

# Consolidated Statement of Cash Flows

For the year ended December 31, 2018

	2018 US\$'000	2017 US\$'000
<b>Operating Activities</b>		
Profit before taxation	594,610	505,496
Adjustments for:		
Amortization/write-off of intangible assets	111,994	97,698
Amortization of lease prepayments	747	732
Depreciation on property, plant and equipment	129,229	114,503
Employee share-based payments expense	4,978	4,193
Fair value (gain) loss on foreign currency forward contracts	(17,954)	8,920
Fair value loss (gain) on listed equity securities	5,570	(2,447)
Fair value gain on club membership debentures	(114)	—
Fair value loss on derivative financial instruments	117	428
Finance costs	38,049	24,480
Impairment loss on trade receivables, net of reversal	22,845	18,455
Interest income	(25,204)	(10,792)
Loss on disposal of property, plant and equipment	16,859	12,514
Gain on disposal of listed equity securities	(236)	—
Write down of inventories	27,584	6,949
Operating cash flows before movements in working capital	909,074	781,129
Increase in inventories	(348,651)	(158,395)
Increase in trade and other receivables, deposits and prepayments	(31,138)	(208,221)
Increase in right to returned goods asset	(576)	—
Decrease in bills receivable	2,951	3,182
Decrease in trade receivables from an associate	537	750
Increase in trade and other payables	364,105	230,453
Increase in refund liabilities from right of return	2,457	—
(Decrease) increase in bills payable	(13,788)	815
Increase in warranty provision	13,512	13,827
(Decrease) increase in retirement benefit obligations	(4,571)	18,373
Net payment for purchase of shares for share award scheme	(15,191)	(3,455)
Cash generated from operations	878,721	678,458
Interest paid	(38,049)	(24,480)
Hong Kong Profits Tax paid	(9,582)	(5,441)
Overseas tax paid	(38,811)	(51,048)
Hong Kong Profits Tax refunded	59	—
Overseas tax refunded	1,302	812
<b>Net Cash from Operating Activities</b>	<b>793,640</b>	<b>598,301</b>

	Note	2018 US\$'000	2017 US\$'000
<b>Investing Activities</b>			
Acquisition of a subsidiary	43	(49,347)	—
Additions to intangible assets		(135,639)	(131,415)
Equity interest acquired in an associate		(1,470)	—
Interest received		25,204	10,792
Proceeds from disposal of listed equity securities		2,667	—
Proceeds from disposal of property, plant and equipment		1,869	9,676
Purchase of listed equity securities		(8,536)	—
Purchase of available-for-sale investments		—	(3,081)
Purchase of held-for-trading investments		—	(29,846)
Purchase of property, plant and equipment		(259,114)	(203,630)
Repayment from associates		586	887
<b>Net Cash used in Investing Activities</b>		<b>(423,780)</b>	<b>(346,617)</b>
<b>Financing Activities</b>			
Increase (decrease) in discounted bills with recourse		155,523	(6,060)
Dividends paid		(183,422)	(136,285)
New bank loans obtained		2,519,087	2,206,220
Proceeds from issue of shares		868	3,787
Repayment of bank loans		(2,548,665)	(2,275,477)
Repayment of obligations under finance leases		(10,751)	(3,786)
Buy-back of shares		(38,608)	(5,388)
<b>Net Cash used in Financing Activities</b>		<b>(105,968)</b>	<b>(216,989)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>263,892</b>	<b>34,695</b>
<b>Cash and Cash Equivalents at Beginning of the Year</b>		<b>863,515</b>	<b>803,085</b>
<b>Effect of Foreign Exchange Rate Changes</b>		<b>(23,527)</b>	<b>25,735</b>
<b>Cash and Cash Equivalents at End of the Year</b>		<b>1,103,880</b>	<b>863,515</b>
<b>Analysis of the Balances of Cash and Cash Equivalents</b>			
Represented by:			
Bank balances, deposits and cash		1,103,880	863,515
		<b>1,103,880</b>	<b>863,515</b>