

# CONSOLIDATED CASH FLOW STATEMENT

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Year ended 30 June 2005

	Notes	2005 HK\$	2004 HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(2,552,955)	(6,100,480)
Adjustments for:			
Finance costs	8	149,779	327,699
Interest income	6	–	(1)
Gain on disposal of subsidiaries	6	–	(200)
Loss on disposal of property, plant and equipment	7	21,351	–
Depreciation	7	17,458	98,054
Impairment of investment securities	7	–	2,500,000
Gain on disposal of investment securities	7	–	(450,000)
Operating loss before working capital changes		(2,364,367)	(3,624,928)
Increase in a rental deposit		(54,314)	–
Increase in prepayments, deposits and other receivables		–	(67,900)
Increase in other payables and accrued liabilities		371,529	509,850
Increase in amounts due to directors		486,002	13,012
Cash used in operations		(1,561,150)	(3,169,966)
Interest paid		–	(258,822)
Net cash outflow from operating activities		(1,561,150)	(3,428,788)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		–	1
Purchases of property, plant and equipment	13	(113,801)	(3,114)
Proceeds from disposal of property, plant and equipment		51,324	–
Proceeds from disposal of subsidiaries	22	–	200
Proceeds from disposal of investment securities		–	450,000
Net cash (outflow)/inflow from investing activities		(62,477)	447,087
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	19	–	2,000,000
Share issue expenses	19	–	(46,595)
New other loan		400,000	–
Repayment of other loans		–	(3,046,250)
Advance of loan from a director		1,000,000	1,500,000
Advance of loan from a shareholder		–	2,500,000
Increase in amount due to a shareholder		133,357	101,044
Net cash inflow from financing activities		1,533,357	3,008,199
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(90,270)	26,498
Cash and cash equivalents at beginning of year		101,493	74,995
CASH AND CASH EQUIVALENTS AT END OF YEAR		11,223	101,493
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		11,223	101,493