

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	2006 HK\$'000	2005 HK\$'000
OPERATING ACTIVITIES		
Profit (loss) before taxation	784	(19,863)
Adjustments for:		
Interest income	(325)	(100)
Finance costs	1,088	804
Release of prepaid lease payments	75	75
Depreciation of property, plant and equipment	1,875	2,191
Impairment on trade and other receivables	2,716	3,713
Share of loss (profit) of jointly controlled entities	6	(87)
Impairment loss recognised in respect of film production in progress	2,621	7,795
Loss on disposal of property, plant and equipment	4	–
Gain on disposal of available-for-sale investments	(5,040)	–
Equity-settled share-based payment expenses	523	–
Operating cash flows before movements in working capital	4,327	(5,472)
Decrease (increase) in film rights and production in progress	11,628	(26,264)
Decrease (increase) in inventories	327	(58)
(Increase) decrease in trade and other receivables and deposits paid	(3,890)	9,688
Increase in amount due to a jointly controlled entity	(430)	(172)
Decrease in amount due from a related company	772	333
(Decrease) increase in trade and other payables and deposits received	(8,992)	24,546
Cash generated from operations	3,742	2,601
Hong Kong Profits Tax refunded	600	181
NET CASH FROM OPERATING ACTIVITIES	4,342	2,782
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	10,699	–
Interest received	325	100
Proceeds from disposal of property, plant and equipment	30	–
Purchase of available-for-sale investments	(2,115)	–
Investment in a jointly controlled entity	(955)	(3,500)
Purchases of property, plant and equipment	(191)	(183)
Increase in pledged bank deposits	(45)	(1,011)
Repayment from a minority shareholder of a subsidiary	–	92
NET CASH FROM (USED IN) INVESTING ACTIVITIES	7,748	(4,502)

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For the year ended 31st December, 2006

	2006	2005
	HK\$'000	HK\$'000
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(8,188)	(6,694)
Interest paid	(1,088)	(804)
Repayment of obligations under a finance lease	(84)	–
Bank and other borrowings raised	2,000	11,081
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NET CASH (USED IN) FROM FINANCING ACTIVITIES	(7,360)	3,583
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NET INCREASE IN CASH AND CASH EQUIVALENTS	4,730	1,863
CASH AND CASH EQUIVALENTS AT 1ST JANUARY	10,026	8,163
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CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	14,756	10,026
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ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	15,172	10,410
Bank overdraft	(416)	(384)
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	14,756	10,026
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