

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2005

	<b>2005</b>	2004
	<b>HK\$'000</b>	HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(19,863)	(55,877)
Adjustments for:		
Interest income	(100)	(36)
Interest expenses	804	751
Release of prepaid lease payments	75	75
Depreciation of property, plant and equipment	2,191	2,226
Impairment on trade and other receivables	3,713	3,742
Share of results of jointly controlled entities	(87)	362
Impairment loss recognised in respect of film production in progress	7,795	6,981
Impairment loss recognised on loan to a jointly controlled entity	–	10,927
Amortisation on goodwill of investment in jointly controlled entity	–	300
Impairment on goodwill of investment in jointly controlled entity	–	2,400
Operating cash flows before movements in working capital	(5,472)	(28,149)
(Increase) decrease in film rights and production in progress	(26,264)	33,840
(Increase) decrease in inventories	(58)	675
Decrease in trade and other receivables and deposits paid	9,688	148
Decrease in amount due from a related company	333	238
Increase (decrease) in trade and other payables and deposits received	24,546	(3,016)
Cash generated from operations	2,773	3,736
Hong Kong Profits Tax paid	–	(300)
Hong Kong Profits Tax refunded	181	949
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,954</b>	<b>4,385</b>
<b>INVESTING ACTIVITIES</b>		
Investment in a jointly controlled entity	(3,500)	–
Increase in pledged bank deposits	(1,011)	(500)
Purchase of property, plant and equipment	(183)	(353)
Advance to a jointly controlled entity	(172)	(3,012)
Interest received	100	36
Repayment from a minority shareholder of a subsidiary	92	45
Purchase of investment securities	–	(3,100)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,674)</b>	<b>(6,884)</b>

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For the year ended 31st December, 2005

	<b>2005</b>	2004
	<b>HK\$'000</b>	HK\$'000
<b>FINANCING ACTIVITIES</b>		
Bank and other borrowings raised	11,081	3,610
Repayment of bank and other borrowings	(6,694)	(7,561)
Interest paid	(804)	(751)
	<u>3,583</u>	<u>(4,702)</u>
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		
	<u>3,583</u>	<u>(4,702)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,863</u>	<u>(7,201)</u>
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	<u>8,163</u>	<u>15,364</u>
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	<u><u>10,026</u></u>	<u><u>8,163</u></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	10,410	9,646
Bank overdrafts	(384)	(1,483)
	<u>10,026</u>	<u>8,163</u>
	<u><u>10,026</u></u>	<u><u>8,163</u></u>