

# Consolidated Cash Flow Statement

for the year ended 30 June 2004

Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash Flows from operating activities</b>		
Loss before tax	(25,720)	(44,466)
Adjustments for:		
Interest income	(57)	(141)
Amortisation of goodwill	–	594
Amortisation of development costs	609	279
Depreciation	996	1,620
Finance costs	927	1,419
Profit on disposal of subsidiaries	–	(210)
Loss on disposal of tangible fixed assets	3	1,985
Other intangible assets written off	59	–
Provision for diminution in value of investments in securities – other investments	9,196	88
Provision for diminution in value of investment in a joint venture	6,922	6,922
Provision for bad and doubtful debts	2,301	–
Provision for legal claim for rental	1,592	–
Loss on disposal of an associate	–	9,200
Operating loss before working capital changes	(3,172)	(22,710)
(Increase)/decrease in inventories	(1,048)	4,265
Increase in other investments	–	(4,164)
Decrease in trade and other receivables	7,683	6,557
Increase in amount due from a joint venture	–	(3,844)
Increase in amount due from a related company	(830)	–
Decrease in amount due to an investee company	–	(4,016)
(Decrease)/increase in trade and other payables	(5,050)	5,352
Cash used in operations	(2,417)	(18,560)
Interest received	57	141
Hong Kong profits tax paid	(197)	(1,266)
<b>Net cash outflow from operating activities</b>	<b>(2,557)</b>	<b>(19,685)</b>

## Consolidated Cash Flow Statement *(Continued)*

*for the year ended 30 June 2004*



Notes	2004 HK\$'000	2003 HK\$'000
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(2)	(1,373)
Disposal of subsidiaries	-	(1,801)
Proceeds from disposal of an associate	-	2,300
Development costs to upgrade products	(760)	(1,067)
Increase in pledged bank deposits	-	(3,000)
Acquisition of other intangible assets	-	(59)
	<u>(762)</u>	<u>(5,000)</u>
<b>Cash flows from financing activities</b>		
Issue shares at premium	-	9,200
Issue of shares net of expenses	27 88,319	8,800
Issue of convertible notes	26 -	15,000
Redemption of convertible note	26 (15,000)	(15,000)
Inception of finance leases	-	1,420
Repayment of obligations under finance leases	(452)	(323)
New loans	9,985	14,764
Repayment of loans	(15,782)	(9,753)
Finance costs paid	(927)	(1,419)
	<u>66,143</u>	<u>22,689</u>
<b>Net cash inflow from financing activities</b>	<b>66,143</b>	22,689
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>62,824</b>	(1,996)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>14,709</b>	16,705
<b>Cash and cash equivalents at the end of the year</b>	<b><u>77,533</u></b>	<b><u>14,709</u></b>
<b>Analysis of balances of cash and cash equivalents:</b>		
Cash and bank balances	24,209	17,306
Cash at securities company	54,000	-
Bank overdrafts	33 (676)	(2,597)
	<u>77,533</u>	<u>14,709</u>

The accompanying notes form an integral part of these financial statements.