Consolidated Cash Flow Statement Year ended 31 December 2003

Notes				
CASH FLOWS FROM OPERATING ACTIVITIES Loss before tax (23,163) (36,020) Adjustments for: (23,163) (36,020) Finance costs 9 21,594 19,516 Share of loss of an associate 1,938 3,518 Interest income 6 (1,465) (785) Loss on disposal of fixed assets 6 816 - Depreciation 6 39,286 38,189 Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33			2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES (23,163) (36,020) Adjustments for: 9 21,594 19,516 Share of loss of an associate 1,938 3,518 Interest income 6 (1,465) (785) Loss on disposal of fixed assets 6 1,583 309 Write-off of intangible assets 6 39,286 38,189 Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables (14,553) 1,310 Increase/(decrease) in other payables and accruals 13,132 (2,941		Notes	HK\$'000	HK\$'000
Comparison of the content of the c				(Restated)
Comparison of the content of the c				
Adjustments for: Finance costs Share of loss of an associate Interest income Interest i	CASH FLOWS FROM OPERATING ACTIVITIES			
Finance costs Share of loss of an associate Interest income In	Loss before tax		(23,163)	(36,020)
1,938 3,518 Interest income	Adjustments for:			
Interest income	Finance costs	9	21,594	19,516
Loss on disposal of fixed assets 6 1,583 309 Write-off of intangible assets 6 816 - Depreciation 6 39,286 38,189 Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase /(increase) in prepayments, deposit (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 33,698 13,014 Cash generated from operations 33,698 13,014 Taxes paid (2,726) (1,853)	Share of loss of an associate		1,938	3,518
Write-off of intangible assets 6 816 - Depreciation 6 39,286 38,189 Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes paid (2,726) (1,853)	Interest income	6	(1,465)	(785)
Depreciation 6 39,286 38,189 Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes paid (2,726) (1,853)	Loss on disposal of fixed assets	6	1,583	309
Amortisation of intangible assets 6 20,532 20,452 Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes paid (2,726) (1,853)	Write-off of intangible assets	6	816	_
Amortisation of goodwill 6 1,510 623 Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes refunded 2,205 - Taxes paid (2,726) (1,853)	Depreciation	6	39,286	38,189
Negative goodwill recognised as income 6 (9) (10) Impairment of an investment in an associate 6 - 142 Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes refunded 2,205 - Taxes paid (1,853)	Amortisation of intangible assets	6	20,532	20,452
Impairment of an investment in an associate Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes Increase in inventories (33,519) Increase in accounts receivable Increase in accounts receivable Operating profit before working capital changes Increase in accounts receivable Increase in accounts receivable Increase/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Increase/(decrease) in other payables and accruals Increase/(decrease) Increase/	Amortisation of goodwill	6	1,510	623
Provision for doubtful debts 6 7,746 2,781 Operating profit before working capital changes 70,368 48,715 Increase in inventories (33,519) (28,416) Increase in accounts receivable (27,870) (2,942) Decrease/(increase) in prepayments, deposit and other receivables (14,553) 1,310 Increase/(decrease) in accounts and bills payables 26,140 (2,712) Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes refunded 2,205 - Taxes paid (2,726) (1,853)	Negative goodwill recognised as income	6	(9)	(10)
Operating profit before working capital changes Increase in inventories Increase in accounts receivable Increase/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid 70,368 48,715 (28,416) (27,870) (2,942) (2,942) (2,942) (14,553) 1,310 (2,712) (2,712) (2,941) (2,941) (2,941)	Impairment of an investment in an associate	6	_	142
Increase in inventories Increase in accounts receivable Decrease/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid (28,416) (27,870) (2,942) (14,553) 1,310 (2,712) (2,712) (2,941) 33,698 13,014 Taxes refunded 2,205 - (1,853)	Provision for doubtful debts	6	7,746	2,781
Increase in inventories Increase in accounts receivable Decrease/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid (28,416) (27,870) (2,942) (14,553) 1,310 (2,712) (2,712) (2,941) 33,698 13,014 Taxes refunded 2,205 - (1,853)				
Increase in accounts receivable Decrease/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid (27,870) (2,942) (2,942) (14,553) (14,553) (2,712) (2,712) (2,712) (2,941) (2,941) (33,698 (2,726) (1,853)	Operating profit before working capital changes		70,368	48,715
Decrease/(increase) in prepayments, deposit and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid (14,553) 1,310 (2,712) (2,941) 33,698 13,014 (2,726) (1,853)	Increase in inventories		(33,519)	(28,416)
and other receivables Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid (14,553) 1,310 (2,712) 13,132 (2,941) 33,698 13,014 (2,726) (1,853)	Increase in accounts receivable		(27,870)	(2,942)
Increase/(decrease) in accounts and bills payables Increase/(decrease) in other payables and accruals Cash generated from operations Taxes refunded Taxes paid 26,140 (2,712) 13,132 (2,941) 33,698 13,014 72,205 - (2,726) (1,853)	Decrease/(increase) in prepayments, deposit			
Increase/(decrease) in other payables and accruals 13,132 (2,941) Cash generated from operations 33,698 13,014 Taxes refunded 2,205 - Taxes paid (2,726) (1,853)	and other receivables		(14,553)	1,310
Cash generated from operations 33,698 13,014 Taxes refunded 2,205 - Taxes paid (2,726) (1,853)	Increase/(decrease) in accounts and bills payables		26,140	(2,712)
Taxes refunded 2,205 - Taxes paid (2,726) (1,853)	Increase/(decrease) in other payables and accruals		13,132	(2,941)
Taxes refunded 2,205 - Taxes paid (2,726) (1,853)				
Taxes paid (2,726) (1,853)	Cash generated from operations		33,698	13,014
	Taxes refunded		2,205	-
Net cash inflow from operating activities 33.177 11 161	Taxes paid		(2,726)	(1,853)
Net cash inflow from operating activities 33.177				
11,101	Net cash inflow from operating activities		33,177	11,161

Consolidated Cash Flow Statement

Year ended 31 December 2003

		2003	2002
	Notes	HK\$'000	HK\$'000
			(Restated)
Net cash inflow from operating activities		33,177	11,161
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,465	785
Purchases of fixed assets		(16,336)	(38,214)
Proceeds from disposal of fixed assets		2,711	896
Proceeds from disposal of an associate		3,905	-
Acquisition of subsidiaries	31(a)	-	(164)
Additions to intangible assets	15	(22,534)	(18,182)
Purchases of investment securities		-	(4,161)
Proceeds from disposal of long term investment		59	-
Increase in balances with associates		(770)	(103)
		(24 - 200)	(50.1.10)
Net cash outflow from investing activities		(31,500)	(59,143)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(21,192)	(19,076)
Interest element on finance lease rental payments		(402)	(440)
Proceeds from issue of shares		(102)	43,865
Drawdown of shareholders' loans		11,700	15,005
Share issue expenses	28	(50)	(324)
Drawdown of bank loans	20	27,168	53,375
Repayment of bank loans		(36,795)	(47,534)
Increase in trust receipt loans		18,312	24,115
Capital element of finance lease rental payments		(5,267)	(5,556)
		(3,23.)	(0,000)
Net cash inflow/(outflow) from financing activities		(6,526)	48,425
NET INCREASE/(DECREASE) IN CASH AND			
CASH EQUIVALENTS		(4,849)	443
Cash and cash equivalents at beginning of year		18,930	15,328
Cash and cash equivalents at beginning of year		10,930	15,326
Effect of foreign exchange differences, net		8,269	3,159
			·
CASH AND CASH EQUIVALENTS AT END OF YEAR		22,350	18,930
ANALYSIS OF BALANCES OF CASH AND			
CASH EQUIVALENTS			
Cash and bank balances		22 672	24.750
Bank overdrafts		33,672	34,750
Dalik Overthalis		(11,322)	(15,820)
		22,350	18,930
		,	10,000