

Combined Cash Flow Statement

For the year ended 31st March, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	31,254	34,800
Adjustments for:		
Dividend income	(257)	(169)
Interest income	(2,891)	(1,962)
Finance costs	216	320
(Reversal of) allowance for bad and doubtful debts	(182)	1,543
(Reversal of) allowance for slow moving inventories	(758)	257
Impairment loss recognised on available-for-sale investments	19	—
Depreciation of property, plant and equipment	2,280	2,388
Release of prepaid lease payments	105	105
Gain on disposal of property, plant and equipment	(32)	(69)
Change in fair value on investments held for trading	(1,975)	(1,798)
Change in fair value of derivative financial instruments	297	—
Net realised gain on disposal of investments held for trading	(3,138)	(501)
Share of loss of an associate	—	239
Decrease in retirement benefits obligations	(22)	—
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Operating cash flows before movements in working capital	24,916	35,153
Decrease (increase) in inventories	1,898	(2,148)
Increase in trade receivables	(852)	(4,991)
Decrease in bills receivable	680	673
Increase in other receivables, deposits and prepayments	(7,213)	(2,207)
Decrease (increase) in amount due from a related company	12	(4)
Decrease (increase) in investments held for trading	934	(9,156)
Increase in amount due from an associate	—	(39)
(Decrease) increase in trade payables	(157)	1,206
Increase (decrease) in other payables, deposits received and accruals	6,025	(532)
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Cash generated from operations	26,243	17,955
Income tax paid	(5,550)	(3,136)
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NET CASH FROM OPERATING ACTIVITIES	20,693	14,819
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For the year ended 31st March, 2006

	NOTE	2006 HK\$'000	2005 HK\$'000
INVESTING ACTIVITIES			
Purchase of available-for-sale investments		—	(3,337)
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	27	—	(2,020)
Cash paid to minority shareholders of a subsidiary upon deregistration of a subsidiary		—	(150)
Purchase of property, plant and equipment		(5,876)	(1,277)
Proceeds from disposal of property, plant and equipment		32	69
Interest received		2,891	1,962
Dividends received from an associate		—	402
Dividends received from investments held for trading		257	169
Decrease in loan to a related company		—	1,500
Decrease in loan receivable		—	104
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,696)</u>	<u>(2,578)</u>
FINANCING ACTIVITIES			
Dividend paid		(20,000)	(10,000)
Interest paid		(216)	(320)
Repayment of borrowings		(869)	(425)
NET CASH USED IN FINANCING ACTIVITIES		<u>(21,085)</u>	<u>(10,745)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<u>(3,088)</u>	<u>1,496</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		<u>58,190</u>	<u>56,691</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		<u>(427)</u>	<u>3</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u><u>54,675</u></u>	<u><u>58,190</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		<u><u>54,675</u></u>	<u><u>58,190</u></u>