

Consolidated Cash Flow Statement

(for the year ended 30 June 2006)

	2006 HK\$'000	(Restated) 2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	113,294	99,788
Adjustments for:		
Tax	7,308	15,734
Finance costs	–	520
Interest income	(2,707)	(205)
Depreciation	11,668	3,576
Amortisation of land use rights	1,703	787
Amortisation of intangible assets	786	–
Allowance for doubtful debts	–	4,554
Loss on disposal of an investment property	–	70
Loss on disposal of fixed assets	30	–
Write off of deferred development costs	5,146	–
Revaluation deficit on buildings	–	5,614
Share option benefits	11,463	–
Reversal of revaluation deficit on buildings	(1,317)	–
Decrease/(increase) in inventories	40,740	(61,218)
Decrease/(increase) in trade receivables	52,100	(47,603)
Increase in prepayments, deposits and other receivables	(54,365)	(3,465)
Increase in trade payables	9,633	2,496
Increase in other payables and accruals	10,416	3,245
Cash generated from operations	205,898	23,893
Interest received	2,707	205
Interest paid	–	(520)
Overseas taxes paid	(16,054)	(10,302)
Net cash inflow from operating activities	192,551	13,276
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of intangible assets	–	(10,094)
Purchases of fixed assets	(130,036)	(42,350)
Purchases of land use rights	(1,213)	(302)
Proceeds from disposal of an investment property	–	4,210
Proceeds from disposal of fixed assets	4	–
Amount paid for the acquisition of fixed assets and land use rights	–	(73,551)
Reversal of deposit paid for the establishment of a proposed joint venture	–	25,000
Net cash outflow from investing activities	(131,245)	(97,087)

	2006 HK\$'000	(Restated) 2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Exercise of share options	46,509	–
Rights issue, net of expenses	–	140,898
Issue of shares, net of expenses	257,483	–
Repayment of long term bank loan	–	(2,966)
Repayment of long term other loan	–	(1,136)
New short term other loan raised	–	26,000
Repayment of short term other loan	(26,000)	(20,000)
Net cash inflow from financing activities	277,992	142,796
NET INCREASE IN CASH AND CASH EQUIVALENTS	339,298	58,985
Effect of foreign exchange rate changes	19,311	436
Cash and cash equivalents at beginning of year	143,057	83,636
CASH AND CASH EQUIVALENTS AT END OF YEAR	501,666	143,057
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	501,666	143,057