CONSOLIDATED CASH FLOW STATEMENT

For the eighteen months ended 31st December 2006

	Note	Period from 1.7.2005 to 31.12.2006 <i>HK\$</i> '000	Year ended 30.6.2005 <i>HK\$</i> '000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the period/year		(176,196)	12,415
Adjustments for:		(170,100)	/
Income tax expense		1,051	_
Interest income		(664)	(650)
Interest expense		2,305	881
Impairment loss on property, plant and equipment		108,775	_
Goodwill impairment charge		4,513	_
Depreciation		11,319	7,278
Amortisation of intangible assets		1,333	_
Amortisation of goodwill		-	1,410
Amortisation of other asset		-	4,000
Loss on disposal of subsidiaries		43,883	_
Loss on disposal of property, plant and equipment		4	123
Equity settled share-based payment expense		3,336	
Provision for doubtful debts		300	
Operating (loss)/profit before working capital changes		(41)	25,457
Decrease in inventories		437	1,555
Decrease/(increase) in trade receivables		5,407	(1,314)
Decrease/(increase) in prepayments and other receivables		6,753	(2,568)
Increase in amount due from a shareholder		(5,000)	
Decrease in trade payables		(2,625)	(4,335)
Decrease in accruals and other payables		(3,555)	(4,216)
Increase in deposits received			3,000
Cash generated from operations		1,376	17,579
Interest paid		(2,040)	(881)
Interest received		664	650
NET CASH FROM OPERATING ACTIVITIES		-	17,348
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire other asset		-	(40,000)
Repayments of loan receivables		6,000	20,023
Purchase of property, plant and equipment		(482)	(218)
Proceeds from disposal of property, plant and equipment		145	165
Net cash inflow on acquisition of subsidiaries	35	2,507	_
Net cash inflow on disposal of subsidiaries	36	17,998	
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		26,168	(20,030)

CONSOLIDATED CASH FLOW STATEMENT

For the eighteen months ended 31st December 2006

	Note	Period from 1.7.2005 to 31.12.2006 <i>HK\$'000</i>	Year ended 30.6.2005 <i>HK\$</i> '000
CACAL FLOWS FROM FINANCING ASTRUITIES			
CASH FLOWS FROM FINANCING ACTIVITIES		33,170	
Proceeds upon placing of shares Proceeds upon exercise of share options		2,946	_
Repayments of secured guaranteed floating rate notes		(16,478)	(15,014)
Repayments of promissory note		(15,000)	(13,014)
Repayments of shareholder's loan		(12,000)	_
(Repayments to)/advance from a related company		(2,502)	155
Repayments to directors		(27)	(1,931)
NET CASH USED IN FINANCING ACTIVITIES		(9,891)	(16,790)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		16,277	(19,472)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE PERIOD/YEAR		1,319	20,791
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		100	
CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD/YEAR	24	17,696	1,319