

Consolidated Cash Flow Statement

Year ended 31st December 2004

	Notes	2004 HK\$	2003 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(6,230,649)	(11,522,244)
Adjustments for:			
Interest income	7	(2,728,780)	(2,536,918)
Dividend income from listed investments	6	(109,589)	(475,963)
Finance costs	8	6,426,706	7,199,732
Amortisation of intangible assets	7	505,910	505,910
Depreciation	7	219,262	425,924
Exchange losses, net		—	108,214
Gain on disposal of fixed assets	7	(400)	—
Loss/(gain) on disposal of listed equity investments	6, 7	(1,176,500)	15,700
Write-off of fixed assets	7	—	5,328
Unrealised holding losses/(gains) on short term investments		719,000	(5,929,051)
Deficit/(surplus) on revaluation of investment properties		(6,280,000)	1,120,000
Provision/(Write-back of provision) for doubtful debts		(962,514)	671,693
Impairment of intangible assets		702,055	475,352
Operating loss before working capital changes		(8,915,499)	(9,936,323)
Decrease/(increase) in loans receivable		13,961,961	(6,482,696)
Decrease/(increase) in accounts receivable		2,077,602	(5,326,876)
Increase in prepayments and other debtors		(893,219)	(551,765)
Decrease/(increase) in short term investments		13,835,723	(15,700)
Increase in client trust bank accounts		(1,538,976)	(1,052,752)
Increase in accounts payable, other payables and accruals		6,116,698	9,863,878
Exchange realignment		36,299	—
Cash generated from/(used in) operations		24,680,589	(13,502,234)
Hong Kong profits tax paid		(27,018)	(78,104)
Interest received		2,728,780	2,536,918
Dividend received from listed investments		109,589	475,963
Interest paid		(6,426,706)	(7,199,732)
Net cash inflow/(outflow) from operating activities		21,065,234	(17,767,189)

Consolidated Cash Flow Statement

Year ended 31st December 2004

	Notes	2004 HK\$	2003 HK\$
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(23,560)	(67,925)
Proceeds from disposals of fixed assets		400	—
Net cash outflow from investing activities		(23,160)	(67,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank loans		(1,561,678)	(2,224,418)
Repayment to a fellow subsidiary		(1,932,500)	—
Repayment to the immediate holding company		(12,067,500)	—
Net cash outflow from financing activities		(15,561,678)	(2,224,418)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		5,480,396	(20,059,532)
Cash and cash equivalents at beginning of year		6,191,060	26,258,430
Effect of foreign exchange rate changes, net		(3,017)	(7,838)
CASH AND CASH EQUIVALENTS AT END OF YEAR		11,668,439	6,191,060
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	3,257,012	1,498,718
Bank overdrafts, secured	23	(588,573)	(307,658)
Non-pledged time deposit with original maturity of less than three months when acquired	22	9,000,000	—
Time deposits with original maturity of less than three months when acquired, pledged as securities for a bank overdraft facility	21	—	5,000,000
		11,668,439	6,191,060