

## Consolidated Cash Flow Statement

For the year ended 31st March 2003

	2003 HK\$'000	2002 HK\$'000
<b>Operating activities</b>		
Loss before taxation	(26,615)	(33,682)
Adjustments for:		
Interest income	(47)	(34)
Interest expenses	8,517	5,596
Interest on obligation under finance lease	103	86
Depreciation and amortisation of property, plant and equipment	8,182	11,891
Amortisation of goodwill	7,002	—
Amortisation of trademarks	45	14
Amortisation of issue cost of convertible loan stock	31	443
Release of issue cost on redemption of convertible loan stock	—	2,947
Share of results of associates	(11)	—
Deficit arising on revaluation of investment properties	400	600
Impairment losses recognised respect of property, plant and equipment	3,000	4,747
Loss on disposal of property, plant and equipment	540	172
Operating cash flows before movements in working capital	1,147	(7,220)
(Increase) decrease in inventories	(8,352)	9,360
Decrease in trade and other receivables	8,491	8,401
Decrease in amounts due from associates	1,783	—
Decrease in trade and other payables	(6,274)	(19,403)
Decrease in amount due to a related company	731	223
Increase in deferred franchise income	53	—
Cash used in operation	(2,421)	(8,639)
Hong Kong Profits Tax paid	(2,760)	(13)
PRC Tax paid	—	(383)
Interest paid	(4,478)	(5,596)
<b>Net cash used in operating activities</b>	<b>(9,659)</b>	<b>(14,631)</b>

## Consolidated Cash Flow Statement *(continued)*

For the year ended 31st March 2003

	Note	2003 HK\$'000	2002 HK\$'000
<b>Investing activities</b>			
Acquisition of subsidiaries	33	987	—
Interest received		47	34
Proceeds from disposal of property, plant and equipment		252	24
Purchase of property, plant and equipment		(6,127)	(3,777)
Purchase of trademark		(293)	—
Repayment of loan receivables		35	—
<b>Net cash used in investing activities</b>		<b>(5,099)</b>	<b>(3,719)</b>
<b>Financing</b>			
Dividend paid to minority shareholders		(10)	—
Interest on obligations under finance lease contracts		(103)	(86)
Redemption of convertible loan stock		(315)	(30,169)
Principal payments of obligations under finance leases		(679)	(368)
Trust receipt loans raised (repaid)		559	(14,810)
Bank borrowings raised (repaid)		11,175	(653)
Repayment of other loans		—	(3,640)
Loan from a director		—	8,774
Loans from a shareholder		13,900	65,750
Repayment of loans from a shareholder		(900)	—
Contribution from a minority shareholder of a subsidiary		—	235
Proceeds from issue of new shares		5,802	—
<b>Net cash from financing</b>		<b>29,429</b>	<b>25,033</b>
<b>Increase in cash and cash equivalents</b>		<b>14,671</b>	<b>6,683</b>
<b>Cash and cash equivalents brought forward</b>		<b>6,837</b>	<b>154</b>
<b>Cash and cash equivalents carried forward, representing bank balances and cash</b>		<b>21,508</b>	<b>6,837</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Cash and cash equivalent as previously reported			1,292
Effect of reclassification of trust receipt loans			5,545
<b>Cash and cash equivalent as restated</b>			<b>6,837</b>