

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	7,952	(10,531)
Adjustments for:		
Interest income	(785)	(217)
Finance costs	7,450	3,101
Depreciation	40,884	25,293
Amortisation of prepaid land lease payments	18	18
Loss on disposal of items of property, plant and equipment	346	3,577
Recognition of Negative Goodwill on acquisition of a subsidiary and a jointly-controlled entity	–	(43,032)
Provision for impairment on club memberships	270	–
Exchange gains arising from the 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	(3,298)	(321)
Share of profits and losses of associates	(24,143)	(20,221)
Impairment allowance/(write-back of impairment allowances) for accounts and other receivables, net	(699)	411
Write-off of bad debts	24	–
Equity-settled share option expenses	394	150
Exchange adjustments	(1,121)	118
Operating profit/(loss) before working capital changes	27,292	(41,654)
Increase in inventories	(155)	(15)
Decrease in film rights	2,105	1,800
Decrease in accounts receivable	6,974	19,005
Decrease/(increase) in prepayments, deposits and other receivables	10,201	(5,255)
Increase/(decrease) in accounts payable	(13,555)	2,613
Increase/(decrease) in accrued liabilities and other payables	(1,478)	8,746
Increase in customer deposits	112	1,050
Increase in prepaid rental	(6,312)	(3,520)
Refund/(payment) of rental and other deposits, net	1,576	(1,312)
Increase in provision for employee benefits	263	361
Increase/(decrease) in provision for long service payments	432	(139)
Cash generated from/(used in) operations	27,455	(18,320)
Interest received	785	217
Interest and finance charges paid	(7,149)	(2,927)
Interest element on finance lease rental payments	(93)	(78)
Hong Kong profits tax paid	(2)	(182)
Overseas tax paid	(4,094)	(1,283)
Overseas tax refunded	216	166
Net cash inflow/(outflow) from operating activities	17,118	(22,407)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006 (continued)

	Notes	2006 HK\$'000	2005 HK\$'000 (Restated)
Net cash inflow/(outflow) from operating activities		17,118	(22,407)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(51,725)	(52,315)
Proceeds from disposal of items of property, plant and equipment		1,267	17
Acquisition of a subsidiary	32(a)	–	(5,367)
Investments in jointly-controlled entities	32(b)	–	(86,374)
Repayment from associates, net	32(b)	1,635	17,106
Increase/(decrease) in deposits received		598	(305)
Repayment from jointly-controlled entity		21,725	–
Repayment to joint venture partners		(21,725)	–
Increase in pledged bank balances		(2,217)	(1,625)
Net cash outflow from investing activities		(50,442)	(128,863)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of a convertible note, net		19,713	–
Proceeds from issue of new shares, net		–	104,818
New bank loans raised		29,337	94,755
Repayment of bank loans		(25,241)	(4,442)
Capital element of finance lease payables		(1,365)	(469)
Net cash inflow from financing activities		22,444	194,662
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(10,880)	43,392
Cash and cash equivalents at beginning of year		65,632	22,575
Exchange adjustments		(383)	(335)
CASH AND CASH EQUIVALENTS AT END OF YEAR		54,369	65,632
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Non-pledged cash and bank balances	21	34,389	49,493
Non-pledged time deposits	21	19,980	16,139
CASH AND CASH EQUIVALENTS AT END OF YEAR		54,369	65,632