

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	Year ended 31 December 2003 HK\$'000	Period from 1 October 2001 to 31 December 2002 HK\$'000
Cash flows from operating activities			
Loss before tax		(19,674)	(27,875)
Adjustments for:			
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 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)
Net cash inflow/(outflow) from operating activities		264	(30,241)

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Year ended 31 December 2003

	Notes	Year ended 31 December 2003 HK\$'000	Period from 1 October 2001 to 31 December 2002 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)
		(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)
		13,640	35,009
		11,554	1,415
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year/period		12,788	11,597
Effect of foreign exchange rate changes, net		(26)	(224)
		24,316	12,788
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