

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2001

|  | <i>NOTES</i> | <b>1.7.2000<br/>to<br/>30.6.2001<br/>HK\$'000</b> | 1.4.1999<br>to<br>30.6.2000<br>HK\$'000 |
|--|--------------|---|---|
| NET CASH OUTFLOW FROM<br>OPERATING ACTIVITIES  | 34           | <b>(70,582)</b>                                   | (16,858)                                |
| RETURNS ON INVESTMENTS AND<br>SERVICING OF FINANCE                                   |              |   |   |
| Interest paid  |              | <b>(2,462)</b>                                    | (1,310)                                 |
| Interest on hire purchase contracts  |              | –   | (25)                                    |
| Interest received  |              | <b>903</b>  | 202                                     |
| NET CASH OUTFLOW FROM RETURNS<br>ON INVESTMENTS AND SERVICING<br>OF FINANCE          |              | <b>(1,559)</b>                                    | (1,133)                                 |
| TAXATION   |              |   |   |
| Hong Kong Profits Tax refunded   |              | <b>660</b>  | –                                       |
| Hong Kong Profits Tax paid   |              | <b>(328)</b>                                      | –                                       |
| Overseas tax paid  |              | –   | (272)                                   |
| NET TAX REFUNDED (PAID)  |              | <b>332</b>  | (272)                                   |
| INVESTING ACTIVITIES   |              |   |   |
| Purchase of subsidiaries   | 35           | <b>(22,563)</b>                                   | 2                                       |
| Deposits paid for investments  |              | <b>(14,586)</b>                                   | –                                       |
| Purchase of investments in securities  |              | <b>(10,054)</b>                                   | –                                       |
| Purchase of property, plant and equipment  |              | <b>(9,204)</b>                                    | (1,683)                                 |
| Purchase of associates   |              | <b>(9,000)</b>                                    | –                                       |
| Proceeds from sale of subsidiaries (net of cash<br>and cash equivalents disposed of) | 36           | <b>(11)</b>                                       | (51)                                    |
| Proceeds from disposal of investment property  |              | <b>2,491</b>                                      | –                                       |
| Proceeds from disposal of property, plant and equipment                              |              | <b>1,166</b>                                      | 698                                     |
| Proceeds from disposal of investment in securities                                   |              | <b>1,061</b>                                      | –                                       |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES   |              | <b>(60,700)</b>                                   | (1,034)                                 |
| NET CASH OUTFLOW BEFORE FINANCING ACTIVITIES   |              | <b>(132,509)</b>                                  | (19,297)                                |

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|--|--------------|--|--|
| <b>FINANCING ACTIVITIES</b>  | <b>37</b>    |  |  |
| Issue of convertible notes for cash  |              | <b>42,600</b>  | –  |
| Issue of shares for cash   |              | <b>40,960</b>  | 100,000  |
| Repayment of bank loans  |              | <b>(8,959)</b>   | (9,758)  |
| Expenses paid in connection with the issue of shares   |              | <b>(1,447)</b>   | (3,256)  |
| Repayment of obligations under hire purchase contracts   |              | –  | (469)  |
| <b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>   |              | <b><u>73,154</u></b>                                     | <u>86,517</u>                                  |
| <b>(DECREASE) INCREASE IN CASH AND<br/>CASH EQUIVALENTS</b>  |              | <b>(59,355)</b>  | 67,220   |
| <b>AMOUNT RECLASSIFIED FROM BANK<br/>OVERDRAFT AND TRUST RECEIPT AND<br/>PACKING LOAN</b>                  |              | –  | 22,039   |
| <b>CASH AND CASH EQUIVALENTS AT<br/>BEGINNING OF THE YEAR/PERIOD</b>                                       |              | <b><u>72,950</u></b>                                     | <u>(16,309)</u>                                |
| <b>CASH AND CASH EQUIVALENTS AT<br/>END OF THE YEAR/PERIOD – represented by<br/>Bank balances and cash</b> |              | <b><u><u>13,595</u></u></b>                              | <u><u>72,950</u></u>                           |