

Consolidated Cash Flow Statement

For the year ended 31st December, 2005

	2005 US\$'000	2004 (restated) US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	60,151	50,459
Adjustments for:		
Depreciation	8,652	6,947
Loss on disposal of property, plant and equipment	271	148
Gain on disposal of a subsidiary	–	(168)
Share of results of associates	(1,208)	(1,065)
Share of results of jointly controlled entities	(9,683)	(20,828)
Amortisation of patents	170	206
Amortisation of prepaid lease payments	793	361
Amortisation of other assets	794	483
Amortisation of goodwill	–	240
Allowance for write-down of inventories	7,354	–
Allowance for bad and doubtful debts	2,515	–
Increase in derivative financial instruments	(67)	–
Impairment of goodwill	880	–
Investment income	(1,186)	(1,221)
Interest expense	8,373	4,372
Operating cash flows before movements in working capital	77,809	39,934
Decrease (increase) in inventories	135,324	(99,621)
Decrease in trade receivables	17,583	28,558
Decrease in prepayments and other receivables	61,039	15,852
(Increase) decrease in amounts due from fellow subsidiaries	(110)	82
Increase in amounts due from associates	(353)	(184)
Decrease (increase) in amounts due from jointly controlled entities	13,854	(5,738)
(Increase) decrease in amount due from a related company	(782)	750
(Decrease) increase in trade payables	(56,708)	16,551
(Decrease) increase in accruals and other payables	(31,046)	12,767
(Decrease) increase in bills payable	(99,856)	35,445
(Decrease) increase in amount due to ultimate holding company	(581)	1,274
Increase in amounts due to associates	567	250
Decrease in amounts due to jointly controlled entities	(16,060)	(34)
Cash generated from operations	100,680	45,886
Interest paid	(8,373)	(4,372)
Income tax paid	(5,646)	(2,092)
Net cash from operating activities	86,661	39,422

Consolidated Cash Flow Statement (Continued)

For the year ended 31st December, 2005

	Note	2005 US\$'000	2004 (restated) US\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase of property, plant and equipment		(22,119)	(9,487)
Decrease (increase) in pledged deposit		6,790	(6,790)
Increase in prepaid lease payments		(24,267)	(6,484)
Additions to other assets		(217)	(510)
Increase in investment in associates		(1,200)	(213)
Increase in investment in jointly controlled entities		(14,473)	(5,000)
Proceeds on disposal of property, plant and equipment		976	78
Increase in interest in subsidiaries		(845)	(8,770)
Disposal of a subsidiary		-	(1,413)
Cash inflow arising on consolidation of former jointly controlled entities	41	19,533	-
Dividends received from associates and jointly controlled entities		6,375	1,975
Interest received		1,030	1,221
Dividend income from unlisted equity investment		156	-
Net cash used in investing activities		(28,261)	(35,393)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		360,126	140,238
Repayment of bank loans		(358,027)	(150,158)
Dividends paid to minority shareholders		(4,056)	(12,625)
Dividends paid to equity holders of the Company		(16,486)	(6,700)
Proceeds from issue of shares, net of expenses		-	43,414
Net cash (used in) from financing activities		(18,443)	14,169
NET INCREASE IN CASH AND CASH EQUIVALENTS		39,957	18,198
CASH AND CASH EQUIVALENTS AT 1ST JANUARY		62,676	44,485
Effect of foreign exchange rate changes		(29)	(7)
CASH AND CASH EQUIVALENTS AT 31ST DECEMBER		102,604	62,676
BALANCE OF CASH AND CASH EQUIVALENTS REPRESENTED BY:			
Bank balances and cash		102,604	62,676