

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 September 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		19,053	33,991
Adjustments for:			
Depreciation	7	59,195	57,236
Recognition of prepaid land lease payments	7	825	683
Loss on disposal of items of property, plant and equipment	7	–	150
Bank interest income	5	(1,640)	(602)
Changes in fair value of an investment property	5, 7	190	(310)
Finance costs	6	1,276	36
Impairment of/(write-back of) doubtful debts		(2,898)	6,370
Bad debts written off	7	1,403	–
Provision for/(write-back of) inventories	7	(265)	9,571
Loss on disposal of derivative financial instruments	7	364	–
Share of profit of a jointly-controlled entity		(892)	(1,092)
Operating profit before working capital changes		76,611	106,033
Decrease/(increase) in inventories		5,930	(41,966)
Increase in accounts receivable		(10,219)	(30,150)
Increase in prepayments, deposits and other receivables		(4,322)	(4,697)
Increase in an amount due from a related company		(1,466)	(3,307)
Increase/(decrease) in accounts payable		(12,252)	14,636
Increase in accrued liabilities and other payables		3,433	10,815
Cash generated from operations		57,715	51,364
Interest received		1,640	602
Interest paid		(1,276)	(36)
Hong Kong profits tax paid		–	(2,736)
Mainland China corporate income tax paid		(438)	(1,986)
Net cash inflow from operating activities		57,641	47,208



CONSOLIDATED CASH FLOW STATEMENT (Continued)

Year ended 30 September 2006

<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i> (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(17,704)	(42,805)
Purchases of prepaid land lease payments	(2,070)	(6,126)
Purchase of an investment property	(28,571)	–
Purchases of equity investments at fair value through profit or loss	(179)	–
Purchases of derivative financial instruments	(10,791)	–
Proceeds from disposal of items of property, plant and equipment	680	79
Additions to construction in progress	(12,547)	(2,715)
Proceeds from disposal of prepaid land lease payments	632	–
Proceeds from disposal of derivative financial instruments	4,616	–
Deposits paid for acquisition of property, plant and equipment and prepaid land lease payments	(2,280)	(909)
Repayment from, due from a jointly-controlled entity	73	1,272
Net cash outflow from investing activities	(68,141)	(51,204)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) in trust receipt loans	(4,045)	1,678
New bank loans	113,333	–
Repayment of bank loans	(74,267)	–
Dividend paid	(10,160)	(10,160)
Net cash inflow/(outflow) from financing activities	24,861	(8,482)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at beginning of year	170,994	182,507
Effect of foreign exchange rate changes, net	1,311	965
CASH AND CASH EQUIVALENTS AT END OF YEAR	186,666	170,994
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	24	116,796
Non-pledged time deposits with original maturity of less than three months when acquired	24	66,775
Time deposits with original maturity of less than three months when acquired, pledged as security for trust receipt loans facilities	24	3,095
	186,666	146,579
	186,666	8,860
	186,666	15,555
	186,666	170,994