

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

	Note	2006 '000	2005 '000 (restated)
Operating activities			
Loss before taxation			
– From continuing operations		(50,684)	(122,198)
– From discontinued operations	9(a)	(224,454)	(243,558)
		(275,138)	(365,756)
Adjustments for:			
– Amortisation of land lease premium for property held for own use		1,662	1,295
– Depreciation		37,783	34,682
– Finance costs		43,942	54,870
– Impairment losses – trade and other receivables, deposits and prepayments		109,348	6,534
– Impairment losses on non-current assets		11,839	–
– Write-down of inventories		2,914	1,982
– Changes in fair value of commodity derivative contracts		–	(33,143)
– Interest income		(3,142)	(2,026)
– Loss/(gain) on disposal of fixed assets		70	(11)
– Gain on disposal of non-current asset classified as held for sale		(1,349)	–
– Loss on disposal of a subsidiary		13,349	–
– Equity-settled share-based payment expenses		6,607	11,200
– Foreign exchange loss/(gain)		2,025	(72)
Operating loss before changes in working capital		(50,090)	(290,445)
Decrease/(increase) in inventories		367,896	(324,612)
Decrease in trade and other receivables, deposits and prepayments		119,472	33,667
Decrease in other deposits		2,012	66,286
Increase/(decrease) in amount due to a related company		738	(1,148)
(Decrease)/increase in trade and other payables		(43,306)	167,228
Cash generated from/(used in) operations		396,722	(349,024)
Tax refund/(paid)			
– Hong Kong Profits Tax paid		–	(3,501)
– PRC income tax refund/(paid)		1,565	(1,732)
Net cash generated from/(used in) operating activities		398,287	(354,257)

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for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

	Note	2006 '000	2005 '000 (restated)
Investing activities			
Payment for purchase of fixed assets		(1,856)	(19,593)
Proceeds from disposal of fixed assets		1,533	105
Proceeds from disposal of non-current assets classified as held for sale		6,125	–
Proceeds from disposal of a subsidiary	29	19,321	–
Payment for construction in progress		(62,004)	(123,236)
Increase in deposits paid for acquisition of fixed assets		(30,632)	(9,290)
Interest received		3,142	2,026
Net cash used in investing activities		(64,371)	(149,988)
Financing activities			
Proceeds from bank loans		888,996	2,868,252
Repayment of bank loans		(1,333,484)	(2,569,993)
Decrease/(increase) in pledged bank deposits		54,322	(38,771)
Interest paid		(43,942)	(54,870)
Dividend paid to equity shareholders of the Company		–	(24,000)
Net cash (used in)/generated from financing activities		(434,108)	180,618
Net decrease in cash and cash equivalents		(100,192)	(323,627)
Cash and cash equivalents at 1 January		118,156	436,689
Effect of foreign exchange rate changes		4,348	5,094
Cash and cash equivalents at 31 December	20	22,312	118,156

The notes on pages 32 to 96 form part of these financial statements.