## Consolidated Cash Flow Statement

for the year ended 31 March 2001

	Note		<b>2001</b> HK\$'000		<b>2000</b> HK\$'000
Net cash inflow from operating			4-1 (10		
activities	1		171,410		235,192
Returns on investments and servicing of finance					
Interest received		18,532		13,262	
Interest paid		(64,590)		(37,408)	
Dividends received		88		87	
Dividends paid		(73,837)		(58,018)	
Interest element of finance lease rentals		(1,767)	-	(1,164)	
Net cash outflow from returns on investments and servicing of finance			(121,574)		(83,241)
Taxation					
Hong Kong profits tax paid		(19,149)		(25,029)	
Overseas tax (paid)/refunded		(282)	-	601	
Tax paid			(19,431)		(24,428)
Investing activities					
Sale of fixed assets		36,399		462	
Purchase of fixed assets		(156,789)		(107,593)	
Sale of listed investments		_		2,583	
Purchase of listed investments		_		(1,963)	
Purchase of intangible assets		_		(75)	
Acquisition of subsidiaries		_		1,196	
Acquisition of an associated company		(8,110)		_	
(Increase)/decrease in loans to					
associated companies		(40,009)	-	1,006	
Net cash outflow from investing					
activities			(168,509)	-	(104,384)
Net cash (outflow)/inflow before					
financing			(138,104)		23,139

#### Consolidated Cash Flow Statement

for the year ended 31 March 2001

	Note		<b>2001</b> HK\$'000		<b>2000</b> HK\$'000
Financing					
Net proceeds from sale and leaseback					
transactions		4,432		11,480	
Capital element of finance lease rentals		(11,761)		(8,242)	
Net increase in long-term bank loans		193,053		221,035	
Net decrease in short-term bank loans		(7,263)		(105,965)	
Issue of convertible notes		_		117,000	
Repurchase of own shares		(6,074)		(3,082)	
Investment by a minority shareholder				600	
Net cash inflow from financing	2		172,387	-	232,826
Increase in cash and cash					
equivalents			34,283		255,965
Effect of foreign exchange rates			170		(419)
Cash and cash equivalents at 1 April			234,611	-	(20,935)
Cash and cash equivalents at 31 March	3	!	269,064	<u>.</u>	234,611

## Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2001

# (1) Reconciliation of operating profit to net cash inflow from operating activities

Operating profit 230,785 315,3 Interest income (50,163) (21,00 Dividend income (88) (4,8 Interest expense 59,783 40,9 Interest element of finance lease rentals 1,767 1,11 Depreciation 49,475 41,22 (Gain)/loss on disposal of fixed assets (1,729) 88 Realised and unrealised loss/(profit) of listed investments 2,469 (4,6 Provision for diminution in value of investment securities 4,500 Provision for amounts due from associated companies 259 22 (Increase)/decrease in inventories (10,964) 4,55 Decrease/(increase) in advances to PRC distributors 63,506 (63,50 Decrease/(increase) in trade debtors and bills receivable 8,007 (79,9 Increase in short-term loans (10,040) 19,6 (10,040) 3,33 Increase in short-term loans (10,040) 3,33 Increase in amount due from ultimate holding company (555) (20,8 (Decrease)/increase in trade creditors and bills payable (7,909) 1,2 Increase in amount due to a related companies (18,260) (27,8 (Decrease)/increase in trade creditors and bills payable (7,909) 1,2 Increase in amounts due from associated companies (18,260) (27,8 (Decrease)/increase in trade creditors and bills payable (7,909) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Increase in other creditors and accrued charges (14,062) 1,2 Incre		2001	2000
Interest income Dividend income (88) (4,8) Interest expense (59,783) 40,9 Interest element of finance lease rentals Interest expense Inter		HK\$′000	HK\$'000
Dividend income  (88) (4,8)  Interest expense  59,783 40,9  Interest element of finance lease rentals  1,767 1,1  Depreciation  (49,475 41,2)  (Gain)/loss on disposal of fixed assets  Realised and unrealised loss/(profit) of listed investments  2,469 (4,6)  Provision for diminution in value of investment securities  4,500  Provision for amounts due from associated companies  — 7,1  Amortisation of intangible assets  (Increase)/decrease in inventories  (Increase)/decrease in inventories  Decrease / (increase) in advances to PRC distributors  Decrease / (increase) in trade debtors and bills receivable  Becrease in loans to employees for purchase of shares  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  (Increase)/decrease in prepayment of subcontracting charges  (Increase)/decrease in amount due to a related company  (Increase)/increase in amount due to a related companies  (Decrease)/increase in trade creditors and bills payable  (T,909)  1,2  Increase in other creditors and accrued charges  (14,062)  1,2  1,0  1,0  1,0  1,0  1,0  1,0  1,0	Operating profit	230,785	315,332
Interest expense 59,783 40,9 Interest element of finance lease rentals 1,767 1,1 Depreciation 49,475 41,2 (Gain)/loss on disposal of fixed assets (1,729) 8 Realised and unrealised loss/(profit) of listed investments 2,469 (4,6 Provision for diminution in value of investment securities 4,500 Provision for amounts due from associated companies — 7,1 Amortisation of intangible assets 259 22 (Increase)/decrease in inventories (10,964) 4,5 Decrease in promissory notes 1,024 7,0 Decrease/(increase) in advances to PRC distributors 63,506 (63,5) Decrease/ (increase) in trade debtors and bills receivable 8,007 (79,9) Increase in other debtors and prepayments (41,556) (20,3) Decrease in loans to employees for purchase of shares — 12,90 Increase in short-term loans (8,043) 19,60 (Increase)/decrease in staff loans (8,043) 19,60 (Increase)/decrease in prepayment of subcontracting charges (50,040) 3,30 Increase in amount due from ultimate holding company (211) (2 Decrease in amounts due from associated companies (18,260) (27,80 (Decrease)/increase in trade creditors and bills payable (7,909) 1,20 Increase in other creditors and accrued charges 14,062 1,20	Interest income	(50,163)	(21,007)
Interest element of finance lease rentals  Depreciation  (Gain)/loss on disposal of fixed assets  Realised and unrealised loss/(profit) of listed investments  Realised and unrealised loss/(profit) of listed investments  Provision for diminution in value of investment securities  Associated companies  Amortisation of intangible assets  (Increase)/decrease in inventories  Decrease in promissory notes  Decrease/(increase) in advances to PRC distributors  Decrease/ (increase) in trade debtors and bills receivable  Increase in other debtors and prepayments  (Increase in loans to employees for purchase of shares  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  Increase in amount due from ultimate holding company  (Increase in amounts due from associated companies  (Decrease in amounts due from associated companies  (Increase in amounts due from associated companies  (Increase)/decrease in trade creditors and bills payable  (Increase)/increase in trade creditors and accrued charges  (Increase)/increase in other creditors and accrued charges	Dividend income	(88)	(4,823)
Depreciation 49,475 41,29 88 Realised and unrealised loss/(profit) of listed investments 2,469 (4,60) Provision for diminution in value of investment securities 4,500 Provision for amounts due from associated companies — 7,12 Amortisation of intangible assets 259 22 (Increase)/decrease in inventories (10,964) 4,5 Decrease in promissory notes 1,024 7,0 Decrease/(increase) in advances to PRC distributors 63,506 (63,50) Decrease/ (increase) in trade debtors and bills receivable 8,007 (79,90) Increase in other debtors and prepayments (41,556) (20,30) Decrease in loans to employees for purchase of shares — 12,90 Increase in short-term loans (67,860) (Increase)/decrease in staff loans (8,043) 19,60 (Increase)/decrease in prepayment of subcontracting charges (50,040) 3,30 Increase in amount due from ultimate holding company (2111) (20,02) Decrease in amount due to a related companies (18,260) (27,80) (Increase)/increase in trade creditors and bills payable (7,909) 1,20 Increase in other creditors and accrued charges 14,062 1,20	Interest expense	59,783	40,932
(Gain)/loss on disposal of fixed assets(1,729)8Realised and unrealised loss/(profit) of listed investments2,469(4,6)Provision for diminution in value of investment securities4,5007,1Provision for amounts due from associated companies—7,1Amortisation of intangible assets2592(Increase)/decrease in inventories(10,964)4,5Decrease in promissory notes1,0247,0Decrease/(increase) in advances to PRC distributors63,506(63,5)Decrease/ (increase) in trade debtors and bills receivable8,007(79,9)Increase in other debtors and prepayments(41,556)(20,3)Decrease in loans to employees for purchase of shares—12,9Increase in short-term loans(67,860)—(Increase)/decrease in staff loans(8,043)19,6(Increase)/decrease in prepayment of subcontracting charges(50,040)3,3Increase in amount due from ultimate holding company(211)(2Decrease in amount due to a related company(5555)(Increase in amounts due from associated companies(18,260)(27,8(Decrease)/increase in trade creditors and bills payable(7,909)1,2Increase in other creditors and accrued charges14,0621,2	Interest element of finance lease rentals	1,767	1,164
Realised and unrealised loss/(profit) of listed investments  2,469  (4,6)  Provision for diminution in value of investment securities  4,500  Provision for amounts due from associated companies  Amortisation of intangible assets  259  (Increase)/decrease in inventories  (10,964)  (10,964)  4,5  Decrease in promissory notes  1,024  7,0  Decrease/(increase) in advances to PRC distributors  Decrease/ (increase) in trade debtors and bills receivable  8,007  (79,9)  Increase in other debtors and prepayments  (41,556)  (20,3)  Decrease in loans to employees for purchase of shares  (67,860)  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  (50,040)  3,3  Increase in amount due from ultimate holding company  (211)  Decrease in amounts due from associated companies  (Decrease)/increase in trade creditors and bills payable  (7,909)  1,2  Increase in other creditors and accrued charges  14,062  1,2	Depreciation	49,475	41,201
Provision for diminution in value of investment securities  Provision for amounts due from associated companies  Amortisation of intangible assets  [Increase]/decrease in inventories  [Increase] in promissory notes  Decrease/(increase) in advances to PRC distributors  Decrease/(increase) in trade debtors and bills receivable  Root (79,9)  Increase in other debtors and prepayments  Decrease in loans to employees for purchase of shares  [Increase in short-term loans  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  Increase in amount due from ultimate holding company  Decrease in amount due to a related company  (Increase)/increase in trade creditors and bills payable  (7,909)  Increase in other creditors and accrued charges  14,062  12,00  12,00  13,30  14,062  14,062  14,062	(Gain)/loss on disposal of fixed assets	(1,729)	853
Provision for amounts due from associated companies  Amortisation of intangible assets  (Increase)/decrease in inventories  (Increase)/decrease in inventories  (Increase)/decrease in inventories  (Increase) in promissory notes  Decrease/(increase) in advances to PRC distributors  Decrease/(increase) in trade debtors and bills receivable  Roo7  Increase in other debtors and prepayments  Decrease in loans to employees for purchase of shares  Decrease in short-term loans  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  Increase in amount due from ultimate holding company  Decrease in amount due to a related company  (Increase) in amounts due from associated companies  (Decrease)/increase in trade creditors and bills payable  (To,909)  Increase in other creditors and accrued charges  14,062  12,10  10,10  10,10  10,964)  4,55  63,506  63	Realised and unrealised loss/(profit) of listed investments	2,469	(4,643)
Amortisation of intangible assets (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/decrease in inventories (Increase)/ Increase in promissory notes (Increase)/ Increase) in advances to PRC distributors (Increase)/ Increase) in trade debtors and bills receivable (Increase)/ Increase in other debtors and prepayments (Increase)/ Increase in loans to employees for purchase of shares (Increase)/ Increase in short-term loans (Increase)/ Increase in staff loans (Increase)/ Increase in prepayment of subcontracting charges (Increase)/ Increase in amount due from ultimate holding company (Increase)/ Increase in amount due to a related company (Increase)/ Increase in amounts due from associated companies (Increase)/ Increase in trade creditors and bills payable (Increase)/ Increase in other creditors and accrued charges	Provision for diminution in value of investment securities	4,500	_
(Increase)/decrease in inventories  (Increase)/decrease in inventories  (Increase)/decrease in inventories  (Increase)/decrease in promissory notes  Increase/(increase) in advances to PRC distributors  (Increase)/(increase) in trade debtors and bills receivable  Increase in other debtors and prepayments  (Increase in loans to employees for purchase of shares  Increase in short-term loans  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  (Increase)/decrease in prepayment of subcontracting charges  (Increase in amount due from ultimate holding company  (Increase in amount due to a related company  (Increase in amounts due from associated companies  (Increase)/increase in trade creditors and bills payable  (Increase in other creditors and accrued charges  (Increase)/Increase in other creditors and accrued charges  (Increase)/Increase in other creditors and accrued charges  (Increase)/Increase in other creditors and accrued charges	Provision for amounts due from associated companies	_	7,188
Decrease in promissory notes 1,024 7,0 Decrease/(increase) in advances to PRC distributors 63,506 (63,5) Decrease/ (increase) in trade debtors and bills receivable 8,007 (79,9) Increase in other debtors and prepayments (41,556) (20,3) Decrease in loans to employees for purchase of shares — 12,90 Increase in short-term loans (67,860) (Increase)/decrease in staff loans (8,043) 19,60 (Increase)/decrease in prepayment of subcontracting charges (50,040) 3,30 Increase in amount due from ultimate holding company (211) (2 Decrease in amount due to a related company (555) (18,260) (27,80 (Decrease)/increase in trade creditors and bills payable (7,909) 1,20 Increase in other creditors and accrued charges 14,062 1,20	Amortisation of intangible assets	259	268
Decrease/(increase) in advances to PRC distributors  Decrease/ (increase) in trade debtors and bills receivable  R,007  Increase in other debtors and prepayments  Decrease in loans to employees for purchase of shares  Increase in short-term loans  (67,860)  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  Increase in amount due from ultimate holding company  Decrease in amount due to a related company  (555)  Increase in amounts due from associated companies  (Decrease)/increase in trade creditors and bills payable  Increase in other creditors and accrued charges  14,062  1,2	(Increase)/decrease in inventories	(10,964)	4,579
Decrease/ (increase) in trade debtors and bills receivable  8,007  (79,9)  Increase in other debtors and prepayments  (41,556) (20,3)  Decrease in loans to employees for purchase of shares  Increase in short-term loans (67,860)  (Increase)/decrease in staff loans (8,043)  Increase)/decrease in prepayment of subcontracting charges (50,040)  Increase in amount due from ultimate holding company (211)  Decrease in amount due to a related company (555)  (Increase in amounts due from associated companies (18,260) (27,860)  Increase in amounts due from associated companies (18,260) (18,260) (18,260) (18,260) (18,260) (18,260) (18,260) (27,860)	Decrease in promissory notes	1,024	7,020
Increase in other debtors and prepayments  Decrease in loans to employees for purchase of shares  Increase in short-term loans  (Increase)/decrease in staff loans  (Increase)/decrease in prepayment of subcontracting charges  (Increase in amount due from ultimate holding company  Decrease in amount due to a related company  (Increase)/increase in amounts due from associated companies  (Increase)/increase in trade creditors and bills payable  (Increase) in other creditors and accrued charges	Decrease/(increase) in advances to PRC distributors	63,506	(63,506)
Decrease in loans to employees for purchase of shares — 12,90 Increase in short-term loans (67,860) (Increase)/decrease in staff loans (8,043) 19,60 (Increase)/decrease in prepayment of subcontracting charges (50,040) 3,30 Increase in amount due from ultimate holding company (211) (2) Decrease in amount due to a related company (555) (Increase in amounts due from associated companies (18,260) (27,80 (Decrease)/increase in trade creditors and bills payable (7,909) 1,20 Increase in other creditors and accrued charges 14,062 1,20 Increase in other creditors and accrued charges 14,062 1,20 Increase in short-term loans (8,043) 19,60 (27,80 (19,040) 3,30 (19	Decrease/ (increase) in trade debtors and bills receivable	8,007	(79,954)
Increase in short-term loans (Increase)/decrease in staff loans (Increase)/decrease in staff loans (Increase)/decrease in prepayment of subcontracting charges (Increase in amount due from ultimate holding company (Increase in amount due to a related company (Increase in amount due to a related company (Increase in amounts due from associated companies (Increase in amounts due from associated companies (Increase)/increase in trade creditors and bills payable (Increase in other creditors and accrued charges (Increase) (Incre	Increase in other debtors and prepayments	(41,556)	(20,332)
(Increase)/decrease in staff loans (8,043) 19,60 (Increase)/decrease in prepayment of subcontracting charges (50,040) 3,30 Increase in amount due from ultimate holding company (211) (2 Decrease in amount due to a related company (555) (Increase in amounts due from associated companies (18,260) (27,80 (Decrease)/increase in trade creditors and bills payable (7,909) 1,20 Increase in other creditors and accrued charges 14,062 1,20 Increase in other creditors and accrued charges 14,062 1,20 Increase in staff loans (8,043) 19,60 (50,040) 3,30 (50,040) 3,30 (50,040) (50	Decrease in loans to employees for purchase of shares	_	12,906
(Increase)/decrease in prepayment of subcontracting charges Increase in amount due from ultimate holding company  Decrease in amount due to a related company  (555)  (18,260)  (27,8  (Decrease)/increase in trade creditors and bills payable  Increase in other creditors and accrued charges  14,062  1,2	Increase in short-term loans	(67,860)	_
Increase in amount due from ultimate holding company (211) (2 Decrease in amount due to a related company (555) ( Increase in amounts due from associated companies (18,260) (27,8 (Decrease)/increase in trade creditors and bills payable (7,909) 1,2 Increase in other creditors and accrued charges 14,062 1,2	(Increase)/decrease in staff loans	(8,043)	19,696
Decrease in amount due to a related company (555) (Increase in amounts due from associated companies (18,260) (27,800) (Decrease)/increase in trade creditors and bills payable (7,909) 1,200 (1,909)	(Increase)/decrease in prepayment of subcontracting charges	(50,040)	3,366
Increase in amounts due from associated companies (18,260) (27,8 (Decrease)/increase in trade creditors and bills payable (7,909) 1,2 Increase in other creditors and accrued charges 14,062 1,2	Increase in amount due from ultimate holding company	(211)	(219)
(Decrease)/increase in trade creditors and bills payable (7,909) 1,2- Increase in other creditors and accrued charges 14,062 1,2-	Decrease in amount due to a related company	(555)	(14)
Increase in other creditors and accrued charges 14,062 1,2	Increase in amounts due from associated companies	(18,260)	(27,877)
	(Decrease)/increase in trade creditors and bills payable	(7,909)	1,241
Fareign evelopes	Increase in other creditors and accrued charges	14,062	1,250
Foreign exchange (6,849) 5	Foreign exchange	(6,849)	571
171,410 235,1		171,410	235,192

### (2) Analysis of changes in financing during the year

Long-term bank	Short-term	leases and hire		Share	
bank		and hire			
	h a sale			capital	
_	bank	purchase	Convertible	(including	Minority
loans	loans	contracts	notes	premium)	interests
HK\$'000	HK\$'000	HK\$'000	HK\$′000	HK\$'000	HK\$'000
41,207	283,620	12,938	_	398,529	4,039
221,035	(105,965)	3,238	117,000	(3,082)	600
_	_	_	_	_	4,229
_	_	_	_	_	(513)
_	_	3,813	_	_	_
	(977)				
262,242	176,678	19,989	117,000	395,447	8,355
262,242	176,678	19,989	117,000	395,447	8,355
193,053	(7,263)	(7,329)	_	(6,074)	_
_	_	_	_	_	3,198
_	_	7,733	_	_	_
	690				(169)
455,295	170,105	20,393	117,000	389,373	11,384
	41,207  221,035  — — — — — — — — — — — — — — — — — —	HK\$'000 HK\$'000  41,207 283,620  221,035 (105,965)	HK\$'000 HK\$'000 HK\$'000  41,207 283,620 12,938  221,035 (105,965) 3,238   3,813  - (977)  262,242 176,678 19,989  262,242 176,678 19,989  193,053 (7,263) (7,329)   - 7,733  - 690	HK\$'000         HK\$'000         HK\$'000         HK\$'000           41,207         283,620         12,938         —           221,035         (105,965)         3,238         117,000           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           262,242         176,678         19,989         117,000           262,242         176,678         19,989         117,000           193,053         (7,263)         (7,329)         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —           —         —         —         —	HK\$'000         HK\$'000         HK\$'000         HK\$'000         HK\$'000           41,207         283,620         12,938         —         398,529           221,035         (105,965)         3,238         117,000         (3,082)           —         —         —         —         —           —         —         —         —         —           —         —         —         —         —           —         —         —         —         —           —         —         977)         —         —         —           —         —         —         —         —         —           262,242         176,678         19,989         117,000         395,447           193,053         (7,263)         (7,329)         —         (6,074)           —         —         —         —         —           —         —         —         —         —           —         —         —         —         —           —         —         —         —         —           —         —         —         —         —           —         —

### (3) Analysis of the balances of cash and cash equivalents

	2001	2000
	HK\$'000	HK\$'000
Cash at bank and in hand	221,192	167,132
Deposits with banks	101,512	133,790
Bank loans and overdrafts repayable within three months	(53,640)	(66,311)
	269,064	234,611

### Notes to the Consolidated Cash Flow Statement

for the year ended 31 March 2001

#### (4) Major non-cash transactions

During the year ended 31 March 2001, the Group entered into finance leases and hire purchase contracts with a total value of HK\$7,733,000 (2000: HK\$3,813,000) at the inception of the contracts.

During the year ended 31 March 2000, the Group entered into the following non-cash transactions:

- (a) The Group increased its interest in an associated company by converting convertible notes of HK\$17,160,000 issued by the associated company into shares of common stock in the associated company.
- (b) The Group withdrew from a PRC project which relates to the purchase of interests of a plastic sheets factory in the PRC. Promissory notes were received for refund of a deposit of HK\$51,852,000 paid in the year ended 31 March 1999 together with a dividend of HK\$4,735,000 earned from the project, which are repayable by three annual instalments on 5 April of 2000, 2001 and 2002.
- (c) On 31 March 2000, the Group increased its interest in a subsidiary at a consideration of HK\$11,687,000, which was settled by waiving a loan owed by the seller in the same amount.