

# Consolidated Cash Flow Statement

For the year ended 30th June 2004

	2004 RMB'000	2003 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	14,804	13,066
Adjustment for:		
Interest income	(142)	(54)
Interest expenses	3,024	456
Depreciation of property, plant and equipment	1,276	1,228
Amortisation of deferred software development costs	9,546	4,945
Impairment loss on investment securities	–	16,324
Loss on disposal of property, plant and equipment	335	43
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>28,843</b>	36,008
Decrease/(increase) in inventories	3,619	(10,385)
Increase in prepayments, deposits and other current assets	(69,543)	(47,857)
Increase in bills receivable	(1,123)	–
Increase in trade receivables	(19,019)	(17,778)
Increase in trade payables	11,493	28,522
(Decrease)/increase in bills payable	(3,154)	51,416
Increase/(decrease) in accruals and other payables	1,040	(3,252)
Decrease in warranty provision	–	(57)
Increase in receipts in advance	2,324	5,231
<b>CASH (USED IN)/GENERATED FROM OPERATIONS</b>	<b>(45,520)</b>	41,848
<b>TAX PAID</b>		
PRC enterprise income tax paid	(2,151)	(2,246)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(47,671)</b>	39,602
<b>INVESTING ACTIVITIES</b>		
Interest received	142	54
Additions of property, plant and equipment	(4,188)	(839)
Proceeds from disposal of property, plant and equipment	218	8
Increase in property under development	–	(56,405)
Increase in pledged time deposit	(38)	(6,834)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,866)</b>	(64,016)

# Consolidated Cash Flow Statement

For the year ended 30th June 2004

	<b>2004</b> <i>RMB'000</i>	2003 <i>RMB'000</i>
<b>FINANCING ACTIVITIES</b>		
New loans payable	-	30,000
Repayment of loan	<b>(2,828)</b>	(2,384)
Interest paid	<b>(3,024)</b>	(683)
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<b>NET CASH (USED IN)/FROM FINANCING ACTIVITIES</b>	<b>(5,852)</b>	26,933
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<b>(DECREASE)/INCREASE IN CASH AND BANK DEPOSITS</b>	<b>(57,389)</b>	2,519
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<b>CASH AND BANK DEPOSITS, BEGINNING OF YEAR</b>	<b>73,066</b>	70,547
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<b>CASH AND BANK DEPOSITS, END OF YEAR</b>	<b>15,677</b>	73,066
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