

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		8,601	72,955
Adjustments for:			
Finance costs	7	2,358	1,142
Interest income, excluding that derived from margin financing and money lending operations		(953)	(1,444)
Dividend income from listed investments	5	(925)	(362)
Fair value gain of an investment property		(30,000)	(41,000)
Losses/(gains) on disposal of available-for-sale financial assets/long term investments		399	(181)
Reversal of impairment of long term investments		—	(3,220)
Fair value losses/(gains) on financial assets at fair value through profit or loss/short term investments		15,697	(10,377)
Impairment for loans receivable		11,151	7,428
Depreciation	6	2,646	4,148
Gain on disposal of items of property, plant and equipment	6	(23)	(1)
Amortisation of intangible assets	6	—	162
Increase in non-current loans receivable		(1,173)	(1,824)
Operating profit before working capital changes		7,778	27,426
Decrease/(Increase) in financial assets at fair value through profit or loss/short term investments		(7,197)	3,484
Decrease in loans receivable		7,869	7,321
Decrease/(increase) in trade receivables		(13,434)	45,296
Decrease/(increase) in other receivables, prepayments and deposits		(5,323)	2,762
Decrease/(increase) in amount due from an intermediate holding company		3,634	(1,037)
Decrease/(increase) in cash held on behalf of clients		97,825	(59,224)
Increase/(decrease) in client deposits		(69,526)	48,460
Decrease in trade payables		(2,651)	(36,100)
Decrease in other payables and accruals		(1,188)	(2,177)
Cash generated from operating activities		17,787	36,211
Interest received		953	1,444
Interest paid		(2,321)	(1,087)
Interest element of finance lease rental payments		(37)	(55)
Hong Kong profits tax paid		(7,191)	(816)
Overseas tax paid		(90)	(152)
Net cash inflow from operating activities		9,101	35,545

Consolidated Cash Flow Statement (continued)

Year ended 31 December 2005

	Notes	2005 HK\$'000	2004 HK\$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from listed investments		925	362
Proceeds from disposal of items of property, plant and equipment		38	58
Purchases of items of property, plant and equipment	14	(2,105)	(2,401)
Purchase of available-for-sale financial assets/ long term investments		(4,253)	(5,453)
Proceeds from disposal of available-for-sale financial assets/long term investments		3,303	184
Decrease/(increase) in other assets		83	(4)
Net cash outflow from investing activities		(2,009)	(7,254)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other loans		5,665,629	4,748,691
Repayment of bank and other loans		(5,663,045)	(4,767,980)
Capital element of finance lease rental payments		(205)	(187)
Proceeds from issue of warrants	33	25,220	—
Dividends paid		(9,724)	(9,724)
Repurchase of shares in a subsidiary for minority shareholders		(10)	(405)
Net cash inflow/(outflow) from financing activities		17,865	(29,605)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		24,957	(1,314)
Cash and cash equivalents at beginning of year		52,236	53,557
Effect of foreign exchange rate changes, net		4	(7)
CASH AND CASH EQUIVALENTS AT END OF YEAR		77,197	52,236
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	26	58,947	48,191
Non-pledged time deposits with original maturity of less than three months when acquired	26	12,500	3,500
Pledged time deposits with original maturity of less than three months	26	5,750	5,500
Bank overdrafts	31	—	(4,955)
		77,197	52,236