

Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005 US\$	2004 US\$
OPERATING ACTIVITIES		
Profit before taxation	16,423,204	29,043,262
Adjustments for:		
Impairment of bad and doubtful debts	741,702	649,072
Write-back of allowance for bad debts	(129,354)	—
Write-down of inventories	715,069	1,108,277
Amortisation of prepaid lease payments	9,811	6,091
Finance costs	3,019,681	1,684,479
Interest income	(242,603)	(32,824)
Depreciation of property, plant and equipment	6,162,268	3,877,942
Listing expenses charged to the income statement	1,192,831	—
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Operating cash flows before movements in working capital	27,892,609	36,336,299
Increase in inventories	(3,307,014)	(21,086,594)
Increase in trade and other receivables	(7,141,303)	(30,426,363)
Decrease (increase) in amount due from ultimate holding company	67,015	(67,015)
Decrease in amounts due from related companies	144,954	320,573
(Decrease) increase in trade and other payables	2,010,047	23,934,262
(Decrease) increase in amount due to a related company	(4,270,681)	3,253,673
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Cash generated from operations	15,395,627	12,264,835
Income tax paid	(3,784,511)	(1,611,274)
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NET CASH FROM OPERATING ACTIVITIES	11,611,116	10,653,561
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INVESTING ACTIVITIES		
Increase in pledged bank deposits	(20,471,317)	(6,878,147)
Purchase of property, plant and equipment	(18,641,607)	(18,231,796)
Interest received	242,603	32,824
Proceeds from disposal of investments	—	62,825
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NET CASH USED IN INVESTING ACTIVITIES	(38,870,321)	(25,014,294)
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Consolidated Cash Flow Statement

For the year ended 31 December 2005

	2005	2004
	US\$	US\$
FINANCING ACTIVITIES		
New bank and other borrowings raised	185,137,800	103,061,283
Net proceeds from new shares issue and listing	30,554,833	—
Repayment of bank and other borrowings	(145,394,521)	(85,868,286)
Interest paid	(3,019,681)	(1,684,479)
Dividend paid	(626,600)	(2,373,400)
Proceeds from issue of shares of a subsidiary	—	5,200,000
Repayment to ultimate holding company	—	(1,678,122)
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NET CASH FROM FINANCING ACTIVITIES	66,651,831	16,656,996
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NET INCREASE IN CASH AND CASH EQUIVALENTS	39,392,626	2,296,263
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,964,986	4,668,723
Effect of foreign exchange rate changes	(39,488)	—
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CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	46,318,124	6,964,986
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