

Consolidated Cash Flow Statement

BEIJING MEDIA CORPORATION LIMITED ANNUAL REPORT 2006

(All amounts in thousands of Renminbi ("RMB") unless otherwise stated)

		Year ended 31 December	
	Note	2006 RMB'000	2005 RMB'000
Cash flows from operating activities			
Cash generated from operations	31	45,450	60,093
Interest paid		(1,188)	(749)
Income tax paid		(8,428)	(8,162)
Net cash generated from operating activities		35,834	51,182
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		–	(2,349)
Purchase of property, plant and equipment and intangible assets		(28,126)	(1,424)
Proceeds from disposal of property, plant and equipment		258	7
Increase in restricted bank deposits		(166,383)	–
Decrease/(Increase) in short-term bank deposits		153,774	(1,030,903)
Interest received		39,540	15,712
Net cash used in investing activities		(937)	(1,018,957)
Cash flows from financing activities			
Gross proceeds from initial public offering		–	58,611
Initial public offering expenses paid		–	(25,391)
Proceeds from borrowings		8,000	10,000
Dividends paid to the Company's shareholders		(49,328)	(76,951)
Exchange gain on dividends paid to the Company's shareholders		54	406
Dividends paid to minority shareholders of subsidiaries		(2,719)	(1,725)
Capital injection from a minority shareholder of a subsidiary		12,000	129
Net cash used in financing activities		(31,993)	(34,921)
Net increase/(decrease) in cash and cash equivalents		2,904	(1,002,696)
Cash and cash equivalents at beginning of the year	24	284,733	1,308,107
Effect of exchange rate changes		(714)	(20,678)
Cash and cash equivalents at end of the year	24	286,923	284,733

The accompanying notes on pages 49 to 90 are an integral part of these consolidated financial statements.