

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30th September, 2006

Six months ended 30th September,

	2006 (unaudited) HK\$'000	2005 (unaudited) HK\$'000
Net cash (used in) / generated from operating activities	(7,855)	41,875
Net cash used in investing activities	(385,681)	(98,316)
Net cash used in financing activities	<u>(20,975)</u>	<u>(215,661)</u>
Net decrease in cash and cash equivalents	(414,511)	(272,102)
Cash and cash equivalents at 1st April	571,896	898,774
Effect of foreign exchange rate changes	<u>2,075</u>	<u>(4,311)</u>
Cash and cash equivalents at 30th September	<u><u>159,460</u></u>	<u><u>622,361</u></u>

At 30/9/2006 (unaudited) HK\$'000	At 30/9/2005 (unaudited) HK\$'000
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Analysis of the balances of cash and cash equivalents

Cash on hand and balances with banks	<u>161,576</u>	622,361
Cash and cash equivalents in the consolidated balance sheet	<u>161,576</u>	622,361
Bank loans and overdrafts	(131,959)	(53,124)
Less : Bank loans	<u>129,843</u>	53,124
Bank overdrafts	<u>(2,116)</u>	—
Cash and cash equivalents in the consolidated cash flow statement	<u><u>159,460</u></u>	<u><u>622,361</u></u>

Note :-

a. Acquisition of subsidiary companies

During the period, the Group acquired certain subsidiary companies. The fair value of assets acquired and liabilities assumed were as follows :-

	HK\$'000
Cash	41,210
Stocks	49,695
Debtors, deposits and prepayments	48,202
Fixed assets	13,921
Deferred tax assets	4,472
Creditors and accruals	(76,837)
Taxation	(3,000)
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Net tangible assets acquired	77,663
Intangible asset (Note 7)	322,607
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Fair value of net assets acquired	400,270
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Satisfied by cash	400,270
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Analysis of the net outflow of cash and cash equivalents in respect of the purchase of new subsidiary companies :-	
Cash consideration	400,270
Cash acquired	(41,210)
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Net outflow of cash and cash equivalents in respect of the purchase of new subsidiary companies	359,060
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The notes on pages 6 to 16 form part of this interim financial report.