

Consolidated Cash Flow Statement

Year ended 31 December 2008

| | Notes | 2008 HK\$'000 | 2007 HK\$'000 |
|---|-------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | 4,348,665 | 1,274,923 |
| Adjustments for: | | | |
| Finance costs | 7 | 388,964 | 320,416 |
| Write-down of inventories to net realisable value | 6 | 270,319 | 4,284 |
| Impairment of receivables | 6 | 9,529 | 10,865 |
| Depreciation and amortisation | 6 | 523,662 | 365,123 |
| Loss on disposal of items of property, plant and equipment | 6 | 8,384 | 1,122 |
| Gain on partial disposal of a subsidiary | 5 | (3,368) | - |
| Loss on disposal of subsidiaries | 6 | - | 1,917 |
| Impairment of items of property, plant and equipment | 6 | 16,222 | 56,846 |
| Recognition of prepaid land premiums | 6 | 11,840 | 10,201 |
| Share of profits of associates | | (133,403) | (269,568) |
| Interest income | 5 | (76,016) | (173,679) |
| Unrealised losses on derivative instruments | 6 | 497,708 | 385,235 |
| Unrealised losses/(gains) on forward currency contracts | | 6,154 | (8,232) |
| Government grants | 5 | (690,999) | (269,372) |
| Equity-settled share option expense | 30 | 16,312 | 6,647 |
| | | 5,193,973 | 1,716,728 |
| Decrease/(increase) in inventories | | (1,666,806) | 361,385 |
| Increase in accounts and bills receivable | | (202,449) | (417,364) |
| Decrease/(increase) in prepayments, deposits and other receivables | | (822,895) | 145,464 |
| Increase in amounts due from fellow subsidiaries | | (281,757) | (999,361) |
| Increase in amounts due from associates | | (107,787) | (210,722) |
| Increase in amounts due from related companies | | (28,379) | (7,886) |
| Decrease in derivative financial instruments | | (418,864) | - |
| Decrease/(increase) in amount due from the ultimate holding company | | (154,217) | 15,215 |
| Increase in amounts due from minority shareholders of subsidiaries | | (41,881) | - |
| Increase in accounts and bills payable | | 505,130 | 493,827 |
| Increase in other payables and accruals | | 96,225 | 276,171 |
| Decrease in amounts due to fellow subsidiaries | | (62,988) | (349,334) |
| Increase in amount due to the ultimate holding company | | 326,296 | 80,155 |
| Decrease in amount due to the immediate holding company | | - | (7,883) |
| Increase/(decrease) in amounts due to related companies | | 195,446 | (392,596) |
| Increase/(decrease) in amounts due to associates | | (10,775) | 9,573 |
| Increase/(decrease) in amounts due to minority shareholders of subsidiaries | | 7,595 | (4,286) |
| Government grants received | | 281,610 | 240,056 |
| Cash generated from operations | | 2,807,477 | 949,142 |

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Year ended 31 December 2008

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|--|-------|------------------|------------------|
| Cash generated from operations | | 2,807,477 | 949,142 |
| Interest received | | 76,016 | 42,356 |
| Interest paid | | (385,569) | (306,690) |
| Mainland China tax paid | | (387,008) | (114,112) |
| Net cash inflow from operating activities | | 2,110,916 | 570,696 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Decrease/(increase) in pledged deposits | | 270,557 | (257,555) |
| Acquisition of subsidiaries | 32 | (6,018) | - |
| Disposal of subsidiaries | 33 | - | 731 |
| Dividends from associates | | 27,334 | 14,853 |
| Purchase of an available-for-sale investment | | - | (6,265) |
| Proceeds from disposal of items of property, plant and equipment | | 31,882 | 18,547 |
| Purchases of items of property, plant and equipment | | (1,150,088) | (1,385,130) |
| Additions to prepaid land premiums | | (47,887) | (45,917) |
| Government grants received | | 21,523 | 48,056 |
| Additions to intangible assets | | (23,451) | (5,639) |
| Net cash outflow from investing activities | | (876,148) | (1,618,319) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase/(decrease) in amounts due to minority shareholders of subsidiaries | | 5,586 | (319) |
| New bank loans | | 29,698,796 | 17,059,136 |
| New other loans | | 234,000 | 471,167 |
| Repayments of bank loans | | (29,696,860) | (15,855,068) |
| Repayments of other loans | | - | (1,614,529) |
| Capital contribution from a minority shareholder | | - | 4,141 |
| Dividends paid to minority shareholders of subsidiaries | | (13,524) | (6,242) |
| Proceeds from issue of shares | | - | 2,985,386 |
| Share issue expenses | | - | (158,834) |
| Interest paid | | (8,432) | (19,984) |
| Interest received from subscription monies | | - | 131,323 |
| Net cash inflow from financing activities | | 219,566 | 2,996,177 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| | | 1,454,334 | 1,948,554 |
| Cash and cash equivalents at beginning of year | | 3,286,643 | 1,249,388 |
| Effect of foreign exchange rate changes, net | | 153,458 | 88,701 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | |
| | | 4,894,435 | 3,286,643 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and bank balances | 25 | 3,728,613 | 2,323,193 |
| Non-pledged time deposits with original maturity of less than three months when acquired | 25 | 1,165,822 | 106,293 |
| Liquid investments | 24 | - | 857,157 |
| | | 4,894,435 | 3,286,643 |