

CONSOLIDATED CASH FLOW STATEMENT

Year ended 30 June 2004

Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(900)	(135,778)
Adjustments for:		
Interest income	(14)	(403)
Finance costs	363	628
Depreciation	16,245	18,293
Loss on disposal of fixed assets	1,345	108
Gain on disposal of associates	(47)	–
Write-off of interests in associates	–	75
Impairment of interest in an associate	1,413	2,000
Loss on disposal of subsidiaries	161	–
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	(2,352)	(456)
Share of profits and losses of associates	(31,983)	(12,713)
Impairment of a long term investment	–	2,297
Impairment of film rights	3,543	11,215
Impairment of goodwill	–	37,606
Provision/(write-back of provision) for doubtful debts, net	(2,927)	2,788
Exchange adjustments	(636)	73
Operating loss before working capital changes	(15,789)	(74,267)
Decrease in prepayments, deposits and other receivables	8,007	24,732
Increase in inventories	(155)	(99)
Decrease in film rights and films in progress	3,971	14,393
Decrease in accounts receivable	486	6,270
Increase/(decrease) in accounts payable	(17,624)	14,341
Increase/(decrease) in accrued liabilities and other payables	(6,950)	3,553
Decrease in customer deposits	(2,107)	(2,696)
Decrease in provision for employee benefits	(296)	(585)
Increase in provision for long service payments	709	613
Cash used in operations	(29,748)	(13,745)
Interest received	14	403
Interest paid	(264)	(548)
Interest element on finance lease rental payments	(99)	(80)
Overseas tax paid	(445)	(41)
Overseas tax refunded	474	77
Net cash outflow from operating activities	(30,068)	(13,934)

Year ended 30 June 2004

	<i>Notes</i>	2004 HK\$'000	2003 HK\$'000
Net cash outflow from operating activities		(30,068)	(13,934)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(1,694)	(1,814)
Proceeds from disposal of fixed assets		210	163
Investment in an associate		–	(205)
Proceeds from disposal of associates		1,632	1,199
Acquisition of subsidiaries	26(a)	(101)	–
Proceeds from disposal of subsidiaries	26(b)	898	–
Repayment from associates, net		324	4,583
Rental deposits paid		(647)	(188)
Refund of rental deposits		1,912	233
Additions to trademarks		(218)	(130)
Net cash inflow from investing activities		2,316	3,841
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares, net		22,428	–
Repayment of finance lease obligations		(439)	(484)
Net cash inflow/(outflow) from financing activities		21,989	(484)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(5,763)	(10,577)
Cash and cash equivalents at beginning of year		28,357	38,874
Exchange adjustments		(19)	60
CASH AND CASH EQUIVALENTS AT END OF YEAR		22,575	28,357
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		22,575	28,357