

**COMBINED AND CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005
(in US Dollars and in thousands)**

	<u>2005</u>	<u>2004</u>
NET SALES	55 734	41 124
COST OF SALES	(22 498)	(19 159)
GROSS PROFIT	<u>33 236</u>	<u>21 965</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	(19 108)	(15 208)
OTHER OPERATING INCOME, NET	-	654
NON-RECURRING OPERATING EXPENSES	(1 431)	(19)
OPERATING INCOME	<u>12 697</u>	<u>7 392</u>
NON-OPERATING INCOME (EXPENSES):		
Interest expense	(1 055)	(1 629)
Foreign currency exchange gain/(loss)	<u>100</u>	<u>(93)</u>
INCOME BEFORE INCOME TAX EXPENSE	11 742	5 670
Income tax expense	(1 681)	(225)
NET INCOME	<u><u>10 061</u></u>	<u><u>5 445</u></u>

COMBINED AND CONSOLIDATED BALANCE SHEET
AT SEPTEMBER 30, 2005
(in US Dollars and in thousands)

	<u>2005</u>	<u>2004</u>
ASSETS		
NON-CURRENT ASSETS:		
Property, plant & equipment, net	23 964	23 931
Intangible assets, net	11 684	11 090
Total non-current assets	<u>35 648</u>	<u>35 021</u>
CURRENT ASSETS:		
Inventories	12 052	10 519
Accounts receivable	29 083	17 094
Receivables from related parties	16 924	15 270
Other receivables and prepaid expenses	6 460	5 559
Cash	82	202
Total current assets	<u>64 601</u>	<u>48 644</u>
TOTAL ASSETS	<u><u>100 249</u></u>	<u><u>83 665</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY:		
Share capital	2	1
Retained earnings	56 809	41 111
Total shareholders' equity	<u>56 811</u>	<u>41 112</u>
LONG-TERM LIABILITIES:		
Long-term borrowings	10 994	4 449
Deferred taxation	2 178	1 890
Long-term portion of finance leases payable	23	65
Total long-term liabilities	<u>13 195</u>	<u>6 404</u>
CURRENT LIABILITIES:		
Short-term borrowings and current portion of long-term borrowings	18 416	22 998
Accounts payable	4 999	3 776
Payables to related parties	803	4 983
Other payables and accrued expenses	5 976	4 068
Current portion of finance leases payable	49	324
Total current liabilities	<u>30 243</u>	<u>36 149</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>100 249</u></u>	<u><u>83 665</u></u>

COMBINED AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005
(in US Dollars and in thousands)

	<u>2005</u>	<u>2004</u>
OPERATING ACTIVITIES:		
Income before income tax expense	11 742	5 670
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	1 721	2 112
Loss on disposal of property, plant and equipment	260	32
Bad debt (recovery)/provision	(111)	494
Foreign currency exchange (gain)/loss on financing and investing activities	(100)	93
Loss on write off of other receivables	946	-
Interest expense	1 055	1 629
Operating cash flow before working capital changes	<u>15 513</u>	<u>10 030</u>
Increase in inventories	(2 106)	(1 350)
Increase in accounts receivable	(8 587)	(2 025)
Increase in receivables from related parties	(623)	(429)
Increase in other receivables and prepaids	(1 928)	(1 026)
Increase in accounts payable	425	1 670
Increase in payables to related parties	738	425
Increase in other payables and accruals	2 623	2 269
Cash flows from operations	<u>6 055</u>	<u>9 564</u>
Income taxes paid	(1 324)	(724)
Interest paid	(2 856)	(1 902)
Net cash inflow from operating activities	<u>1 875</u>	<u>6 938</u>
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1 846)	(1 884)
Purchase of intangible assets	(689)	(310)
Purchase of equity interest in subsidiaries	-	(222)
Net cash outflow from investing activities	<u>(2 535)</u>	<u>(2 416)</u>
FINANCING ACTIVITIES:		
Proceeds from borrowings, net	11 450	11 141
Repayment of borrowings to related parties, net	(10 239)	(15 426)
Net cash inflow/(outflow) from financing activities	<u>1 211</u>	<u>(4 285)</u>
Effect of currency translation on cash flows	(510)	(165)
NET INCREASE IN CASH	41	72
CASH, beginning of period	<u>41</u>	<u>130</u>
CASH, end of period	<u>82</u>	<u>202</u>

**COMBINED AND CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005**
(in US Dollars and in thousands)

	Share capital	Retained Earnings	Total Shareholders' Equity
Balance at January 01, 2004	1	35 444	35 445
Net income	-	5 445	5 445
Currency translation	-	222	222
Balance at September 30, 2004	<u>1</u>	<u>41 111</u>	<u>41 112</u>
Balance at January 01, 2005	1	48 114	48 115
Net income	-	10 061	10 061
Currency translation	1	(1 366)	(1 365)
Balance at September 30, 2005	<u>2</u>	<u>56 809</u>	<u>56 811</u>