

Consolidated Cash Flow Statement

Year ended 31st December, 2006

	Notes	2006 HK\$'000	2005 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		1,149,689	211,185
Adjustments for:			
Finance costs	8	9,337	12,593
Gain on disposal of subsidiaries	30	(974,556)	—
Gain on deemed disposal of an associate	7	(20,985)	—
Share of profits and losses of jointly-controlled entities		8,363	2,304
Provision for amounts due from jointly-controlled entities		2,113	2,381
Share of profits and losses of associates		(343,360)	(295,505)
Interest income	6	(14,040)	(9,682)
Gain on the sale of equity investments			
at fair value through profit or loss	7	(1,927)	—
Depreciation	7	6,143	5,175
Gain on disposal of properties held for sale	7	—	(894)
Amortisation of self-produced and purchased programmes	7	—	488
Amortisation of film rights	7	14,442	3,497
Impairment of film rights	7	39,000	—
Fair value losses on an equity investment			
at fair value through profit or loss	7	2	—
Loss on disposal of items of property, plant and equipment	7	25	69
Write-off of bad debts	7	430	—
Provision for doubtful debts	7	88	—
Write-back of provision for doubtful debts	7	(168)	(2,918)
Provision for/(write-back of provision for) inventories	7	423	(1,727)
Equity-settled share option expense	28	9,929	—
		(115,052)	(73,034)
Increase in inventories		(889)	(1,145)
Decrease/(increase) in self-produced and purchased programmes		(35)	73
Increase in debtors and deposits		(42,926)	(12,389)
Decrease in creditors and accruals		(74,635)	(8,979)
Cash used in operations		(233,537)	(95,474)
Hong Kong taxes paid		(340)	(323)
Overseas taxes refunded		35	6
Net cash outflow from operating activities — page 37		(233,842)	(95,791)

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Net cash outflow from operating activities — page 36		<u>(233,842)</u>	<u>(95,791)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		13,889	9,682
Proceeds from the sale of equity investments at fair value through profit or loss		13,544	—
Proceeds from disposal of subsidiaries	30	1,317,169	—
Proceeds from disposal of items of property, plant and equipment		—	13
Proceeds from disposal of properties held for sale		—	3,594
Purchases of items of property, plant and equipment		(188,464)	(38,923)
Purchases of equity investments at fair value through profit or loss		(11,617)	—
Acquisition of a jointly-controlled entity		(5,000)	—
Advances to jointly-controlled entities		(469,841)	(3,780)
Repayment by/(advances to) associates		(626)	35
Repayment in loan from an associate		—	225,000
Dividends received from an associate		2,198	2,125
Increase in deposits		(10,048)	—
Increase in a loan receivable		(128,000)	—
Purchases of available-for-sale investments		<u>(36,431)</u>	<u>—</u>
Net cash inflow from investing activities		<u>496,773</u>	<u>197,746</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	27	432,204	155,400
Share issue expenses	27	(6,711)	(4,734)
Repayment of loan from a director		—	(9,659)
Repayment of loan from a related company		—	(12,500)
Repayment of bank borrowings		(4,000)	(21,000)
Repayment of other borrowings		—	(45,650)
Capital element of finance lease rental payments		(29)	(40)
Interest paid		<u>(412)</u>	<u>(5,164)</u>
Net cash inflow from financing activities		<u>421,052</u>	<u>56,653</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		683,983	158,608
Cash and cash equivalents at beginning of year		177,080	18,472
Effect of foreign exchange rate changes, net		<u>391</u>	<u>—</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>861,454</u>	<u>177,080</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	23	<u>861,454</u>	<u>177,080</u>