

# Consolidated Cash Flow Statement

For the year ended 31st December, 2005

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

## Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	Notes	2005 HK\$	(As restated) 2004 HK\$
<b>INVESTING ACTIVITIES</b>			
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
<b>NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES</b>		<b>21,438,407</b>	<b>(87,342,237)</b>
<b>FINANCING ACTIVITIES</b>			
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	–
<b>NET CASH (USED IN) FROM FINANCING ACTIVITIES</b>		<b>(19,498,640)</b>	<b>30,085,920</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,907,519)</b>	<b>18,471,620</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>83,867,372</b>	<b>65,128,652</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>1,850,049</b>	<b>267,100</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	26	<b>79,809,902</b>	<b>83,867,372</b>

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