

Consolidated Cash Flow Statement

Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		150,550	145,980
Adjustments for:			
Finance costs	10	3,575	1,118
Interest income	6	(4,250)	(1,675)
Depreciation	7	14,648	8,802
Loss/(gain) on disposal/write-offs of items of property, plant and equipment, net	7	14	(17)
Gain on disposal of investment properties		—	(77,009)
Provision/(write-back of provision) for bad and doubtful debts, net	7	1	(1,425)
Write-back of provision for slow-moving inventories, net	7	(8,195)	(4,633)
Fair value gains on investment properties	15	(146,593)	(36,300)
Operating profit before working capital changes		9,750	34,841
Decrease/(increase) in inventories		(8,130)	11,612
Increase in trade receivables, deposits and prepayments		(9,790)	(17,472)
Increase/(decrease) in trade and other payables		6,600	(33,702)
Movements in the balance with the former ultimate holding company		(6)	(1)
Movements in balances with related companies		(1,178)	9
Increase/(decrease) in provision for long service payments		854	(96)
Exchange differences on working capital		(125)	7
Cash used for operations		(2,025)	(4,802)
Interest paid		(3,575)	(1,118)
Net cash outflow from operating activities		(5,600)	(5,920)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4,250	1,675
Purchases of items of property, plant and equipment		(18,782)	(19,406)
Proceeds from disposal of investment properties		—	143,009
Proceeds from disposal of items of property, plant and equipment		—	97
Additions to investment properties		(137,035)	—
Payments for deposits for prepaid land lease payments		(33,022)	—
Net cash inflow/(outflow) from investing activities		(184,589)	125,375

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Year ended 31st July, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		149,185	—
Repayment of bank loans		(151,285)	—
Drawdown/(repayment) of trust receipt loans		(3,413)	571
Net cash inflow/(outflow) from financing activities		(5,513)	571
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(195,702)	120,026
Cash and cash equivalents at beginning of year		274,371	154,245
Effect of foreign exchange rate changes, net		44	100
CASH AND CASH EQUIVALENTS AT END OF YEAR		78,713	274,371
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	74,878	94,019
Non-pledged time deposits with original maturity of less than three months when acquired	21	6,000	182,777
Bank overdrafts	22	(2,165)	(2,425)
		78,713	274,371