

# Consolidated Cash Flow Statement

For the year ended 31st December, 2006

			(As restated)
	Notes	2006 HK\$	2005 HK\$
<b>OPERATING ACTIVITIES</b>			
Operating profit from continuing operations		<b>101,736,470</b>	68,606,400
Operating loss from discontinued operation	12	<b>(7,238,845)</b>	(16,977,205)
Adjustments for:			
Depreciation and amortisation of property, plant and equipment	16	<b>55,782,567</b>	59,409,128
Amortisation of leasehold land and land use rights	18	<b>1,233,702</b>	1,062,347
Impairment losses on goodwill	19	<b>981,123</b>	2,455,958
Release of negative goodwill	6	<b>(94,901)</b>	(16,449,454)
Net (gain) loss on disposal of property, plant and equipment	9	<b>(812,747)</b>	4,597,514
Revaluation deficit of leasehold buildings	9	<b>494,566</b>	186,250
Fair value gains on investment properties	6	<b>(800,000)</b>	(3,503)
Impairment losses on property, plant and equipment	16	<b>995,952</b>	–
Impairment losses for bad and doubtful debts		<b>15,110,606</b>	20,306,525
Write-down of inventories	9	<b>8,261,408</b>	7,753,318
<b>OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL</b>			
		<b>175,649,901</b>	130,947,278
Increase in inventories		<b>(81,197,628)</b>	(36,436,325)
Increase in trade and other receivables		<b>(83,613,894)</b>	(29,478,819)
Increase in bills receivable		<b>(5,848,857)</b>	(12,000,801)
Increase in trade and other payables		<b>121,160,276</b>	3,188,988
Increase (Decrease) in bills payable		<b>34,669,591</b>	(55,105,607)
Cash generated from operations		<b>160,819,389</b>	1,114,714
Tax outside Hong Kong paid		<b>(15,558,577)</b>	(9,118,654)
Hong Kong Profits Tax (paid) refunded		<b>(1,955,530)</b>	156,654
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>		<b>143,305,282</b>	(7,847,286)

## Consolidated Cash Flow Statement

For the year ended 31st December, 2006

	Notes	2006 HK\$	(As restated) 2005 HK\$
<b>INVESTING ACTIVITIES</b>			
Amounts (advanced to) repaid from associates		(25,579,137)	4,480,856
Purchase of available-for-sale financial assets		(4,711,393)	—
Net proceeds from disposal of a subsidiary	32	173,974	—
Proceeds from disposal of discontinued operation	32	3	—
Increase in pledged bank deposits		(16,543,875)	(6,111,224)
Acquisition of additional shareholding in subsidiaries from minority shareholders		(457,000)	(6,971,031)
Purchase of property, plant and equipment		(54,649,323)	(51,710,803)
Proceeds from disposal of an associate		—	1
Proceeds from disposal of property, plant and equipment		8,142,506	41,169,054
Proceeds from disposal of available-for-sale financial assets		8,364,488	—
Amount repaid from an investee company		105	—
Interest received	8	1,035,202	1,009,617
Dividends received from unlisted investments	8	—	146,448
Dividends received from associates		4,291,156	39,425,489
<b>NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES</b>		<b>(79,933,294)</b>	<b>21,438,407</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank loans		(337,929,022)	(187,635,194)
Interest paid	7	(28,648,015)	(27,705,346)
Repayment of obligations under finance leases		(5,259,761)	(4,882,156)
Dividends paid to minority shareholders of subsidiaries		(2,457,341)	(16,940,769)
Dividends paid to Company shareholders		(14,150,454)	(7,062,289)
Repayment of other loans		(90,591)	(262,254)
Bank loans raised		277,640,777	228,620,864
Capital contributed by minority shareholders of a subsidiary		636,295	—
Amounts advanced from (to) associates		24,921,207	(4,149,030)
Proceeds from issue of shares	27	—	517,534
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(85,336,905)</b>	<b>(19,498,640)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(21,964,917)</b>	<b>(5,907,519)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	26	<b>79,809,902</b>	<b>83,867,372</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>3,217,716</b>	<b>1,850,049</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	26	<b>61,062,701</b>	<b>79,809,902</b>

The notes on pages 40 to 95 are an integral part of these consolidated financial statements.