

Consolidated Cash Flow Statement

Year ended 31st July, 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		145,980	44,541
Adjustments for:			
Finance costs	11	1,118	876
Interest income	7	(1,675)	(551)
Depreciation	8	8,802	5,604
Loss/(gain) on disposals/write-offs of property, plant and equipment	8	(17)	1,251
Gain on disposal of investment properties		(77,009)	—
Write-back of provision for bad and doubtful debts	8	(1,425)	—
Write-back of provision for slow-moving inventories	8	(4,633)	(13,063)
Surplus on revaluation of investment properties	16	(36,300)	(1,000)
Operating profit before working capital changes		34,841	37,658
Decrease in inventories		11,612	30,111
Decrease/(increase) in trade receivables, deposits and prepayments		(17,472)	14,879
Increase/(decrease) in trade and other payables		(33,702)	13,914
Movements in balance with the ultimate holding company		(1)	4
Movements in balance with a related company		9	(4)
Decrease in provision for long service payments		(96)	(1,250)
Exchange differences on working capital		7	—
Cash generated from/(used for) operations		(4,802)	95,312
Interest paid		(1,118)	(876)
Net cash inflow/(outflow) from operating activities		(5,920)	94,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,675	551
Purchases of property, plant and equipment	15	(19,406)	(1,621)
Proceeds from disposal of investment properties		143,009	—
Proceeds from disposal of property, plant and equipment		97	72
Net cash inflow/(outflow) from investing activities		125,375	(998)

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CASH FLOWS FROM FINANCING ACTIVITIES			
Draw down/(repayment) of trust receipt loans		<u>571</u>	<u>(1,308)</u>
Net cash inflow/(outflow) from financing activities		<u>571</u>	<u>(1,308)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		154,245	62,115
Effect of foreign exchange rate changes, net		<u>100</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>274,371</u>	<u>154,245</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	94,019	156,476
Non-pledged time deposits with original maturity of less than three months when acquired	21	182,777	—
Bank overdrafts, secured	22	<u>(2,425)</u>	<u>(2,231)</u>
		<u>274,371</u>	<u>154,245</u>