



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2004

	Note	2004 HK\$'000	2003 HK\$'000
Cash flows from operating activities			
Profit from operations		18,772	29,563
Adjustments for:			
Interest income		(551)	(816)
Depreciation of property, plant and equipment		12,780	9,649
(Gain)/loss on disposal of property, plant and equipment		(82)	9
Amortisation of system development costs		8,669	5,781
Amortisation of intangible assets		21,451	12,579
Provision for impairment loss of intangible assets		–	3,582
Decrease/(increase) in deposits for lease of production lines		10,366	(10,366)
Increase in inventories		(2,809)	(26,189)
Increase in other receivables, prepayments and deposits		(89,866)	(16,475)
Increase in due from directors		(613)	–
Decrease/(increase) in trade receivables		8,081	(43,773)
Increase in trade and bills payable		64,706	88,569
(Decrease)/increase in accrual and other payables		(2,073)	12,597
		<u>48,831</u>	<u>64,710</u>
Cash generated from operations			
Interest paid		(2,337)	(1,478)
Mainland China enterprise income tax paid		(2)	(13)
		<u>46,492</u>	<u>63,219</u>
Net cash from operating activities			
Cash flow from investing activities			
Interest received		551	816
Payment for system development cost		–	(660)
Purchase of businesses	(a)	(19,324)	(27,812)
Payment for capitalised product development costs		(5,185)	(7,258)
Payment for technical know-how		(13,198)	(15,647)
Purchase of property, plant and equipment		(18,077)	(9,537)
Sale proceeds of property, plant and equipment		262	13
Payment of deposits for purchase of machinery		–	–
Payment for investment deposit		–	–
Payment for consultancy database		(3,772)	(3,769)
Payment for acquisition of additional interests in subsidiaries		(198)	(141)
Prepayment for registered capital of a subsidiary		(1,188)	–
		<u>(60,129)</u>	<u>(63,995)</u>
Net cash used in investing activities			



Consolidated Cash Flow Statement
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	Note	2004 HK\$'000	2003 HK\$'000
Cash flow from financing			
Net proceeds from issue of shares in respect of shares placing		34,083	–
Capital contribution from minority shareholders of subsidiaries		1,414	2,004
(Decrease)/increase in advances from minority shareholders of subsidiaries		(12,254)	8,869
(Decrease)/increase in advances from a director		(1,180)	1,300
New bank loans raised		47,794	–
Increase in restricted bank deposits		(38,042)	(18,796)
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Net cash from/(used in) financing	(b)	31,815	(6,623)
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Net increase/(decrease) in cash and cash equivalents		18,178	(7,399)
Cash and cash equivalents at beginning of year		28,086	35,545
Effect of foreign exchange rate changes		(198)	(60)
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Cash and cash equivalents at end of year		46,066	28,086
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Analysis of the balances of cash and cash equivalents			
Cash and bank balances		46,066	28,086
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Note:

(a) Purchase of businesses

Analysis of the net cash outflow in respect of the acquisition of the agricultural resources businesses:

	2004 HK\$'000	2003 HK\$'000
Estimated fair value of the net assets of the agricultural resources trading businesses as at the dates of acquisition	–	–
Goodwill on acquisitions (Note 15)	3,769	15,081
Prepayment for purchase of businesses	19,324	3,769
Consideration payable brought forward	–	16,972
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Cash consideration	23,093	35,822
Outstanding consideration payable	–	(8,010)
Amounts transfer from "Prepayments and Deposits" – Prepayment for purchase of businesses in last year	(3,769)	–
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Net cash outflow in respect of acquisition of agricultural resources trading businesses	19,324	27,812
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Consolidated Cash Flow Statement
For the year ended 30 June 2004

(b) Analysis of changes in financing during the year

	Share capital including premium		Due to minority shareholders of subsidiaries		Minority interests		Due to a director		Bank loan, secured		Restricted bank deposits	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Beginning of the year	106,624	106,624	12,738	3,869	3,508	2,271	1,300	-	-	-	27,850	9,054
Placing	34,083	-	-	-	-	-	-	-	-	-	-	-
(Repayment to)/advances from minority shareholders of subsidiaries	-	-	(12,254)	8,869	-	-	-	-	-	-	-	-
Capital contribution from minority shareholders	-	-	-	-	1,414	2,004	-	-	-	-	-	-
Acquisition of additional interests in subsidiaries by the Group	-	-	-	-	(198)	(141)	-	-	-	-	-	-
Minority interests' in share of profit/(loss)	-	-	-	-	1,667	(626)	-	-	-	-	-	-
(Repayment to)/advances from directors	-	-	-	-	-	-	(1,180)	1,300	-	-	-	-
New bank loan raised	-	-	-	-	-	-	-	-	47,794	-	-	-
Increase in restricted bank deposits	-	-	-	-	-	-	-	-	-	-	38,042	18,796
End of the year	140,707	106,624	484	12,738	6,391	3,508	120	1,300	47,794	-	65,892	27,850

The notes on pages 36 to 71 form an integral part of these financial statements.