note	2003 HK\$'000	2002 HK\$'000
Operating activities			
Loss from operating activities		(27,123)	(96,122)
Adjustments for:			
Interest income		(611)	(951)
Advertising and telecommunication services expense	29(a)	8,954	3,688
Allowance for inventory obsolescence and write off of inventories		6,493	4,990
Amortisation of goodwill		–	3,093
(Surplus) Deficit on revaluation of leasehold land and buildings		(5,733)	8,658
Depreciation and amortisation of property and equipment		29,716	27,982
Impairment loss recognised in respect of goodwill		–	27,209
Impairment loss recognised in respect of property and equipment		–	2,867
Loss (Gain) on disposal of property and equipment		577	(591)
Operating cash from (outflow) before movements in working capital		12,273	(19,177)
Decrease in rental and utility deposits		362	1,677
Increase in inventories		(1,291)	(16,398)
(Increase) Decrease in accounts receivable		(6,438)	2,555
Decrease in prepayments, deposits and other receivables		6,267	13,185
Decrease (Increase) in investments in securities		28,441	(8,120)
Increase in amounts due from fellow subsidiaries		(12,966)	(2,400)
Increase in accounts payable		21,493	22,457
(Decrease) Increase in accrued liabilities and other payables		(9,317)	6,890
(Decrease) Increase in amount due to ultimate holding company		(713)	713
Cash generated from operations		38,111	1,382
Hong Kong Profits Tax refunded		–	166
Net cash generated from operating activities		38,111	1,548

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
Investing activities			
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	23	78	–
Interest received		611	951
Proceeds from disposal of property and equipment		15,576	14,410
Increase in pledged bank deposits		(11,500)	–
Purchases of property and equipment		(9,544)	(47,251)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	24	–	(600)
Payment for advertising and telecommunication services		–	(25,000)
Net cash used in investing activities		(4,779)	(57,490)
Financing activities			
(Decrease) Increase in bank overdrafts		(4,655)	4,397
Increase in trust receipt loans		8,444	34,197
New bank loan raised		25,500	–
Interest paid		(2,802)	(734)
Repayments of obligations under finance leases		(539)	(322)
Net cash from financing activities		25,948	37,538
Net increase (decrease) in cash and cash equivalents		59,280	(18,404)
Cash and cash equivalents at beginning of year		138,615	157,019
Cash and cash equivalents at end of year		197,895	138,615
Being:			
Bank balances and cash		197,895	138,615