

# Consolidated Cash Flow Statement

Year ended 31st December, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		211,185	(147,531)
Adjustments for:			
Finance costs	8	12,593	13,884
Loss on settlement of a debt	16(b)	—	101,892
Share of profits and losses of jointly-controlled entities		2,304	1,971
Provision for amounts due from jointly-controlled entities		2,381	1,011
Share of profits and losses of associates		(295,505)	(30,683)
Amortisation of goodwill on acquisition of an associate		—	2,122
Loss on deemed disposal of an associate	16(a)	—	4,705
Interest income	6	(9,682)	(739)
Depreciation	7	5,175	4,929
Gain on disposal of a long term investment	7	—	(1,885)
Gain on disposal of properties held for sale	7	(894)	—
Gain on disposal of investment properties	7	—	(8,072)
Impairment loss on self-produced and purchased programmes	7	—	2,385
Amortisation of self-produced and purchased programmes	7	488	374
Amortisation of film rights	7	3,497	6,971
Unrealised holding loss on short term investments	7	—	12
Loss on disposal of short term investments	7	—	589
Provision for bad and doubtful debts	7	—	3,127
Loss on disposal of items of property, plant and equipment	7	69	54
Write-back of provision for bad and doubtful debts	7	(2,918)	(168)
Write-back of provision for inventories	7	(1,727)	—
Gain on recovery from the Holdback Funds and Earnout Funds in connection with the litigation relating to the disposal of Delta Hotels Limited	7	—	(7,300)
Operating loss before working capital changes		(73,034)	(52,352)
Decrease in self-produced and purchased programmes		73	40
Increase in inventories		(1,145)	—
Increase in debtors and deposits		(12,389)	(30,126)
Increase/(decrease) in creditors and accruals		(8,979)	37,190
Cash used in operations		(95,474)	(45,248)
Hong Kong taxes paid		(323)	—
Overseas taxes refunded		6	3,795
Net cash outflow from operating activities — page 34		(95,791)	(41,453)

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Year ended 31st December, 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
Net cash outflow from operating activities — page 33		<u>(95,791)</u>	<u>(41,453)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(38,923)	(26,832)
Proceeds from disposal of items of property, plant and equipment		13	73
Proceeds from disposal of properties held for sale		3,594	—
Proceeds from disposal of investment properties		—	34,372
Repayment by/(advance to) associates		35	(160)
Repayment of loans from an associate	16	225,000	—
Advances to jointly-controlled entities		(3,780)	(2,644)
Dividends received from an associate		2,125	—
Proceeds from disposal of short term investments		—	1,695
Additions of short term investments		—	(2,235)
Proceeds from disposal of a long term investment		—	1,885
Partial settlement of a debt		—	20,000
Acquisition of a subsidiary	31(b)	—	216
Receipt of the Holdback Funds and Earnout Funds in connection with the litigation relating to the disposal of Delta Hotels Limited		—	10,354
Interest received		<u>9,682</u>	<u>46</u>
Net cash inflow from investing activities		<u>197,746</u>	<u>36,770</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	28	155,400	—
Share issue expenses	28	(4,734)	—
New bank borrowings		—	10,000
New other borrowings		—	59,188
Loans from a director and a related company		—	13,650
Repayment of loan from a director		(9,659)	—
Repayment of loan from a related company		(12,500)	—
Repayment of bank borrowings		(21,000)	(9,000)
Repayment of other borrowings		(45,650)	(65,250)
Capital element of finance lease rental payments		(40)	(35)
Interest paid		<u>(5,164)</u>	<u>(7,848)</u>
Net cash inflow from financing activities		<u>56,653</u>	<u>705</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>158,608</b>	<b>(3,978)</b>
Cash and cash equivalents at beginning of year		<u>18,472</u>	<u>22,450</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b><u>177,080</u></b>	<b><u>18,472</u></b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents	22	<u>177,080</u>	<u>18,472</u>