

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2002
(Expressed in Hong Kong dollars)

	<i>Note</i>	2002	2001
		<i>\$'000</i>	<i>\$'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<i>(a)</i>	33,437	68,109
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		310	817
Interest paid		(12,005)	(14,639)
Interest element of finance lease rental payments		(641)	(879)
Dividends paid		(5,563)	(10,013)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(17,899)	(24,714)
TAXATION			
Hong Kong profits tax paid		(65)	(778)
Hong Kong profits tax refunded		537	—
People's Republic of China income tax paid		(4,192)	(7,150)
TAX PAID		(3,720)	(7,928)
INVESTING ACTIVITIES			
Payment for purchase of fixed assets		(38,432)	(36,100)
Proceeds from sale of fixed assets		602	1,099
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(37,830)	(35,001)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(26,012)	466
FINANCING			
Repayment of loan from director	<i>(b)</i>	—	(19,298)
New bank loans	<i>(b)</i>	162,304	118,535
Repayment of bank loans	<i>(b)</i>	(111,035)	(86,719)
Capital element of finance lease rental payments	<i>(b)</i>	(7,817)	(5,621)
NET CASH INFLOW FROM FINANCING		43,452	6,897
INCREASE IN CASH AND CASH EQUIVALENTS		17,440	7,363
CASH AND CASH EQUIVALENTS AT 1ST APRIL		(15,819)	(23,182)
CASH AND CASH EQUIVALENTS AT 31ST MARCH	<i>(d)</i>	1,621	(15,819)

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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

	2002	2001
	\$'000	\$'000
Profit from ordinary activities before taxation	12,441	25,973
Interest income	(310)	(597)
Interest expense	11,409	14,873
Finance lease charges	632	874
Depreciation	27,355	25,708
(Gain)/loss on disposal of fixed assets	(313)	296
Increase in inventories	(4,554)	(18,553)
Decrease/(increase) in trade debtors, prepayments and deposits	7,700	(14,270)
(Decrease)/increase in bills payable	(9,414)	15,108
(Decrease)/increase in trade creditors and accrued charges	(11,223)	19,433
Exchange difference	(286)	(736)
Net cash inflow from operating activities	33,437	68,109

(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, 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
Balance at 1st April, 2001	—	136,180	13,073
Cash inflow from financing	—	162,304	—
Cash outflow from financing	—	(111,035)	(7,817)
Inception of finance lease contracts	—	—	6,203
Balance at 31st March, 2002	—	187,449	11,459

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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 \$6,203,000 (2001: \$11,500,000).

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

	2002	2001
	\$'000	\$'000
Deposits with bank	—	2,323
Cash at bank and in hand	31,537	28,057
Bank overdrafts	(29,916)	(46,199)
	<hr/> 1,621	<hr/> (15,819)