

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 US\$	2005 US\$
OPERATING ACTIVITIES		
Profit before taxation	14,007,200	16,423,204
Adjustments for:		
Allowance for bad and doubtful debts	1,370,470	741,702
Write-back of allowance for bad and doubtful debts	—	(129,354)
Write-down of inventories	4,212,882	715,069
Release of prepaid lease payments	32,445	9,811
Finance costs	6,182,271	3,019,681
Interest income	(1,579,714)	(242,603)
Depreciation of property, plant and equipment	7,321,694	6,162,268
Listing expenses charged to the income statement	—	1,192,831
Share-based payment expenses	1,083,871	—
Operating cash flows before movements in working capital	32,631,119	27,892,609
Increase in inventories	(20,132,376)	(3,307,014)
Increase in trade and other receivables	(71,760,995)	(7,141,303)
Decrease in amount due from ultimate holding company	—	67,015
(Increase) decrease in amount due from a related company	—	144,954
Increase in trade and other payables	54,035,421	2,010,047
Decrease in amount due to a related company	—	(4,270,681)
Cash (outflow) generated from operations	(5,226,831)	15,395,627
Income tax paid	(2,001,357)	(3,784,511)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(7,228,188)	11,611,116
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,803,360)	(18,641,607)
Prepaid lease payment paid	(2,787,065)	—
Decrease (increase) in pledged bank deposits	15,128,480	(20,471,317)
Interest received	1,579,714	242,603
NET CASH USED IN INVESTING ACTIVITIES	(12,882,231)	(38,870,321)
FINANCING ACTIVITIES		
New bank and other borrowings raised	231,309,255	185,137,800
Repayment of bank and other borrowings	(200,289,731)	(145,394,521)
Interest paid	(6,182,271)	(3,019,681)
Dividend paid	(4,354,839)	(626,600)
Net proceeds from new shares issue and listing	—	30,554,833
NET CASH FROM FINANCING ACTIVITIES	20,482,414	66,651,831
NET INCREASE IN CASH AND CASH EQUIVALENTS	371,995	39,392,626
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	46,318,124	6,964,986
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	92,519	(39,488)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	46,782,638	46,318,124