

# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2004

	2004 HK\$'000	2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
(Loss) profit from operations	(41,137)	1,273
Adjustments for:		
Interest income	(36)	(36)
Depreciation	2,301	2,274
Amortisation of film rights	720	–
Impairment loss recognised in respect of film production in progress	6,981	3,000
Impairment loss recognised in respect of investment securities	–	4,000
Operating cash flows before movements in working capital	(31,171)	10,511
Decrease (increase) in film rights and production in progress	33,120	(16,997)
Decrease (increase) in inventories	675	(928)
Decrease (increase) in trade and other receivables	3,890	(4,069)
Decrease (increase) in amount due from a related company	238	(515)
(Decrease) increase in trade and other payables	(3,016)	12,170
Cash generated from operations	3,736	172
Hong Kong Profits Tax paid	(300)	(35)
Hong Kong Profits Tax refunded	949	485
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>4,385</b>	<b>622</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment securities	(3,100)	(6,000)
Advance to a jointly controlled entity	(3,012)	(1,218)
Purchase of property, plant and equipment	(353)	(780)
Decrease (increase) in amount due from a minority shareholder of a subsidiary	45	(45)
Interest received	36	36
Investment in a jointly controlled entity	–	(15,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,384)</b>	<b>(23,007)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of bank and other loans	(7,561)	(1,075)
Interest paid	(751)	(513)
Bank and other loans raised	3,610	24,220
<b>NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES</b>	<b>(4,702)</b>	<b>22,632</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,701)</b>	<b>247</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>15,364</b>	<b>15,117</b>
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>8,663</b>	<b>15,364</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and cash	10,146	15,439
Bank overdrafts	(1,483)	(75)
	<b>8,663</b>	<b>15,364</b>