



# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2004

	<i>NOTES</i>	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>OPERATING ACTIVITIES</b>			
(Loss) profit from operations		(15,285)	78,543
Adjustments for:			
Depreciation and amortisation of property, plant and equipment		874	18,022
Reversal of provision for doubtful debts		-	(511)
Amortisation of goodwill		454	392
Amortisation of CG animation pictures		13,486	7,653
Amortisation of discount on held-to-maturity debt securities		(2,044)	(1,301)
Interest income		(632)	(2,272)
(Gain) loss on disposal of property, plant and equipment		(328)	247
Gain on redemption of investment in securities		(5,612)	-
Exchange difference arising from operations		(905)	431
Operating cash flow before movements in working capital		(9,992)	101,204
Increase in inventories		(23,484)	(87,830)
Increase in trade and other receivables		(3,454)	(170,887)
Increase in amount due from an associate		(923)	-
Increase in other payables		4,463	42,146
Increase in unearned revenue		13,260	-
Net cash used in operations		(20,130)	(115,367)
Purchase of tax reserve certificate		-	(15,730)
Hong Kong Profits Tax paid		(18)	(653)
Overseas tax paid		(668)	(1,342)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(20,816)</b>	<b>(133,092)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(21,627)	(67,509)
Increase in pledged bank deposits		(15,600)	(24,200)
Cost incurred in CG animation pictures		(9,526)	(30,869)
Acquisition of investments in securities		(7,864)	(16,746)
Proceeds from redemption of held-to-maturity debt securities		25,703	-
Refund of tax from an associate	8	6,812	-
Interest received		669	2,272
Proceeds from disposal of property, plant and equipment		360	61
Acquisition of an associate		-	(88,170)
Acquisition of additional interest in a subsidiary		-	(2,300)
Advance to an associate		-	(1,363)
Net proceeds from the disposal of businesses	27	-	1,016,150
<b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>		<b>(21,073)</b>	<b>787,326</b>

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
<b>FINANCING ACTIVITIES</b>		
Repayment of bank loans and trust receipt loans	(39,000)	(109,792)
Repayment of obligations under finance leases	(2,644)	(18,061)
Interest paid on bank borrowings	(440)	(3,082)
Proceeds from issue of shares	275	190
Dividends paid	-	(894,641)
New bank loans and trust receipts loans raised	-	321,703
Capital injection by a minority shareholder	-	464
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NET CASH USED IN FINANCING ACTIVITIES	(41,809)	(703,219)
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DECREASE IN CASH AND CASH EQUIVALENTS	(83,698)	(48,985)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	107,111	156,007
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,178	89
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR	24,591	107,111
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Representing:		
Bank balances and cash	25,396	107,149
Bank overdraft	(805)	(38)
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	24,591	107,111
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