

Consolidated Cash Flow Statement

For the year ended 31st December, 2007

	2007 HK\$'000	2006 HK\$'000
Operating activities		
Profit before tax	336,678	291,487
Adjustments for:		
Finance costs	21,657	10,811
Share of results of associates	(319,874)	(285,050)
Share of results of jointly controlled entities	(29,045)	(26,860)
Depreciation	16,225	15,558
Amortisation of prepaid lease payments on land use rights	122	159
Discount on acquisition of additional interest in an associate	—	(1,323)
Net gain on deemed disposals of partial interest in an associate	(23,159)	(36,085)
Gain on disposals of partial interest in an associate	(294)	—
Gain on disposals of partial interest in a subsidiary	(2,585)	—
Discount on acquisition of additional interest in a subsidiary	(3,050)	—
Interest on bank deposits	(1,023)	(1,637)
Interest on finance lease receivables	(28)	(120)
Interest on loans receivable	(3,885)	(1,463)
Gain on disposal of property, plant and equipment, net	(3,262)	(15,876)
Gain on disposal of commodity assets	—	(648)
Change in fair value of held-for-trading investments	(48,286)	(36,561)
Change in fair value of structured borrowing	(6,539)	10,869
Impairment loss recognised in respect of property, plant and equipment	9,000	15,000
Impairment loss on available-for-sale investments	2,568	4,503
Write-down of inventories	—	4,731
Allowance for doubtful debts	1,247	1,602
Bad debts written off	1,517	—
Share-based payments	1,793	—
Operating cash flows before movements in working capital	(50,223)	(50,903)
Increase in inventories	(370)	(1,681)
Increase in amounts due from customers for contract work	(22,602)	(17,898)
Decrease (increase) in debtors, deposits and prepayments and prepaid royalties	13,674	(158,119)
Increase in held-for-trading investments	28,024	5,559
Increase (decrease) in amounts due to customers for contract work	18,795	(15,067)
Increase in creditors and accrued charges	2,143	60,242
Cash used in operations	(10,559)	(177,867)
Income taxes refunded (paid)	9,819	(194)
Net cash used in operating activities	(740)	(178,061)

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For the year ended 31st December, 2007

	2007 HK\$'000	2006 HK\$'000
Investing activities		
Interest on bank deposits received	1,023	1,637
Interest on loans receivable received	4,607	741
Interest on finance lease receivables received	28	120
Distribution of profits from jointly controlled entities	22,981	17,761
Dividends received from associates	139,095	134,296
Repayment from (advances to) associates	1,442	(871)
Advances to jointly controlled entities	(603)	(11,021)
Increase in investments in associates	(159,949)	(27,839)
Acquisition of additional interest in a subsidiary	(663)	—
Capital contribution to a jointly controlled entity	(12,197)	—
Capital contribution from a minority shareholder of a subsidiary	—	2,500
Proceeds from partial disposals of interest in an associate	2,252	—
Proceeds from partial disposals of interest in a subsidiary	4,052	—
Proceeds from disposal of available-for-sale investments	3,127	—
Proceeds from disposal of property, plant and equipment	12,309	11,236
Decrease (increase) in pledged bank deposits	4,634	(5)
Purchase of property, plant and equipment	(12,365)	(10,788)
Expenditure on property and plant under construction	—	(31,854)
Repayment of finance lease receivables	389	714
Net cash from investing activities	10,162	86,627
Financing activities		
Interest paid on bank and other borrowings	(21,205)	(11,243)
New bank loans raised	218,106	151,468
Structured borrowing raised	—	62,400
Loan from a shareholder	30,000	—
Other borrowings raised	21,773	—
Repayment of bank loans	(123,043)	(39,948)
Repayment of other borrowings	(20)	(16)
Repayment of structured borrowing	(12,480)	—
Dividends paid	(95,175)	(118,969)
Distribution to minority shareholders of a subsidiary	(511)	(552)
Repayment to a related company	(12,256)	—
(Repayment to) advances from jointly controlled entities	(25,376)	24,777
(Repayment to) advances from associates	(1,229)	3,515
Advances from minority shareholders	811	—
Net cash (used in) from financing activities	(20,605)	71,432
Net decrease in cash and cash equivalents	(11,183)	(20,002)
Cash and cash equivalents at beginning of the year	98,089	118,417
Effect of foreign exchange rate changes, net	(2,639)	(326)
Cash and cash equivalents at end of the year	84,267	98,089
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	86,377	98,089
Bank overdrafts	(2,110)	—
	84,267	98,089