

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(3,202)	(15,915)
Adjustments for:		
Amortisation of goodwill	-	12,400
Gain on disposal of property, plant and equipment	(26)	-
Unrealised holding loss on investments in securities	-	121
Depreciation of property, plant and equipment	61	148
Loss on change in fair value of investments held-for-trading	25	-
(Write-back) write-off of bad debts	(6)	69
Interest income	(815)	(236)
Operating cash flows before movements in working capital	(3,963)	(3,413)
Decrease in inventories	-	1,600
Decrease in trade receivables, deposits and prepayments	6,922	1,147
Increase in investments held-for-trading	454	-
Decrease in trade and other payables	(2,466)	(407)
Cash from (used in) operations	947	(1,073)
PRC enterprise income tax refunded (paid)	14	(48)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	961	(1,121)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(158)
Purchase of investments in securities	-	(1,597)
Interest received	815	236
Proceeds from disposal of property, plant and equipment	26	2,850
NET CASH FROM INVESTING ACTIVITIES	839	1,331

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	2006	2005
	HK\$'000	HK\$'000
FINANCING ACTIVITIES		
Issue of shares	2,776	–
CASH FROM FINANCING ACTIVITIES	2,776	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,576	210
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	224	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	27,288	27,078
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	32,088	27,288
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	32,088	27,288