

Consolidated Cash Flow Statement

For the year ended 31st March, 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(167,792)	(196,286)
Adjustments for:			
Loss on disposal/write off of fixed assets		987	14,488
Provisions for and write off of bad and doubtful debts		9,197	26,425
Unrealised holding losses on other investments		57,202	1,091
Impairment of long term investments		76,361	-
Revaluation deficit of investment properties		8,157	2,630
Loss/(gain) on disposal of subsidiaries		4,690	(7,339)
Gain on disposal of discontinued operations		(2,747)	-
Loss/(gain) on disposal of associates		314	(561)
Provisions for impairment of deferred development costs		-	4,330
Amortisation of goodwill		-	2,615
Impairment of goodwill		-	10,712
Interest income	8	(2,944)	(7,708)
Dividend income from listed investments	8	-	(54)
Waiver of loan by a minority shareholder	8	-	(2,134)
Depreciation	9	12,871	20,027
Impairment of interest in an associate	9	-	237
Loss on deemed disposal of partial interests in subsidiaries	9	-	682
Loss on disposal of other investments	9	51	61
Provisions/(write-back of provisions) against inventories	9	(14,448)	32,935
Amortisation of deferred development costs	9	-	441
Finance costs	12	18,757	28,860
Share of profits and losses of associates		(417)	1,163
Operating profit/(loss) before working capital changes		239	(67,385)
Decrease/(increase) in accounts receivable		(99,955)	152,184
Decrease in inventories		45,496	33,753
Decrease/(increase) in prepayments, deposits and other receivables		(3,056)	10,196
Increase/(decrease) in accounts payable		22,599	(80,879)
Increase/(decrease) in provisions		(2,867)	22,254
Increase in deposits received, accruals and other payables		46,247	11,433

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Cash generated from operations		8,703	81,556
Interest element on finance lease rental payments	12	(37)	(50)
Hong Kong profits tax refunded		-	77
Overseas taxes refunded		161	747
Overseas taxes paid		(3,456)	(8,519)
Net cash inflow from operating activities			
Continuing operations		5,683	67,042
Discontinued operations		(312)	6,769
		5,371	73,811
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,125	7,684
Purchases of fixed assets		(2,889)	(27,808)
Proceeds from disposal of fixed assets		365	2,329
Purchases of investment properties		-	(714)
Acquisition of subsidiaries	35(c)	-	16,493
Net inflow/(outflow) from disposal of subsidiaries	35(d)	(1,129)	1,573
Acquisition of interests in associates		-	(1,839)
Net proceeds from disposal of an associate		(314)	561
Repayment from associates		-	1,198
Acquisition of long term investments		-	(136)
Proceeds from disposal of other investments		72	4,379
Dividend received from listed investments		-	54
Payments for deferred development costs		-	(4,771)
Increase in pledged time deposits		(9,875)	(9,512)
Net cash outflow from investing activities			
Continuing operations		(11,662)	(4,003)
Discontinued operations		17	(6,506)
		(11,645)	(10,509)

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For the year ended 31st March, 2003

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CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares on exercise of share options		414	1,256
Repurchases of shares		-	(476)
Net proceeds from issue of convertible bonds		136,465	-
Repayment of convertible bonds		(79,187)	-
New loans		50,844	93,682
Repayment of bank loans and trust receipt loans		(86,739)	(147,756)
Repayment of supplier loans		(3,786)	(24,404)
Capital element of finance lease rental payments		(118)	(757)
Advances from minority interests		-	3,240
Interest paid on bank, supplier and other loans		(5,214)	(12,447)
Interest paid on convertible bonds		(14,873)	(16,584)
Net cash outflow from financing activities			
Continuing operations		(2,194)	(104,246)
Discontinued operations		-	-
		<u>(2,194)</u>	<u>(104,246)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		<u>(8,468)</u>	<u>(40,944)</u>
Cash and cash equivalents at beginning of year		116,856	158,971
Effect of foreign exchange rate changes		(228)	(1,171)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>108,160</u>	<u>116,856</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	102,422	66,728
Non-pledged time deposits with original maturity of less than three months when acquired	25	5,738	50,093
Time deposits with original maturity of less than three months when acquired, pledged as security for bank overdrafts	25	-	200
Bank overdrafts	29	-	(165)
		<u>108,160</u>	<u>116,856</u>