

Consolidated Cash Flow Statement

Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		72,955	29,804
Adjustments for:			
Finance costs	7	1,142	1,395
Interest income, excluding that derived from margin financing and money lending operations	6	(1,444)	(2,078)
Surplus on revaluation of an investment property		(41,000)	(6,000)
Gain on disposal of long term investments	6	(181)	(4,138)
Reversal of impairment of long term investments		(3,220)	(1,832)
Increase in fair values of short term investments		(10,377)	(33,269)
Provisions for bad and doubtful debts		7,428	14,484
Depreciation	6	4,148	6,742
Loss/(gain) on disposal of fixed assets	6	(1)	28
Amortisation of intangible assets	6	162	162
Increase in long term loans receivable		(1,824)	(940)
Exchange realignment, net		(7)	(15)
Operating profit before working capital changes		27,781	4,343
Decrease in short term investments		3,484	9,468
Decrease in loans and advances		7,321	26,824
Decrease/(increase) in trade debtors		45,296	(18,989)
Decrease in other debtors, prepayments and deposits		2,762	2,834
Decrease/(increase) in amount due from an intermediate holding company		(1,037)	22,465
Increase in cash held on behalf of clients		(59,224)	(129,434)
Increase in client deposits		48,460	109,288
Increase/(decrease) in trade creditors		(36,100)	32,643
Decrease in other creditors and accruals		(2,177)	(185)
Cash generated from operating activities		36,566	59,257
Interest received		1,444	2,078
Interest paid		(1,087)	(1,324)
Interest element of finance lease rental payments		(55)	(71)
Hong Kong profits tax refunded/(paid)		(816)	452
Overseas tax paid		(152)	(217)
Net cash inflow from operating activities		35,900	60,175

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Year ended 31 December 2004

	Notes	2004 HK\$'000	2003 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of fixed assets		58	70
Purchases of fixed assets	14	(2,401)	(682)
Decrease/(increase) in other assets		(4)	82
Proceeds from disposal of long term investments		184	11,259
Increase in long term investments		(5,453)	–
Increase in pledged time deposit		(4,000)	–
Net cash inflow/(outflow) from investing activities		(11,616)	10,729
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares in a subsidiary from minority shareholders		(405)	(525)
New bank and other loans		4,748,691	3,722,430
Repayment of bank and other loans		(4,767,980)	(3,742,854)
Capital element of finance lease rental payments		(187)	(171)
Dividends paid		(9,724)	–
Net cash outflow from financing activities		(29,605)	(21,120)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(5,321)	49,784
Cash and cash equivalents at beginning of year		52,057	2,273
CASH AND CASH EQUIVALENTS AT END OF YEAR		46,736	52,057
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		51,691	53,218
Bank overdrafts	26	(4,955)	(1,161)
		46,736	52,057