

## Consolidated Cash Flow Statement

For the year ended December 31, 2004

	2004 HK\$	2003 HK\$
<b>OPERATING ACTIVITIES</b>		
Profit from operations	<b>244,727,305</b>	273,315,288
Adjustments for:		
Depreciation and amortisation on property, plant and equipment	<b>28,165,030</b>	30,546,206
Reversal of allowance for inventories	<b>(221,937)</b>	(1,471,520)
Allowance for doubtful debts	<b>5,174,651</b>	4,582,080
Amortisation of intellectual property rights/intangible assets	<b>1,205,144</b>	174,371
Amortisation of goodwill	<b>2,974,379</b>	2,974,380
Impairment loss on property held for redevelopment	–	1,998,971
Loss on disposal of property, plant and equipment	<b>85,082</b>	2,224,304
Increase in warranty provision	<b>11,637,296</b>	7,300,000
Operating cash flows before movements in working capital	<b>293,746,950</b>	321,644,080
Increase in inventories	<b>(127,834,502)</b>	(85,876,492)
(Increase) decrease in trade and other receivables	<b>(73,841,773)</b>	11,831,702
Decrease in amount due from a jointly controlled entity	<b>980,213</b>	4,661,211
Increase in trade and other payables	<b>61,840,125</b>	13,168,298
Increase in amount due to a jointly controlled entity	<b>2,419,850</b>	–
Utilisation of warranty provision	<b>(6,872,787)</b>	(4,766,200)
Cash generated from operations	<b>150,438,076</b>	260,662,599
Hong Kong Profits Tax paid	<b>(24,971,218)</b>	(51,503,875)
Overseas income tax paid	<b>(4,945,743)</b>	(12,367,226)
Hong Kong Profits Tax refunded	<b>120,337</b>	–
Overseas income tax refunded	–	128,141
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>120,641,452</b>	196,919,639
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<b>(54,634,904)</b>	(51,432,720)
Purchases of intellectual property rights	<b>(28,923,453)</b>	–
Dividend received from a jointly controlled entity	<b>30,000,000</b>	19,032,000
Dividends received from associates	<b>1,227,020</b>	5,893,771
Interest received	<b>977,571</b>	1,325,762
Proceeds from disposal of property, plant and equipment	<b>593,853</b>	2,628,601
Capital injection to a jointly controlled entity	–	(50,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(50,759,913)</b>	(22,602,586)

## Consolidated Cash Flow Statement

For the year ended December 31, 2004 (continued)

	2004	2003
	HK\$	HK\$
FINANCING ACTIVITIES		
Dividends paid	<b>(145,716,914)</b>	(140,749,072)
Repurchase of shares	<b>(17,624,440)</b>	–
Interest paid on bank borrowings	<b>(5,621,625)</b>	(300,660)
Bank charges	<b>(4,730,035)</b>	(4,103,972)
Repayment of obligations under finance leases	<b>(2,231,735)</b>	(3,490,868)
Factoring charges	<b>(498,089)</b>	(234,827)
Interest paid on finance leases	<b>(105,390)</b>	(235,291)
Repayment of bank loans	–	(10,825,500)
Increase (decrease) in trust receipt loans	<b>72,593,299</b>	(15,216,843)
New bank loans raised	<b>70,000,000</b>	–
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NET CASH USED IN FINANCING ACTIVITIES	<b>(33,934,929)</b>	(175,157,033)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<b>35,946,610</b>	(839,980)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<b>217,209,182</b>	216,051,264
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Effect of foreign exchange rate changes	<b>1,020,141</b>	1,997,898
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances, deposits and cash	<b>254,175,933</b>	217,209,182
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