

Consolidated Cash Flow Statement

For the year ended 31st December, 2006

| | 2006 US\$'000 | 2005 US\$'000 |
|---|------------------|------------------|
| Operating activities | | |
| Profit before taxation | 22,867 | 21,014 |
| Adjustments for: | | |
| Interest income | (5,165) | (414) |
| Depreciation on investment properties | 62 | 59 |
| Depreciation and amortisation on property, plant and equipment | 3,894 | 3,575 |
| Loss on disposal of property, plant and equipment | 3 | 62 |
| Operating lease rentals in respect of land use rights | 5 | 9 |
| Inventories written off | – | 14 |
| Write back of allowances for bad and doubtful debts | (153) | – |
| Operating cash flows before movements in working capital | 21,513 | 24,319 |
| (Increase) decrease in inventories | (2,637) | 1,763 |
| (Increase) decrease in trade and other receivables | (1,922) | 11,968 |
| (Increase) decrease in amounts due from related companies | (204) | 8,172 |
| Increase in amounts due from shareholders | (60) | (35) |
| Increase (decrease) in trade and other payables | 4,579 | (3,898) |
| Decrease in amounts due to related companies | – | (3,553) |
| Cash from operations | 21,269 | 38,736 |
| Mainland China income tax paid | (260) | (803) |
| Net cash from operating activities | 21,009 | 37,933 |
| Investing activities | | |
| Interest received | 5,165 | 414 |
| Purchase of property, plant and equipment | (5,389) | (1,328) |
| Proceeds from disposal of property, plant and equipment | 138 | 8 |
| Purchase of land use rights | – | (52) |
| Deposits paid on acquisition of property, plant and equipment | (203) | (291) |
| Net cash used in investing activities | (289) | (1,249) |
| Financing activities | | |
| Dividends paid | (5,001) | (4,522) |
| Proceeds from issue of shares | 67,911 | – |
| Expenses incurred in connection with issue of shares | (2,508) | – |
| Net cash from (used in) financing activities | 60,402 | (4,522) |
| Net increase in cash and cash equivalents | 81,122 | 32,162 |
| Cash and cash equivalents at 1st January | 43,610 | 12,240 |
| Effect of foreign exchange rate changes | 320 | (792) |
| Cash and cash equivalents at 31st December | 125,052 | 43,610 |
| Analysis of the balances of cash and cash equivalents | | |
| Bank balances and cash | 125,052 | 43,610 |