

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Six months ended 30th September,	
	2004 HK\$'000	2003 HK\$'000
Net cash from operating activities	61,991	114,926
Net cash used in investing activities	(256,095)	(83,960)
Net cash from (used in) financing activities	205,163	(974)
Net increase in cash and cash equivalents	11,059	29,992
Cash and cash equivalents at 1st April	467,491	207,544
Cash and cash equivalents at 30th September	478,550	237,536
Analysis of the balances of cash and cash equivalents:		
Cash and bank balances	478,550	237,536

## NOTES TO CONDENSED CONSOLIDATED INTERIM ACCOUNTS

### 1. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim accounts (the "Interim Accounts") of the Group are prepared in accordance with Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, and the requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Interim Accounts should be read in conjunction with the 2004 annual accounts.

The accounting policies and basis of preparation used in the preparation of the Interim Accounts are the same as those adopted in the annual financial statements for the year ended 31st March, 2004.

### 2. Turnover and segmental information

Segment information is presented by way of geographical segments. As the Group's turnover and operating profit were contributed solely by manufacturing, trading, distributing and retailing timepieces products as well as providing after-sales services, business segments are not presented.

In determining the Group's geographical segments, segment revenue and results are based on the final destination of goods sold as follows:

	Turnover		Segment results	
	Six months ended 30th September,		Six months ended 30th September,	
	2004 HK\$'000	2003 (Restated) HK\$'000	2004 HK\$'000	2003 (Restated) HK\$'000
The Americas	420,423	341,141	51,794	54,348
Asia (excluding China)	189,503	159,765	29,668	22,913
Europe	128,962	112,258	23,901	16,913
China	121,349	62	35,877	(537)
	860,237	613,226	141,240	93,637
Other revenue			9,008	4,596
Unallocated expenses			(68,371)	(53,927)
Finance costs			(9,900)	(6,785)
Profit before taxation			71,977	37,521