



## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2006

	2006		2005	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			<i>Restated</i>	<i>Restated</i>
<b>Operating activities</b>				
Profit before taxation	239,111		232,558	
Adjustments for :-				
Depreciation	72,985		57,743	
Amortisation of goodwill	—		748	
Interest income	(17,953)		(8,383)	
Interest expenses	1,499		1,687	
Share of profits less losses of associated companies	(8,522)		(14,510)	
Loss on disposal of fixed assets	1,276		124	
Realised gain on other investments	—		(265)	
	<u>288,396</u>		<u>269,702</u>	
<b>Operating profit before changes in working capital</b>				
Increase in stocks	(156,150)		(30,921)	
Decrease in bills receivable	975		376	
(Increase)/decrease in debtors, deposits and prepayments	(47,875)		1,145	
Decrease in bills payable	(858)		(3,018)	
Increase in creditors and accruals	7,977		82,477	
Decrease in amounts due from associated companies (net)	16,948		4,583	
Effect of foreign exchange rate changes	(4,260)		10,697	
	<u>105,153</u>		<u>335,041</u>	
<b>Cash generated from operations</b>				
Hong Kong profits tax paid (net)	(66)		(15)	
Overseas tax paid (net)	(30,085)		(19,623)	
	<u>75,002</u>		<u>315,403</u>	
<b>Net cash generated from operating activities</b>		<b>75,002</b>		<b>315,403</b>
<b>Investing activities</b>				
Payment for purchase of fixed assets	(177,354)		(71,157)	
Proceeds from sale of fixed assets	2,860		3,050	
Investment in an associated company	—		(1,000)	
Payment for purchase of a subsidiary company net of cash acquired (Note a)	—		(7,028)	
Proceeds from disposal of associated companies	—		10,193	
Proceeds from disposal of other investments	—		265	
Interest received	17,953		8,383	
Dividends received from associated companies	6,737		7,513	
	<u>(149,804)</u>		<u>(49,781)</u>	
<b>Net cash used in investing activities</b>		<b>(149,804)</b>		<b>(49,781)</b>



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	2006		2005	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			Restated	Restated
<b>Financing activities</b>				
Repayment of loan from a minority shareholder	(2,006)		—	
Repayment of bank loans	(1,858)		(45,706)	
New bank loans	11,924		3,505	
Interest paid	(1,499)		(1,687)	
Dividends paid	(257,220)		(93,093)	
<b>Net cash used in financing activities</b>		<b>(250,659)</b>		<b>(136,981)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(325,461)</b>		<b>128,641</b>
<b>Cash and cash equivalents at 1st April</b>		<b>898,774</b>		<b>769,311</b>
<b>Effect of foreign exchange rate changes</b>		<b>(1,417)</b>		<b>822</b>
<b>Cash and cash equivalents at 31st March (Note c)</b>		<b>571,896</b>		<b>898,774</b>

Note :-

**a. Acquisition of a subsidiary company**

In the prior year, the Group acquired a subsidiary company. The fair value of assets acquired and liabilities assumed were as follows :-

	2005 HK\$'000
Cash	876
Stocks	12,339
Debtors, deposits and prepayments	20,187
Fixed assets	1,396
Creditors and accruals	(26,894)
Net assets acquired	7,904
Goodwill	—
Fair value of net assets acquired	7,904
Satisfied by cash	7,904
Analysis of the net outflow of cash and cash equivalents in respect of the purchase of new subsidiary company :-	
Cash consideration	7,904
Cash acquired	(876)
Net outflow of cash and cash equivalents in respect of the purchase of new subsidiary company	7,028

**b. Investment in an associated company**

In the prior year, the Group acquired a 45 per cent. interest in a newly formed associated company at a consideration of HK\$13,500,000. The entire consideration was included in amounts due to associated companies.

**c. Cash and cash equivalents at 31 March**

Cash and cash equivalents represent cash at bank and on hand at the end of the year.

The notes on pages 44 to 82 form part of these accounts.