

Consolidated Cash Flow Statement

For the year ended 30 June 2005

	2005 HK\$'000	2004 HK\$'000
Cash flow from operating activities		
(Loss)/profit before taxation	(11,848)	28,853
Adjustments for:		
Dividend income	(1,246)	(2,978)
Interest income	(4,445)	(2,598)
Interest expenses	361	325
Amortisation of intangible assets	60	60
Provision for bad and doubtful debts	45	516
Depreciation of owned fixed assets	1,873	1,719
Gain on disposal of non-trading investments	-	(145)
Loss on disposal of fixed assets	1	1
Operating (loss)/profit before working capital changes	(15,199)	25,753
Decrease in other assets	-	100
Decrease/(increase) in loans and advances	6,346	(19,686)
Decrease/(increase) in accounts receivable	35,482	(19,733)
Increase in trading securities	(939)	-
Decrease/(increase) in deposits, prepayments and other receivables	773	(119)
Decrease in accounts payable	(20,861)	(7,190)
(Decrease)/increase in other payables and accrued charges	(6,348)	4,592
Net cash used in operations	(746)	(16,283)
Purchase of tax reserve certificate issued by		
Inland Revenue Department	(11,281)	(1,262)
Hong Kong profits tax paid	(188)	-
Interests received	4,621	2,348
Interests paid	(361)	(325)
Net cash used in operating activities	(7,955)	(15,522)
Investing activities		
Purchase of fixed assets	(929)	(2,215)
Proceeds from disposal of fixed assets	10	-
Proceeds from disposal of non-trading investments	-	9,495
Dividends received	1,246	2,978
Acquisitions of non-trading investments	(5,639)	-
Net cash (used in)/generated from investing activities	(5,312)	10,258

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Financing activities		
Dividends paid	(2,000)	(4,000)
Decrease in pledged deposits to banks	1,823	974
Capital contribution to a subsidiary by a minority shareholder	–	50
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Net cash used in financing activities	(177)	(2,976)
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Decrease in cash and cash equivalents	(13,444)	(8,240)
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Cash and cash equivalents at 1 July	50,263	58,503
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Cash and cash equivalents at 30 June	36,819	50,263
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Analysis of balances of cash and cash equivalents		
Cash and bank balances	36,819	50,263
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Reconciliation with the consolidated balance sheet		
Cash and bank balances shown in the consolidated balance sheet	38,319	53,586
Less: pledged deposits to banks	(1,500)	(3,323)
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Cash and cash equivalents in the cash flow statement	36,819	50,263
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