

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	2006	2005
	HK\$'000	HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(258,213)	(75,000)
Adjustments for:		
Finance costs	26,408	11,572
Share of loss of an associate	32,123	41,421
Share of profit of a jointly controlled entity	(7,782)	(4,332)
Allowance for bad and doubtful debts	2,680	2,153
Allowance on interest receivable	–	1,963
Allowance on short-term loans receivable	–	2,078
Amortisation of trading right	100	90
Bank interest income	(971)	(840)
Depreciation of property, plant and equipment	38,977	19,558
Gain on disposal of subsidiaries	(20)	–
Impairment loss recognised in respect of goodwill	–	582
Impairment loss recognised in respect of goodwill of an associate	–	8,673
Impairment loss recognised in respect of interest in an associate	111,497	–
Loss (gain) arising from fair value change in respect of investments held for trading	7,445	(1,580)
Loss on disposal of investment properties held for sale	1,170	–
Loss on disposal of property, plant and equipment	395	1,665
Decrease in fair value of investment properties	–	5,000
Provision for litigation claims	92,095	–
Amortisation of prepaid lease payments	882	846
Operating cash flows before movements in working capital	46,786	13,849
(Increase) decrease in other assets	(25)	25
Decrease (increase) in inventories	2,859	(4,181)
Increase in trade and other receivables	(492)	(6,504)
(Increase) decrease in short-term loans receivable	(1,531)	5,867
Increase in bills receivable	(12,516)	–
(Increase) decrease in bank balances held under segregated trust accounts	(539)	1,485
(Increase) decrease in investments held for trading	(134)	9,754
(Decrease) increase in trade and other payables	(31,496)	14,750
Increase in bills payable	19,587	10,000
Cash generated from operations	22,499	45,045
Interest paid	(26,408)	(19,228)
Hong Kong Profits Tax refunded	–	74
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(3,909)	25,891

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For the year ended 31st December, 2006

	Note	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Net proceeds from disposal of investment properties held for sale		61,830	–
Dividend received from a jointly controlled entity		5,394	4,682
Interest received, other than from investments		971	840
Proceeds from disposal of property, plant and equipment		952	3,785
Purchase of property, plant and equipment		(20,424)	(9,829)
Increase in pledged bank deposits		(15,388)	(9,615)
Cash outflow for disposal of subsidiaries (net of cash and cash equivalents disposed of)	36	(136)	–
NET CASH FROM (USED IN) INVESTING ACTIVITIES		33,199	(10,137)
FINANCING ACTIVITIES			
Repayment of borrowings		(169,385)	(58,249)
Borrowings raised		123,225	117,780
Advance from (repayment to) a minority shareholder of subsidiaries		4,966	(63,979)
Proceeds from issue of shares on exercise of share options		1	–
Repayment of convertible bonds		–	(70,000)
NET CASH USED IN FINANCING ACTIVITIES		(41,193)	(74,448)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(11,903)	(58,694)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		577	(1,231)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		13,658	73,583
CASH AND CASH EQUIVALENTS CARRIED FORWARD, represented by bank balances and cash		2,332	13,658