

Consolidated Cash Flow Statement

Year ended 31st December, 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		50,313	(89,575)
Adjustments for:			
Finance costs	10	13,884	4,296
Premium on settlement of a debt	19	(95,994)	—
Amortisation of goodwill on acquisition of an associate		2,122	2,214
Provision for amounts due from jointly-controlled entities		1,011	1,050
Share of profits and losses of associates		(30,638)	12,520
Share of profits and losses of jointly-controlled entities		1,968	1,972
Loss on deemed disposal of an associate	18(b)	4,705	—
Gain on disposal of a discontinued operation	7	—	(10,361)
Gain on disposal of interests in associates		—	(31,923)
Interest income	8	(739)	(136)
Depreciation	9	4,929	12,757
Gain on disposal of a long term investment	9	(1,885)	—
Gain on disposal of investment properties	9	(8,072)	—
Impairment loss of self-produced and purchased programmes	9	2,385	—
Impairment of fixed assets	9	—	21,011
Amortisation of self-produced and purchased programmes	9	374	666
Amortisation of film rights	9	6,971	2,591
Unrealised holding loss/(gain) on short term investments	9	12	(36)
Loss/(gain) on disposal of short term investments	9	589	(14)
Provision for bad and doubtful debts	9	3,127	112
Loss on disposal of fixed assets	9	54	196
Write-back of provision for bad and doubtful debts	9	(168)	(1,081)
Gain on recovery from the Holdback Funds and Earnout Funds in connection with the litigation relating to the disposal of Delta Hotels Limited	9, 34(a)	(7,300)	—
Operating loss before working capital changes		(52,352)	(73,741)
Increase in film rights		—	(76,500)
Decrease in self-produced and purchased programmes		40	1,113
Decrease in inventories		—	2,590
Decrease in loan receivable		—	2,548
Decrease/(increase) in debtors and deposits		(30,126)	20,179
Increase in creditors and accruals		37,190	9,053
Cash used in operations		(45,248)	(114,758)
Hong Kong taxes paid		—	(13,441)
Overseas taxes refunded		3,795	56
Net cash inflow/(outflow) from operating activities			
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Continuing operations		(41,453)	(132,951)
Discontinued operation		—	4,808
		(41,453)	(128,143)

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Net cash inflow/(outflow) from operating activities			
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Continuing operations		(41,453)	(132,951)
Discontinued operation		—	4,808
		<u>(41,453)</u>	<u>(128,143)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets	15	(26,832)	(23,896)
Proceeds from disposal of fixed assets		73	—
Proceeds from disposal of investment properties		34,372	—
Proceeds from disposal of interests in associates		—	35,215
Advances to associates		(160)	(1,184)
Advances to jointly-controlled entities		(2,644)	(3,734)
Dividend received from an associate		—	90
Proceeds from disposal of short term investments		1,695	102
Additions of short term investments		(2,235)	—
Proceeds from disposal of a long term investment		1,885	—
Partial settlement of a debt	19	20,000	—
Acquisition of subsidiaries	33(b)	216	457
Disposal of a subsidiary	33(c)	—	10,289
Receipt of the Holdback Funds and Earnout Funds in connection with the litigation relating to the disposal of Delta Hotels Limited	34(a)	10,354	—
Interest received		46	136
		<u>36,770</u>	<u>17,475</u>
Net cash inflow from investing activities			
Continuing operations		36,770	17,475
Discontinued operation		—	—
		<u>36,770</u>	<u>17,475</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Share issue expenses	30	—	(364)
New bank borrowings		10,000	10,000
New other borrowings		59,188	45,200
Loans from directors and a related company		13,650	73,758
Repayment of bank borrowings		(9,000)	(11,000)
Repayment of other borrowings		(65,250)	—
Capital element of finance lease rental payments		(35)	(31)
Interest paid		(7,848)	(3,158)
Dividend paid to a minority shareholder		—	(13)
		<u>705</u>	<u>114,392</u>
Net cash inflow from financing activities			
Continuing operations		705	114,392
Discontinued operation		—	—
		<u>705</u>	<u>114,392</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(3,978)</u>	<u>3,724</u>
Cash and cash equivalents at beginning of year		22,450	18,726
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>18,472</u>	<u>22,450</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	24	18,472	22,450