

Consolidated Cash Flow Statement

For the year ended 31 December 2004

	2004 US\$'000	2003 US\$'000
OPERATING ACTIVITIES		
Profit from operations	17,086	21,810
Adjustments for:		
Allowance for doubtful debts	—	811
Write-off of bad debts	—	209
Depreciation	7,679	7,589
Amortisation of land use rights	673	492
Loss on disposal/write-off of property, plant and equipment	21	208
	<hr/>	<hr/>
Operation cash flows before movements in working capital	25,459	31,119
Increase in inventories	(2,999)	(1,279)
(Increase) decrease in trade receivables	(4,321)	4,926
(Increase) decrease in other receivables	(411)	1,242
Increase (decrease) in trade payables	803	(1,403)
Decrease in amounts due to related companies	(99)	(4,450)
(Decrease) increase in other payables	(2,891)	3,516
	<hr/>	<hr/>
Net cash from operating activities	15,541	33,671
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Payments for purchase of property, plant and equipment	(8,442)	(6,370)
Increase in prepaid lease payments	(91)	—
Proceeds on disposal of property, plant and equipment	—	55
Interest received	749	114
	<hr/>	<hr/>
Net cash used in investing activities	(7,784)	(6,201)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Net proceeds from issue of shares	—	44,023
Bank borrowings raised	8,500	126,540
Repayment of bank borrowings	(18,130)	(103,942)
Repayment of current portion of long-term payables	(724)	(889)
Repayment of loans from holding companies	—	(34,300)
Interest paid	(3,018)	(3,944)
	<hr/>	<hr/>
Net cash (used in) from financing activities	(13,372)	27,488
	<hr/>	<hr/>
Net (decrease) increase in cash and cash equivalents	(5,615)	54,958
Cash and cash equivalents at beginning of the year	64,992	10,045
Effect of foreign exchange rate change	1	(11)
	<hr/>	<hr/>
Cash and cash equivalents at end of the year, represented by bank balances and cash	59,378	64,992
	<hr/>	<hr/>