CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

Vear ended 31 December 2001 to 31 December 2003 2002 2003 2002 2003				Period from
Cash flows from operating activities (19,674) 2003 HK\$ 7000 Loss before tax (19,674) (27,875) Adjustments for: (19,674) (27,875) Finance costs 8 4,068 3,963 Interest income 7 (47) (145) Depreciation 7 5,973 7,600 Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease in trade possits, prepayments and other receivables 130 (1,199) Decrease in trade payables and accrued purchases (3,273) (5,469) Increase/(decrease) in other payables and accruels (3,300) 2,803 Increase/(decrease) in bills payable (1,460) 1,113 Increase/(decrease) in bills payable (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145			Year ended	1 October 2001 to
Cash flows from operating activities (19,674) (27,875) Loss before tax (19,674) (27,875) Adjustments for: 8 4,068 3,963 Interest income 7 (47) (145) Depreciation 7 5,973 7,600 Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease in trade payables and accrued purchases 130 (1,199) Decrease in trade payables and accrued purchases (3,300) 2,803 Increase/(decrease) in other payables and accrued purchases (3,300) 2,803 Increase/(decrease) in bilis payable (1,460) 1,113 Increase/(decrease) in bilis payable (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145 Bank charges (214) (391)			31 December	31 December
Cash flows from operating activities (19,674) (27,875) Loss before tax (19,674) (27,875) Adjustments for: 8 4,068 3,963 Interest income 7 (47) (145) Depreciation 7 5,973 7,600 Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease in trade payables and accrued purchases (3,273) (5,469) Increase/(decrease) in intered payables and accrued purchases (3,300) 2,803 Increase/(decrease) in its payable (1,460) 1,113 Increase/(decrease) in amounts due to fellow subsidiaries, net (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)			2003	2002
Loss before tax (19,674) (27,875) Adjustments for:		Notes	HK\$'000	HK\$'000
Adjustments for: Finance costs	Cash flows from operating activities			
Finance costs 8 4,068 3,963 Interest income 7 (47) (145) Depreciation 7 5,973 7,600 Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease/(increase) in deposits, prepayments and other receivables 130 (1,199) Decrease/(increase) in other payables and accrued purchases (3,273) (5,469) Increase/(decrease) in other payables and accruels (3,300) 2,803 Increase/(decrease) in bills payable (1,460) 1,113 Increase/(decrease) in amounts due to fellow subsidiaries, net (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)	Loss before tax		(19,674)	(27,875)
Interest income	Adjustments for:			
Depreciation 7 5,973 7,600 Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease/(increase) in deposits, prepayments and other receivables 130 (1,199) Decrease/(increase) in other payables and accrued purchases (3,273) (5,469) Increase/(decrease) in other payables and accruals (3,300) 2,803 Increase/(decrease) in bills payable (1,460) 1,113 Increase/(decrease) in amounts due to fellow subsidiaries, net (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)	Finance costs	8	4,068	3,963
Loss on disposal of fixed assets 7 464 448 Operating loss before working capital changes (9,216) (16,009) Decrease/(increase) in inventories 13,732 (14,270) Decrease in trade receivables 4,643 574 Decrease/(increase) in deposits, prepayments and other receivables 130 (1,199) Decrease in trade payables and accrued purchases (3,273) (5,469) Increase/(decrease) in other payables and accruals (3,300) 2,803 Increase/(decrease) in bills payable (1,460) 1,113 Increase/(decrease) in amounts due to fellow subsidiaries, net (610) 2,519 Cash generated from/(used by) operations 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)	Interest income	7	(47)	(145)
Operating loss before working capital changes Decrease/(increase) in inventories Decrease in trade receivables Decrease) in trade receivables Decrease) in indeposits, prepayments and other receivables Decrease in trade payables and accrued purchases Increase/(decrease) in other payables and accrueds Increase/(decrease) in other payables and accruals Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations Interest received Bank charges Overseas taxes paid (16,009) (14,270) (14,270) (14,270) (14,270) (14,270) (14,270) (14,270) (1,199) (2,313) (3,300) (3,300) (2,803) (1,460) (1,460) (1,113) (610) (29,938) (214) (391) Overseas taxes paid	Depreciation	7	5,973	7,600
Decrease/(increase) in inventories Decrease in trade receivables Decrease in trade receivables Decrease/(increase) in deposits, prepayments and other receivables Decrease in trade payables and accrued purchases Decrease in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations Interest received Arr Bank charges Interest received Arr Bank charges Interest received Arr Decrease/(increase) Interest received Arr Interest received Arr Interest received Arr Interest received Arr Interest received Interest received	Loss on disposal of fixed assets	7	464	448
Decrease in trade receivables 4,643 574 Decrease/(increase) in deposits, prepayments and other receivables 130 (1,199) Decrease in trade payables and accrued purchases (3,273) (5,469) Increase/(decrease) in other payables and accruals (3,300) 2,803 Increase/(decrease) in bills payable (1,460) 1,113 Increase/(decrease) in amounts due to fellow subsidiaries, net (610) 2,519 Cash generated from/(used by) operations 646 (29,938) Interest received 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)	Operating loss before working capital changes		(9,216)	(16,009)
Decrease/(increase) in deposits, prepayments and other receivables Decrease in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase/(decrease) in bills payable Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations Interest received Arr Bank charges Coverseas taxes paid 130 (1,199) (3,273) (5,469) (1,460) 1,113 (1,460) 1,113 (610) 2,519 47 145 (29,938)	Decrease/(increase) in inventories		13,732	(14,270)
Decrease in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase/(decrease) in bills payable Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations Interest received Arranges Arranges Cash generated from/(used by) operations Overseas taxes paid Decrease in trade payables and accrued (5,469) (1,460) (1,460) (1,460) (1,460) (1,460) (29,938) Arranges (214) (391) (57)	Decrease in trade receivables		4,643	574
Increase/(decrease) in other payables and accruals Increase/(decrease) in bills payable Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations 646 (29,938) Interest received Bank charges (214) Overseas taxes paid (3,300) (1,460) (1,460) (1,460) (29,938) (410) (59,938) (29,938) (214) (391) (57)	Decrease/(increase) in deposits, prepayments and other receivables		130	(1,199)
Increase/(decrease) in bills payable Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations 646 (29,938) Interest received Bank charges (214) Overseas taxes paid (1,460) 2,519 646 (29,938)	Decrease in trade payables and accrued purchases		(3,273)	(5,469)
Increase/(decrease) in amounts due to fellow subsidiaries, net Cash generated from/(used by) operations 646 (29,938) Interest received Bank charges (214) Overseas taxes paid (57)	Increase/(decrease) in other payables and accruals		(3,300)	2,803
Cash generated from/(used by) operations Interest received Bank charges Overseas taxes paid (29,938) 47 (214) (391) (57)	Increase/(decrease) in bills payable		(1,460)	1,113
Interest received 47 145 Bank charges (214) (391) Overseas taxes paid (215) (57)	Increase/(decrease) in amounts due to fellow subsidiaries, net		(610)	2,519
Bank charges (214) (391) Overseas taxes paid (215) (57)	Cash generated from/(used by) operations		646	(29,938)
Overseas taxes paid (215) (57)	Interest received		47	145
	Bank charges		(214)	(391)
Net cash inflow/(outflow) from operating activities 264 (30,241)	Overseas taxes paid		(215)	(57)
	Net cash inflow/(outflow) from operating activities		264	(30,241)

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

			Period from
		Year ended	1 October 2001 to
		31 December	31 December
		2003	2002
	Notes	HK\$'000	HK\$'000
Cash flows from investing activities			
Purchases of fixed assets	14	(3,729)	(6,773)
Proceeds from disposal of fixed assets		86	152
Increase in amounts due to associates		-	114
Proceeds from disposal of associates		-	3,206
Decrease/(increase) in pledged time deposits		1,293	(52)
Net cash outflow from investing activities		(2,350)	(3,353)
Cash flows from financing activities			
Repayment of bank loans		(384)	(428)
Increase/(decrease) in trust receipt loans		(6,229)	2,360
Advance from holding company		21,000	36,000
Interest paid		(747)	(2,923)
Net cash inflow from financing activities		13,640	35,009
Net increase in cash and cash equivalents		11,554	1,415
Cash and cash equivalents at beginning of year/period		12,788	11,597
Effect of foreign exchange rate changes, net		(26)	(224)
Cash and cash equivalents at end of year/period		24,316	12,788
Analysis of balances of cash and cash equivalents			
Cash and bank balances		26,173	13,791
Bank overdrafts, unsecured	25	(1,857)	(1,003)
		24,316	12,788