

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 September 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		43,651	21,937
Adjustments for:			
Depreciation	6	53,742	45,585
Loss/(gain) on disposal of fixed assets	6	117	(19)
Interest income	5	(175)	(341)
Revaluation deficit/(surplus) on an investment property	5,6	(550)	90
Finance costs	7	2,761	6,368
Provision for doubtful debts		21,501	9,514
Write-off and provision for other receivables	6	–	1,768
Provision for inventories	6	16,178	–
Gain on revaluation of short term investments	5	(53)	(42)
Gain on disposal of long term investments	5	(1,089)	–
Share of profit of a jointly-controlled entity		(1,837)	(363)
Operating profit before working capital changes		134,246	84,497
Decrease/(increase) in inventories		4,885	(21,837)
Decrease in accounts receivable		9,840	14,515
Decrease in prepayments, deposits and other receivables		8,701	6,916
Decrease/(increase) in an amount due from a related company		(1,528)	984
Increase in accounts payable		40,619	15,041
Increase in accrued liabilities and other payables		1,247	704
Cash generated from operations		198,010	100,820
Interest received		175	341
Interest paid		(2,757)	(6,353)
Interest element of a finance lease rental payment		(4)	(15)
Hong Kong profits tax paid		(983)	(790)
Mainland China corporate income tax paid		(687)	(1,982)
Net cash inflow from operating activities		193,754	92,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(42,279)	(8,103)
Proceeds from disposal of fixed assets		40	1,060
Additions to construction in progress		–	(8,915)
Deposits paid for acquisition of fixed assets		(19,836)	–
Proceeds from disposal of short term investments		7,895	–
Purchases of long term investments		(4,980)	(7,800)
Proceeds from disposal of long term investments		12,714	–
Repayment from/(advances to) a jointly-controlled entity		1,818	(4,043)
Net cash outflow from investing activities		(44,628)	(27,801)
Net cash inflow before financing activities – page 32		149,126	64,220

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Year ended 30 September 2004

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Net cash inflow before financing activities – page 31		149,126	64,220
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in trust receipt loans		(1,952)	1,238
Capital element of a finance lease rental payment		(94)	(102)
New bank loans		84,545	152,735
Repayment of bank loans		(170,008)	(211,254)
Dividend paid		(10,160)	(10,160)
Net cash outflow from financing activities		(97,669)	(67,543)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		131,048	135,057
Effect of foreign exchange rate changes, net		2	(686)
CASH AND CASH EQUIVALENTS AT END OF YEAR		182,507	131,048
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	179,420	127,961
Time deposits with original maturity of less than three months when acquired, pledged as security for trust receipt loans facilities	22	3,087	3,087
		182,507	131,048