



## Consolidated Cash Flow Statement

For the year ended 30 June 2006

	2006 HK\$'000	2005 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>137,340</b>	137,666
Adjustments for:		
Amortisation of deferred expenditure on convertible notes	–	518
Depreciation on property, plant and equipment	<b>25,984</b>	18,025
Release of prepaid lease payments	<b>317</b>	308
Loss on changes in fair value of convertible notes	<b>9,765</b>	–
Loss on disposal of property, plant and equipment	<b>2,478</b>	14
(Write-back of) allowance for inventories	<b>(18)</b>	50
Allowance for bad and doubtful debts	<b>187</b>	366
Interest income	<b>(3,614)</b>	(1,625)
Interest expense	<b>1,063</b>	2,434
Operating cash flows before movements in working capital	<b>173,502</b>	157,756
Decrease (increase) in inventories	<b>1,880</b>	(5,152)
Decrease (increase) in trade and other receivables	<b>2,421</b>	(14,712)
(Decrease) increase in trade and other payables	<b>(4,634)</b>	23,135
Cash generated from operations	<b>173,169</b>	161,027
Income tax paid	<b>(42,059)</b>	(37,411)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>131,110</b>	123,616
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<b>(12,694)</b>	(37,601)
Interest received	<b>3,614</b>	1,625
Decrease (increase) in pledged bank deposits	<b>2,086</b>	(45,226)
Proceeds on disposal of property, plant and equipment	<b>971</b>	97
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,023)</b>	(81,105)
<b>FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	<b>(24,184)</b>	(32,642)
Dividend paid	<b>(21,914)</b>	(21,873)
Interest paid	<b>(1,063)</b>	(2,434)
Repayment of interest on convertible notes	<b>(590)</b>	–
New bank borrowings raised	<b>16,074</b>	23,500
Net proceeds from issue of convertible notes	–	75,259
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>	<b>(31,677)</b>	41,810
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>93,410</b>	84,321
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>6,938</b>	–
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>240,387</b>	156,066
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR,</b> represented by bank balances and cash	<b>340,735</b>	240,387