

Consolidated Cash Flow Statement

Year ended 31 December 2007

| | Notes | 2007 HK\$'000 | 2006 HK\$'000 |
|---|-------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax: | | | |
| From continuing operations | | 1,274,923 | 979,136 |
| From discontinued operations | 13 | – | 89,754 |
| Adjustments for: | | | |
| Finance costs | 7 | 320,416 | 219,656 |
| Provision against inventories | 6 | 4,284 | 2,542 |
| Impairment of receivables | 6 | 10,865 | 478 |
| Depreciation | 6 | 365,123 | 310,217 |
| Loss on disposal of items of property, plant and equipment | 6 | 1,122 | 13,257 |
| Loss on disposal of subsidiaries | 6, 34 | 1,917 | 2,241 |
| Impairment of items of property, plant and equipment | 6 | 56,846 | 2,193 |
| Recognition of prepaid land premiums | 6 | 10,201 | 8,453 |
| Share of profits of associates | | (269,568) | (201,045) |
| Interest income | 5 | (173,679) | (20,725) |
| Unrealised fair value losses of derivative instrument transactions not qualifying as hedges | 6 | 385,235 | 11,966 |
| Unrealised fair value gains on forward currency contracts | 5 | (8,232) | – |
| Government grants | 5 | (269,372) | (187,937) |
| Compensation income | | – | (56,607) |
| Equity-settled share option expense | 31 | 6,647 | – |
| | | 1,716,728 | 1,173,579 |
| Decrease/(increase) in inventories | | 361,385 | (881,947) |
| Increase in accounts and bills receivables | | (417,364) | (164,694) |
| Decrease/(increase) in prepayments, deposits and other receivables | | 145,464 | (507,058) |
| (Increase)/decrease in amounts due from fellow subsidiaries | | (999,361) | 10,524 |
| (Increase)/decrease in amounts due from associates | | (210,722) | 15,751 |
| (Increase)/decrease in amounts due from related companies | | (7,886) | 14,060 |
| Decrease/(increase) in an amount due from the ultimate holding company | | 15,215 | (8,574) |
| Increase in accounts and bills payables | | 493,827 | 311,110 |
| Increase in other payables and accruals | | 276,171 | 280,969 |
| Decrease in amounts due to fellow subsidiaries | | (349,334) | (275,835) |
| Increase/(decrease) in an amount due to the ultimate holding company | | 80,155 | (185,156) |
| Decrease in an amount due to the immediate holding company | | (7,883) | – |
| Decrease in amounts due to related companies | | (392,596) | (173,768) |
| Increase in amounts due to associates | | 9,573 | – |
| (Decrease)/increase in amounts due to minority shareholders of subsidiaries | | (4,286) | 38 |
| Government grants received | | 240,056 | 148,960 |

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2007

| | Notes | 2007 HK\$'000 | 2006 HK\$'000 |
|---|-------|---------------------|------------------|
| Cash generated from/(used in) operations | | 949,142 | (242,041) |
| Interest received | | 42,356 | 20,725 |
| Interest paid | | (306,690) | (227,253) |
| Mainland China tax paid | | (114,112) | (100,166) |
| Net cash inflow/(outflow) from operating activities | | 570,696 | (548,735) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| (Increase)/decrease in pledged deposits | | (257,555) | 360,268 |
| Repayment from associates | | - | 3,608 |
| Acquisition of subsidiaries | 33 | - | 240,141 |
| Disposal of subsidiaries | 34 | 731 | (4,518) |
| Dividends from associates | | 14,853 | - |
| Purchase of an available-for-sale investment | | (6,265) | - |
| Proceeds from disposal of items of property, plant and equipment | | 18,547 | 24,737 |
| Purchase of items of property, plant and equipment | | (1,385,130) | (1,372,668) |
| Additions to prepaid land premiums | | (45,917) | (63,029) |
| Government grants received | | 48,056 | 29,419 |
| Compensation received | | - | 2,950 |
| Additions to intangible assets | | (5,639) | - |
| Net cash outflow from investing activities | | (1,618,319) | (779,092) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Decrease in amounts due to fellow subsidiaries | | - | (54,302) |
| Increase in an amount due to the immediate holding company | | - | 561,904 |
| (Decrease)/increase in amounts due to minority shareholders of subsidiaries | | (319) | 2,021 |
| New bank loans | | 17,059,136 | 8,176,368 |
| New other loans | | 471,167 | 3,413,222 |
| Repayments of bank loans | | (15,855,068) | (6,180,447) |
| Repayments of other loans | | (1,614,529) | (4,254,374) |
| Capital contribution from minority shareholders of subsidiaries | | 4,141 | 32,316 |
| Contributions from the immediate holding company | | - | 329,671 |
| Acquisition of an additional interest in an existing subsidiary | | - | (4,016) |
| Dividends paid | | - | (2,239) |
| Dividends paid to minority shareholders of subsidiaries | | (6,242) | (12,106) |
| Proceeds from issue of shares | | 2,985,386 | - |
| Share issue expenses | | (158,834) | - |
| Interest paid | | (19,984) | - |
| Interest received from subscription monies | | 131,323 | - |
| Net cash inflow from financing activities | | 2,996,177 | 2,008,018 |

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2007

| | Notes | 2007 HK\$'000 | 2006 HK\$'000 |
|---|-------|------------------|------------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,948,554 | 680,191 |
| Cash and cash equivalents at beginning of year | | 1,249,388 | 523,803 |
| Effect of foreign exchange rate changes, net | | 88,701 | 45,394 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 3,286,643 | 1,249,388 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 26 | 2,323,193 | 1,190,268 |
| Liquid investments | 25 | 857,157 | - |
| Non-pledged time deposits with original maturity of less than three months when acquired | 26 | 106,293 | 59,120 |
| | | 3,286,643 | 1,249,388 |