

consolidated cash flow statement

Year ended 31 December 2004

HK\$ million	Notes	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		141	82
Adjustments for:			
Interest income	5	(1)	(1)
Gain on disposals of fixed assets, net	6	(1)	—
Finance costs	7	53	29
Gain on disposal of subsidiaries	6	(20)	—
Depreciation	6	85	43
Amortisation of goodwill	6	2	2
Impairment of goodwill	6	1	—
Amortisation of deferred development costs	6	30	20
Bad and doubtful debt provisions on trade receivables	6	3	—
Bad and doubtful debt provisions on other receivables	6	3	—
Provision for slow-moving and obsolete inventories	6	33	8
Write off of fixed assets	6	—	18
Write off of deferred development costs	6	15	7
Operating profit before working capital changes		344	208
Decrease/(increase) in inventories		(51)	28
Increase in trade and bills receivables, prepayments, deposits and other receivables		(202)	(44)
Increase in trade and bills payables, other payables and accruals		132	247
Cash generated from operations		223	439
Interest received		1	1
Interest paid		(53)	(29)
Hong Kong profits tax paid		(14)	(7)
Net cash inflow from operating activities		157	404

Year ended 31 December 2004

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Net cash inflow from operating activities		157	404
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(131)	(32)
Proceeds from disposals of fixed assets		2	6
Additions to deferred development costs	15	(50)	(19)
Acquisition of subsidiaries	32(b)	—	135
Disposal of subsidiaries	32(c)	(36)	—
Decrease/(increase) in pledged time deposits		5	(36)
Net cash inflow/(outflow) from investing activities		(210)	54
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of convertible notes		—	21
New bank loans		148	93
Repayment of bank loans		(224)	(115)
Net new/(repayment of) trust receipts		102	(69)
Capital element of finance lease rental payments		(1)	(1)
Net cash inflow/(outflow) from financing activities		25	(71)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		450	63
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	347	317
Non-pledged time deposits with original maturity of less than three months when acquired		75	133
		422	450