

Consolidated Cash Flow Statement

For the year ended 31st December, 2006
(Expressed in Hong Kong dollars)

	Note	2006 \$'000	2005 \$'000
Operating activities			
Loss before taxation		(338,082)	(530,718)
Adjustments for:			
Finance costs	7(a)	62,462	22,539
Share of net (profit)/loss of associates	20	(3,124)	23,981
Interest income	6	(7,125)	(4,292)
Equity-settled share-based payment expenses		–	50,670
Gain on disposal of subsidiaries and an associate	6	(39,137)	(613)
(Profit)/loss for the year from discontinued operations	9(a)	(223,571)	6,617
Loss on disposal of fixed assets	6	8,198	2,585
Amortisation of land lease premium	7(c)	6,139	–
Depreciation of fixed assets	7(c)	136,419	61,049
Impairment losses on fixed assets	7(c)	33,609	75,044
Impairment losses on intangible assets	7(c)	–	10,550
Impairment loss on goodwill	7(c)	–	59,249
Adjustment to negative goodwill arising on acquisition of an associate	7(c)	–	18,575
Loss on fair value adjustment in respect of investment properties	7(c)	–	478
Foreign exchange gain		(17,243)	(5,452)
Operating loss before changes in working capital		(381,455)	(209,738)
Decrease in prepaid lease payments for premises		8,844	–
Decrease/(increase) in inventories		23,704	(90,232)
Decrease in trade and other receivables		1,380	47,348
Increase in trade and other payables		252,786	267,159
Cash (used in)/generated from operations		(94,741)	14,537
PRC tax paid		(791)	(338)
Net cash (used in)/generated from operating activities		(95,532)	14,199



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Investing activities			
Acquisition of a subsidiary, net of cash acquired	3(a)	159,626	–
Capital injected by minority shareholder of a subsidiary		–	2,711
Net proceeds from disposal of assets classified as held for sale	9(a)	342,688	–
Net cash outflow from disposal of subsidiaries	4	(3,732)	(4,042)
Proceeds from disposal of an associate	20	11,380	–
Payment for purchases of fixed assets		(297,522)	(308,722)
Payment of consideration for acquisition of subsidiaries		(127,903)	(55,907)
Acquisition of additional interest in subsidiaries		–	(30,013)
Increase in pledged bank deposits		(43,618)	(13,582)
Interest received		7,125	4,292
Increase in long term deposits		(19,800)	–
Proceeds from disposal of fixed assets		153	5,583
Net cash generated from/(used in) investing activities		28,397	(399,680)
Financing activities			
Proceeds from bank loans		429,600	418,583
Repayment of bank loans		(357,600)	(9,200)
Repayment to ultimate holding company		–	(211)
Capital element of finance leases paid		(1,925)	–
Interest element of finance leases paid		(20,876)	–
Other borrowing costs paid		(35,125)	(10,396)
Net cash generated from financing activities		14,074	398,776
Net (decrease)/increase in cash and cash equivalents		(53,061)	13,295
Effect of foreign exchange rate changes		4,518	2,107
Cash and cash equivalents at 1st January		147,071	131,669
Cash and cash equivalents at 31st December	27	98,528	147,071

The notes on pages 38 to 98 form part of these financial statements.