

Consolidated Cash Flow Statement

for the year ended 31 December 2007

| <i>in HK\$ million</i> | 2007 | 2006 |
|--|----------------|---------|
| Cash Flows from Consolidated Activities | | |
| <i>Profit from Consolidated Activities after Net Finance Charges</i> | 8,736 | 6,444 |
| Net interest expense | 79 | 431 |
| Income from other financial assets | (86) | (11) |
| Depreciation | 1,122 | 1,034 |
| Amortisation of leasehold land | 45 | 47 |
| Impairment losses on financial assets | 99 | 105 |
| Impairment losses on property, plant and equipment | 103 | 120 |
| Impairment losses on properties under development | 353 | – |
| Impairment losses on goodwill | – | 25 |
| Impairment losses on jointly controlled entities and associated companies | 282 | 152 |
| Impairment losses on loan to an associated company | – | 8 |
| Expected losses on construction contracts | 8 | 23 |
| Share-based payment | 184 | 62 |
| Loss / (profit) on disposal of property, plant and equipment | 271 | (17) |
| Change in fair value of investment properties | (1,002) | (735) |
| Fair value gain on financial instruments | (55) | (8) |
| Profit on disposal of subsidiary companies and associated companies | (4,595) | (3,507) |
| Profit on disposal of other financial assets | – | (3) |
| Profit on disposal of jointly controlled entities | (1) | – |
| <i>Operating Profit before Working Capital Changes</i> | 5,543 | 4,170 |
| Increase in inventories | (1,904) | (364) |
| (Increase) / decrease in debtors, accounts receivable, deposits and prepayments | (1,666) | 38 |
| Increase in creditors, accounts payable, deposits and accruals | 2,872 | 413 |
| Effect of foreign exchange rates | (42) | 45 |
| <i>Cash Generated from Consolidated Activities</i> | 4,803 | 4,302 |
| Interest received | 230 | 152 |
| Interest paid | (1,027) | (903) |
| Income taxes paid | (459) | (315) |
| Net cash from consolidated activities | 3,547 | 3,236 |

| <i>in HK\$ million</i> | 2007 | 2006 |
|---|----------------|---------|
| Cash Flows from Investing Activities | | |
| Purchase of subsidiary companies (net of cash and cash equivalents acquired) (note a) | – | (1,721) |
| Purchase of additional interests in subsidiary companies | (165) | (290) |
| Purchase of property under development | (1,460) | (971) |
| Purchase of property, plant and equipment | (3,604) | (2,077) |
| Increase in leasehold land | (331) | – |
| Purchase of intangible assets | (886) | (214) |
| Investment in jointly controlled entities | (2,093) | (3,579) |
| Investment in associated companies | (27) | (7) |
| Increase in other financial assets | (1,409) | (998) |
| Increase in non-current deposits | (5,707) | – |
| Proceeds on disposal of property, plant and equipment | 125 | 406 |
| Proceeds on disposal of other financial assets | 4 | 43 |
| Proceeds on disposal of interests in associated companies | – | 5,151 |
| Disposal of subsidiary companies (net of cash and cash equivalents disposed) (note b) | 55 | 7,119 |
| Gross proceeds from spin-off of subsidiary companies | 6,083 | – |
| Issue of subsidiaries shares | 665 | – |
| Decrease in loans to jointly controlled entities | 726 | 112 |
| Decrease in loans to associated companies | 231 | 190 |
| Dividend income from associated companies | 805 | 942 |
| Dividend income from jointly controlled entities | 868 | 108 |
| Income received from other financial assets | 86 | 11 |
| Net Cash (used in) / from Investing Activities | (6,034) | 4,225 |
| Cash Flows from Financing Activities | | |
| Issue of shares pursuant to the Plan | 430 | 87 |
| Repurchase of shares | (110) | (35) |
| New borrowings | 14,992 | 6,592 |
| Repayment of loans | (4,966) | (9,741) |
| Increase / (decrease) in minority interests | 23 | (227) |
| Dividends paid | (3,756) | (3,072) |
| Net cash from / (used in) Financing Activities | 6,613 | (6,396) |
| Net Increase in Cash and Cash Equivalents | 4,126 | 1,065 |
| Cash and Cash Equivalents at 1 January | 3,634 | 2,524 |
| Effect of Foreign Exchange Rate Changes | 257 | 45 |
| Cash and Cash Equivalents at 31 December | 8,017 | 3,634 |
| Analysis of the Balances of Cash and Cash Equivalents | | |
| Cash and bank deposits | 8,045 | 3,679 |
| Bank overdrafts (note c) | (28) | (45) |
| | 8,017 | 3,634 |