

Consolidated Cash Flow Statement

For the year ended December 31, 2005

	2005	2004
	HK\$	HK\$
		(Restated)
OPERATING ACTIVITIES		
Profit before tax	240,706,604	267,721,583
Adjustments for:		
Finance costs	17,241,877	10,955,139
Interest income	(2,575,693)	(977,571)
Share of results of associates	(2,053,934)	(1,685,649)
Share of result of a jointly controlled entity	(32,253,561)	(31,286,197)
Depreciation of property, plant and equipment	28,998,764	27,792,774
Amortisation of prepaid lease payments	369,790	372,256
Allowance (reversal of allowance) for inventories	985,280	(221,937)
Allowance for doubtful debts	2,159,091	5,174,651
Amortisation of intellectual property rights	2,892,345	1,205,144
Amortisation of goodwill	–	2,974,379
(Gain) loss on disposal of property, plant and equipment	(67,231)	85,082
Gain on disposal of prepaid lease payments	(10,741,114)	–
Loss on disposal of a subsidiary	1,658,025	–
Increase in warranty provision	12,238,633	11,637,296
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Operating cash flows before movements in working capital	259,558,876	293,746,950
Decrease (increase) in inventories	24,481,153	(127,834,502)
Increase in trade and other receivables	(35,688,709)	(73,841,773)
(Increase) decrease in amount due from a jointly controlled entity	(8,703,558)	980,213
(Decrease) increase in trade and other payables	(24,779,783)	60,644,725
(Decrease) increase in amount due to a jointly controlled entity	(2,419,850)	2,419,850
Utilisation of warranty provision	(11,004,560)	(6,872,787)
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Cash generated from operations	201,443,569	149,242,676
Hong Kong Profits Tax paid	(27,212,700)	(24,971,218)
Overseas income tax paid	(12,175,375)	(4,945,743)
Hong Kong Profits Tax refunded	–	120,337
Overseas income tax refunded	8,489,138	–
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NET CASH GENERATED FROM OPERATING ACTIVITIES	170,544,632	119,446,052

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For the year ended December 31, 2005

	<i>Note</i>	2005 HK\$	2004 HK\$ (Restated)
INVESTING ACTIVITIES			
Proceeds from disposal of prepaid lease payments		23,371,316	–
Dividend received from a jointly controlled entity		22,500,000	30,000,000
Interest received		2,575,693	977,571
Proceeds from disposal of a subsidiary	30	1,817,918	–
Proceeds from disposal of property, plant and equipment		919,935	593,853
Purchases of property, plant and equipment		(23,799,802)	(54,634,904)
Purchases of prepaid lease payments		(393,697)	–
Purchases of intellectual property rights		–	(28,923,453)
Dividends received from associates		–	1,227,020
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NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES		26,991,363	(50,759,913)
FINANCING ACTIVITIES			
Dividends paid		(140,094,571)	(145,716,914)
Net (decrease) increase in trust receipt loans		(110,851,056)	72,593,299
Repayment of bank loans		(70,000,000)	–
Interest paid on bank loans		(11,929,773)	(5,621,625)
Bank charges		(4,051,166)	(4,730,035)
Repayment of obligations under finance leases		(1,518,217)	(2,231,735)
Factoring charges		(1,232,072)	(498,089)
Interest paid on finance leases		(28,866)	(105,390)
New bank loan raised		200,000,000	70,000,000
Other borrowings raised		3,978,150	1,195,400
Repurchase of shares		–	(17,624,440)
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NET CASH USED IN FINANCING ACTIVITIES		(135,727,571)	(32,739,529)
NET INCREASE IN CASH AND CASH EQUIVALENTS		61,808,424	35,946,610
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		254,175,933	217,209,182
Effect of foreign exchange rate changes		(3,280,738)	1,020,141
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR, representing bank balances, deposits and cash		312,703,619	254,175,933