UNAUDITED CASH FLOW STATEMENT

Adjustments for: Interest expenses Interest income Depreciation Interest income Depreciation Individual September Interest income Interest income Depreciation Interest income		Six months ended 30 June 2005 HK\$'000	For the year ended 31 December 2004 HK\$'000
Adjustments for: Interest expenses Interest income Depreciation Interest back of impairment loss on leasehold land and building Gain on disposal of fixed assets Loss on disposal of investment properties OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL Decrease in inventories Decrease in prepayments, deposits and other receivable Increase)/decrease in trade receivables Increase in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment (A31) CASH USED IN OPERATIONS Interest received Interest paid Interest received Interest		(1.519)	9
Interest income Depreciation Depreciation Depreciation Depreciation United back of impairment loss on leasehold land and building Gain on disposal of fixed assets Loss on disposal of investment properties OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL Decrease in inventories Decrease in prepayments, deposits and other receivable Pecrease in trade receivables Increase]/decrease in trade receivables OPERATION Interest in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS Interest received Interest received Interest paid		(1,517)	,
Depreciation I 188 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 — ——————————————————————————————————	•	634	1,633
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 — ——————————————————————————————————		_	(1)
and building Gain on disposal of fixed assets Loss on disposal of investment properties ———————————————————————————————————		1	181
Gain on disposal of fixed assets Loss on disposal of investment properties — — — — — — — — — — — — — — — — — — —	•		14 9401
Loss on disposal of investment properties — ——————————————————————————————————	<u> </u>	_	(15)
WORKING CAPITAL Decrease in inventories Decrease in prepayments, deposits and other receivable (Increase)/decrease in trade receivables (Increase)/decrease in trade receivables Increase in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS Interest received Interest paid In	•	-	-
WORKING CAPITAL Decrease in inventories Decrease in prepayments, deposits and other receivable (Increase)/decrease in trade receivables (Increase)/decrease in trade receivables Increase in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS (I,441) (I,633) Tax refund Tax paid NET CASH USED IN OPERATING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties - 369 (760) 87	OPERATING LOSS DEEDDE CHANGES IN		
Decrease in prepayments, deposits and other receivable (Increase)/decrease in trade receivables (Increase)/decrease in trade receivables (Increase)/decrease in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment (41) (1,441) (2,481) Interest received Interest received Interest paid (634) (1,633) Tax refund Tax paid (27) NET CASH USED IN OPERATING ACTIVITIES INVESTING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties - 53 - 63 - 63 - 63 - 7 - 7 - 7 - 7 - 7 - 7 - 7 -		(884)	(3,153)
(Increase)/decrease in trade receivables Increase in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS (1,441) (2,481) Interest received Interest paid Interest	Decrease in inventories	-	369
Increase in trade payables, other payables and accruals Decrease in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS (1,441) Interest received Interest paid Int	Decrease in prepayments, deposits and other receivable	49	63
Decrease in rental received in advance Decrease in provision for long service payment CASH USED IN OPERATIONS (1,441) (2,48) Interest received Interest paid (634) (1,633) Tax refund Tax paid (27) NET CASH USED IN OPERATING ACTIVITIES INVESTING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties - (100) (1,441) (2,48) (1,441) (2,48)	(Increase)/decrease in trade receivables	(760)	87
Decrease in provision for long service payment (41) (16 CASH USED IN OPERATIONS (1,441) (2,48) Interest received Interest paid (634) (1,633) Tax refund	1 3	195	269
CASH USED IN OPERATIONS (1,441) (2,48) Interest received Interest paid (634) (1,633) Tax refund - Tax paid (27) NET CASH USED IN OPERATING ACTIVITIES INVESTING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties - (1,441) (2,48) (1,441) (2,48)		_	(100)
Interest received Interest paid Interest pai	Decrease in provision for long service payment	(41)	(16)
Interest paid (634) (1,633 Tax refund	CASH USED IN OPERATIONS	(1,441)	(2,481)
Tax refund — — — — — — — — — — — — — — — — — — —	Interest received	=	1
Tax paid (27) NET CASH USED IN OPERATING ACTIVITIES (2,102) (4,113) INVESTING ACTIVITIES Payment to acquire fixed assets	Interest paid	(634)	(1,633)
NET CASH USED IN OPERATING ACTIVITIES INVESTING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties - (2,102) - (4,113)		-	_
INVESTING ACTIVITIES Payment to acquire fixed assets Net proceeds from sale of investment properties	Tax paid -	(27)	_
Payment to acquire fixed assets – Net proceeds from sale of investment properties –	NET CASH USED IN OPERATING ACTIVITIES	(2,102)	(4,113)
Payment to acquire fixed assets – Net proceeds from sale of investment properties –	INVESTING ACTIVITIES		
Net proceeds from sale of investment properties –		_	_
Net proceeds from sale of fixed assets – 15	9	_	_
	Net proceeds from sale of fixed assets	-	15
NET CASH FROM INVESTING ACTIVITIES – 15	NET CASH FROM INVESTING ACTIVITIES	_	15

	ended	December 2004
FINANCING ACTIVITIES		
Issue of share capital	_	12,512
Share issue expenses	_	(646)
Repayment to a related party	_	(7,647)
Repayment to directors		
net cash from financing activities		4,219
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		=
CASH AND CASH EQUIVALENTS AT END OF THE		
PERIOD/YEAR (Note 13)	(5,567	(3,465)