

# Consolidated Cash Flow Statement

for the year ended 30 June 2005 (in HK Dollars)

Notes	2005 HK\$'000	2004 HK\$'000
<b>Cash Flows from operating activities</b>		
Loss before tax	(10,608)	(25,720)
Adjustments for:		
Interest income	(264)	(57)
Increase in value of investment properties	(500)	–
Amortisation of development costs	609	609
Depreciation	952	996
Finance costs	128	927
Loss on disposal of tangible fixed assets	–	3
Other intangible assets written off	–	59
Provision for diminution in value of investments in securities – other investments	5,050	9,196
Provision for diminution in value of investment in a joint venture	–	6,922
Provision for bad and doubtful debts	129	2,301
Provision for legal claim for rental	–	1,592
Operating loss before working capital changes	(4,504)	(3,172)
Increase in inventories	(3,691)	(1,048)
(Increase)/decrease in trade and other receivables	(6,872)	7,683
Increase in amount due from a related company	–	(830)
Increase/(decrease) in trade and other payables	5,866	(5,050)
Cash used in operations	(9,201)	(2,417)
Interest received	264	57
Hong Kong profits tax paid	(69)	(197)
<b>Net cash outflow from operating activities</b>	<b>(9,006)</b>	<b>(2,557)</b>

## Consolidated Cash Flow Statement *(Continued)*

*for the year ended 30 June 2005 (in HK Dollars)*

	Notes	2005 HK\$'000	2004 HK\$'000
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets		(32)	(2)
Cash effect on acquisition of a subsidiary		(20,000)	–
Development costs to upgrade products		–	(760)
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<b>Net cash outflow from investing activities</b>		<b>(20,032)</b>	<b>(762)</b>
<b>Cash flows from financing activities</b>			
Issue of shares, net of expenses	26	62,583	88,319
Redemption of convertible note		–	(15,000)
Repayment of obligations under finance leases		(430)	(452)
New loans		–	9,985
Repayment of loans		(503)	(15,782)
Finance costs paid		(128)	(927)
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<b>Net cash inflow from financing activities</b>		<b>61,522</b>	<b>66,143</b>
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<b>Net increase in cash and cash equivalents</b>		<b>32,484</b>	<b>62,824</b>
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<b>Cash and cash equivalents at the beginning of the year</b>		<b>77,533</b>	<b>14,709</b>
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<b>Cash and cash equivalents at the end of the year</b>		<b>110,017</b>	<b>77,533</b>
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<b>Analysis of balances of cash and cash equivalents:</b>			
Cash and bank balances		16,213	24,209
Cash at securities company		94,138	54,000
Bank overdrafts	33	(334)	(676)
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		<b>110,017</b>	<b>77,533</b>
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The accompanying notes form an integral part of these financial statements.