

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(584,098)	417,455
Adjustments for:			
Finance costs	7	163,546	65,715
Share of profits and losses of jointly-controlled entities		(9,212)	(80,464)
Amortisation of goodwill on acquisition of jointly-controlled entities		–	57,321
Depreciation	6	334,290	245,801
Goodwill amortisation	6	–	33,227
Negative goodwill recognised as income	6	–	(49,820)
Gain on disposal of items of property, plant and equipment, and prepaid land lease payments	6	(26,517)	(1,331)
Bank interest income	6	(30,664)	(13,811)
Fair value losses of equity investments at fair value through profit or loss/ impairment of short term investments		95,083	29,026
Impairment of available-for-sale equity investments/ long term investments	6	1,058	13,011
Loss on liquidation of an available-for-sale entity investment	6	4,280	–
Amortisation of other intangible assets	6	4,791	3,155
Amortisation of prepaid land lease payments	6	5,908	2,633
Loss on disposal of a subsidiary	39(c)	–	2,075
Equity-settled share option expense	6	28,661	7,729
Operating profit/(loss) before working capital changes		(12,874)	731,722
Increase in inventories		(59,544)	(400,517)
Increase in trade and bills receivables		(552,872)	(3,119,817)
Decrease/(increase) in other receivables		134,775	(608,932)
Increase in trade and bills payables		371,847	1,596,439
Increase in other payables and accruals		184,508	783,165
Increase/(decrease) in provisions		(33,807)	70,493
Increase in pensions and other post-employment benefits		49,580	7,300
Cash generated from/(used in) operations		81,613	(940,147)
Interest paid		(163,546)	(65,715)
Income taxes paid		(119,191)	(171,040)
Net cash outflow from operating activities		(201,124)	(1,176,902)

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Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash outflow from operating activities		(201,124)	(1,176,902)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	14	(855,584)	(612,282)
Prepayment of land lease payments	15	(37,416)	(4,859)
Purchases of other intangible assets		(1,166)	–
Purchases of available-for-sale equity investments/long term investments		(13,031)	(4,651)
Purchases of equity investments at fair value through profit or loss/short term investments		–	(84,093)
Proceeds from disposal of items of property, plant and equipment, and prepaid land lease payments		227,037	71,203
Proceeds from disposal of equity investments at fair value through profit or loss/short term investments		84,093	–
Decrease/(increase) in pledged deposits		(90,165)	5,199
Acquisition of minority interests	39(a)	(43,800)	–
Acquisition of subsidiaries	39(b)	(11,473)	(159,477)
Disposal of a subsidiary	39(c)	–	(99)
Interest received	6	30,664	13,811
Dividends received from jointly-controlled entities		1,563	124,090
Net cash outflow from investing activities		(709,278)	(651,158)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other loans		2,171,399	1,968,428
Repayment of bank loans		(1,021,560)	(320,544)
Repayment of convertible notes		(256,000)	–
Proceeds from issue of shares upon exercise of share options	37	804	69,986
Loan from the ultimate holding company		466,367	246,965
Contribution from minority shareholders		–	312
Loan from a shareholder/minority shareholder		367,334	1,033,796
Repayment of loan from a shareholder/minority shareholder		(790,634)	–
Dividends paid		(110,346)	(383,860)
Dividends paid to minority shareholders		(21,110)	(943)
Net cash inflow from financing activities		806,254	2,614,140
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(104,148)	786,080
Cash and cash equivalents at beginning of year		1,833,272	1,069,562
Effect of foreign exchange rate changes, net		(8,634)	(22,370)
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,720,490	1,833,272
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	1,861,957	1,833,272
Bank overdrafts	32	(141,467)	–
		1,720,490	1,833,272