

# Consolidated Financial Statements

## Consolidated Income Statement

For the year ended 31st March 2006

	Note	2006 US\$ million	2005 US\$ million
Revenue	1	1,204.6	1,022.0
Cost of sales		(757.9)	(693.2)
<b>Gross profit</b>		<b>446.7</b>	<b>328.8</b>
Selling and distribution costs		(209.2)	(182.6)
Administrative and other operating expenses		(61.0)	(51.7)
Research and development expenses		(40.3)	(38.5)
Net receipts from an indemnification claim		–	6.7
<b>Operating profit</b>	1&2	<b>136.2</b>	<b>62.7</b>
Net finance income	4	3.9	1.0
Share of results of associates		–	–
<b>Profit before taxation</b>		<b>140.1</b>	<b>63.7</b>
Taxation	5	(11.3)	(6.8)
<b>Profit attributable to shareholders</b>	18	<b>128.8</b>	<b>56.9</b>
Interim dividend	6	14.3	2.3
Final dividend	6	62.1	27.3
<b>Earnings per share (US cents)</b>	7		
– Basic		54.9	25.2
– Diluted		54.3	24.9

## Consolidated Statement of Changes in Shareholders' Funds

For the year ended 31st March 2006

	Note	2006 US\$ million	2005 US\$ million
Shareholders' funds at 1st April		203.3	162.6
Exercise of share options	17&18	13.2	0.1
Exercise of warrants	17&18	3.3	–
Realisation of hedging reserve	18	(2.7)	3.1
Fair value gains / (losses) on hedging during the year	18	3.3	(3.1)
Capital reserve on employee share option scheme	18	1.6	–
Exchange translation differences	18	(2.3)	1.8
Net gains and (losses) not recognised in the income statement		16.4	1.9
Profit attributable to shareholders	18	128.8	56.9
Dividends approved and paid during the year	18	(42.3)	(18.1)
Shareholders' funds at 31st March		<b>306.2</b>	<b>203.3</b>

## Consolidated Balance Sheet

As at 31st March 2006

	Note	2006 US\$ million	2005 US\$ million
<b>Non-current assets</b>			
Tangible assets	8	64.6	52.6
Leasehold land payments	9	3.7	1.8
Deferred tax assets	10	5.1	2.6
Investments	11	0.2	0.2
		<b>73.6</b>	<b>57.2</b>
<b>Current assets</b>			
Stocks	12	133.8	124.2
Debtors and prepayments	13	183.6	175.7
Taxation recoverable		1.8	2.4
Cash and cash equivalents		242.4	123.9
		<b>561.6</b>	<b>426.2</b>
<b>Current liabilities</b>			
Creditors and accruals	14	(267.7)	(231.3)
Provisions	15	(49.3)	(41.2)
Borrowings		–	(0.1)
Taxation payable		(7.9)	(6.7)
		<b>(324.9)</b>	<b>(279.3)</b>
<b>Net current assets</b>		<b>236.7</b>	<b>146.9</b>
<b>Total assets less current liabilities</b>		<b>310.3</b>	<b>204.1</b>
<b>Non-current liabilities</b>			
Borrowings		–	(0.1)
Deferred tax liabilities	10	(4.1)	(0.7)
		<b>(4.1)</b>	<b>(0.8)</b>
<b>Net assets</b>		<b>306.2</b>	<b>203.3</b>
<b>Capital and reserves</b>			
Share capital	17	11.9	11.3
Reserves	18	294.3	192.0
<b>Shareholders' funds</b>		<b>306.2</b>	<b>203.3</b>

Approved and authorised for issue by the Board of Directors on 21st June 2006.

Allan WONG Chi Yun  
Director

Albert LEE Wai Kuen  
Director

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

## Consolidated Cash Flow Statement

For the year ended 31st March 2006

	Note	2006 US\$ million	2005 US\$ million
<b>Operating activities</b>			
Operating profit		136.2	62.7
Depreciation charges	2	19.0	18.2
Amortisation of leasehold land payments	2	0.1	–
Loss on disposal of tangible assets	2	0.6	–
Gain on disposal of subsidiaries	2	–	(1.0)
Gain on disposal of assets held for sale	2	–	(0.8)
Increase in stocks		(9.6)	(28.1)
Increase in debtors and prepayments		(7.9)	(21.8)
Increase in creditors and accruals		36.4	31.0
Increase in provisions		8.1	0.5
<b>Cash generated from operations</b>		<b>182.9</b>	60.7
Interest received		3.9	1.3
Interest paid		–	(0.3)
Taxes paid		(10.6)	(12.1)
<b>Net cash generated from operating activities</b>		<b>176.2</b>	49.6
<b>Investing activities</b>			
Proceeds from disposal of tangible assets		0.2	0.3
Proceeds from disposal of assets held for sale		–	8.8
Proceeds from disposal of subsidiaries		–	1.0
Purchase of tangible assets	8	(31.5)	(21.5)
Purchase of leasehold land payments	9	(0.6)	–
<b>Net cash used in investing activities</b>		<b>(31.9)</b>	(11.4)
<b>Financing activities</b>			
Net repayment of borrowings		(0.2)	(2.4)
Proceeds from issued shares upon exercise of share options		13.2	–
Proceeds from issued shares upon exercise of warrants		3.3	–
Dividends paid	6	(42.3)	(18.1)
<b>Net cash used in financing activities</b>		<b>(26.0)</b>	(20.5)
Effect of exchange rate changes		0.2	1.0
<b>Increase in cash and cash equivalents</b>		<b>118.5</b>	18.7
Cash and cash equivalents at beginning of the year		123.9	105.2
<b>Cash and cash equivalents at end of the year</b>		<b>242.4</b>	123.9
<b>Analysis of the balance of cash and cash equivalents</b>			
Cash at bank and deposits		242.4	123.9

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

## Principal Accounting Policies

### A Principal Activities and Organisation

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.

### B Statement of Compliance

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.

The accounting policies described in note (C) to (X) have been consistently applied by the Group except for the accounting policy changes for the adoption of International Financial Reporting Standard 2 – Share-based payment ("IFRS2"). In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the company. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1st January 2005, in order to comply with IFRS2, the Group recognises the fair value of such share options as an expense in the consolidated income statement. A corresponding increase is recognised in a capital reserve within equity. Employees are required to meet vesting conditions before they become entitled to the options and the Group recognises the fair value of the options granted over the vesting period. The Group has taken advantage of the transitional provisions of IFRS2 in respect of share options and has applied IFRS2 only to share options granted after 7th November 2002 that had not vested on or before 1st January 2005. The effect of the revised policy has decreased consolidated profits for the year ended 31st March 2006 by US\$1.6 million with the corresponding amounts credited to the capital reserve. The adoption of IFRS2 has no significant impact on the Group's financial position as at 31st March 2005 and its results of operations for the year then ended.