

Consolidated Cash Flow Statement

For the year ended 30 June 2006

	2006	2005
	HK\$'000	HK\$'000
		(Restated)
Cash flows from operating activities		
Profit/(loss) before taxation	10,650	(10,608)
Adjustments for:		
Interest income	(2,864)	(264)
Fair value (gain)/loss of financial assets		
at fair value through profit or loss	(155)	5,050
Fair value gain on investment properties	(700)	(500)
Gain on disposal of a subsidiary	(53)	–
Gain on disposal of financial asset at fair value through profit or loss	(582)	–
Gain on disposal of property, plant and equipment	(40)	–
Amortisation	401	674
Depreciation	15,503	887
Finance costs	1,226	128
Loss on disposal of property, plant and equipment	198	–
Impairment loss recognised on obsolescence of inventories	203	–
Impairment loss recognised in respect of trade and other receivables	264	129
Operating profit/(loss) before working capital changes	24,051	(4,504)
Increase in inventories	(2,161)	(3,691)
Increase in trade and other receivables	(10,572)	(6,872)
Decrease in amount due from a related company	120	–
Increase in trade and other payables	17,253	5,866
Cash generated from/(used in) operations	28,691	(9,201)
Interest received	2,864	264
Hong Kong profits tax paid	–	(69)
Net cash inflow/(outflow) from operating activities	31,555	(9,006)

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For the year ended 30 June 2006

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(94,769)	(32)
Cash effect on acquisition of a subsidiary		–	(20,000)
Dividend received		2	–
Proceed from disposal of property, plant and equipment		265	–
Cash effect of disposal of a subsidiary	40	(53)	–
Proceeds from disposal of securities		1,427	–
Increase in pledged bank deposits		(1,451)	–
Net cash outflow from investing activities		(94,579)	(20,032)
Cash flows from financing activities			
Issue of shares, net of expenses		–	62,583
Proceeds from issue of convertible notes		40,000	–
Issue cost of convertible notes		(100)	–
Repayment of obligations under finance leases		–	(430)
Repayment of loans		(500)	(503)
Finance costs paid		(128)	(128)
Net cash inflow from financing activities		39,272	61,522
Net cash (decrease)/increase in cash and cash equivalents		(23,752)	32,484
Cash and cash equivalents at the beginning of the year		110,017	77,533
Cash and cash equivalents at the end of the year		86,265	110,017
Analysis of balances of cash and cash equivalents:			
Cash and bank balances		32,374	16,213
Cash at securities company		54,419	94,138
Bank overdrafts, unsecured	37	(528)	(334)
		86,265	110,017

The accompanying notes form an integral part of these financial statements.