

Consolidated Cash Flow Statement

Year ended 31st December, 2003

	Notes	2003 HK\$'000	2002 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(89,575)	(69,460)
Adjustments for:			
Finance costs	10	4,296	1,708
Amortisation of goodwill on acquisition of an associate		2,214	—
Provisions for amounts due from jointly-controlled entities		1,050	6,530
Share of profits and losses of associates		12,520	31,530
Share of profits and losses of jointly-controlled entities		1,972	2,113
Gain on disposal of discontinued operations	7	(10,361)	—
Gain on disposal of interests in associates		(31,923)	(532)
Interest income	8	(136)	(78,536)
Depreciation	9	12,757	13,828
Impairment of a long term investment	9	—	4,681
Loss on disposal of a long term investment	9	—	501
Impairment loss of self-produced and purchased programmes	9	—	6,661
Amortisation of self-produced and purchased programmes	9	666	5,934
Amortisation of film rights	9	2,591	—
Provision for an amount due from an associate	9	—	2,702
Unrealised holding loss/(gain) on short term investments	9	(36)	291
Loss/(gain) on disposal of short term investments	9	(14)	285
Provision for bad and doubtful debts	9	112	1,549
Loss on disposal of fixed assets	9	196	224
Impairment of fixed assets	9	21,011	—
Write-back of provisions for bad and doubtful debts	9	(1,081)	(9,287)
Gain on recovery from the Holdback Funds and Earnout Funds in connection with the litigation relating to the disposal of Delta Hotels Limited	9, 35(a)	—	(12,096)
Operating loss before working capital changes		(73,741)	(91,374)
Increase in film rights		(76,500)	—
Decrease in short term investments		—	458
Decrease/(increase) in self-produced and purchased programmes		1,113	(15,439)
Decrease in inventories		2,590	—
Decrease in loan receivable		2,548	36,586
Decrease in debtors and deposits		20,179	36,034
Increase in creditors and accruals		9,053	3,295
Cash consumed in operations		(114,758)	(30,440)
Hong Kong taxes paid		(13,441)	—
Overseas taxes refunded/(paid)		56	(231)
Net cash inflow/(outflow) from operating activities			
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Continuing operations		(132,951)	(36,593)
Discontinued operations		4,808	5,922
		(128,143)	(30,671)

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	Notes	2003 HK\$'000	2002 HK\$'000
Net cash inflow/(outflow) from operating activities			
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Continuing operations		(132,951)	(36,593)
Discontinued operations		4,808	5,922
		<u>(128,143)</u>	<u>(30,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets	15	(23,896)	(26,083)
Proceeds from disposal of fixed assets		—	5
Proceeds from disposal of interests in associates		35,215	7,442
Proceeds from disposal of a long term investment		—	4,500
Advances to associates		(1,184)	(2,427)
Loans to associates		—	(78,932)
Repayment of amounts due from associates		—	460
Advances to jointly-controlled entities		(3,734)	(3,416)
Dividend received from an associate		90	—
Proceeds from disposal of short term investments		102	—
Acquisition of subsidiaries	34(b)	457	—
Disposal of a subsidiary	34(c)	10,289	—
Interest received		136	85,441
Decrease in cash held in trust		—	2,276
		<u>17,475</u>	<u>(10,734)</u>
Net cash inflow/(outflow) from investing activities			
Continuing operations		17,475	(10,734)
Discontinued operations		—	—
		<u>17,475</u>	<u>(10,734)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses	31	(364)	—
New bank loans		10,000	10,000
New other borrowings		45,200	—
Loans from directors and a related company		73,758	8,000
Repayment of bank loans		(11,000)	(10,000)
Capital element of finance lease rental payments		(31)	(26)
Interest paid		(3,158)	(1,284)
Repayment to a minority shareholder		—	(244)
Dividend paid to a minority shareholder		(13)	(180)
		<u>114,392</u>	<u>6,266</u>
Net cash inflow from financing activities			
Continuing operations		114,392	6,266
Discontinued operations		—	—
		<u>114,392</u>	<u>6,266</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		3,724	(35,139)
Cash and cash equivalents at beginning of year			
		<u>18,726</u>	<u>53,865</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		<u>22,450</u>	<u>18,726</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	25	<u>22,450</u>	<u>18,726</u>