

Consolidated Cash Flow Statement

Year ended 31st July, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		44,541	(58,130)
Adjustments for:			
Finance costs	9	876	1,115
Interest income	5	(551)	(427)
Depreciation	6	5,604	7,000
Loss on disposal/write-off of fixed assets		1,251	1,041
Provision for bad and doubtful debts	6	—	523
Provision/(write-back of provision) for slow-moving inventories	6	(13,063)	29,917
Deficit/(surplus) on revaluation	6	(1,000)	22,000
Operating profit before working capital changes		37,658	3,039
Decrease in inventories		30,111	16,613
Decrease in debtors, deposits and prepayments		14,879	11,048
Increase/(decrease) in creditors and accruals		13,914	(41,962)
Movements in balance with the ultimate holding company		4	(115)
Decrease in an amount due to a related company		(4)	(1,244)
Increase/(decrease) in provision for long service payments		(1,250)	4,338
Cash generated from/(used for) operations		95,312	(8,283)
Interest paid		(876)	(1,115)
Taxes paid outside Hong Kong		—	(649)
Net cash inflow/(outflow) from operating activities		94,436	(10,047)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		551	427
Purchases of fixed assets	13	(1,621)	(4,925)
Proceeds from disposal of fixed assets		72	15
Net cash outflow from investing activities		(998)	(4,483)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		—	(2,288)
Draw down/(repayment) of trust receipt loans		(1,308)	142
Net cash outflow from financing activities		(1,308)	(2,146)

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NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		92,130	(16,676)
Cash and cash equivalents at beginning of year		<u>62,115</u>	<u>78,791</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>154,245</u>	<u>62,115</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	19	156,476	64,445
Bank overdrafts	20	<u>(2,231)</u>	<u>(2,330)</u>
		<u>154,245</u>	<u>62,115</u>