



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31st March 2006

	2006 HK\$'000	2005 HK\$'000 (restated)
OPERATING ACTIVITIES		
Loss before taxation	(71,535)	(59,793)
Adjustments for:		
Depreciation of property, plant and equipment	1,177	1,084
Amortisation of goodwill	–	454
Amortisation of CG animation pictures	5,619	13,486
Allowance for amount due from an associate	–	3,488
Finance costs	1,419	34
Bank interest income	(1,375)	(1,451)
Loss on disposal of property, plant and equipment	221	5,417
Impairment loss recognised in respect of CG animation pictures	19,394	15,250
Recognition of share-based payments as expenses	19,624	–
Gain on disposal of investment in securities	–	(7,818)
Exchange difference arising from operations	183	570
Share of loss of an associate	–	21,806
Operating cash flow before movements in working capital	(25,273)	(7,473)
Decrease in inventories	–	32,543
(Increase) decrease in trade and other receivables	(1,508)	3,532
Decrease in amount due from an associate	1,236	700
(Decrease) increase in other payables	(15,172)	18,265
Increase (decrease) in unearned revenue	3,976	(13,260)
Net cash (used in) from operations	(36,741)	34,307
Hong Kong Profits Tax paid	(53,017)	(131)
Overseas tax paid	(46)	(133)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(89,804)	34,043
INVESTING ACTIVITIES		
Cost incurred in CG animation pictures	(139,806)	(60,741)
Purchase of property, plant and equipment	(26,415)	(26,669)
Proceeds from disposal of investment in securities	–	16,376
Interest received	1,299	1,438
Proceeds from disposal of property, plant and equipment	570	5
Decrease in pledged bank deposits	39,800	–
NET CASH USED IN INVESTING ACTIVITIES	(124,552)	(69,591)



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for the year ended 31st March 2006

	2006	2005
	HK\$'000	HK\$'000 (restated)
FINANCING ACTIVITIES		
Net proceeds from issue of shares	10,521	111,921
New bank loans raised	168,094	6,000
Proceeds from issue of convertible notes	70,000	–
Repayment of bank loans	(24,920)	(6,000)
Repayment of obligations under finance leases	(238)	(866)
Interest paid	(1,781)	(51)
NET CASH FROM FINANCING ACTIVITIES	221,676	111,004
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,320	75,456
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	99,496	24,591
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(1,660)	(551)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
representing bank balances and cash	105,156	99,496