

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st December, 2006

	2006	2005
	HK\$	HK\$
OPERATING ACTIVITIES		
Profit (loss) before taxation	16,059,394	(17,569,724)
Adjustments for:		
Share of (profits) losses of associates	(260,696)	190,674
Release of prepaid lease payments	622,308	539,594
Depreciation of property, plant and equipment	17,897,189	20,812,233
Gain on disposal of an associate	(66,135)	–
(Gain) loss on disposal of property, plant and equipment	(318,406)	62,074
Loss on disposal of a subsidiary	–	1,332,358
Discount on acquisition of additional interests in a subsidiary	(28,222,523)	–
Allowances for bad and doubtful debts	2,303,865	26,122
Write back of allowance on inventories	–	(556,232)
Impairment losses on property, plant and equipment	–	1,378,241
Interest expense	5,792,712	5,275,635
Change in fair value of investments held for trading	117,148	(10,323)
Interest income	(2,386,806)	(1,661,700)
Operating cash flows before movements in working capital	11,538,050	9,818,952
(Increase) decrease in inventories	(586,592)	9,372,491
Increase in debtors, bills receivable and prepayments	(5,904,791)	(18,840,057)
Decrease in amount due from an associate	–	516,165
Increase in creditors, bills payable and accrued charges	4,695,563	13,228,377
Increase in amount due to an associate	–	294,000
Cash generated from operations	9,742,230	14,389,928
Hong Kong Profits Tax refund (paid)	1,128	(556,893)
NET CASH FROM OPERATING ACTIVITIES	9,743,358	13,833,035

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31st December, 2006

	NOTES	2006 HK\$	2005 HK\$
INVESTING ACTIVITIES			
Decrease in bank deposits		15,600,000	23,400,000
Purchase of investments held for trading		(5,732,835)	(2,746,146)
Purchase of property, plant and equipment		(9,346,111)	(14,231,876)
Acquisition of additional interest in a subsidiary		(11,250,000)	–
Increase in prepaid lease payments		–	(744,567)
Increase in pledged bank deposits		(99,140)	(43,121)
Proceeds from disposal of an associate		532,800	–
Proceeds from disposal of investments held for trading		124,057	2,231,793
Proceeds from disposals of property, plant and equipment		6,159,612	1,759,040
Disposal of a subsidiary	28	1,923,078	(847,923)
Interest received		2,386,806	1,661,700
NET CASH FROM INVESTING ACTIVITIES		298,267	10,438,900
FINANCING ACTIVITIES			
New bank borrowings raised		432,926,196	583,933,401
Repayment of bank borrowings		(445,213,243)	(582,484,410)
Dividends paid		–	(2,389,632)
Dividend paid to a minority shareholder of a subsidiary		–	(3,752,325)
Interest paid		(5,792,712)	(5,275,635)
NET CASH USED IN FINANCING ACTIVITIES		(18,079,759)	(9,968,601)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(8,038,134)	14,303,334
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		89,461,809	75,158,475
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		81,423,675	89,461,809
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
BEING:			
Short term bank deposits		39,504,927	31,885,221
Bank balances and cash		41,918,748	57,576,588
		81,423,675	89,461,809