

Consolidated Cash Flow Statement

For the year ended 31 July 2003
(Expressed in Hong Kong dollars)

| | Note | 2003 \$'000 | 2002 \$'000 |
|---|------|------------------|----------------|
| Operating activities | | | |
| Profit from ordinary activities before taxation | | 18,791 | 64,684 |
| Adjustments for: | | | |
| – Finance costs | | 21,662 | 15,970 |
| – Interest income | | (1,706) | (2,977) |
| – Amortisation of goodwill | | 23 | – |
| – Depreciation | | 47,610 | 31,543 |
| – Loss/(gain) on disposal of fixed assets | | 406 | (198) |
| Operating profit before changes in working capital | | 86,786 | 109,022 |
| Decrease/(increase) in inventories | | 4,414 | (92,508) |
| Increase in trade and other receivables | | (59,858) | (46,235) |
| Increase in trade and other payables | | 20,306 | 56,799 |
| Cash generated from operations | | 51,648 | 27,078 |
| Income tax paid by the subsidiaries in the PRC | | (2,200) | – |
| Net cash from operating activities | | 49,448 | 27,078 |
| Investing activities | | | |
| Payments for purchase of fixed assets | | (227,542) | (180,886) |
| Proceeds from sales of fixed assets | | 18,909 | 1,162 |
| Fixed deposits with banks | | (4,955) | 17,489 |
| Interest received | | 1,706 | 2,977 |
| Net cash used in investing activities | | (211,882) | (159,258) |
| Financing activities | | | |
| Capital contribution from minority shareholders | | 4,524 | 13,958 |
| Capital element of finance lease rentals paid | | (7,538) | (1,929) |
| Interest element of finance lease rentals paid | | (706) | (503) |
| Repayment of loan from ultimate holding company | | (4,892) | – |
| Repayment of borrowings | | (681,247) | (228,320) |
| New borrowings | | 958,486 | 350,439 |
| Issuance of shares | | – | 73,755 |
| Other finance costs paid | | (20,956) | (15,467) |
| Dividend paid | | (4,100) | (30,000) |
| Net cash from financing activities | | 243,571 | 161,933 |
| Net increase in cash and cash equivalents | | 81,137 | 29,753 |
| Cash and cash equivalents at 1 August | | 88,938 | 59,075 |
| Effect of foreign exchange rates changes | | 74 | 110 |
| Cash and cash equivalents at 31 July | 23 | 170,149 | 88,938 |

The notes on pages 38 to 72 form part of these financial statements.