

UNAUDITED CASH FLOW STATEMENT

	Six months ended 30 June 2003 HK\$'000	For the year ended 31 December 2002 HK\$'000
OPERATING ACTIVITIES		
Loss before taxation	(2,152)	(6,256)
Adjustments for:		
Interest expenses	1,032	2,060
Interest income	(1)	(30)
Depreciation	1	234
Impairment loss on land and buildings	–	1,487
Deficit arising from revaluation of investment properties	–	2,500
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	(1,120)	(5)
Decrease in inventories	154	2,117
Decrease/(increase) in prepayments, deposits and other receivable	19	232
(Increase)/decrease in trade receivables	–	(163)
Increase/(decrease) in trade payables, other payables and accruals	363	(3,197)
Increase/(decrease) in deposits received	(1,457)	1,191
CASH GENERATED FROM/(USED IN) OPERATIONS	(2,041)	175
Interest received	1	30
Interest paid	(1,032)	(2,060)
Tax paid	–	(11)
NET CASH USED IN OPERATING ACTIVITIES	(3,072)	(1,866)

	Six months ended 30 June 2003 HK\$'000	For the year ended 31 December 2002 HK\$'000
INVESTING ACTIVITIES		
Decrease in pledged time deposits	–	5,735
Sales process from investment property	2,800	–
Payment to acquire fixed assets	(3)	–
NET CASH FROM INVESTING ACTIVITIES	2,797	5,735
FINANCING ACTIVITIES		
Issue of share capital	–	12,413
Share issue expenses	–	(1,867)
(Repayment to)/advance from a related party	(53)	(6,873)
Advance from/(repayment to) directors	(3)	34
Repayment of bank loans	–	(510)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(56)	3,197
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(331)	7,066
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(11,732)	(18,649)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	54	(149)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR <i>(Note 13)</i>	(12,009)	(11,732)