

Consolidated Cash Flow Statement

for the year ended 31 July 2005
(Expressed in Hong Kong dollars)

	Note	2005 \$'000	2004 \$'000
Operating activities			
Profit from ordinary activities before taxation		28,453	4,042
Adjustments for:			
– Finance costs		45,611	39,961
– Interest income		(3,048)	(2,792)
– Amortisation of goodwill		274	274
– Depreciation		80,712	70,999
– Share of losses of associates		3,296	–
– Loss on disposal of fixed assets		14,364	3,262
Operating profit before changes in working capital		169,662	115,746
Increase in inventories		(18,291)	(5,891)
Increase in trade and other receivables		(8,575)	(6,198)
Increase/(decrease) in trade and other payables		48,697	(24,904)
Cash generated from operations		191,493	78,753
Income tax paid by the subsidiaries in the People's Republic of China		(4,170)	(3,586)
Net cash generated from operating activities		187,323	75,167
Investing activities			
Payments for the purchase of fixed assets		(174,999)	(192,526)
Proceeds from sales of fixed assets		24,089	5,237
Deposits with banks		(21,088)	(46,942)
Interest received		3,048	2,792
Payment for capital injection to associates		(4,161)	–
Net cash used in investing activities		(173,111)	(231,439)

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for the year ended 31 July 2005

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	Note	2005 \$'000	2004 \$'000
Financing activities			
Capital element of finance lease rentals paid		(20,704)	(15,069)
Interest element of finance lease rentals paid		(1,731)	(1,661)
Repayment of loan from a substantial shareholder		(4,892)	(4,892)
Repayment of borrowings		(566,807)	(223,527)
New borrowings		636,696	347,522
Other finance costs paid		(43,880)	(38,300)
Dividend paid		(4,100)	(4,100)
Net cash (used in)/generated from financing activities		(5,418)	59,973
Net increase/(decrease) in cash and cash equivalents			
		8,794	(96,299)
Cash and cash equivalents at 1 August			
		73,850	170,149
Effect of foreign exchange rates changes			
		1,673	–
Cash and cash equivalents at 31 July	21	84,317	73,850

During the year, certain fixed assets of the Group with a net book value totalling \$10,561,000 were transferred to an associate as part of the Group's capital injection therein (note 13(e)).

The notes on pages 43 to 84 form part of these financial statements.