

	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Operating activities		
(Loss) profit from operations	<b>(7,706)</b>	41,252
Interest income	<b>(273)</b>	(258)
Revaluation decrease on investment properties	<b>239</b>	—
Unrealised (gain) loss on investment in securities	<b>(5)</b>	20
Depreciation and amortisation of property, plant and equipment	<b>1,051</b>	1,268
Allowance for slow moving inventories	<b>1,942</b>	1,198
Allowance for doubtful debts	<b>2,021</b>	2,624
Amortisation of goodwill	<b>775</b>	659
Release of negative goodwill	<b>(99)</b>	(58)
Loss (gain) on disposal of property, plant and equipment	<b>430</b>	(12)
Operating cash flows before movements in working capital	<b>(1,625)</b>	46,693
Increase in inventories	<b>(19,190)</b>	(10,300)
Decrease (increase) in debtors, deposits and prepayments	<b>4,247</b>	(76,689)
Decrease in bills receivables	<b>—</b>	2,387
(Decrease) increase in creditors and accrued charges	<b>(4,744)</b>	11,259
Increase in bills payables	<b>4,664</b>	1,168
Cash used by operations	<b>(16,648)</b>	(25,482)
Income taxes paid	<b>(6,563)</b>	(4,021)
Interest paid	<b>(4,026)</b>	(3,040)
Net cash outflow from operating activities	<b>(27,237)</b>	(32,543)
Investing activities		
Interest received	<b>273</b>	258
Proceeds on disposal of property, plant and equipment	<b>3</b>	12
Purchases of property, plant and equipment	<b>(1,605)</b>	(1,186)
Increase in pledged bank deposits	<b>(2,575)</b>	(12,890)
Proceeds on maturity of investment in securities	<b>—</b>	55
Purchase of investment in securities	<b>—</b>	(1,950)
Purchase of investment properties	<b>—</b>	(14)
Acquisition of additional interests in subsidiaries	<b>—</b>	(7,405)
Decrease in amounts due from related companies	<b>—</b>	33,807
Net cash (used in) generated from investing activities	<b>(3,904)</b>	10,687

# Consolidated Cash Flow Statements

for the year ended 31 December 2003

	<b>2003</b>	2002
	<b>HK\$'000</b>	HK\$'000
Financing		
Proceeds on issue of shares	<b>30,000</b>	—
Share issue expenses	<b>(8,517)</b>	—
Issue of shares in subsidiaries	—	5
New bank loans raised	<b>9,350</b>	3,346
Repayment of bank loans	<b>(3,921)</b>	(475)
Repayment of obligations under a finance lease	<b>(11)</b>	(21)
Repayments of advances to minority shareholders	<b>(103)</b>	41
Dividends paid	<b>(10,000)</b>	(5,940)
Dividends paid to minority shareholders	—	(860)
Increase in trust receipt loans	<b>11,620</b>	36,290
<b>Net cash generated in financing</b>	<b>28,418</b>	32,386
Net (decrease) increase in cash and cash equivalents	<b>(2,723)</b>	10,530
Cash and cash equivalents at 1 January	<b>26,328</b>	15,796
Effect of change in foreign exchange rate	<b>(13)</b>	2
<b>Cash and cash equivalents at 31 December</b>	<b>23,592</b>	26,328
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	<b>23,594</b>	26,328
Bank overdrafts	<b>(2)</b>	—
	<b>23,592</b>	26,328