

Consolidated Cash Flow Statement

For the year ended 31 December 2006

Note	2006 US\$'000	2005 US\$'000
OPERATING ACTIVITIES		
Profit before taxation	106,206	97,113
Adjustments for:		
Impairment loss on trade receivables	1,752	604
(Reversal of) allowance for inventories	(729)	83
Interest income	(3,639)	(1,277)
Interest expense	1,637	2,133
Depreciation of property, plant and equipment	11,427	11,102
Release of lease premium for land	243	225
Amortization of club debenture	8	7
Loss (gain) on disposal of property, plant and equipment	132	(200)
Loss on disposal of lease premium for land	–	451
Listing expenses charged to income statement	–	1,400
Share-based payment expense	430	–
Loss on changes in fair value of derivative financial instruments	48	–
Operating cash flows before working capital changes	117,515	111,641
Decrease in investments held for trading	–	2,540
(Increase) decrease in inventories	(10,831)	532
Decrease (increase) in trade and other receivables	12,780	(43,203)
(Decrease) increase in trade and other payables	(9,474)	22,358
Cash generated from operations	109,990	93,868
PRC Foreign Enterprise Income Tax paid	(735)	(541)
Overseas tax paid	(9,161)	(6,184)
NET CASH FROM OPERATING ACTIVITIES	100,094	87,143
INVESTING ACTIVITIES		
Interest received	3,639	1,277
Proceeds from disposal of property, plant and equipment	75	1,032
Purchase of property, plant and equipment	(65,168)	(19,115)
Acquisition of business	(19,375)	–
Payments for lease premium for land	(99)	(1,938)
Decrease in loans receivable	–	1,600
Proceeds from disposal of lease premium for land	–	724
Decrease in restricted bank balances	–	15
NET CASH USED IN INVESTING ACTIVITIES	(80,928)	(16,405)

Consolidated Cash Flow Statement (Cont'd)

For the year ended 31 December 2006

	2006 <i>US\$'000</i>	2005 <i>US\$'000</i>
FINANCING ACTIVITIES		
New bank borrowings raised	79,793	141,392
Repayment of bank borrowings	(32,920)	(185,526)
Dividend paid	(40,150)	(98,875)
Interest paid	(1,637)	(2,133)
Repayment to related companies	(8)	(1,085)
Repayment to directors	-	(12,696)
Net proceeds from issue of shares	-	157,170
NET CASH FROM (USED IN) FINANCING ACTIVITIES	5,078	(1,753)
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,244	68,985
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	110,589	41,532
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	745	72
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by	135,578	110,589
Bank balances and cash	120,387	48,695
Deposits placed in a financial institution	15,191	61,894
	135,578	110,589