

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(3,825)	(278,463)
Adjustments for:			
Finance costs	7	2,071	4,607
Share of profits and losses of a jointly- controlled entity and associates		(4,864)	16,589
Interest income	5	(2,552)	(1,582)
Gain on deemed partial disposal of an associate	5	—	(3,685)
Gain on partial disposal of a subsidiary	5, 33(b)	(3,496)	—
Loss on disposal of subsidiaries	6, 33(b)	13,260	560
Loss on disposal of fixed assets	6	210	3,446
Depreciation	6	17,110	22,263
Amortisation of trademark	6	—	922
Amortisation of goodwill	6	784	—
Impairment of goodwill	6	2,528	189,070
Impairment of fixed assets	6	3,777	—
Revaluation deficit/(surplus) of land and buildings	6	(1,588)	1,125
Revaluation deficit/(surplus) of investment properties	6	(290)	1,750
Unrealised gains on revaluation of short term investments	6	(71)	(7)
Operating profit/(loss) before working capital changes		23,054	(43,405)
Decrease/(increase) in inventories		(33,110)	61,738
Decrease in systems integration contracts		4,879	88,179
Decrease/(increase) in trade and bills receivables		(36,438)	30,765
Decrease/(increase) in prepayments		11,357	(20,046)
Decrease/(increase) in deposits and other receivables		(7,389)	11,787
Decrease in short term investments		2,116	534
Increase in trade and bills payables		67,967	88,695
Increase/(decrease) in accruals		17,987	(6,492)
Increase/(decrease) in other payables		(993)	398
Decrease in trading receipts in advance		(19,499)	(121,821)
Exchange differences		(4,890)	1,377
Cash generated from operations		25,041	91,709
Interest received		2,552	1,582
Interest paid		(2,050)	(4,607)
Interest element on finance lease rental payments		(21)	—
Overseas taxes refunded/(paid)		(1,368)	247
Net cash inflow from operating activities		24,154	88,931

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Net cash inflow from operating activities		<u>24,154</u>	<u>88,931</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets and additions to construction in progress	13	(19,759)	(10,200)
Proceeds from disposal of fixed assets		2,697	10,829
Additions to intangible assets	14	(932)	—
Purchase of long term investment		(63)	—
Acquisition of subsidiaries	33(a)	59,164	—
Dividend received from associates		396	—
Decrease/(increase) in amounts due from associates		429	(1,352)
Decrease in amounts due to associates		(166)	(669)
Disposal of subsidiaries	33(b)	40,129	(4,317)
Increase in time deposits with original maturity of more than three months when acquired		(4,704)	—
Decrease/(increase) in pledged deposits		<u>(7,549)</u>	<u>17,030</u>
Net cash inflow from investing activities		<u>69,642</u>	<u>11,321</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other loans		3,248	83,893
Repayment of bank loans		(37,700)	(194,019)
Increase/(decrease) in trust receipt loans		2,895	(37,460)
Capital element of finance lease rental payments		(156)	—
Net cash outflow from financing activities		<u>(31,713)</u>	<u>(147,586)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		62,083	(47,334)
Cash and cash equivalents at beginning of year		216,383	263,460
Effect of foreign exchange rate changes, net		<u>(510)</u>	<u>257</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>277,956</u>	<u>216,383</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		211,973	195,153
Non-pledged time deposits with original maturity of less than three months when acquired		<u>65,983</u>	<u>21,230</u>
		<u>277,956</u>	<u>216,383</u>