

**UNAUDITED CASH FLOW STATEMENT**

	Six months ended 30 June 2004 HK\$'000	For the year ended 31 December 2003 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(1,340)	(5,045)
Adjustments for:		
Interest expenses	171	1,422
Interest income	–	(8)
Depreciation	1	182
Loss on disposal of investment properties	–	285
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<b>OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL</b>	<b>(1,168)</b>	<b>(3,164)</b>
Decrease in inventories	369	455
Decrease/(increase) in prepayments, deposits and other receivable	136	(18)
(Increase)/decrease in trade receivables	(739)	103
Increase in trade payables, other payables and accruals	1,583	493
Increase/(decrease) in deposits received	–	(1,457)
(Decrease)/Increase in rent received in advance	(100)	150
(Decrease)/Increase in provision for long service payment	(57)	57
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<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	<b>24</b>	<b>(3,381)</b>
Interest received	–	8
Interest paid	(171)	(1,422)
Tax refund	–	11
Tax paid	–	–
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<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(147)</b>	<b>(4,784)</b>
<b>INVESTING ACTIVITIES</b>		
Payment to acquire fixed assets	–	(3)
Sales proceeds from investment property	–	11,215
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<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>–</b>	<b>11,212</b>
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	Six months ended 30 June 2004 HK\$'000	For the year ended 31 December 2003 HK\$'000
<b>FINANCING ACTIVITIES</b>		
Issue of share capital	12,512	2,053
Share issue expenses	(641)	(203)
Repayment to a related party	(7,647)	(129)
Repayment to directors	(2,197)	(3)
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NET CASH FROM FINANCING ACTIVITIES	2,027	1,718
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NET INCREASE IN CASH AND CASH EQUIVALENTS	1,880	8,146
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(3,586)	(11,732)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	(5)	-
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CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR (Note 13)	(1,711)	(3,586)
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