

Consolidated Cash Flow Statement For the year ended 31 December 2004

	2004 HK\$'000	2003 HK\$'000
Operating Activities		
Loss from operations	(22,751)	(54,817)
Adjustments for:		
Depreciation and amortisation	17	77
Loss on disposal of property, plant and equipment	112	–
Allowance for bad and doubtful debts	14,816	29,013
Interest income	(4)	(35)
Operating cash flows before working capital changes	(7,810)	(25,762)
Decrease in inventories	–	6,435
Increase in trade and other receivables	(7,212)	(26,077)
Decrease in trade and other payables	(1,549)	(804)
Cash used in operations	(16,571)	(46,208)
Interest paid	(335)	(118)
Net Cash Used in Operating Activities	(16,906)	(46,326)
Investing Activities		
(Increase) decrease in pledged bank deposits	(8,000)	3,003
Interest received	4	35
Purchase of property, plant and equipment	–	(2)
Net Cash (used in) from Investing Activities	(7,996)	3,036
Financing Activities		
Secured other loans raised	15,000	–
Net proceeds on issue of shares	–	49,919
Net decrease in trust receipt loans	–	(12,870)
Net Cash from Financing Activities	15,000	37,049
Net Decrease in Cash and Cash Equivalents	(9,902)	(6,241)
Cash and Cash Equivalents at 1 January	16,831	23,072
Cash and Cash Equivalents at 31 December representing bank balances and cash	6,929	16,831