

## Consolidated Cash Flow Statement

Year ended 31 December 2003

	Notes	2003 HK\$'000	2002 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		29,804	(225,255)
Adjustments for:			
Finance costs	7	1,395	1,459
Interest income, excluding that derived from margin financing and money lending operations	6	(2,078)	(3,910)
Deficit/(surplus) on revaluation of an investment property		(6,000)	18,500
Loss/(gain) on disposal of long term investments	6	(4,138)	61,225
Impairment/(reversal of impairment) of long term investments	6	(1,832)	22,560
Decrease/(increase) in fair values of short term investments		(33,269)	13,807
Provisions for bad and doubtful debts		14,484	53,246
Depreciation	6	6,742	9,114
Loss on disposal of fixed assets	6	28	49
Amortisation of intangible assets	6	162	162
Exchange realignment, net		(15)	(21)
Operating profit/(loss) before working capital changes		5,283	(49,064)
Decrease in short term investments		9,468	45,888
Decrease in loans and advances		25,884	8,639
Increase in trade debtors		(18,989)	(32,143)
Decrease in other debtors, prepayments and deposits		2,834	1,465
Decrease in amount due from an intermediate holding company		22,465	38,199
Decrease/(increase) in cash held on behalf of clients		(129,434)	39,919
Increase/(decrease) in client deposits		109,288	(43,791)
Increase in trade creditors		32,643	48,755
Increase/(decrease) in other creditors and accruals		(185)	489
Cash generated from operating activities		59,257	58,356
Interest received		2,078	3,910
Interest paid		(1,324)	(1,411)
Interest element of finance lease rental payments		(71)	(48)
Hong Kong profits tax refund/(paid)		452	(585)
Overseas tax paid		(217)	(172)
Net cash inflow from operating activities		60,175	60,050

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Year ended 31 December 2003

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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of fixed assets		70	23
Purchases of fixed assets	14	(682)	(2,434)
Decrease in other assets		82	53
Proceeds from disposal of long term investments		11,259	22,709
Net cash inflow from investing activities		10,729	20,351
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		—	39
Repurchase of shares		—	(86)
Repurchase of shares in a subsidiary from minority shareholders		(525)	(95)
New bank and other loans		3,722,430	4,532,610
Repayment of bank and other loans		(3,742,854)	(4,639,964)
Capital element of finance lease rental payments		(171)	(113)
Dividends paid		—	(4,862)
Net cash outflow from financing activities		(21,120)	(112,471)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		49,784	(32,070)
Cash and cash equivalents at beginning of year		2,273	34,343
CASH AND CASH EQUIVALENTS AT END OF YEAR		52,057	2,273
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		53,218	22,723
Bank overdrafts	26	(1,161)	(20,450)
		52,057	2,273