

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2003

	2003 HK\$	2002 HK\$
OPERATING ACTIVITIES		
(Loss) profit before taxation	(28,649,040)	663,485
Adjustments for:		
Amortisation of development costs	457,197	–
Depreciation of property, plant and equipment	7,565,926	7,673,504
Impairment loss recognised on unlisted investment	300,000	–
Interest expenses	680,384	1,590,476
Interest on finance leases	76,550	382,536
Interest income	(120,710)	(1,239,355)
Loss on disposal of property, plant and equipment	2,629,713	–
Operating cash flows before movements in working capital	(17,059,980)	9,070,646
Decrease (increase) in inventories	27,748,592	(16,512,902)
Decrease in trade and other receivables	1,211,412	2,403,045
Decrease in bills receivable	28,860	1,511,055
Decrease in trade and other payables	(29,832,217)	(26,849,008)
(Decrease) increase in bills payable	(24,601,200)	24,601,200
Cash used in operations	(42,504,533)	(5,775,964)
Hong Kong Profits Tax paid	(1,168,735)	(339,789)
NET CASH USED IN OPERATING ACTIVITIES	(43,673,268)	(6,115,753)
INVESTING ACTIVITIES		
Increase in development cost	(2,658,814)	–
Purchase of property, plant and equipment	(1,334,498)	(824,647)
Proceeds on disposal of property, plant and equipment	2,403,236	–
Interest received	120,710	1,239,355
Increase in pledged bank deposits	–	(3,900,000)
NET CASH USED IN INVESTING ACTIVITIES	(1,469,366)	(3,485,292)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

FOR THE YEAR ENDED 31ST MARCH, 2003

	2003 <i>HK\$</i>	2002 <i>HK\$</i>
FINANCING ACTIVITIES		
Increase in trust receipt loans	15,392,502	959,279
Net proceed from issue of shares	34,800	–
Repayment of obligations under finance leases	(3,435,339)	(4,274,173)
Dividends paid	(1,881,150)	(18,800,000)
Interest paid	(680,384)	(1,590,476)
Interest paid on finance leases	(76,550)	(382,536)
Repayment of bank loans	–	(11,551,146)
	9,353,879	(35,639,052)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		
	(35,788,755)	(45,240,097)
DECREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	54,964,814	100,204,911
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	19,176,059	54,964,814
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		53,443,935
Effect of reclassification of trust receipt loans		1,520,879
		54,964,814
Being:		
Bank balances and cash	19,176,059	57,040,149
Bank overdraft	–	(2,075,335)
	19,176,059	54,964,814