

# Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		26,679	8,601
Adjustments for:			
Finance costs	7	4,162	2,358
Interest income, excluding that derived from margin financing and money lending operations	5	(521)	(953)
Dividend income from listed investments	5	(1,346)	(925)
Fair value gain of an investment property	15	(7,000)	(30,000)
Losses/(gains) on disposal of available-for-sale financial assets		(540)	399
Fair value losses/(gains) on financial assets at fair value through profit or loss		(2,605)	15,697
Equity-settled share option expenses	6	6,711	–
Impairment of loans receivable		11,290	11,151
Depreciation	6	2,096	2,646
Gain on disposal of items of property, plant and equipment, net	6	–	(23)
		<b>38,926</b>	<b>8,951</b>
Increase in financial assets at fair value through profit or loss		(20,362)	(7,197)
Decrease/(increase) in non-current loans receivable		422	(1,173)
(Increase)/decrease in loans receivable		(66,612)	7,869
Increase in trade receivables		(26,272)	(13,434)
Increase in other receivables, prepayments and deposits		(2,668)	(5,323)
Decrease in an amount due from an intermediate holding company, net		442	3,634
Decrease/(increase) in cash held on behalf of clients		(126,909)	97,825
Increase/(decrease) in client deposits		136,252	(69,526)
Increase/(decrease) in trade payables		23,997	(2,651)
Increase/(decrease) in other payables and accruals		2,735	(1,188)
		<b>(40,049)</b>	<b>17,787</b>
Cash generated from/(used in) operations			
Interest received, excluding that derived from margin financing and money lending operations		521	953
Interest paid		(4,144)	(2,321)
Interest element on finance lease rental payments		(18)	(37)
Hong Kong profits tax paid		(54)	(7,191)
Overseas taxes paid		(87)	(90)
		<b>(43,831)</b>	<b>9,101</b>
Net cash inflow/(outflow) from operating activities			

# Consolidated Cash Flow Statement (Continued)

Year ended 31 December 2006

	Notes	2006 HK\$'000	2005 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from listed investments		1,346	925
Proceeds from disposal of items of property, plant and equipment		–	38
Purchases of items of property, plant and equipment	14	(1,282)	(2,105)
Purchases of available-for-sale financial assets		(14,454)	(4,253)
Proceeds from disposal of available-for-sale financial assets		3,305	3,303
Acquisition of minority interests		(390)	(10)
Decrease/(increase) in other assets		(1,040)	83
<b>Net cash outflow from investing activities</b>		<b>(12,515)</b>	<b>(2,019)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank and other borrowings		14,631,151	5,665,629
Repayment of bank and other borrowings		(14,568,815)	(5,663,045)
Capital element on finance lease rental payments		(223)	(205)
Proceeds from issue of warrants	34	–	25,220
Issue of shares	34	14,461	–
Dividend paid		–	(9,724)
<b>Net cash inflow from financing activities</b>		<b>76,574</b>	<b>17,875</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>20,228</b>	<b>24,957</b>
Cash and cash equivalents at beginning of year		77,197	52,236
Effect of foreign exchange rate changes, net		(3)	4
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>97,422</b>	<b>77,197</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	26	59,507	58,947
Non-pledged time deposits with original maturity of less than three months when acquired	26	36,500	12,500
Pledged time deposits with original maturity of less than three months when acquired	26	5,750	5,750
Bank overdrafts	32	(4,335)	–
		<b>97,422</b>	<b>77,197</b>