

Consolidated Cash Flow Statement

For the period from 1 January 2004 to 30 June 2005

<i>NOTES</i>	1.1.2004 to 30.6.2005 HK\$'000	1.1.2003 to 31.12.2003 HK\$'000 (Unaudited)
Operating activities		
Profit from operations	52,970	17,671
Adjustments for:		
Depreciation and amortisation	14,867	4,149
Allowance for doubtful debts	3,825	–
Interest income	(589)	(256)
Operating cash flows before movements in working capital	71,073	21,564
Increase in inventories	(75,494)	(30,559)
Decrease in television programmes and sub-licensing rights	2,546	–
Increase in debtors, deposits and prepayments	(73,281)	(38,626)
Increase in bills receivable	(2,590)	(678)
Increase in amounts due from fellow subsidiaries	(29,570)	(30,420)
(Decrease) increase in creditors and accrued charges	(251)	21,196
(Decrease) increase in bills payable	(10,922)	9,086
Cash used in operations	(118,489)	(48,437)
Hong Kong Profits Tax paid	(93)	–
Taxation in Mainland China	(2,317)	(2,773)
Net cash used in operating activities	(120,899)	(51,210)
Investing activities		
Interest received	589	256
Purchase of property, plant and equipment	(13,708)	(1,611)
Acquisition of subsidiaries	40,404	–
Disposal of subsidiaries	10,985	–
Increase in pledged deposits	(16,801)	–
Net cash from (used in) investing activities	21,469	(1,355)

Consolidated Cash Flow Statement (continued)

For the period from 1 January 2004 to 30 June 2005

	1.1.2004 to 30.6.2005 HK\$'000	1.1.2003 to 31.12.2003 HK\$'000 (Unaudited)
Financing activities		
Interest paid on bank and other borrowings	(22,836)	(6,008)
Interest paid on finance leases	(41)	–
Proceeds from issue of shares	24,098	–
Expenses incurred in connection with the issue of shares	(1,077)	–
Repayment of obligations under finance leases	(369)	–
New bank loans raised	133,862	46,729
Repayment of bank loans	(149,205)	(28,115)
New trust receipt loans raised	1,071,557	343,963
Repayment of trust receipt loans	(960,495)	(288,826)
New invoice financing loans raised	202,606	129,655
Repayment of invoice financing loans	(218,553)	(110,179)
Net additions of other loans	1,163	–
Net cash from financing activities	80,710	87,219
Net (decrease) increase in cash and cash equivalents	(18,720)	34,654
Cash and cash equivalents at beginning of the period/year	79,588	44,934
Cash and cash equivalents at end of the period/year	60,868	79,588
Analysis of the balances of cash and cash equivalents		
Being:		
Bank balances and cash	62,048	79,588
Bank overdrafts	(1,180)	–
	60,868	79,588