

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax:			
From continuing operations		(2,411,311)	(578,574)
From a discontinued operation	14	7,362	(5,524)
Adjustments for:			
Finance costs	8	246,387	163,546
Share of profits and losses of jointly-controlled entities and an associate		(3,519)	(9,212)
Depreciation	9	408,091	334,290
Loss/(gain) on disposal of items of property, plant and equipment, and prepaid land lease payments	9	11,562	(26,517)
Bank interest income	9	(25,345)	(30,664)
Fair value losses of equity investments at fair value through profit or loss		37,653	95,083
Impairment of available-for-sale investments	9	2,550	1,058
Impairment of items of property, plant and equipment	9	37,315	–
Costs in connection with the restructuring and winding-down of the EU Business, net	7	694,868	–
Gain on disposal of equity investments at fair value through profit or loss	9	(3,179)	–
Loss on liquidation of an available-for-sale investment	9	–	4,280
Amortisation of other intangible assets	9	6,464	4,791
Amortisation of prepaid land lease payments	9	2,543	5,908
Equity-settled share option expense	9	22,295	28,661
		(966,264)	(12,874)
Decrease/(increase) in inventories		1,149,668	(59,544)
Decrease/(increase) in trade and bills receivables		2,072,673	(552,872)
Decrease in other receivables		731,926	134,775
Increase/(decrease) in trade and bills payables		(1,857,514)	371,847
Increase in other payables and accruals		141,341	184,508
Increase/(decrease) in provisions		27,417	(33,807)
Increase/(decrease) in pensions and other post-employment benefits		(2,571)	49,580
Cash generated from operations		1,296,676	81,613
Interest paid		(246,387)	(163,546)
Income taxes paid		(124,307)	(119,191)
Net cash inflow/(outflow) from operating activities		925,982	(201,124)

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Net cash inflow/(outflow) from operating activities		<b>925,982</b>	(201,124)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment	17	<b>(225,336)</b>	(855,584)
Prepayment of land lease payments	18	<b>(25,195)</b>	(37,416)
Purchases of other intangible assets		–	(1,166)
Purchases of available-for-sale investments		<b>(1,949)</b>	(13,031)
Proceeds from disposal of items of property, plant and equipment, and prepaid land lease payments		<b>173,403</b>	227,037
Proceeds from disposal of equity investments at fair value through profit or loss		<b>13,120</b>	84,093
Disposal of subsidiaries	42(c)	<b>357,698</b>	–
Deconsolidation of a subsidiary	42(d)	<b>(1,524)</b>	–
Decrease/(increase) in pledged deposits		<b>80,165</b>	(90,165)
Acquisition of minority interests	42(a)	–	(43,800)
Acquisition of subsidiaries	42(b)	–	(11,473)
Investment in an associate		<b>(69,074)</b>	–
Interest received		<b>25,345</b>	30,664
Dividends received from jointly-controlled entities		<b>5,657</b>	1,563
Net cash inflow/(outflow) from investing activities		<b>332,310</b>	(709,278)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank and other loans		<b>8,642,512</b>	2,171,399
Repayment of bank loans		<b>(9,284,566)</b>	(1,021,560)
Repayment of convertible notes		–	(256,000)
Proceeds from issue of shares upon exercise of share options	40	–	804
Loan from the ultimate holding company		<b>(452,561)</b>	466,367
Loan from a shareholder		<b>161,203</b>	367,334
Repayment of a loan from a shareholder		<b>(256,601)</b>	(790,634)
Dividends paid		–	(110,346)
Dividends paid to minority shareholders		–	(21,110)
Net cash inflow/(outflow) from financing activities		<b>(1,190,013)</b>	806,254
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of year		<b>1,720,490</b>	1,833,272
Effect of foreign exchange rate changes, net		<b>52,816</b>	(8,634)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>1,841,585</b>	1,720,490
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	32	<b>1,894,633</b>	1,861,957
Bank overdrafts	36	<b>(53,048)</b>	(141,467)
		<b>1,841,585</b>	1,720,490