

UNAUDITED CASH FLOW STATEMENT

	Six months ended 30 June 2005 HK\$'000	For the year ended 31 December 2004 HK\$'000
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(1,519)	9
Adjustments for:		
Interest expenses	634	1,633
Interest income	-	(1)
Depreciation	1	181
Write back of impairment loss on leasehold land and building	-	(4,960)
Gain on disposal of fixed assets	-	(15)
Loss on disposal of investment properties	-	-
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	(884)	(3,153)
Decrease in inventories	-	369
Decrease in prepayments, deposits and other receivable	49	63
(Increase)/decrease in trade receivables	(760)	87
Increase in trade payables, other payables and accruals	195	269
Decrease in rental received in advance	-	(100)
Decrease in provision for long service payment	(41)	(16)
CASH USED IN OPERATIONS	(1,441)	(2,481)
Interest received	-	1
Interest paid	(634)	(1,633)
Tax refund	-	-
Tax paid	(27)	-
NET CASH USED IN OPERATING ACTIVITIES	(2,102)	(4,113)
INVESTING ACTIVITIES		
Payment to acquire fixed assets	-	-
Net proceeds from sale of investment properties	-	-
Net proceeds from sale of fixed assets	-	15
NET CASH FROM INVESTING ACTIVITIES	-	15

	Six months ended 30 June 2005 HK\$'000	For the year ended 31 December 2004 HK\$'000
FINANCING ACTIVITIES		
Issue of share capital	–	12,512
Share issue expenses	–	(646)
Repayment to a related party	–	(7,647)
Repayment to directors	–	–
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NET CASH FROM FINANCING ACTIVITIES	–	4,219
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NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,102)	121
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(3,465)	(3,586)
EFFECT OF FOREIGN EXCHANGE RATES CHANGES	–	–
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CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR (Note 1.3)	<u>(5,567)</u>	<u>(3,465)</u>