

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2001

(Expressed in Hong Kong dollars)

	<i>Note</i>	2001	2000
		<i>\$'000</i>	<i>\$'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<i>(a)</i>	68,109	43,551
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		817	182
Interest paid		(14,639)	(13,531)
Interest element of finance lease rental payments		(879)	(760)
Ordinary dividends paid		(10,013)	(2,225)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(24,714)	(16,334)
TAXATION			
Hong Kong profits tax paid		(778)	(548)
Hong Kong profits tax refunded		—	390
People's Republic of China ("PRC") tax paid		(7,150)	(2,242)
TAX PAID		(7,928)	(2,400)
INVESTING ACTIVITIES			
Payment for purchase of fixed assets		(36,100)	(18,362)
Proceeds from sale of fixed assets		1,099	10,954
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(35,001)	(7,408)
NET CASH INFLOW BEFORE FINANCING		466	17,409
FINANCING			
Repayment of loan from a director	<i>(b)</i>	(19,298)	—
New bank loans	<i>(b)</i>	118,535	39,995
Repayment of bank loans	<i>(b)</i>	(86,719)	(57,125)
Capital element of finance lease rental payments	<i>(b)</i>	(5,621)	(5,860)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		6,897	(22,990)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		7,363	(5,581)
CASH AND CASH EQUIVALENTS AT 1ST APRIL		(23,182)	(17,601)
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<i>(d)</i>	(15,819)	(23,182)

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NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) **Reconciliation of profit from ordinary activities before taxation to net cash inflow from operating activities**

	2001	2000
	\$'000	\$'000
Profit from ordinary activities before taxation	25,973	20,698
Interest income	(597)	(402)
Interest expense	14,873	13,655
Finance lease charges	874	753
Depreciation	25,708	24,083
Loss on disposal of fixed assets	296	2,221
Increase in inventories	(18,553)	(14,825)
(Increase)/decrease in trade debtors, prepayments and deposits	(14,270)	1,869
Increase/(decrease) in bills payable	15,108	(5,891)
Increase in trade creditors and accrued charges	19,433	3,173
Exchange difference	(736)	(1,783)
Net cash inflow from operating activities	68,109	43,551

(b) **Analysis of changes in financing during the year**

	Loan from a director	Bank loans	Finance lease obligations
	\$'000	\$'000	\$'000
Balance at 1st April, 1999	19,298	121,494	11,747
Cash inflow from financing	—	39,995	—
Cash outflow from financing	—	(57,125)	(5,860)
Inception of finance lease contracts	—	—	1,307
Balance at 31st March, 2000	19,298	104,364	7,194
Balance at 1st April, 2000	19,298	104,364	7,194
Cash inflow from financing	—	118,535	—
Cash outflow from financing	(19,298)	(86,719)	(5,621)
Inception of finance lease contracts	—	—	11,500
Balance at 31st March, 2001	—	136,180	13,073

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NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

(c) Major non-cash transaction

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of \$11,500,000 (2000: \$1,307,000).

(d) Analysis of the balances of cash and cash equivalents

	2001	2000
	\$'000	\$'000
Deposits with bank	2,323	—
Cash at bank and in hand	28,057	14,384
Bank overdrafts	(46,199)	(37,566)
	(15,819)	(23,182)
