

Consolidated Cash Flow Statement

for the year ended 31 July 2006
(Expressed in Hong Kong dollars)

	Note	2006 \$'000	2005 (restated) \$'000
Operating activities			
Profit before taxation		51,731	30,018
Adjustments for:			
– Finance costs	6(a)	53,453	45,611
– Interest income	4	(6,105)	(3,048)
– Amortisation of goodwill	15	–	274
– Amortisation of interests in leasehold land held for own use under operating leases	14(a)	370	411
– Depreciation	14(a)	87,758	78,047
– Share of losses of associates		5,446	3,296
– Loss on disposal of fixed assets	4	4,468	14,364
– Equity settled share-based payment expenses	5	1,516	689
Operating profit before changes in working capital		198,637	169,662
Decrease/(increase) in inventories		20,474	(18,291)
Increase in trade and other receivables		(18,921)	(8,575)
(Decrease)/increase in trade and other payables		(13,395)	48,697
Cash generated from operations		186,795	191,493
Income tax paid by the subsidiaries in the People's Republic of China ("PRC")	26	(5,456)	(4,170)
Net cash generated from operating activities		181,339	187,323
Investing activities			
Payments for the purchase of fixed assets		(96,083)	(174,999)
Proceeds from sales of fixed assets		3,558	24,089
Deposits with banks		78,838	(21,088)
Interest received		6,105	3,048
Payment for capital injection to associates		(6,975)	(4,161)
Net cash used in investing activities		(14,557)	(173,111)

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Financing activities			
Capital element of finance lease rentals paid		(12,303)	(20,704)
Interest element of finance lease rentals paid		(1,168)	(1,731)
Repayment of loan from a substantial shareholder		(4,966)	(4,892)
Repayment of borrowings		(849,201)	(566,807)
New borrowings		832,654	636,696
Proceed from shares issued under share option scheme		3,458	–
Other finance costs paid		(53,430)	(43,880)
Dividend paid	28(a)	(7,126)	(4,100)
Net cash used in financing activities		(92,082)	(5,418)
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Net increase in cash and cash equivalents		74,700	8,794
Cash and cash equivalents at 1 August	21	84,317	73,850
Effect of foreign exchange rates changes		330	1,673
Cash and cash equivalents at 31 July	21	159,347	84,317

During the year, certain fixed assets of the Group with a net book value totalling \$950,000 (2005:\$10,561,000) were transferred to an associate as part of the Group's capital injection therein (note 14(d)).

The notes on pages 52 to 118 form part of these financial statements.