

Year ended 30 June 2003

	2003 HK\$'000	2002 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(135,778)	(82,489)
Adjustments for:		
Interest income	(403)	(969)
Finance costs	628	242
Depreciation	18,293	18,454
Loss on disposal of fixed assets	108	544
Write-off of interests in associates	75	15,157
Impairment of interests in associates	2,000	-
Exchange gains arising from translation of advances to overseas associates in Asia and other monetary assets and liabilities denominated in foreign currencies as at the balance sheet date	(456)	(2,747)
Share of profits and losses of associates	(12,713)	8,919
Impairment of a long term investment	2,297	5,800
Impairment of film rights	11,215	15,536
Impairment of goodwill	37,606	-
Provision for/(write-back of) doubtful debts, net	2,788	(435)
Exchange adjustments	73	(549)
Operating loss before working capital changes	(74,267)	(22,537)
Decrease/(increase) in prepayments, deposits and other receivables	24,732	(8,077)
Decrease/(increase) in inventories	(99)	233
Decrease/(increase) in film rights and films in progress	14,393	(18,974)
Decrease/(increase) in accounts receivable	6,270	(11,689)
Increase in accounts payable	14,341	18,178
Increase/(decrease) in accrued liabilities and other payables	3,553	(6,161)
Increase/(decrease) in customer deposits	(2,696)	2,530
Increase/(decrease) in provision for employee benefits	(585)	220
Increase in provision for long service payments	613	1,204
Cash used in operations	(13,745)	(45,073)
Interest received	403	969
Interest paid	(548)	(201)
Interest element on finance lease rental payments	(80)	(41)
Hong Kong profits tax refunded	-	50
Overseas tax paid	(41)	(732)
Overseas tax refunded	77	-
<b>Net cash outflow from operating activities</b>	<b>(13,934)</b>	<b>(45,028)</b>

**CONSOLIDATED  
CASH FLOW  
STATEMENT**

58

Year ended 30 June 2003

(continued)

	2003 HK\$'000	2002 HK\$'000 (Restated)
Net cash outflow from operating activities	(13,934)	(45,028)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(1,814)	(5,688)
Proceeds from disposal of fixed assets	163	143
Investment in an associate	(205)	–
Proceeds from liquidation of associates	1,199	2,479
Repayment from/(advances to) associates, net	4,583	(12,390)
Rental deposits paid	(188)	–
Refund of rental deposits	233	1,027
Additions to trademarks	(130)	(501)
Net cash inflow/(outflow) from investing activities	3,841	(14,930)
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Repayment of finance lease obligations	(484)	(255)
Net cash outflow from financing activity	(484)	(255)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(10,577)</b>	<b>(60,213)</b>
Cash and cash equivalents at beginning of year	38,874	99,059
Exchange adjustments	60	28
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>28,357</b>	<b>38,874</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Time deposits	–	17,130
Cash and bank balances	28,357	21,744
	<b>28,357</b>	<b>38,874</b>