

Year ended 30 June 2006

	2006 HK\$	2005 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,557,134)	(2,552,955)
Adjustments for:		
Finance costs	114,675	149,779
Interest income	(2,570)	—
Loss on disposal of property, plant and equipment	—	21,351
Depreciation	30,371	17,458
Impairment of available-for-sale financial assets	2,500,000	—
Operating loss before working capital changes	(3,914,658)	(2,364,367)
Increase in a rental deposit	—	(54,314)
Increase in prepayments, deposits and other receivables	(2,667)	—
Increase in other payables and accrued liabilities	115,096	371,529
Increase in amounts due to directors	1,189,000	486,002
Net cash outflow from operating activities	(2,613,229)	(1,561,150)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2,570	—
Purchases of property, plant and equipment	—	(113,801)
Proceeds from disposal of investment securities	—	51,324
Net cash inflow/(outflow) from investing activities	2,570	(62,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
New other loans	2,400,000	400,000
Advances from directors	475,000	1,000,000
Increase in amount due to a shareholder	—	133,357
Interest paid	(1,743)	—
Net cash inflow from financing activities	2,873,257	1,533,357
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	262,598	(90,270)
Cash and cash equivalents at beginning of year	11,223	101,493
CASH AND CASH EQUIVALENTS AT END OF YEAR	273,821	11,223
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	273,821	11,223