

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		254,243	221,136
Adjustments for:			
Interest income	(5)	(7,857)	(3,453)
Interest expense	(7)	9,531	5,542
Depreciation	(6)	23,017	12,332
Amortisation of intangible assets	(6)	1,380	684
Amortisation of goodwill	(6)	5,199	2,986
Loss on disposal of fixed assets	(6)	1,543	574
Operating cash flow before working capital changes		287,056	239,801
Increase in inventories		(281,249)	(7,665)
Increase in trade receivables		(174,281)	(95,700)
(Increase)/decrease in notes receivable		(39,318)	21,489
Increase in other receivables		(45,878)	(11,123)
Increase/(decrease) in trade and notes payables		141,974	(36,544)
Increase in other payables and accruals		110,706	45,025
Increase in provision for product warranties		2,536	2,009
Cash generated from operations		1,546	157,292
PRC income tax paid		(16,636)	(11,142)
Net cash (outflow)/inflow from operating activities		(15,090)	146,150
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	(13)	(67,105)	(47,410)
Acquisition of intangible assets	(14)	(1,276)	(2,541)
Proceeds from disposal of fixed assets		906	2,743
Acquisition of subsidiaries	(29)	—	(6,240)
Increase/(decrease) in pledged time deposits		13,456	(115,456)
Interest received		7,857	3,453
Net cash outflow from investing activities		(46,162)	(165,451)

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Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	(26)	6,138	432,400
Share issue expenses	(26)	—	(36,741)
New bank loans		199,527	71,977
Repayment of bank loans		(113,722)	(51,318)
Capital element of finance lease rental payments		(216)	(387)
Interest paid		(9,490)	(5,493)
Interest element on finance lease rental payments		(41)	(49)
Dividends paid		(74,791)	(35,000)
Net cash inflow from financing activities		7,405	375,389
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
		(53,847)	356,088
Cash and cash equivalents at beginning of year		471,555	115,202
Effect of foreign exchange rate changes, net		(3,409)	265
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		414,299	471,555