

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2005

	NOTE	2005 HK\$'000	2004 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(15,915)	(11,144)
Adjustments for:			
Amortisation of goodwill		12,400	6,200
Write-off of property, plant and equipment		-	848
Impairment loss recognised in respect of property, plant and equipment		-	425
Unrealised holding loss on investments in securities		121	422
Depreciation and amortisation of property, plant and equipment		148	398
Gain on disposal of investments in securities		-	(164)
Write-off of bad debts		69	-
Interest income		(236)	(31)
Operating cash flows before movements in working capital		(3,413)	(3,046)
Decrease (increase) in inventories		1,600	(1,600)
Decrease in trade and other receivables		1,147	8,395
Decrease in trade and other payables		(407)	(6,544)
Cash used in operations		(1,073)	(2,795)
PRC enterprise income tax paid		(48)	-
NET CASH USED IN OPERATING ACTIVITIES		(1,121)	(2,795)
INVESTING ACTIVITIES			
Purchase of investments in securities		(1,597)	(1,988)
Purchase of property, plant and equipment		(158)	(19)
Proceeds from disposal of property, plant and equipment		2,850	-
Interest received		236	31
Proceeds from disposal of investments in securities		-	1,045
Decrease in pledged bank deposits		-	725
Acquisition of a subsidiary	19	-	35

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For the year ended 30th June, 2005

	<i>NOTE</i>	2005 HK\$'000	2004 HK\$'000
NET CASH FROM (USED IN) INVESTING ACTIVITIES		1,331	(171)
FINANCING ACTIVITIES			
Share issue expenses		-	(18)
NET CASH USED IN FINANCING ACTIVITIES		-	(18)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		210	(2,984)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		27,078	30,062
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		27,288	27,078
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		27,288	27,105
Bank overdraft		-	(27)
		27,288	27,078