

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(268,317)	(65,359)
Adjustments for:			
Finance costs	8	1,141	6,884
Share of losses of associates		729	5,733
Impairment of goodwill arising from acquisition of associates		–	12,469
Interest income	6	(26)	(560)
Depreciation	7	27,243	35,800
Amortisation of goodwill	7, 15	2,093	1,908
Loss on disposal of leasehold land and buildings	7	6,513	–
Loss/(gain) on disposal of fixed assets, excluding leasehold land and buildings	7	6,918	(781)
Write-off of fixed assets	7	29,570	–
Write-off of deposits recoverable	7	10,093	–
Write-off of inventories, Euro converters	7	60,887	–
Write-off of slow-moving inventories	7	31,804	–
Write-off of damaged inventories	7	35,436	–
Provision for slow-moving inventories	7	15,669	–
Loss in respect of discounts given in collection of trade debts	7	33,331	–
Loss on deemed partial disposal of interests in associates	17	4,342	–
Exchange fluctuation reserve realised on disposal of subsidiaries		21	–
Operating loss before working capital changes		(2,553)	(3,906)
Decrease/(increase) in inventories		(85,435)	11,832
Decrease in trade receivables		18,880	6,005
Decrease/(increase) in prepayments, deposits and other receivables		15,136	(339)
Increase/(decrease) in trade and bills payables		11,427	(3,338)
Increase in accrued liabilities and other payables		1,669	4,929
Cash generated from/(used in) operations		(40,876)	15,183
Interest paid on bank and other borrowings		(962)	(6,323)
Interest element on finance lease rental payments		(179)	(561)
Hong Kong profits tax refunded		689	82
Net cash inflow/(outflow) from operating activities		(41,328)	8,381

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Net cash inflow/(outflow) from operating activities		(41,328)	8,381
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		26	560
Purchases of fixed assets	14	(5,443)	(37,238)
Proceeds from disposal of fixed assets		9,666	1,162
Acquisition of a factory in Mainland China		–	(3,704)
Acquisition of a long term investment		(23,148)	–
Acquisition of minority interests	16(b)	(6,300)	–
Decrease in pledged time deposits		1,000	8,118
Net cash outflow from investing activities		(24,199)	(31,102)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	29(a)	43,751	116,448
Share issue expenses		(3,087)	(3,342)
Advance from a shareholder		4,630	–
New bank loans		–	8,371
Decrease in trust receipt loans		(2,344)	(50,616)
Repayment of bank loans and mortgage loans		(8,949)	(9,557)
Capital element of finance lease rentals payments		(1,581)	(4,830)
Net cash inflow from financing activities		32,420	56,474
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		33,230	(523)
CASH AND CASH EQUIVALENTS AT END OF YEAR		123	33,230
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		123	34,303
Bank overdrafts, secured		–	(1,073)
		123	33,230