

Consolidated Cash Flow Statement

For the Year Ended 31 December 2003

	Note	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Loss from operations		(54,817)	(49,748)
Adjustments for:			
Depreciation and amortisation		77	4,765
Impairment loss recognised in respect of property, plant and equipment		–	29,623
Loss on disposal of property, plant and equipment		–	5,363
Allowance for bad and doubtful debts		29,013	12,371
Interest income		(35)	(30)
Operating cash flows before working capital changes		(25,762)	2,344
Decrease (increase) in inventories		6,435	(6,636)
Increase in trade and other receivables		(26,077)	(37,297)
(Decrease) increase in trade and other payables		(804)	15,103
Cash used in operations		(46,208)	(26,486)
Interest paid		(118)	(582)
NET CASH USED IN OPERATING ACTIVITIES		(46,326)	(27,068)
INVESTING ACTIVITIES			
Decrease (increase) in pledged bank deposits		3,003	(3,003)
Interest received		35	30
Purchase of property, plant and equipment		(2)	(1,185)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	20	–	(84)
Proceeds from disposal of property, plant and equipment		–	230
NET CASH FROM (USED IN) INVESTING ACTIVITIES		3,036	(4,012)
FINANCING ACTIVITIES			
Net proceeds on issue of shares		49,919	41,174
Net (decrease) increase in trust receipt loans		(12,870)	15,919
Repayment of bank loans		–	(2,950)
Repayment of amount due to a former director		–	(53)
NET CASH FROM FINANCING ACTIVITIES		37,049	54,090
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(6,241)	23,010
CASH AND CASH EQUIVALENTS AT 1 JANUARY		23,072	62
CASH AND CASH EQUIVALENTS AT 31 DECEMBER representing bank balances and cash		16,831	23,072