

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		68,447	36,989
Adjustments for:			
Finance costs	6	1,116	838
Share of profits and losses of associates		15,764	17,254
Interest income	7	(3,212)	(145)
Depreciation	7	42,257	41,482
Amortisation of prepaid land lease payments	7	248	227
Loss/(gain) on disposal of items of property, plant and equipment	7	13	(16,452)
Amortisation of deferred development costs	7	7,716	9,314
Equity-settled share option expenses	7	1,000	1,800
Goodwill amortisation	7	–	2,326
Negative goodwill recognised as income	7	–	(673)
Surplus on revaluation of leasehold land and buildings, net	7	(3,494)	(543)
Operating profit before working capital changes		129,855	92,417
Decrease/(increase) in inventories		13,511	(26,136)
Decrease/(increase) in accounts receivable		15,421	(15,254)
Decrease in prepayments, deposits and other receivables		34,143	4,561
Decrease/(increase) in amounts due from associates		(258)	196
Increase/(decrease) in amounts due to associates		(36)	658
Decrease in accounts and bills payable, accrued liabilities and other payables		(11,065)	(1,797)
Cash generated from operations		181,571	54,645
Interest received		3,212	145
Interest paid		(1,116)	(838)
Hong Kong profits tax paid		(2,636)	(1,574)
Overseas income taxes paid		(492)	(556)
Dividends paid		(18,216)	(6,072)
Dividends paid to minority shareholders		(1,000)	(2,000)
Net cash inflow from operating activities		161,323	43,750

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Net cash inflow from operating activities		<u>161,323</u>	<u>43,750</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	13	(37,283)	(55,373)
Additions to prepaid land lease payments	15	(2,874)	(554)
Additions to deferred development costs	19	(6,314)	(8,619)
Proceeds from disposal of items of property, plant and equipment		62	3,490
Capital contribution by minority interests		<u>—</u>	<u>390</u>
Net cash outflow from investing activities		<u>(46,409)</u>	<u>(60,666)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loan		—	62,264
Repayment of bank loan		<u>(29,166)</u>	<u>(48,664)</u>
Net cash inflow/(outflow) from financing activities		<u>(29,166)</u>	<u>13,600</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		85,748	(3,316)
Cash and cash equivalents at beginning of year		<u>52,567</u>	<u>55,883</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>138,315</u>	<u>52,567</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		51,426	39,542
Time deposits with original maturity of less than three months when acquired		<u>86,889</u>	<u>13,025</u>
		<u>138,315</u>	<u>52,567</u>