

# Consolidated Financial Statements

## Consolidated Income Statement

For the year ended 31st March 2005

	Note	2005 US\$ million	2004 US\$ million
<b>Revenue</b>	1	<b>1,022.0</b>	915.2
<b>Cost of sales</b>		<b>(693.2)</b>	(633.9)
<b>Gross profit</b>		<b>328.8</b>	281.3
Selling and distribution costs		(182.6)	(150.7)
Administrative and other operating expenses		(51.7)	(47.9)
Research and development expenses		(38.5)	(33.2)
Net receipts from an indemnification claim	3	6.7	—
<b>Operating profit</b>	1&2	<b>62.7</b>	49.5
Net finance income	5	1.0	0.4
Share of results of associates		—	—
<b>Profit from ordinary activities before taxation</b>		<b>63.7</b>	49.9
Taxation	6	(6.8)	(3.6)
<b>Profit attributable to shareholders</b>	20	<b>56.9</b>	46.3
<b>Interim dividend</b>	7	<b>2.3</b>	6.8
<b>Final dividend</b>	7	<b>27.3</b>	15.8
<b>Earnings per share (US cents)</b>	8		
— Basic		25.2	20.5
— Diluted		24.9	20.5

## Consolidated Statement of Changes in Shareholders' Funds

For the year ended 31st March 2005

	Note	2005 US\$ million	2004 US\$ million
Shareholders' funds at 1st April		<b>162.6</b>	127.5
Exercise of share options	20	0.1	—
Realisation of hedging reserve	20	3.1	3.6
Fair value losses on hedging during the year	20	(3.1)	(3.6)
Exchange translation differences	20	1.8	0.1
Net gains and losses not recognised in the income statement		1.9	0.1
Profit attributable to shareholders	20	56.9	46.3
Dividends approved and paid during the year	20	(18.1)	(11.3)
Shareholders' funds at 31st March		<b>203.3</b>	162.6

The notes on pages 34 to 53 form part of these financial statements.

## Consolidated Balance Sheet

As at 31st March 2005

	Note	2005 US\$ million	2004 US\$ million
<b>Non-current assets</b>			
Tangible assets	9	52.6	48.7
Leasehold land payments	10	1.8	1.8
Deferred tax assets	11	2.6	3.7
Investments	12	0.2	0.2
		<b>57.2</b>	54.4
<b>Current assets</b>			
Stocks	13	124.2	96.1
Assets held for sale		—	8.0
Debtors and prepayments	14	175.7	153.9
Taxation recoverable		2.4	4.6
Cash and cash equivalents		123.9	105.2
		<b>426.2</b>	367.8
<b>Current liabilities</b>			
Creditors and accruals	15	(231.3)	(200.3)
Provisions	16	(41.2)	(40.7)
Borrowings	18	(0.1)	(0.6)
Taxation payable		(6.7)	(14.4)
		<b>(279.3)</b>	(256.0)
<b>Net current assets</b>		<b>146.9</b>	111.8
<b>Total assets less current liabilities</b>		<b>204.1</b>	166.2
<b>Non-current liabilities</b>			
Borrowings	18	(0.1)	(2.0)
Deferred tax liabilities	11	(0.7)	(1.6)
		<b>(0.8)</b>	(3.6)
<b>Net assets</b>		<b>203.3</b>	162.6
<b>Capital and reserves</b>			
Share capital	19	11.3	11.3
Reserves	20	192.0	151.3
<b>Shareholders' funds</b>		<b>203.3</b>	162.6

Approved and authorised for issue by the Board of Directors on 22nd June 2005.

Allan WONG Chi Yun  
Director

Albert LEE Wai Kuen  
Director

## Consolidated Cash Flow Statement

For the year ended 31st March 2005

	Note	2005 US\$ million	2004 US\$ million
<b>Operating activities</b>			
Operating profit		62.7	49.5
Depreciation charges	2	18.2	17.9
Amortisation of leasehold land payments	2	—	0.1
Loss on disposal of tangible assets	2	—	1.9
Gain on disposal of subsidiaries	2	(1.0)	(1.1)
Gain on disposal of assets held for sale	2	(0.8)	—
Increase in stocks		(28.1)	(12.1)
Increase in debtors and prepayments		(21.8)	(14.0)
Increase in creditors and accruals		31.0	28.9
Increase in provisions		0.5	—
<b>Cash generated from operations</b>		<b>60.7</b>	<b>71.1</b>
Interest received		1.3	0.7
Interest paid		(0.3)	(0.3)
Taxes paid		(12.1)	(6.3)
<b>Net cash generated from operating activities</b>		<b>49.6</b>	<b>65.2</b>
<b>Investing activities</b>			
Proceeds from disposal of tangible assets		0.3	1.3
Proceeds from disposal of assets held for sale		8.8	—
Proceeds from disposal of subsidiaries		1.0	1.1
Purchase of tangible assets	9	(21.5)	(19.5)
<b>Net cash used in investing activities</b>		<b>(11.4)</b>	<b>(17.1)</b>
<b>Financing activities</b>			
Net repayment of borrowings		(2.4)	(0.1)
Dividends paid	7	(18.1)	(11.3)
Dividend paid to minority shareholder		—	(0.8)
<b>Net cash used in financing activities</b>		<b>(20.5)</b>	<b>(12.2)</b>
Effect of exchange rate changes		1.0	(1.1)
<b>Increase in cash and cash equivalents</b>		<b>18.7</b>	<b>34.8</b>
Cash and cash equivalents at beginning of the year		105.2	70.4
<b>Cash and cash equivalents at end of the year</b>		<b>123.9</b>	<b>105.2</b>
<b>Analysis of the balance of cash and cash equivalents</b>			
Cash at bank and deposits		123.9	105.2

The notes on pages 34 to 53 form part of these financial statements.

## Principal Accounting Policies

### A Principal Activities, Organisation and Basis of

**Preparation** The Group's principal activities and separable segments are set out in note 1 to the financial statements.

The Company was incorporated in Bermuda. In view of the international nature of the Group's operations, the financial statements are presented in United States dollars, rounded to the nearest million.

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board. IFRS includes International Accounting Standards ("IAS") and related Interpretations. These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Bermuda Companies Act 1981.

These financial statements are prepared on a historical cost basis as modified by the revaluation of certain properties.

The accounting policies described in note (B) to note (V) have been consistently applied by the Group.

The International Accounting Standards Board has issued a number of new and revised IFRS and IAS ("new IFRS"), which are effective for accounting periods beginning on or after 1st January 2005. The Group has not early adopted these new IFRS in the financial statements for the year ended 31st March 2005.

The Group has made a preliminary assessment of the impact of these new IFRS and has so far concluded that the adoption of IFRS2 "Share-based payments" will have an impact on its consolidated financial statements as set out below:

- (i) At present, when the Group grants employees options to acquire shares of the Company at nil consideration, no employee benefit cost or obligation is recognised at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received.