

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2002

<i>Notes</i>	2002 US\$'000	2001 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,997	17,681
Adjustments for:		
Depreciation	5,255	5,053
(Gain) loss on disposal of property, plant and equipment	(25)	1,264
Gain on deemed disposal of a subsidiary	36 (17)	–
Share of results of associates	(8,023)	(1,044)
Share of results of jointly controlled entities	185	(682)
Amortisation of patents	254	254
Amortisation of premium on acquisition of joint venture	326	–
Amortisation of other assets	234	176
Interest element of finance leases	28	70
Interest income	(120)	(752)
Interest expenses	1,355	3,779
Operating cash flows before movements in working capital	20,449	25,799
Increase in inventories	(951)	(9,981)
(Increase) decrease in accounts receivable	(9,470)	23,693
Decrease (increase) in prepayments and other receivables	5,251	(6,868)
Decrease (increase) in amount due from ultimate holding company	12	(47)
Decrease in amounts due from fellow subsidiaries	5	1
(Increase) decrease in amounts due from associates	(933)	1,177
Increase in amounts due from jointly controlled entities	(1,127)	(111)
Decrease in amounts due from related companies	19	119
(Decrease) increase in amount due to ultimate holding company	(257)	71
(Decrease) increase in amounts due to associates	(33)	6
(Decrease) increase in amounts due to jointly controlled entities	(687)	758
Increase (decrease) in accounts payable	7,319	(8,480)
(Decrease) increase in accruals and other payables	(1,722)	4,741
Increase (decrease) in bills payable	249	(2,070)
Cash generated from operations	18,124	28,808
Interest paid	(1,383)	(3,849)
Taxation paid	(1,363)	(1,558)
Net cash from operating activities	15,378	23,401

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2002

(CONTINUED)

<i>Notes</i>	2002 US\$'000	2001 US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,616)	(5,733)
Decrease (increase) in pledged deposit	2,990	(2,021)
Additions to other assets	(35)	(125)
Increase in investment in associates	(7,457)	(8,166)
Increase in investment in jointly controlled entities	(1,120)	–
Acquisition of investment in securities	–	(611)
Proceeds on disposal of property, plant and equipment	230	458
Deemed disposal of a subsidiary	36 (2,533)	–
Dividends received from associates and jointly-controlled entities	2,255	1,202
Interest received	120	752
Net cash used in investing activities	(9,166)	(14,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	64,217	59,324
Repayment of bank loans	(62,911)	(63,417)
Capital element of finance leases	(487)	(863)
Dividends paid to minority shareholders	(2,719)	(2,321)
Dividends paid	(1,169)	–
Net cash used in financing activities	(3,069)	(7,277)
Net increase in cash and cash equivalents	3,143	1,880
Cash and cash equivalents at 1st January	18,424	16,544
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER	21,567	18,424
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents as previously reported	–	1,531
Effect of reclassification of short-term bank loans	–	16,893
Cash and cash equivalents as restated	–	18,424
BALANCE OF CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Bank balances and cash	21,567	18,424