

Cash Flow Statement

For the year ended 20th February 2004

	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES		
Profit before taxation	145,699	138,195
Adjustments for:		
Gain on disposal of investment securities and other investments	–	(33,322)
Net loss (gain) on disposal of property, plant and equipment	46	(84)
Net unrealised loss on revaluation of investment securities and other investments	586	1,584
Interest expense	116,945	143,864
(Reversal of) increase in allowance for bad and doubtful debts	(45,480)	87,183
Dividends received on listed investments	(260)	(1,423)
Depreciation	28,331	25,931
Operating cash flows before movements in working capital	245,867	361,928
(Increase) decrease in amount due from an associate	(33)	140
Decrease in hire purchase debtors	45,922	59,176
Increase in instalment loans receivable	(300,345)	(73,374)
Decrease in credit card receivables	195,693	1,061,671
Increase in retained interests in securitisation trust	(141,667)	(653,614)
(Increase) decrease in prepayments, deposits, interest receivable and other debtors	(1,590)	37,725
Increase (decrease) in creditors and accrued charges	10,675	(10,941)
Increase in amount due to securitisation trust	10,521	31,136
Increase (decrease) in amount due to immediate holding company	952	(52)
Decrease in amount due to a fellow subsidiary	(769)	(9,571)
Increase in amount due to ultimate holding company	–	1
Cash generated from operations	65,226	804,225
Tax refunded (paid)	11,039	(35,032)
Interest paid	(111,288)	(138,459)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(35,023)	630,734
INVESTING ACTIVITIES		
Decrease in pledged time deposits	106,494	25,350
Dividends received	260	1,423
Proceeds from disposal of property, plant and equipment	4	403
Increase in cash reserve retained in securitisation trust	(39,250)	(79,000)
Purchase of property, plant and equipment	(15,238)	(31,754)
Net proceeds from disposal of investment securities and other investments	–	71,825
Investment in an associate	–	(9,593)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	52,270	(21,346)

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FINANCING ACTIVITIES		
New bank loans raised	9,287,600	310,000
Repayment of bank loans	(9,043,000)	(517,800)
Repayment of issued debt securities	(335,403)	(204,597)
Dividends paid	(54,441)	(54,434)
NET CASH USED IN FINANCING ACTIVITIES	<u>(145,244)</u>	<u>(466,831)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(127,997)	142,557
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>234,764</u>	<u>92,207</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>106,767</u>	<u>234,764</u>
Being:		
Time deposits	29,000	153,580
Bank balances and cash	78,077	82,429
Bank overdrafts	(310)	(1,245)
	<u>106,767</u>	<u>234,764</u>