

# Consolidated Cash Flow Statement

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for the year ended 31 July 2004  
(Expressed in Hong Kong dollars)

	Note	2004 \$'000	2003 \$'000
<b>Operating activities</b>			
Profit from ordinary activities before taxation		4,042	18,791
Adjustments for:			
– Finance costs		39,961	21,662
– Interest income		(2,792)	(1,706)
– Amortisation of goodwill		274	23
– Depreciation		70,999	47,610
– (Gain)/loss on disposal of fixed assets		(12)	406
		<u>112,472</u>	<u>86,786</u>
<b>Operating profit before changes in working capital</b>		<b>112,472</b>	<b>86,786</b>
(Increase)/decrease in inventories		(5,891)	4,414
Increase in trade and other receivables		(6,198)	(59,858)
(Decrease)/increase in trade and other payables		(24,904)	20,306
		<u>75,479</u>	<u>51,648</u>
<b>Cash generated from operations</b>		<b>75,479</b>	<b>51,648</b>
Income tax paid by the subsidiaries in the People's Republic of China		(3,586)	(2,200)
		<u>71,893</u>	<u>49,448</u>
<b>Net cash generated from operating activities</b>		<b>71,893</b>	<b>49,448</b>
<b>Investing activities</b>			
Payments for the purchase of fixed assets		(192,526)	(227,542)
Proceeds from sales of fixed assets		8,511	18,909
Deposits with banks		(46,942)	(4,955)
Interest received		2,792	1,706
		<u>(228,165)</u>	<u>(211,882)</u>
<b>Net cash used in investing activities</b>		<b>(228,165)</b>	<b>(211,882)</b>

# Consolidated Cash Flow Statement (continued)

for the year ended 31 July 2004

(Expressed in Hong Kong dollars)

	Note	2004 \$'000	2003 \$'000
<b>Financing activities</b>			
Capital contribution from minority shareholders		–	4,524
Capital element of finance lease rentals paid		(15,069)	(7,538)
Interest element of finance lease rentals paid		(1,661)	(706)
Repayment of loan from a shareholder		(4,892)	(4,892)
Repayment of borrowings		(223,527)	(681,247)
New borrowings		347,522	958,486
Other finance costs paid		(38,300)	(20,956)
Dividend paid		(4,100)	(4,100)
		<u>59,973</u>	<u>243,571</u>
<b>Net cash generated from financing activities</b>		<b>59,973</b>	243,571
		<u>(96,299)</u>	<u>81,137</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(96,299)</b>	81,137
		<u>170,149</u>	<u>88,938</u>
<b>Cash and cash equivalents at 1 August</b>		<b>170,149</b>	88,938
		<u>–</u>	<u>74</u>
<b>Effect of foreign exchange rates changes</b>		<b>–</b>	74
		<u>73,850</u>	<u>170,149</u>
<b>Cash and cash equivalents at 31 July</b>	21	<b>73,850</b>	170,149

The notes on pages 37 to 72 form part of these financial statements.