

## Consolidated Cash Flow Statement

For the year ended June 30, 2006

|   | NOTES | 2006<br>HK\$'000 | 2005<br>HK\$'000 |
|---|-------|------------------|------------------|
| Operating activities  |       |                  |                  |
| Profit before taxation  |       | 34,721           | 105,552          |
| Adjustments for:  |       |                  |                  |
| Finance costs   |       | 14,339           | 7,913            |
| Interest income   |       | (2,514)          | (1,237)          |
| Allowance for loan to an associate  |       | –                | 334              |
| Gain on dissolution of a subsidiary   |       | –                | (1,410)          |
| Share of results of an associate  |       | (1,225)          | –                |
| Depreciation of property, plant and equipment   |       | 31,761           | 26,745           |
| Amortisation of intangible asset  |       | 121              | –                |
| Share-based payment expense   |       | 267              | –                |
| Increase in fair value of investment properties                                       |       | (2,891)          | –                |
| Increase in fair value of derivative financial instruments                            |       | (336)            | –                |
| Release of prepaid lease payments   |       | 442              | 472              |
| Loss on disposal of property, plant and equipment                                     |       | 698              | 3                |
| Recognition (reversal) of impairment for bad and doubtful debts                       |       | 15,718           | (1,575)          |
| Bad and doubtful debt written off   |       | 473              | –                |
| Operating cash flows before movements in working capital                              |       | 91,574           | 136,797          |
| Increase in inventories   |       | (32,414)         | (11,461)         |
| Decrease (increase) in trade and other receivables                                    |       | 112,904          | (105,052)        |
| (Increase) decrease in amount due from an associate                                   |       | (1,705)          | 1,285            |
| (Decrease) increase in trade and other payables                                       |       | (106,789)        | 2,221            |
| (Decrease) increase in amount due to an associate                                     |       | (3,297)          | 924              |
| Cash generated from operations  |       | 60,273           | 24,714           |
| Taxation in other jurisdictions paid  |       | (3,429)          | (3,694)          |
| PRC enterprise income tax refunded in respect of<br>reinvestment of dividend declared |       | 3,282            | –                |
| Interest received   |       | 2,514            | 1,237            |
| Interest paid   |       | (14,550)         | (8,820)          |
| Net cash from operating activities  |       | 48,090           | 13,437           |
| Investing activities  |       |                  |                  |
| Decrease (increase) in pledged bank deposits  |       | 31,985           | (10,615)         |
| Proceed from disposal of property, plant and equipment                                |       | 515              | –                |
| Purchase of property, plant and equipment   |       | (15,046)         | (45,493)         |
| Acquisition of subsidiaries   | 34    | (1,216)          | –                |
| Dissolution of a subsidiary   | 35    | –                | (233)            |
| Net cash from (used in) investing activities  |       | 16,238           | (56,341)         |

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For the year ended June 30, 2006

|   | <b>2006</b>      | 2005      |
|---|------------------|-----------|
|   | <b>HK\$'000</b>  | HK\$'000  |
| Financing activities  |                  |           |
| Repayments of bank borrowings   | <b>(238,605)</b> | (128,535) |
| Dividends paid  | <b>(35,099)</b>  | (38,000)  |
| Repayments of obligations under finance leases  | <b>(3,517)</b>   | (3,448)   |
| Repayment to a minority shareholder   | <b>(390)</b>     | –         |
| New bank borrowings raised  | <b>220,205</b>   | 142,465   |
| Proceeds from issue of new shares   | –                | 90,376    |
| Expenditure on issue of new shares  | –                | (11,480)  |
| Net cash (used in) from financing activities  | <b>(57,406)</b>  | 51,378    |
| Net increase in cash and cash equivalents   | <b>6,922</b>     | 8,474     |
| Cash and cash equivalents at beginning of the year                                      | <b>83,617</b>    | 75,281    |
| Effect of foreign exchange rate changes   | <b>1,640</b>     | (138)     |
| Cash and cash equivalents at end of the year,<br>representing by bank balances and cash | <b>92,179</b>    | 83,617    |