

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1st July, 2004 to 31st December, 2005

	1.7.2004 to 31.12.2005 HK\$'000	1.7.2003 to 30.6.2004 HK\$'000 (Restated)
OPERATING ACTIVITIES		
Loss before taxation	(143,782)	(5,795)
Adjustments for:		
Impairment loss recognised in respect of available-for-sale investments	139,027	–
Unrealised gain on other investments	–	(745)
Amortisation of goodwill	–	1,245
Depreciation	4,001	969
Amortisation of prepaid lease payments	10	–
Loss on disposal of property, plant and equipment	3,038	–
Gain on disposal of subsidiaries	(2,917)	(553)
Gain on disposal of associates	(1,446)	–
Gain on disposal of available-for-sale investments	(6,123)	–
Impairment loss recognised in respect of interests in associates	27,980	–
Reversal of impairment loss on trade receivables	(10,809)	(200)
Share of results of associates	826	1,499
Share of results of jointly controlled entities	235	2,163
Interest expense	10,545	597
OPERATING CASH FLOWS BEFORE MOVEMENTS IN WORKING CAPITAL	20,585	(820)
Decrease in investments in securities	11,268	57,674
Decrease (increase) in inventories	7,281	(9,960)
Decrease in trade receivables	4,218	7,509
Decrease in other receivables, deposits and prepayments	16,430	15,382
Increase in amount due from an associate	(3,617)	–
(Decrease) increase in trade payables	(15,935)	109
(Decrease) increase in other payables and accrued charges	(4,529)	16,823
Decrease in amount due to an associate	(2,069)	–
Increase in amounts due to jointly controlled entities	8,762	–
Cash generated from operating activities	42,394	86,717
PRC income tax paid	(468)	(357)
NET CASH GENERATED FROM OPERATING ACTIVITIES	41,926	86,360

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		1.7.2004	1.7.2003
		to	to
		31.12.2005	30.6.2004
	Notes	HK\$'000	HK\$'000
			(Restated)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(92,614)	(785)
Deposits paid for acquisition of plant and machinery		(30,714)	–
Prepaid lease payments		(3,022)	–
Proceeds from disposal of property, plant and equipment		2,624	–
Acquisition of associates		–	(23,794)
Acquisition of jointly controlled entities		(18,300)	–
Acquisition of available-for-sale investments		(1,412)	–
Acquisition of subsidiaries, net of cash and cash equivalent acquired	31	(11,490)	(74,638)
Disposal of subsidiaries, net of cash and cash equivalent disposed of	32	8,017	300
Loans to shareholders of associates		(11,000)	(3,300)
Proceeds from disposal of associates		14,130	–
Loan to a partner of a jointly controlled entity		(2,700)	–
Proceeds from disposal of available-for-sale investments		6,123	–
NET CASH USED IN INVESTING ACTIVITIES		(140,358)	(102,217)
FINANCING ACTIVITIES			
Interest paid		(6,118)	(562)
Interest paid on obligations under finance leases		(126)	(35)
Issue of shares for cash consideration		152,981	53,680
Issue of warrants		1,600	–
Share issue expenses		(6,315)	(2,240)
Repayment of loan from an associate		(14,130)	–
Repayment of obligations under finance leases		(1,527)	(152)
Repayment of bank loans		(106,489)	(31,086)
New bank loans advanced		74,684	–
Capital contribution from minority shareholders		3,732	–
Advance from minority shareholders		1,114	–
NET CASH GENERATED FROM FINANCING ACTIVITIES		99,406	19,605
NET INCREASE IN CASH AND CASH EQUIVALENTS		974	3,748
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR		31,384	27,636
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR, representing bank balances and cash		32,358	31,384