

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30th June, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Loss from operations		(2,089)	(1,365)
Adjustments for:			
Release of negative goodwill		–	(1,687)
Unrealised gain on other investments		(745)	(124)
Amortisation of goodwill		1,245	–
Depreciation and amortisation		969	5,463
Gain on disposal of property, plant and equipment		–	(17)
Operating cash flows before movements in working capital		(620)	2,270
Exchange difference		–	55
Decrease (increase) in investments in securities		57,674	(68,861)
Increase in inventories		(9,960)	–
Decrease in trade receivables		7,309	2,016
Decrease (increase) in other receivables, deposits and prepayments		15,382	(8,779)
Increase in trade payables		109	1,969
Increase in other payables and accrued charges		16,823	8,674
Decrease in amount due to an associate		–	(430)
Increase in amount due to a jointly controlled entity		–	150
Cash generated from (used in) operating activities		86,717	(62,936)
PRC income tax paid		(357)	–
Hong Kong Profits Tax paid		–	(2)
Interest paid		(562)	(14)
Interest paid on obligations under finance leases		(35)	(44)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		85,763	(62,996)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(785)	(2,728)
Proceeds from disposal of property, plant and equipment		–	151
Acquisition of associates		(23,794)	–
Acquisition of investments in securities		–	(82,858)
Proceeds from disposal of investments in securities		–	775
Acquisition of subsidiaries, net of cash and cash equivalent acquired	26	(74,638)	–
Disposal of subsidiaries, net of cash and cash equivalent disposed of	27	300	5,244
Loans to shareholders of associates		(3,300)	–
Proceeds from disposal of jointly controlled entities		–	99,304
Increase in pledged bank deposits		–	(516)
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		(102,217)	19,372

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FINANCING ACTIVITIES			
Issue of shares for cash consideration		53,680	14,310
Share issue expenses		(2,240)	(95)
Dividend paid to minority shareholders		–	(1,250)
Repayment of obligations under finance leases		(152)	(170)
Repayment of bank loans		(31,086)	–
		<u>20,202</u>	<u>12,795</u>
NET CASH GENERATED FROM FINANCING ACTIVITIES			
		<u>20,202</u>	<u>12,795</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		3,748	(30,829)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR			
		<u>27,636</u>	<u>58,465</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>31,384</u>	<u>27,636</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		<u>31,384</u>	<u>27,636</u>