

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 RMB'000	2004 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	10,514	34,819
Adjustments for:		
Interest expense on convertible notes	–	1,143
Interest income	(660)	(542)
Share of result of an associate	(218)	52
Amortisation of development costs	755	633
Depreciation of property, plant and equipment	1,889	1,668
Loss on disposal of property, plant and equipment	–	308
Allowances for (write-back of) doubtful debts	704	(480)
Gain on disposal of a subsidiary	(74)	–
Gain on disposal of an associate	–	(37)
Operating cash flows before movements in working capital	12,910	37,564
(Increase) decrease in inventories	(611)	1,929
Decrease (increase) in trade receivables	4,146	(30,353)
Decrease (increase) in deposits, prepayments and other receivables	13,596	(4,094)
Decrease in trade and other payables	(663)	(20,671)
Decrease in amount due to a related company	–	(902)
Increase in amounts due to directors	1,280	–
Cash from (used in) operations	30,658	(16,527)
PRC income taxes paid	–	(1,147)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	30,658	(17,674)
INVESTING ACTIVITIES		
Decrease (increase) in bank deposits not within three months of maturity	34,274	(34,274)
Disposal of a subsidiary (Note 24)	870	–
Interest received	660	542
Advance of loan receivable	(10,000)	–
Expenditure on software development	(4,830)	(1,968)
Purchase of property, plant and equipment	(157)	(1,804)
Proceeds from disposal of an associate	–	1,024
NET CASH FROM (USED IN) INVESTING ACTIVITIES	20,817	(36,480)

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005	2004
	RMB'000	RMB'000
FINANCING ACTIVITIES		
Dividends paid	(10,187)	(31,869)
Issue of new shares	-	72,127
Convertible notes raised	-	32,903
Interest paid	-	(366)
Expenditure on issue of new shares	-	(16,133)
	<hr/>	<hr/>
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(10,187)	56,662
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	41,288	2,508
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	70,741	68,143
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(814)	90
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	111,215	70,741
	<hr/>	<hr/>