

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 US\$'000	2004 US\$'000
OPERATING ACTIVITIES		
Loss before taxation	(5,057)	(4,561)
Adjustments for:		
Amortisation of prepaid lease payments	102	109
Depreciation of property, plant and equipment	3,013	3,408
Recognition of share-based payments	42	–
Interest income	(9)	(26)
Interest expenses	746	794
Share of results of associates	1,801	1,285
Gain on deemed disposal of associates	–	(1,627)
Loss on disposal of property, plant and equipment	17	427
Gain on disposal of investment in an investee company	(283)	–
Gain on disposal of associates	(4)	–
Allowance for bad and doubtful debts	342	1,089
Impairment loss recognised in respect of property, plant and equipment	–	449
Impairment loss recognised in respect of investment in securities	–	1,974
Operating cash flows before movements in working capital	710	3,321
(Increase) decrease in inventories	(2,730)	1,172
Decrease (increase) in trade and other receivables	1,879	(2,329)
Increase (decrease) in trade and other payables	1,787	(435)
Increase in amount due to ultimate holding company	–	203
Increase (decrease) in amount due to an associate	118	(51)
Cash generated from operations	1,764	1,881
PRC Enterprise Income Tax paid	(43)	(4)
Interest paid	(746)	(794)
NET CASH GENERATED FROM OPERATING ACTIVITIES	975	1,083
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,298)	(594)
Decrease (increase) in amounts due from associates	184	(184)
Proceeds from disposal on an associates	54	–
Proceeds from disposal of investment in an investee company	724	–
Proceeds from disposal of property, plant and equipment	4	732
Interest received	9	26
NET CASH USED IN INVESTING ACTIVITIES	(323)	(20)

Consolidated Cash Flow Statement (cont'd)

For the year ended 31 December 2005

	2005 US\$'000	2004 US\$'000
FINANCING ACTIVITIES		
New bank loans raised	9,776	10,543
Repayments of bank loans	(9,064)	(11,896)
Capital repatriated to a minority shareholder of a subsidiary	(941)	–
Dividends paid to minority shareholders of a subsidiary	(55)	(99)
Proceeds from issue of shares upon exercise of warrants	–	70
Proceeds from issue of shares upon exercise of share options	94	–
NET CASH USED IN FINANCING ACTIVITIES	(190)	(1,382)
Increase (decrease) in cash and cash equivalents	462	(319)
Cash and cash equivalents at 1 January	2,173	2,493
Effect of changes in foreign exchange rates	–	(1)
Cash and cash equivalents at 31 December, represented by bank balances and cash	2,635	2,173