

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

	<i>Notes</i>	<b>2006</b> <b>RMB'000</b>	2005 RMB'000
<b>OPERATING ACTIVITIES</b>			
(Loss)/profit before income tax		<b>(16,196)</b>	10,514
Adjustments for:			
Interest income		<b>(1,347)</b>	(660)
Share of result of an associate		<b>81</b>	(218)
Amortization of development costs		<b>1,661</b>	755
Depreciation of property, plant and equipment		<b>1,827</b>	1,889
Impairment loss of development costs		<b>4,589</b>	–
Gain on disposal of property, plant and equipment		<b>(2,110)</b>	–
Impairment loss of trade receivables		<b>4,674</b>	704
Impairment loss of other receivables		<b>569</b>	–
Gain on disposal of a subsidiary		–	(74)
Gain on disposal of an associate		<b>(13)</b>	–
Negative goodwill recognized	31	<b>(88)</b>	–
Operating cash flows before movements in working capital		<b>(6,353)</b>	12,910
Increase in inventories		<b>(2,582)</b>	(611)
Decrease in trade receivables		<b>23,047</b>	4,146
Increase in loans receivable, interest-free		<b>(18,869)</b>	–
(Increase)/decrease in deposits, prepayments and other receivables		<b>(711)</b>	13,596
Increase in amount due from a director		<b>(118)</b>	–
Decrease in trade and other payables		<b>(42,354)</b>	(663)
(Decrease)/increase in amounts due to directors		<b>(858)</b>	1,280
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>(48,798)</b>	30,658
<b>INVESTING ACTIVITIES</b>			
Increase in bank deposits not within three months of maturity		–	34,274
Disposal of a subsidiary	32	–	870
Interest received		<b>1,347</b>	660
Advance of loans receivable		<b>(12,000)</b>	(10,000)
Repayment of loan receivable		<b>10,000</b>	–
Expenditure on software development		–	(4,830)
Purchase of property, plant and equipment		<b>(39)</b>	(157)
Proceeds from disposal of property, plant and equipment		<b>10,721</b>	–
Acquisition of a subsidiary	31	<b>(39,817)</b>	–
<b>NET CASH (USED IN)/FROM INVESTING ACTIVITIES</b>		<b>(29,788)</b>	20,817

## Consolidated Cash Flow Statement

For the year ended 31 December 2006

	<b>2006</b>	2005
	<b>RMB'000</b>	RMB'000
FINANCING ACTIVITIES		
Dividend paid	<u>(3,074)</u>	(10,187)
NET CASH USED IN FINANCING ACTIVITIES	<u>(3,074)</u>	(10,187)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<b>(81,660)</b>	41,288
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<b>111,215</b>	70,741
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(382)</u>	(814)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH	<u><b>29,173</b></u>	111,215