

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2005

	Note	2005 HK\$'000	2004 HK\$'000
Cashflows from operating activities			
(Loss)/Profit before taxation and minority interests		(44,745)	49,266
Adjustments for:			
Reversal of revaluation decrease in disposal of investment properties		–	(6,500)
Gain on disposal of other investments		(24)	–
Gain on disposal of subsidiaries		(4)	(80,034)
Impairment loss in respect of goodwill		3,809	–
Interest income		(37)	(24)
Interest expenses		980	3,847
Depreciation		859	749
Amortisation of goodwill		946	11
Amortisation of trademark		20	–
Amortisation of artiste contract rights		3	–
Amortisation of film rights		2,500	–
Provision for doubtful debts		13,036	14,646
Loss on disposal of property, plant and equipment		321	–
Provision for obsolete inventories		–	7,444
Operating loss before working capital changes		(22,336)	(10,595)
Increase in film rights		(5,000)	–
Increase in film and music production in progress		(14,779)	–
Increase in inventories		–	(7,444)
Decrease/(Increase) in trade and other receivables		9,598	(19,742)
Increase in trade and other payables		8,493	3,498
Net cash used in operations		(24,024)	(34,283)
Cashflows from investing activities			
Interest income received		37	24
Payments for trademark and artiste contract rights		(1,289)	–
Purchase of other investments		(4,511)	–
Proceeds from disposal of other investments		4,535	–
Purchase of property, plant and equipment		(24,618)	(507)
Proceeds from disposal of investment property		–	34,500
Proceeds from disposal of property, plant and equipment		14	–
Payment of investment deposits		–	(16,100)
Cash effect on acquisition of subsidiaries	30	(16,127)	–
Cash effect on disposal of subsidiaries (net of cash and cash equivalents disposed of)	29	–	(2,193)
Net cash (used in)/generated from investing activities		(41,959)	15,724

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 30 June 2005

	2005 HK\$'000	2004 HK\$'000
Cashflows from financing activities		
Proceeds from issue of shares	90,850	16,300
Proceeds from issue of convertible bonds	–	16,000
(Decrease)/Increase in short-term borrowings	(4,717)	8,560
Repayment to a shareholder	–	(3,136)
Repayment of convertible bonds	–	(15,602)
Net decrease in secured short-term loan	–	(1,761)
Net (decrease)/increase in trust receipts and import loans	(1,442)	1,442
Issue costs of shares	–	(76)
Issue costs of convertible bonds	–	(129)
Repayment of obligations under finance leases	–	(193)
Interest expenses paid	(980)	(3,485)
Interest on obligations under finance leases	–	(58)
Net cash generated from financing activities	83,711	17,862
Net increase/(decrease) in cash and cash equivalents	17,728	(697)
Cash and cash equivalents at the beginning of the year	1,942	2,639
Cash and cash equivalents at the end of the year	19,670	1,942
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	19,670	1,942

The accompanying notes form an integral part of these financial statements.