

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31st March, 2003

	<i>Note</i>	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Cash flows from operating activities			
Profit before taxation		1,773	12,117
Adjustments for:			
Interest income		(47)	(678)
Interest expenses		1,139	2,404
Amortisation of prepaid rentals		2,239	2,240
Depreciation and amortisation of property, plant and equipment		10,345	12,204
(Gain) loss on disposal of property, plant and equipment other than leasehold land in Mainland China		(2,240)	353
Gain on disposal of leasehold land in Mainland China		–	(8,176)
Loss on disposal/winding up of subsidiaries		85	127
Negative goodwill arising on acquisition of additional interest in a subsidiary recognised as income		–	(614)
Provision for claims of shares by former employees written back		–	(1,528)
Operating cash flow before movements in working capital		13,294	18,449
Increase in inventories		(49,752)	(765)
Increase in debtors, deposits and prepayments		(16,196)	(8,249)
Compensation received		8,176	–
Increase in creditors and accrued charges		40,588	10,148
Increase in bills payable		4,038	–
Cash generated from operations		148	19,583
Interest received		47	678
Taxation in other jurisdictions paid		–	(225)
Net cash generated from operating activities		195	20,036
Cash flows from investing activities			
Purchase of property, plant and equipment		(14,432)	(2,061)
Proceeds from disposal of property, plant and equipment		3,348	85
Decrease in pledged bank deposits/balances		131	16,735
Disposal/winding up of subsidiaries (net of cash and cash equivalents disposed of)	24	–	2,462
Net cash (used in) generated from investing activities		(10,953)	17,221

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Cash flows from financing activities		
Net cash inflow from trust receipt and import loans	46,177	–
Net cash inflow from a finance lease	6,000	–
Issue of shares for cash upon exercise of share options	3,049	–
Repayments of rescheduled loans	(41,313)	(45,351)
Repayment of loans from directors	(4,000)	–
Interest on bank borrowings paid	(1,051)	(3,035)
Finance lease charges paid	(7)	–
Loans from directors raised	–	4,000
Net cash generated from (used in) financing activities	<u>8,855</u>	<u>(44,386)</u>
Net decrease in cash and cash equivalents	(1,903)	(7,129)
Cash and cash equivalents at beginning of the year	8,620	15,749
Cash and cash equivalents at end of the year	<u><u>6,717</u></u>	<u><u>8,620</u></u>
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	11,926	8,620
Bank overdrafts	(5,209)	–
	<u><u>6,717</u></u>	<u><u>8,620</u></u>