

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2005

<i>Notes</i>	2005 HK\$'000	2004 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(687)	(900)
Adjustments for:		
Interest income	(56)	(14)
Finance costs	3,073	363
Depreciation	16,947	16,245
Loss on disposal of fixed assets	3,577	1,345
Recognition of Negative goodwill on acquisition of a subsidiary and a jointly-controlled entity	(43,032)	-
Gain on disposal of associates	-	(47)
Impairment of interests in an associate	-	1,413
Loss on disposal of subsidiaries	-	161
Exchange gains arising from translation of advances to overseas jointly-controlled entities and associates and other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date	(321)	(2,352)
Share of profits and losses of jointly-controlled entities	(1,763)	-
Share of profits and losses of associates	(30,073)	(31,983)
Impairment of film rights	-	3,543
Write-back of provision for doubtful debts, net	(16)	(2,927)
Exchange adjustments	(895)	(636)
Operating loss before working capital changes	(53,246)	(15,789)
Decrease/(increase) in prepayments, deposits and other receivables	(6,476)	8,007
Increase in inventories	(15)	(155)
Decrease in film rights	1,800	3,971
Decrease in accounts receivable	5,383	486
Increase/(decrease) in accounts payable	2,905	(17,624)
Increase/(decrease) in accrued liabilities and other payables	13,278	(6,950)
Increase/(decrease) in customer deposits	1,050	(2,107)
Increase/(decrease) in provision for employee benefits	361	(296)
Increase/(decrease) in provision for long service payments	(139)	709
Cash used in operations	(35,099)	(29,748)
Interest received	56	14
Interest and finance charges paid	(2,899)	(264)
Interest element on finance lease rental payments	(78)	(99)
Hong Kong profits tax paid	(182)	-
Overseas tax paid	(250)	(445)
Overseas tax refunded	166	474
Net cash outflow from operating activities	(38,286)	(30,068)

## CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 30 June 2005

	<i>Notes</i>	2005 HK\$'000	2004 HK\$'000
Net cash outflow from operating activities		(38,286)	(30,068)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(51,364)	(1,694)
Proceeds from disposal of fixed assets		17	210
Investment in a jointly-controlled entity		(123,134)	–
Proceeds from disposal of associates		–	1,632
Acquisition of subsidiaries	29(a)	(5,367)	(101)
Proceeds from disposal of subsidiaries	29(b)	–	898
Repayment from associates, net	29(c)	17,106	324
Rental deposits paid		(517)	(647)
Refund of rental deposits		973	1,912
Additions to trademarks		–	(218)
Increase in pledged bank balance		(486)	–
Net cash inflow/(outflow) from investing activities		(162,772)	2,316
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of new shares, net		104,818	22,428
New bank loans raised		94,755	–
Repayment of bank loans		(4,442)	–
Repayment of finance lease obligations		(469)	(439)
Net cash inflow from financing activities		194,662	21,989
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(6,396)	(5,763)
Cash and cash equivalents at beginning of year		22,575	28,357
Exchange adjustments		20	(19)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>16,199</b>	<b>22,575</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		16,199	22,575