

Consolidated Cash Flow Statement

For the year ended 31 March 2003

	NOTE	2003 HK\$'000	2002 HK\$'000
OPERATING ACTIVITIES			
Profit from operations		284,943	82,331
Adjustments for:			
Interest income		(17,427)	(35,124)
Release of negative goodwill		(4,013)	-
Impairment loss recognised in respect of other investments		2,720	-
Impairment loss recognised in respect of goodwill attributable to a subsidiary		34	-
Impairment loss recognised in respect of technical know-how		-	9,018
Depreciation and amortisation of property, plant and equipment		77,920	64,347
Amortisation of technical know-how		-	2,440
Loss on disposal of property, plant and equipment		2,290	429
Net realised loss (gain) on disposal of investments in securities		2,107	(3,530)
Operating cash flows before movements in working capital		348,574	119,911
(Increase) decrease in inventories		(354,193)	71,881
Decrease in properties for sale		-	976
Increase in trade and other receivables		(169,153)	(249,095)
Increase in bills receivable		(521,758)	(428,781)
Increase in trade and other payables		424,724	464,533
(Decrease) increase in bills payable		(42,586)	59,793
Cash (used in) generated from operations		(314,392)	39,218
Hong Kong Profits Tax paid		(12,050)	(198)
PRC income tax paid		(2,872)	(2,059)
Other PRC taxes paid		(4,431)	(6,968)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(333,745)	29,993
INVESTING ACTIVITIES			
Interest received		16,842	33,627
Purchase of property, plant and equipment		(177,171)	(144,532)
Proceeds on disposal of property, plant and equipment		64	-
Disposal of a subsidiary (net of cash and cash equivalents disposed of)	32	(937)	-
Investment in a jointly controlled entity		(2,805)	(21,028)
Loan to a jointly controlled entity		-	(21,028)
Purchase of investments in securities		(148,167)	(156,727)
Proceeds on disposal of investments in securities		247,478	41,442
Decrease in pledged deposits		33,247	3,053
NET CASH USED IN INVESTING ACTIVITIES		(31,449)	(265,193)

Consolidated Cash Flow Statement (continued)

For the year ended 31 March 2003

	2003 HK\$'000	2002 HK\$'000
FINANCING ACTIVITIES		
Interest paid	(528)	(3,976)
Dividends paid	(73,357)	(103,812)
Dividend paid to minority shareholders	-	(1,102)
Issue of shares for cash	20,806	9,273
Repayment of mortgage loans	(1,263)	(1,031)
Repayment of import loans	(4,994)	(6,169)
Capital contributed by minority shareholders	-	959
NET CASH USED IN FINANCING ACTIVITIES	(59,336)	(105,858)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(424,530)	(341,058)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,138,319	1,479,827
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	-	(450)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	713,789	1,138,319
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported		1,133,325
Effect of reclassification of import loans		4,994
Cash and cash equivalents as restated		1,138,319
Being:		
Bank balances and cash	713,789	1,138,319