

Consolidated Cash Flow Statement

For the year ended March 31, 2006

<i>Notes</i>	2006 HK\$'M	2005 HK\$'M (Restated)
Operating activities		
(Loss) profit before taxation	(241.5)	187.1
Adjustments for:		
Interest income	(5.1)	(15.0)
Interest expenses	24.2	12.9
Share-based payment expenses	0.7	0.4
Depreciation and amortisation of property, plant and equipment	66.2	65.2
Amortisation of intangible assets	48.1	37.8
Amortisation of goodwill	–	1.1
Loss on disposal of investment properties	2.9	–
Loss on disposal of property, plant and equipment	9.5	2.9
Gain arising from changes in fair value of investment properties	–	(8.4)
Loss arising from change in fair value of forward liabilities	0.2	–
Write-off of product development costs	6.0	9.7
Write down of inventories	13.7	–
Gain on deemed partial disposal of a subsidiary	(0.2)	(0.8)
Effect of foreign exchange rate changes on inter-company balances	(6.2)	(3.4)
Operating cash flows before movements in working capital	(81.5)	289.5
Decrease (increase) in inventories	295.6	(209.9)
Decrease (increase) in trade and other receivables	85.8	(57.1)
Increase in tax reserve certificates	(39.1)	(3.8)
Decrease in trade and other payables	(41.2)	(25.9)
(Decrease) increase in bills payables	(10.0)	19.9
Cash from operations	209.6	12.7
Taxation paid	(23.7)	(54.0)
Taxation refunded	0.6	1.0
Net cash from (used in) operating activities	186.5	(40.3)
Investing activities		
Interest received	5.1	15.0
Proceeds from disposal of investment properties	11.9	–
Purchase of property, plant and equipment	(66.6)	(97.6)
Proceeds from disposal of property, plant and equipment	1.7	2.7
Product development costs paid	(58.2)	(55.3)
Patents and trademarks paid	(3.6)	–
Repurchase by a subsidiary of its own shares	(9.2)	(24.6)
Decrease in long-term bank deposits	23.4	–
Purchase of business	(3.5)	–
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Net cash used in investing activities	(99.0)	(159.8)

Consolidated Cash Flow Statement

For the year ended March 31, 2006

	2006 HK\$'M	2005 HK\$'M (Restated)
Financing activities		
Interest paid	(24.2)	(12.9)
Dividends paid	(104.3)	(187.6)
Dividends paid to minority shareholders of subsidiaries	(30.0)	(39.7)
Proceeds from issue of shares	0.3	1.7
Capital contributed by minority shareholders of a subsidiary	0.6	2.2
Repayment of obligations under finance leases	(0.1)	(0.2)
Bank loans raised	588.2	576.9
Repayment of bank loans	(486.9)	(363.4)
Net cash used in financing activities	(56.4)	(23.0)
Net increase (decrease) in cash and cash equivalents	31.1	(223.1)
Cash and cash equivalents at April 1	307.3	530.8
Effect of foreign exchange rate changes	(3.8)	(0.4)
Cash and cash equivalents at March 31	334.6	307.3
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	338.5	307.3
Bank overdrafts	(3.9)	–
	334.6	307.3