

38 Consolidated Cash Flow Statement

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		61,058	56,569
Adjustments for:			
Finance costs	6	397	201
Bank interest income	4	(3,011)	(245)
Loss on disposals/write-offs of items of property, plant and equipment	5	22	414
Impairment of items of property, plant and equipment	5	912	–
Depreciation	5	10,850	4,859
Recognition of prepaid land lease payments	5	155	111
Impairment of intangible assets	5	15	–
Intangible assets written off	5	72	106
Amortisation of intangible assets	5	396	389
Provision against/(write-back of provision for) slow-moving inventories, net	5	1,676	(342)
Bad debts written off	5	–	1
Operating profit before working capital changes		72,542	62,063
Increase in rental, utility and other non-current deposits		(2,904)	(3,884)
Increase in inventories		(23,002)	(24,496)
Increase in trade and bills receivables		(860)	(3,658)
Decrease/(increase) in prepayments, deposits and other receivables		(6,640)	2,894
Increase/(decrease) in trade and bills payables		(1,555)	4,317
Increase in accruals and other payables		2,650	1,825
Increase/(decrease) in an amount due to a related company		157	(108)
Cash generated from operations		40,388	38,953
Interest received	4	3,011	245
Interest paid	6	(397)	(199)
Interest element of finance lease rental payments	6	–	(2)
Income tax paid		(12,791)	(10,832)
Net cash inflow from operating activities		30,211	28,165

39 Consolidated Cash Flow Statement

Year ended 31 March 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Net cash inflow from operating activities		30,211	28,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	13	(14,882)	(21,217)
Addition to prepaid land lease payments		–	(3,403)
Proceeds from disposal of items of property, plant and equipment		77	123
Additions to intangible assets	15	(392)	(784)
Acquisition of a subsidiary		–	(2,344)
Net cash outflow from investing activities		(15,197)	(27,625)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		130,812	–
Share issue expenses		(13,140)	(5,260)
Issue of share capital of the newly incorporated subsidiaries		–	2
New trust receipt loans		12,234	887
New bank loan		–	8,000
Repayment of trust receipt loans		(9,594)	–
Repayment of bank loans		(5,962)	(4,959)
Dividends paid		(15,779)	(20,208)
Capital element of finance lease payments		–	(42)
Net cash inflow/(outflow) from financing activities		98,571	(21,580)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		26,032	46,725
Effect of foreign exchange rate changes, net		43	347
CASH AND CASH EQUIVALENTS AT END OF YEAR		139,660	26,032
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	76,491	26,518
Non-pledged time deposits with original maturity of less than three months when acquired	21	63,169	–
Bank overdrafts	24	–	(486)
		139,660	26,032