

Consolidated Cash Flow Statement

For the year ended 30 June 2005

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	Notes	2005 HK\$'000	2004 HK\$'000
Cash flows from operating activities			
Profit before taxation		3,032	23,131
Adjustments for:			
Interest income	5	(605)	(1,019)
Dividend income from listed investments	5	(26)	(121)
Depreciation of fixed assets	6	4,676	3,982
Amortisation of intangible assets	6	1,903	725
Loss on disposal of fixed assets	6	16	754
Share of loss of a jointly controlled entity		758	–
Operating profit before working capital changes		9,754	27,452
Increase in inventories		(2,392)	(6,399)
Decrease/(Increase) in trade receivables		5,129	(159)
Increase in deposits, prepayments and other receivables		(5,581)	(7,867)
Decrease in short term investments		929	1,814
Increase in trade payables		689	10,069
Increase/(Decrease) in accrued liabilities and other payables		664	(5,695)
Increase in deposits received		1,342	503
Cash generated from operations		10,534	19,718
PRC corporate income taxes paid		(1,612)	(1,836)
Net cash generated from operating activities		8,922	17,882
Cash flows from investing activities			
Purchase of fixed assets		(6,772)	(6,603)
Proceeds from disposal of fixed assets		23	2,071
Additions to intangible assets		(314)	(3,234)
Acquisition of subsidiaries	31	–	(2,614)
Capital contribution to a jointly controlled entity		(688)	(640)
Interest received		605	823
Dividends received from listed investments		26	121
Net cash used in investing activities		(7,120)	(10,076)

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	2005 HK\$'000	2004 HK\$'000
Cash flows from financing activities		
New bank loan	500	–
Issue of new shares	1,136	–
Exercise of share options	18	3,624
Capital contribution from minority shareholder of a subsidiary	280	–
Dividend paid to minority shareholder from a subsidiary	(883)	–
Dividend paid	(6,801)	(4,789)
	<u>(5,750)</u>	<u>(1,165)</u>
Net cash used in financing activities		
	(3,948)	6,641
Net (decrease)/increase in cash and cash equivalents		
Cash and cash equivalents at 1 July	48,771	42,144
Effect of foreign exchange rate changes	(43)	(14)
	<u>44,780</u>	<u>48,771</u>
Cash and cash equivalents at 30 June		
	44,780	48,771
Analysis of balances of cash and cash equivalents		
Cash at banks and in hand	42,280	48,771
Pledged deposit as security for a bank loan facility	2,500	–
	<u>44,780</u>	<u>48,771</u>
Cash and cash equivalents at 30 June		
	44,780	48,771