

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 September 2005

	Notes	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>34,624</b>	43,651
Adjustments for:			
Depreciation	6	<b>57,659</b>	53,742
Loss on disposal of fixed assets	6	<b>150</b>	117
Interest income	5	<b>(602)</b>	(175)
Revaluation surplus on an investment property	5	<b>(310)</b>	(550)
Finance costs	7	<b>36</b>	2,761
Provision for doubtful debts		<b>6,370</b>	21,501
Provision for inventories	6	<b>9,571</b>	16,178
Gain on revaluation of short term investments	5	–	(53)
Gain on disposal of long term investments	5	–	(1,089)
Share of profit of a jointly-controlled entity		<b>(1,465)</b>	(1,837)
Operating profit before working capital changes		<b>106,033</b>	134,246
Decrease/(increase) in inventories		<b>(41,966)</b>	4,885
Decrease/(increase) in accounts receivable		<b>(30,150)</b>	9,840
Decrease/(increase) in prepayments, deposits and other receivables		<b>(4,697)</b>	8,701
Increase in an amount due from a related company		<b>(3,307)</b>	(1,528)
Increase in accounts payable		<b>14,636</b>	40,619
Increase in accrued liabilities and other payables		<b>10,815</b>	1,247
Cash generated from operations		<b>51,364</b>	198,010
Interest received		<b>602</b>	175
Interest paid		<b>(36)</b>	(2,757)
Interest element of a finance lease rental payment		–	(4)
Hong Kong profits tax paid		<b>(2,736)</b>	(983)
Mainland China corporate income tax paid		<b>(1,986)</b>	(687)
Net cash inflow from operating activities		<b>47,208</b>	193,754
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		<b>(48,931)</b>	(42,279)
Proceeds from disposal of fixed assets		<b>79</b>	40
Additions to construction in progress		<b>(2,715)</b>	–
Deposits paid for acquisition of fixed assets		<b>(909)</b>	(19,836)
Proceeds from disposal of short term investments		–	7,895
Purchases of long term investments		–	(4,980)
Proceeds from disposal of long term investments		–	12,714
Repayment from a jointly-controlled entity		<b>1,272</b>	1,818
Net cash outflow from investing activities		<b>(51,204)</b>	(44,628)
Net cash inflow/(outflow) before financing activities – page 23		<b>(3,996)</b>	149,126

**CONSOLIDATED CASH FLOW STATEMENT** *(Continued)*

Year ended 30 September 2005

	<i>Notes</i>	<b>2005</b> <b>HK\$'000</b>	2004 <i>HK\$'000</i>
Net cash inflow/(outflow) before financing activities – page 22		<b>(3,996)</b>	149,126
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in trust receipt loans		<b>1,678</b>	(1,952)
Capital element of finance lease rental payments		–	(94)
New bank loans		–	84,545
Repayment of bank loans		–	(170,008)
Dividend paid		<b>(10,160)</b>	(10,160)
Net cash outflow from financing activities		<b>(8,482)</b>	(97,669)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<b>182,507</b>	131,048
Effect of foreign exchange rate changes, net		<b>965</b>	2
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>170,994</b>	182,507
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	<b>146,579</b>	179,420
Non-pledged time deposits with original maturity of less than three months when acquired	22	<b>8,860</b>	–
Time deposits with original maturity of less than three months when acquired, pledged as security for trust receipt loans facilities	22	<b>15,555</b>	3,087
		<b>170,994</b>	182,507