

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2004

	NOTE	2004 HK\$	2003 HK\$
OPERATING ACTIVITIES			
Loss from operations		(4,910,227)	(4,946,421)
Adjustments for:			
Deficit arising on revaluation of investment property		500,000	3,499,486
Depreciation and amortisation of property, plant and equipment		941,080	308,644
Amortisation of goodwill		214,131	–
Amortisation of intangible assets		89,622	–
Dividend income from investment in an investee company		(1,972,053)	(3,036,000)
Interest income		(961,169)	(1,356,449)
Loss on write off of property, plant and equipment		20,815	813,129
Research and development costs		(229,904)	–
Operating cash flows before movements in working capital		(6,307,705)	(4,717,611)
Increase in inventories		(55,112)	–
Decrease (increase) in trade and other receivables		426,958	(204,510)
(Decrease) increase in trade and other payables		(633,370)	20,541
Increase in government grants		281,132	–
Increase in amount due to a shareholder		589,511	–
Cash used in operations		(5,698,586)	(4,901,580)
Tax paid in the People's Republic of China		(8,377)	(214,277)
NET CASH USED IN OPERATING ACTIVITIES		(5,706,963)	(5,115,857)
INVESTING ACTIVITIES			
Decrease in bank deposits		13,953,094	5,652,760
Dividend received from investment in an investee company		3,036,000	5,908,055
Dividend received from an associate		–	1,698,113
Acquisition of an associate		(9,929,474)	(6,362,143)
Acquisition of a subsidiary, net of cash and cash equivalent acquired	30	(1,767,607)	–
Purchases of property, plant and equipment		(2,694,524)	(1,429,669)
Purchase of securities linked deposit		–	(3,017,282)
Decrease in pledged bank deposits		–	5,000,000
Interest received		961,169	1,356,449
NET CASH FROM INVESTING ACTIVITIES		3,558,658	8,806,283
FINANCING ACTIVITIES			
Repayment of short term loan		(1,273,584)	–
Expenses paid in connection with share issue		(427,644)	–
Capital contributions by minority interests		1,273,584	–
NET CASH USED IN FINANCING ACTIVITIES		(427,644)	–
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(2,575,949)	3,690,426
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		16,077,207	12,386,781
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash		13,501,258	16,077,207