

# consolidated cash flow statement

for the year ended 31 march 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>515,282</b>	163,144
Adjustments for:		
Finance costs	<b>11,484</b>	6,083
Share of result of associates	–	(830)
Allowance for bad and doubtful debts	<b>5,011</b>	14,252
Allowance for inventories	<b>170</b>	1,230
Depreciation of property, plant and equipment	<b>143,967</b>	140,425
Release of prepaid lease payments to income statement	<b>1,919</b>	2,040
Impairment of intangible assets	<b>45,000</b>	136,918
Amortisation of intangible assets	–	91,539
Loss on disposal of property, plant and equipment	<b>307</b>	1,036
(Surplus) deficit arising on revaluation of property, plant and equipment	<b>(7,009)</b>	3,224
Impairment of prepaid lease payments	<b>9,678</b>	–
Increase in fair value of derivative financial instruments	<b>(170)</b>	–
Share-based payment expense	<b>1,540</b>	–
Interest income	<b>(20,527)</b>	(4,672)
Operating cash flows before movements in working capital	<b>706,652</b>	554,389
Increase in inventories	<b>(30,513)</b>	(55,963)
Increase in accounts receivable, deposits and prepayments	<b>(74,281)</b>	(57,109)
Increase (decrease) in accounts payable and accrued charges	<b>78,218</b>	(25,718)
Increase in pension obligations	<b>601</b>	5,126
Effect on foreign exchange rate changes	<b>(33,391)</b>	12,247
Net cash generated from operations	<b>647,286</b>	432,972
Hong Kong Profits Tax paid (net)	<b>(87,576)</b>	(104,878)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>559,710</b>	328,094

	2006 HK\$'000	2005 HK\$'000 (restated)
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	<b>(84,246)</b>	(32,594)
Deposit paid for acquisition of property, plant and equipment	<b>(25,912)</b>	–
Interest received	<b>20,527</b>	4,672
Value-added tax refund on purchase of property, plant and equipment	<b>13,018</b>	–
Proceeds from disposal of property, plant and equipment	<b>705</b>	1,188
Reduction of restricted bank balances	–	1,009
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(75,908)</b>	(25,725)
<b>FINANCING ACTIVITIES</b>		
Dividend paid	<b>(447,167)</b>	–
Repayment of bank loans	<b>(241,515)</b>	(79,160)
Interest paid on bank loans	<b>(11,484)</b>	(6,083)
New loans raised	<b>286,807</b>	–
Proceeds from exercise of share options	<b>14,812</b>	6,858
Capital contribution from minority shareholders	–	60
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(398,547)</b>	(78,325)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>85,255</b>	224,044
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>593,361</b>	367,203
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>(7,583)</b>	2,114
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash</b>	<b>671,033</b>	593,361