

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2005

(Expressed in Hong Kong dollars)

	2005 \$'000	2004 \$'000
Cash flows from operating activities		
Profit from ordinary activities before taxation	9,566	7,577
Adjustments for:		
Interest income	(182)	(232)
Interest expense	546	550
Depreciation	8,821	8,787
(Reversal of provision for)/provision for obsolete inventories	(7,908)	4,140
(Reversal of provision for)/provision for bad and doubtful debts	(530)	623
(Gain)/loss on disposal of property, plant and equipment	(2,078)	3,128
Exchange gain	-	(28)
Operating profit before working capital changes	8,235	24,545
Increase in inventories	(2,986)	(4,186)
Decrease/(increase) in trade debtors	4,443	(6,407)
Decrease/(increase) in prepayments, deposits and other receivables	3,371	(12,527)
Increase in trade creditors	1,869	1,865
Decrease in other payables and accrued liabilities	(2,496)	(1,126)
Increase in property forward sales deposits and instalments received	3,157	-
Cash generated from operations	15,593	2,164
Income tax paid outside Hong Kong	(472)	(467)
Net cash from operating activities	15,121	1,697
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	(3,642)	(5,507)
Payment for construction in progress	(4,745)	(3,175)
Net proceeds from sale of property, plant and equipment	9,769	66
Interest received	182	232
Net cash from/(used in) investing activities	1,564	(8,384)
Cash flows from financing activities		
Proceeds from short term bank loans	8,907	9,896
Repayment of short term bank loans	(9,896)	(2,354)
Net proceeds from issuance of new shares	8,303	8,077
Interest paid	(546)	(550)
Net cash from financing activities	6,768	15,069
Net increase in cash and cash equivalents	23,453	8,382
Cash and cash equivalents at beginning of year	17,904	9,522
Cash and cash equivalents at end of year	41,357	17,904
Analysis of the balances of cash and cash equivalents:		
Cash at banks and in hand	41,357	17,904

The notes on pages 25 to 54 form part of these financial statements.