

Consolidated Cash Flow Statement

for the year ended 30 June 2005

	2005 <i>HK\$'000</i>	2004 <i>HK\$'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit from operating activities	(118,895)	23,189
Adjustments for:		
Interest income	(1,517)	(855)
Dividend income from listed investments	(67)	–
Net unrealised loss on short term investments	4,951	1,808
Net realised loss on disposal of short term investments	–	514
Depreciation	6,550	7,055
Amortisation of goodwill	10,694	8,700
Loss on disposal of fixed assets	–	2
Surplus on revaluation of leasehold land and buildings, net	(215)	(1,125)
Deficit on revaluation of investment properties, net	4,053	–
Impairment loss on goodwill	61,942	–
Impairment loss on long term investment	6,667	–
Operating (loss)/profit before working capital changes	(25,837)	39,288
Decrease in inventories	13,125	4,211
Decrease in trade receivables	5,437	1,849
Decrease in prepayments, deposits and other receivables	626	16,643
Decrease in trade payables	(342)	(2,994)
Increase in other payables and accruals	122	2,211
Cash (used in)/generated from operations	(6,869)	61,208
Hong Kong profits tax refunded/(paid)	147	(2,893)
Overseas taxes paid	(8)	(338)
Net cash (outflow)/inflow from operating activities	(6,730)	57,977

Consolidated Cash Flow Statement

for the year ended 30 June 2005

	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(761)	(929)
Acquisition of additional equity interest in a subsidiary	–	(88,000)
Capital contribution for the establishment of jointly-controlled entities	–	(133)
Acquisition of short term investments	(8,270)	–
Proceeds from disposal of short term investments	–	3,711
Proceeds from disposal of fixed assets	–	8
Decrease/(increase) in pledged bank deposits	21,930	(1,242)
Interest received	1,517	855
Dividend received from listed investments	67	–
Net cash inflow/(outflow) from investing activities	<u>14,483</u>	<u>(85,730)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank loans	(2,102)	(278)
Other loans advanced by the Group	(6,500)	–
Repayment of other loans to the Group	16,570	–
Capital element of finance lease rental payments	(195)	(181)
Interest element on finance lease rental payments	(17)	(36)
Proceeds from exercise of share options	6,672	–
Proceeds from exercise of warrants	–	35,957
Proceeds from issue of shares	97,800	–
Expenses on issue of shares	(2,850)	–
Repurchase of shares	(6,132)	–
Interest paid	(135)	(105)
Dividends paid	(4,919)	(4,725)
Net cash inflow from financing activities	<u>98,192</u>	<u>30,632</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,945	2,879
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	111,349	108,470
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>217,294</u>	<u>111,349</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Bank and cash balances	217,382	111,677
Bank overdrafts, secured	(88)	(328)
	<u>217,294</u>	<u>111,349</u>