

Consolidated Cash Flow Statement

For the year ended 30 June 2005

	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	137,666	94,882
Adjustments for:		
Amortisation of deferred expenditure on convertible notes	518	–
Depreciation and amortisation of property, plant and equipment	18,333	13,042
Loss on disposal of property, plant and equipment	14	181
Allowance for (write-back of) inventories	50	(1,004)
Allowance for doubtful debts	366	127
Interest income	(1,625)	(864)
Interest expense	2,434	1,773
Operating cash flows before movements in working capital	157,756	108,137
(Increase) decrease in inventories	(5,152)	217
Increase in trade and other receivables	(14,712)	(7,570)
Increase in trade and other payables	23,135	3,367
Decrease in an amount due to a related company	–	(3,446)
Cash generated from operations	161,027	100,705
Income tax paid	(37,411)	(13,813)
NET CASH FROM OPERATING ACTIVITIES	123,616	86,892
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(37,601)	(61,056)
Increase in pledged bank deposits	(6,226)	–
Interest received	1,625	864
Proceeds on disposal of property, plant and equipment	97	625
NET CASH USED IN INVESTING ACTIVITIES	(42,105)	(59,567)
FINANCING ACTIVITIES		
Net proceeds from issue of convertible notes	75,259	–
New bank borrowings raised	23,500	32,642
Repayment of bank borrowings	(32,642)	(24,151)
Dividend paid	(21,873)	(8,750)
Interest paid	(2,434)	(1,773)
Net proceeds from issue of shares	–	78,074
Repayment to directors	–	(13,723)
NET CASH FROM FINANCING ACTIVITIES	41,810	62,319
NET INCREASE IN CASH AND CASH EQUIVALENTS	123,321	89,644
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	156,066	66,422
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	279,387	156,066