

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

			(As restated)
	Notes	2005 HK\$	2004 HK\$
OPERATING ACTIVITIES			
Profit from operations		51,629,195	47,697,844
Adjustments for:			
Depreciation and amortisation of property, plant and equipment	15	59,409,128	56,404,390
Amortisation of leasehold land and land use rights	17	1,062,347	1,271,319
Amortisation of goodwill		–	1,838,758
Impairment losses on goodwill	18	2,455,958	–
Release of negative goodwill		(16,449,454)	(6,755,992)
Loss on disposal of property, plant and equipment	9	4,597,514	444,501
Deficit arising on revaluation of leasehold land and buildings	9	186,250	632,034
Fair value gains on investment properties	6	(3,503)	–
Impairment losses for bad and doubtful debts	9	20,306,525	12,502,318
Write-down of obsolete inventories	9	7,753,318	1,397,903
Operating cash flows before movements in working capital		130,947,278	115,433,075
Increase in inventories		(36,436,325)	(66,001,275)
Increase in trade and other receivables		(29,478,819)	(27,823,844)
Increase in bills receivable		(12,000,801)	(8,942)
Increase in trade and other payables		3,188,988	8,637,250
(Decrease) Increase in bills payable		(55,105,607)	51,278,216
Cash generated from operations		1,114,714	81,514,480
Tax outside Hong Kong paid		(9,118,654)	(5,069,888)
Hong Kong Profits Tax refunded (paid)		156,654	(716,655)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		(7,847,286)	75,727,937

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For the year ended 31st December, 2005

	Notes	2005 HK\$	(As restated) 2004 HK\$
INVESTING ACTIVITIES			
Amounts repaid from (advanced to) associates		4,480,856	(476,246)
Acquisition of associates		–	(4,929,570)
(Increase) Decrease in pledged bank deposits		(6,111,224)	4,871,720
Acquisition of additional shareholding in subsidiaries from minority shareholders		(6,971,031)	(23,370,501)
Disposal of partial interests in subsidiaries		–	11,845,628
Purchase of property, plant and equipment		(51,710,803)	(90,607,839)
Proceeds from disposal of an associate		1	–
Proceeds from disposal of property, plant and equipment		41,169,054	9,259,720
Proceeds from disposal of investment securities		–	1,631,343
Interest received	8	1,009,617	760,803
Dividends received from investment securities	8	146,448	110,266
Dividends received from associates		39,425,489	3,562,439
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		21,438,407	(87,342,237)
FINANCING ACTIVITIES			
Repayment of bank loans		(187,635,194)	(237,748,238)
Interest paid	7	(27,705,346)	(19,967,833)
Repayment of obligations under finance leases		(4,882,156)	(6,294,230)
Dividends paid to minority shareholders of subsidiaries		(16,940,769)	(6,184,041)
Dividends paid to Company shareholders		(7,062,289)	–
Repayment of other loans		(262,254)	(8,747,269)
Bank loans raised		228,620,864	294,578,979
Capital contributed by minority shareholders of subsidiaries		–	2,311,629
Amounts advanced (to) from associates		(4,149,030)	12,136,923
Proceeds from issue of shares		517,534	–
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(19,498,640)	30,085,920
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(5,907,519)	18,471,620
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		83,867,372	65,128,652
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		1,850,049	267,100
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26	79,809,902	83,867,372

The notes on pages 46 to 109 are an integral part of these consolidated financial statements.