

SINOTRONICS HOLDINGS LIMITED

Consolidated Cash Flow Statement

For the Year Ended 30th June 2004
(Expressed in Chinese Renminbi)

	2004		2003	
	RMB'000	RMB'000	RMB'000	RMB'000
Operating activities				
Profit from ordinary activities before taxation	103,403		87,033	
Adjustments for:				
Depreciation	10,338		9,139	
Deficit on revaluation of land and buildings	—		752	
Share of profits less losses of associates	(2,732)		(793)	
Finance costs	7,043		2,567	
Interest income	(1,823)		(614)	
Provision/(write-back of provision) for bad and doubtful debts	5,800		(2,460)	
Bad debts written off	162		2,363	
Write-off of long outstanding creditors	(103)		(204)	
Loss on disposal of fixed assets	92		—	
Operating profit before changes in working capital	122,180		97,783	
Increase in inventories	(3,884)		(784)	
(Increase)/decrease in trade and other receivables	(38,139)		3,888	
Increase in trade and other payables	951		11,692	
Cash generated from operations	81,108		112,579	
Tax paid				
PRC enterprise income tax paid	(17,048)		(8,915)	
PRC enterprise income tax refunded	7,726		3,899	
Net cash from operating activities		71,786		107,563
Investing activities				
(Increase)/decrease in deposits for purchase of fixed assets	(53,852)		24,986	
Payment for purchase of fixed assets	(17,142)		(25,038)	
Proceeds from sale of fixed assets	3,000		—	
Payment for purchase of associates	—		(47,000)	
New loan to an independent third party	(30,000)		—	
Increase in amount due from a minority shareholder	—		1,325	
Decrease/(increase) in pledged bank deposits	21		(5,350)	
Interest received	1,823		614	
Net cash used in investing activities		(96,150)		(50,463)

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Financing activities				
Proceeds from share issued under share option scheme	8,438		—	
Proceeds from shares issued under private placement	84,588		—	
Payment for share issuance expenses	(3,415)		—	
Drawn down of new short-term bank loans	70,300		27,300	
Repayment of short-term bank loans	(41,800)		(18,500)	
Drawn down of new long-term bank loans	57,876		—	
Increase in amount due to a director	10,749		1,227	
Interest paid	(7,043)		(2,567)	
Dividend paid	(17,410)		(12,803)	
Net cash from financing activities		162,283		(5,343)
Net increase in cash and cash equivalents		137,919		51,757
Cash and cash equivalents at 1st July		176,108		124,351
Cash and cash equivalents at 30th June		314,027		176,108

The notes on pages 33 to 69 form part of these financial statements.