

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2005

Notes	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(530,718)	(156,827)
Adjustments for:		
Finance costs	22,539	7,673
Share of result of a jointly controlled entity	(8,566)	(21,993)
Share of results of associates	23,981	13,442
Interest income	(4,922)	(5,876)
Share-based payment expenses	50,670	–
Waiver of the amount due to a jointly controlled entity	–	(3,637)
Gain on disposal of interest in a subsidiary	(613)	(45)
Loss on disposal of an investment property	–	427
Loss on disposal of property, plant and equipment	2,585	718
Depreciation of property, plant and equipment	61,049	26,405
Amortisation of franchise fee	–	1,200
Amortisation of goodwill	–	88
Impairment loss on property, plant and equipment	75,044	–
Impairment loss on other non-current assets	10,550	–
Impairment loss on goodwill	59,249	–
Negative goodwill recognised as income	–	(5,235)
Adjustment on negative goodwill arising on acquisition of an associate	18,575	–
Loss (gain) from change in fair value of investment properties	478	(2,246)
Operating cash flows before movements in working capital	(220,099)	(145,906)
Increase in inventories	(90,232)	(144,056)
Decrease in trade and other receivables	24,687	229,830
Decrease in amounts due from an associate	22,769	–
Increase in amount due to an associate	97,569	–
Increase in amount due from a related company	(108)	–
Increase in trade and other payables	157,476	381,088
Increase in amounts due to related companies	26,792	10,266
Cash generated from operations	18,854	331,222
Income tax paid	(338)	–
NET CASH FROM OPERATING ACTIVITIES	18,516	331,222

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INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(308,722)	(359,452)
Repayment of consideration payable for acquisition of an associate		(55,907)	–
Acquisition of additional interest in subsidiaries		(30,013)	(649)
Increase in restricted bank deposits		(13,582)	(10,041)
Disposal of a subsidiary	32	(4,042)	(2,451)
Interest received		4,922	5,876
Proceeds on disposal of property, plant and equipment		5,583	4,042
Decrease in other non-current assets		–	11,280
Repayment from an associate		–	46,980
Proceeds on disposal of investment properties		–	841
NET CASH USED IN INVESTING ACTIVITIES		(401,761)	(303,574)
FINANCING ACTIVITIES			
New bank and other borrowings raised		418,583	23,542
Capital injected by minority shareholder of a subsidiary		2,711	–
Increase in amount due to minority shareholder of a subsidiary		505	–
Interest paid		(10,396)	(896)
Repayment of bank loan		(9,200)	–
Repayment to ultimate holding company		(211)	(94)
Repayment to a minority shareholder of a subsidiary		–	(4)
NET CASH FROM FINANCING ACTIVITIES		401,992	22,548
NET INCREASE IN CASH AND CASH EQUIVALENTS		18,747	50,196
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(3,345)	(297)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		131,669	81,770
		147,071	131,669
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by			
Bank balances and cash		146,949	131,669
Bank balances and cash classified as assets held for sale	11	122	–
		147,071	131,669