

# Consolidated Cash Flow Statement

For the year ended 31 December 2005

	Note	2005 HK\$'000	2004 HK\$'000 (Restated)
<b>Operating activities</b>			
(Loss)/profit before taxation		(1,175)	111
Adjustments for:			
Interest expenses		1,350	1,633
Interest income		(1)	(1)
Depreciation		49	49
Amortisation of land lease prepayment		238	121
Reversal of impairment loss on land lease prepayment		(4,438)	(5,051)
Gain on disposal of fixed assets		–	(15)
Loss on write-off of assets of a subsidiary		2	–
<b>Operating loss before changes in working capital</b>		<b>(3,975)</b>	<b>(3,153)</b>
Decrease in inventories		–	369
Decrease in prepayments, deposits and other receivables		1	63
(Increase)/decrease in trade receivables		(50)	87
Increase in other payables and accruals		242	269
Decrease in rental received in advance		(50)	(100)
Increase/(decrease) in provision for long service payment		3	(16)
<b>Cash used in operations</b>		<b>(3,829)</b>	<b>(2,481)</b>
Interest received		1	1
Interest paid		(1,350)	(1,633)
Tax refund		27	–
Tax paid		(54)	–
<b>Net cash used in operating activities</b>		<b>(5,205)</b>	<b>(4,113)</b>
<b>Investing activities</b>			
Net proceeds from sale of fixed assets		–	15
<b>Net cash from investing activities</b>		<b>–</b>	<b>15</b>
<b>Financing activities</b>			
Issue of share capital		7,525	12,512
Share issue expenses		(458)	(646)
Repayment to the ultimate holding company	30d	–	(7,647)
<b>Net cash from financing activities</b>		<b>7,067</b>	<b>4,219</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,862</b>	<b>121</b>
<b>Cash and cash equivalents at 1 January</b>		<b>(3,465)</b>	<b>(3,586)</b>
<b>Effect of foreign exchange rates changes</b>		<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at 31 December</b>	26	<b>(1,603)</b>	<b>(3,465)</b>

The annexed notes form an integral part of these financial statements.