## Consolidated Cash Flow Statement Year ended 31 December 2003

Notes				_ Period from
CASH FLOWS FROM OPERATING ACTIVITIES   Profit/floss) before tax			Year ended	1 October 2001
CASH FLOWS FROM OPERATING ACTIVITIES         HK\$'000         HK\$'000           Profit/(lloss) before tax         35,264         (20,993)           Adjustments for:         7         26,370         37,171           Loss on disposal of subsidiaries, associates and jointly-controlled entity         -         6,672           Write back of provision of investments in and amounts due from jointly-controlled entities         -         (3,284)           Share of profits and losses of jointly-controlled entities and associates         (1,486)         (84)           Interest income         6         (1,005)         (5,715)           Dividend income from long term investments         6         -         (2,047)           Loss/(gain) on disposal of fixed assets         6         3,875         (370)           Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease (increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in inventories         41,781         (11,979)           Decrease/(increase) in amounts due fro			31 December	to 31 December
CASH FLOWS FROM OPERATING ACTIVITIES         35,264         (20,993)           Adjustments for:         7         26,370         37,171           Loss on disposal of subsidiaries, associates and jointly-controlled entity         -         6,672           Write back of provision of investments in and amounts due from jointly-controlled entities         -         (3,284)           Share of profits and losses of jointly-controlled entities and associates         (1,486)         (84)           Interest income         6         (1,005)         (5,715)           Dividend income from long term investments         6         -         (2,047)           Loss/(gain) on disposal of fixed assets         6         3,875         (370)           Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease (increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in inventories         41,781         (11,979)           Decrease/(increase) in amounts due from jointly-controlled entities         2,780         (533)			2003	2002
Profit/(loss) before tax		Notes	HK\$'000	HK\$'000
Adjustments for: Finance costs 7 26,370 37,171  Loss on disposal of subsidiaries, associates and jointly-controlled entity - 6,672  Write back of provision of investments in and amounts due from jointly-controlled entities - (3,284)  Share of profits and losses of jointly-controlled entities - (1,486) (84)  Interest income 6 (1,005) (5,715)  Dividend income from long term investments 6 - (2,047)  Loss/(gain) on disposal of fixed assets 6 3,875 (370)  Depreciation 6 40,384 47,572  Amortisation of trademarks 6 692 864  Operating profit before working capital changes 104,094 59,786  Decrease/increase) in bills receivable (9,953) 5,560  Decrease/(increase) in trade receivables (38,754) 33,112  Decrease/(increase) in inventories 41,781 (11,979)  Decrease/(increase) in amounts due from jointly-controlled entities 2,780 (533)  Decrease/(increase) in amounts due from jointly-controlled entities 1,592 28,203  Increase in trade payables and accrued purchases 1,592 28,203  Increase in provision for long service payments (1,337) (6,931)  Increase in amounts due to jointly-controlled entities 5,590 - Cash generated from operations 121,018 34,965  Hong Kong profits tax paid (454) (3,167)  Overseas taxes paid	CASH FLOWS FROM OPERATING ACTIVITIES			
Adjustments for: Finance costs 7 26,370 37,171  Loss on disposal of subsidiaries, associates and jointly-controlled entity - 6,672  Write back of provision of investments in and amounts due from jointly-controlled entities - (3,284)  Share of profits and losses of jointly-controlled entities - (1,486) (84)  Interest income 6 (1,005) (5,715)  Dividend income from long term investments 6 - (2,047)  Loss/(gain) on disposal of fixed assets 6 3,875 (370)  Depreciation 6 40,384 47,572  Amortisation of trademarks 6 692 864  Operating profit before working capital changes 104,094 59,786  Decrease/increase) in bills receivable (9,953) 5,560  Decrease/(increase) in trade receivables (38,754) 33,112  Decrease/(increase) in inventories 41,781 (11,979)  Decrease/(increase) in amounts due from jointly-controlled entities 2,780 (533)  Decrease/(increase) in amounts due from jointly-controlled entities 1,592 28,203  Increase in trade payables and accrued purchases 1,592 28,203  Increase in provision for long service payments (1,337) (6,931)  Increase in amounts due to jointly-controlled entities 5,590 - Cash generated from operations 121,018 34,965  Hong Kong profits tax paid (454) (3,167)  Overseas taxes paid	Profit/(loss) before tax		35,264	(20,993)
Finance costs				
Loss on disposal of subsidiaries, associates and jointly-controlled entity  Write back of provision of investments in and amounts due from jointly-controlled entities  Share of profits and losses of jointly-controlled entities and associates  Interest income 6 (1,486) (84)  Interest income 6 (1,005) (5,715)  Dividend income from long term investments 6 - (2,047)  Loss/(gain) on disposal of fixed assets 6 3,875 (370)  Depreciation 6 40,384 47,572  Amortisation of trademarks 6 692 864  Operating profit before working capital changes 104,094 59,786  Decrease in certificate of deposits - 13,452  Decrease/(increase) in bills receivable (9,953) 5,560  Decrease/(increase) in irventories (38,754) 33,112  Decrease/(increase) in deposits, prepayments and other receivables 4,940 (42,203)  Decrease/(increase) in amounts due from jointly-controlled entities 2,780 (533)  Decrease in trade payables and accrued purchases 1,592 28,203  Increase in trade payables and accrued purchases 11,236 (17,100)  Decrease in provision for long service payments (1,337) (6,931)  Increase in amounts due to jointly-controlled entities 5,590 -  Cash generated from operations 121,018 34,965  Hong Kong profits tax paid (454) (3,167)  Overseas taxes paid		7	26,370	37.171
and jointly-controlled entity  Write back of provision of investments in and amounts due from jointly-controlled entities Share of profits and losses of jointly-controlled entities and associates Interest income Olividend income from long term investments Objective and losses of jointly-controlled entities and associates Interest income Olividend income from long term investments Objective and losses of jointly-controlled entities Objective and losses of jointly-controlled entities Objective and losses of jointly-controlled e				
Write back of provision of investments in and amounts due from jointly-controlled entities Share of profits and losses of jointly-controlled entities and associates  (1,486) (84) Interest income 6 (1,005) (5,715) Dividend income from long term investments 6 - (2,047) Loss/(gain) on disposal of fixed assets 6 3,875 (370) Depreciation 6 40,384 47,572 Amortisation of trademarks 6 692 864  Operating profit before working capital changes Decrease in certificate of deposits - 13,452 Decrease/(increase) in bills receivable (9,953) 5,560 Decrease/(increase) in inventories (38,754) 33,112 Decrease/(increase) in inventories 41,781 (11,979) Decrease/(increase) in deposits, prepayments and other receivables 4,940 (42,203) Decrease/(increase) in amounts due from jointly-controlled entities 2,780 (533) Decrease in trade payables and accrued purchases 1,592 (28,203) Increase in trade payables and accrued purchases 11,236 (17,100) Decrease in provision for long service payments (1,337) (6,931) Increase in amounts due to jointly-controlled entities 5,590 - Cash generated from operations 121,018 34,965 Hong Kong profits tax paid (454) (3,167) Overseas taxes paid			_	6.672
and amounts due from jointly-controlled entities Share of profits and losses of jointly-controlled entities and associates (1,486) (84) Interest income 6 (1,005) (5,715) Dividend income from long term investments 6 - (2,047) Loss/(gain) on disposal of fixed assets 6 3,875 (370) Depreciation 6 40,384 47,572 Amortisation of trademarks 6 692 864  Operating profit before working capital changes Decrease in certificate of deposits - 13,452 Decrease/(increase) in bills receivable Decrease/(increase) in trade receivables (9,953) Decrease/(increase) in trade receivables 3 do ther receivables and other receivables Decrease/(increase) in amounts due from jointly-controlled entities Decrease in trade payables and accrued purchases Increase in trade payables and accrued purchases Increase in provision for long service payments (1,337) Increase in amounts due to jointly-controlled entities Cash generated from operations  Hong Kong profits tax paid (454) Overseas taxes paid  (1,486) (84) (84) (84) (84) (84) (84) (84) (84				
Share of profits and losses of jointly-controlled entities and associates  Interest income  By Interest income  Controlled entities and associates  Interest income  Controlled income from long term investments  Controlled entities  Controll			_	(3.284)
entities and associates         (1,486)         (84)           Interest income         6         (1,005)         (5,715)           Dividend income from long term investments         6         -         (2,047)           Loss/(gain) on disposal of fixed assets         6         3,875         (370)           Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease in certificate of deposits         -         13,452           Decrease/(increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in inventories         41,781         (11,979)           Decrease/(increase) in deposits, prepayments         4,940         (42,203)           Decrease/(increase) in amounts due from jointly-controlled entities         2,780         (533)           Decrease in bills payable         (951)         (26,402)           Increase in trade payables and accrued purchases         1,592         28,203           Increase in provision for long service payments         (1,337)         (6,931)				
Interest income   6			(1,486)	(84)
Dividend income from long term investments         6         —         (2,047)           Loss/(gain) on disposal of fixed assets         6         3,875         (370)           Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease in certificate of deposits         —         13,452           Decrease/(increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in inventories         41,781         (11,979)           Decrease/(increase) in deposits, prepayments         4,940         (42,203)           Decrease/(increase) in amounts due from jointly-controlled entities         2,780         (533)           Decrease in bills payable         (951)         (26,402)           Increase in trade payables and accrued purchases         1,592         28,203           Increase in provision for long service payments         (1,337)         (6,931)           Increase in amounts due to jointly-controlled entities         5,590         —           Cash generated from operations         121,018         34,965     <		6		
Loss/(gain) on disposal of fixed assets         6         3,875         (370)           Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease in certificate of deposits         -         13,452           Decrease/(increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in inventories         41,781         (11,979)           Decrease/(increase) in deposits, prepayments         41,781         (11,979)           Decrease/(increase) in deposits, prepayments         4,940         (42,203)           Decrease/(increase) in amounts due from jointly-controlled entities         2,780         (533)           Decrease in trade payable         (951)         (26,402)           Increase in trade payables and accrued purchases         1,592         28,203           Increase/(decrease) in other payables and accruals         11,236         (17,100)           Decrease in provision for long service payments         (1,337)         (6,931)           Increase in amounts due to jointly-controlled entities         5,590         -<			_	
Depreciation         6         40,384         47,572           Amortisation of trademarks         6         692         864           Operating profit before working capital changes         104,094         59,786           Decrease in certificate of deposits         -         13,452           Decrease/(increase) in bills receivable         (9,953)         5,560           Decrease/(increase) in trade receivables         (38,754)         33,112           Decrease/(increase) in deposits, prepayments         41,781         (11,979)           Decrease/(increase) in deposits, prepayments         4,940         (42,203)           Decrease/(increase) in amounts due from jointly-controlled entities         2,780         (533)           Decrease in bills payable         (951)         (26,402)           Increase in trade payables and accrued purchases         1,592         28,203           Increase in provision for long service payments         11,236         (17,100)           Decrease in amounts due to jointly-controlled entities         5,590         -           Cash generated from operations         121,018         34,965           Hong Kong profits tax paid         (454)         (3,167)           Overseas taxes paid         (2,290)         (1,172)			3,875	
Amortisation of trademarks 6 692 864  Operating profit before working capital changes Decrease in certificate of deposits - 13,452 Decrease/(increase) in bills receivable (9,953) 5,560 Decrease/(increase) in trade receivables (38,754) 33,112 Decrease/(increase) in inventories 41,781 (11,979) Decrease/(increase) in deposits, prepayments and other receivables 4,940 (42,203) Decrease/(increase) in amounts due from jointly-controlled entities 2,780 (533) Decrease in bills payable (951) (26,402) Increase in trade payables and accrued purchases 1,592 28,203 Increase/(decrease) in other payables and accruals 11,236 (17,100) Decrease in provision for long service payments (1,337) (6,931) Increase in amounts due to jointly-controlled entities 5,590 - Cash generated from operations 121,018 34,965 Hong Kong profits tax paid (454) (3,167) Overseas taxes paid				
Decrease in certificate of deposits  Decrease/(increase) in bills receivable  Decrease/(increase) in trade receivables  Decrease/(increase) in inventories  Decrease/(increase) in inventories  Decrease/(increase) in inventories  Decrease/(increase) in deposits, prepayments and other receivables  Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable  Increase in trade payables and accrued purchases  Increase in trade payables and accrued purchases  Increase/(decrease) in other payables and accruals  Decrease in provision for long service payments  Increase in amounts due to jointly-controlled entities  Cash generated from operations  Increase in trade payable  Cash generated from operations  Increase in amounts due to jointly-controlled entities  Decrease in amounts due to jointly-controlled entities  Increase in amounts due to jointly-controlled entities  Decrease in amounts due to jointly-controlled entities  Increase in amount		6	692	
Decrease in certificate of deposits  Decrease/(increase) in bills receivable  Decrease/(increase) in trade receivables  Decrease/(increase) in inventories  Decrease/(increase) in inventories  Decrease/(increase) in inventories  Decrease/(increase) in deposits, prepayments and other receivables  Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable  Increase in trade payables and accrued purchases  Increase in trade payables and accrued purchases  Increase/(decrease) in other payables and accruals  Decrease in provision for long service payments  Increase in amounts due to jointly-controlled entities  Cash generated from operations  Increase in trade payable  Cash generated from operations  Increase in amounts due to jointly-controlled entities  Decrease in amounts due to jointly-controlled entities  Increase in amounts due to jointly-controlled entities  Decrease in amounts due to jointly-controlled entities  Increase in amount	Operating profit hefere working conital changes		104.004	50 796
Decrease/(increase) in bills receivable Decrease/(increase) in trade receivables Decrease/(increase) in inventories Decrease/(increase) in inventories Decrease/(increase) in deposits, prepayments and other receivables Decrease/(increase) in amounts due from jointly-controlled entities Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Decrease in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid  Overseas taxes paid  (9,953) 33,712 (11,978)  4,940 (42,203)  4,940 (42,203)  (533) (533) (533) (533) (5402) (17,100) (17,100) (17,100) (17,100) (17,100) (17,100) (17,100) (17,101) (17,101) (17,101) (17,101) (17,101) (17,102)			104,094	
Decrease/(increase) in trade receivables Decrease/(increase) in inventories Decrease/(increase) in deposits, prepayments and other receivables Decrease/(increase) in amounts due from jointly-controlled entities Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid  Overseas taxes paid  (38,754) 41,781 (11,979)  44,781 (11,979)  4,940 (42,203)  4,940 (45,402) (533)  2,780 (951) (26,402) (17,100)			(0.052)	
Decrease/(increase) in inventories  Decrease/(increase) in deposits, prepayments and other receivables  Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid  Overseas taxes paid  (11,979)  41,781  (11,979)  41,781  (11,979)  4,940  (42,203)  (533)  (533)  (533)  (533)  (533)  (17,102)  (26,402)  (17,100)				
Decrease/(increase) in deposits, prepayments and other receivables  Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  4,940  (42,203)  4,940  (42,203)  (533)  (533)  (951)  (1,592  28,203  (17,100)  (1,337)  (6,931)  (6,931)  (6,931)  (7,100)  (7,100)  (8,931)  (9,931				
and other receivables  Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid  Overseas taxes paid  4,940  (42,203)  4,940  (42,203)  (533)  (26,402)  (17,102)  (17,100)  (1			41,701	(11,979)
Decrease/(increase) in amounts due from jointly-controlled entities  Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  (533)  (2,780 (951) (26,402) (1,592 28,203 (17,100) (1,337) (1,337) (6,931) (6,931) (1,337) (6,931) (1,337) (6,931) (1,337) (1,337) (1,337) (1,337) (2,290) (1,172)			4 940	(42 203)
jointly-controlled entities  Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Decrease in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  (533)  (253) (26,402) (1532) (1533) (26,402) (17,100) (17,10			4,540	(42,203)
Decrease in bills payable Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  (951) (26,402) (17,102) (17,100) (1			2,780	(533)
Increase in trade payables and accrued purchases Increase/(decrease) in other payables and accruals Increase in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  1,592 28,203 11,236 (17,100) (1,337) (6,931) 121,018 34,965 (454) (3,167) (2,290) (1,172)	Decrease in bills payable			(26,402)
Increase/(decrease) in other payables and accruals  Decrease in provision for long service payments  Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid  Overseas taxes paid  (17,100)  (1,337)  (6,931)  5,590  -  (2,290)  (1,172)	Increase in trade payables and accrued purchases		1,592	
Decrease in provision for long service payments Increase in amounts due to jointly-controlled entities  Cash generated from operations  Hong Kong profits tax paid Overseas taxes paid  (1,337)  (6,931)  (1,337)  (1,337)  (1,337)  (2,590)  (3,167)  (3,167)  (1,172)			11,236	(17,100)
Increase in amounts due to jointly-controlled entities 5,590 —  Cash generated from operations 121,018 34,965  Hong Kong profits tax paid (454) (3,167)  Overseas taxes paid (2,290) (1,172)			(1,337)	
Hong Kong profits tax paid (454) (3,167) Overseas taxes paid (2,290) (1,172)	Increase in amounts due to jointly-controlled entities		5,590	-
Overseas taxes paid (2,290) (1,172)	Cash generated from operations		121,018	34,965
Overseas taxes paid (2,290) (1,172)	Hong Kong profits tax paid		(454)	(3.167)
Net cash inflow from operating activities 118,274 30,626				
	Net cash inflow from operating activities		118,274	30,626

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## Consolidated Cash Flow Statement Year ended 31 December 2003 (cont'd)

	Period from			
		Year ended	1 October 2001	
		31 December	to 31 December	
		2003	2002	
	Notes	HK\$'000	HK\$'000	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		1,005	5,715	
Dividends received from long term investments		-	2,047	
Purchases of fixed assets		(57,657)	(157,490)	
Proceeds from disposal of fixed assets		4,864	8,007	
Decrease in amounts due from jointly-controlled entities		40	4,360	
Increase in amounts due to associates		_	115	
Capital contribution to a jointly-controlled entity		(80)	(5,974)	
Disposal of subsidiaries	33(a)	_	(1,839)	
Decrease/(increase) in pledged deposits		11,961	(11,961)	
Proceeds from disposal of associates		_	3,206	
Acquisition of minority interests in subsidiaries		-	(271)	
Net cash outflow from investing activities		(39,867)	(154,085)	
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank loans		386,815	458,710	
Decrease in trust receipt loans		(5,164)	(112,659)	
Repayment of bank loans		(380,989)	(309,675)	
Capital element of finance lease and hire				
purchase rental payments		(538)	(661)	
Interest paid	7	(15,766)	(24,111)	
Interest element on finance lease and hire				
purchase rental payments	7	(73)	(81)	
Factoring expenses	7	(4,168)	(4,913)	
Bank charges	7	(6,363)	(8,066)	
Exercise of share options	30	1,525	1,151	
Dividends paid		(9,757)	(11,902)	
Net cash outflow from financing activities		(34,478)	(12,207)	

## Consolidated Cash Flow Statement Year ended 31 December 2003 (cont'd)

			Period from
		Year ended	1 October 2001
		31 December	to 31 December
		2003	2002
	Notes	HK\$'000	HK\$'000
NET INCREASE/(DECREASE) IN CASH AND			
CASH EQUIVALENTS		43,929	(135,666)
Cash and cash equivalents at beginning of year/period		136,040	271,520
Effect of foreign exchange rate changes, net		(334)	186
CASH AND CASH EQUIVALENTS AT END			
OF YEAR/PERIOD		179,635	136,040
ANALYSIS OF BALANCES OF CASH AND			
CASH EQUIVALENTS			
Cash and bank balances	29	182,581	137,043
Bank overdrafts	24	(2,946)	(1,003)
		179,635	136,040

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