

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	2006 US\$'000	2005 US\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,537	60,151
Adjustments for:		
Depreciation	10,958	8,652
Loss on disposal of property, plant and equipment	1,078	271
Gain on partial disposal of a subsidiary	(172)	–
Share of results of associates	(1,189)	(1,208)
Share of results of jointly controlled entities	477	(9,683)
Amortisation of patents	232	170
Amortisation of prepaid lease payments	1,200	793
Amortisation of other assets	199	794
Allowance for write-down of inventories	–	7,354
Allowance for bad and doubtful debts	–	2,515
Increase in fair value of derivative financial instruments	(7,468)	(67)
Impairment of goodwill	–	880
Investment income	(1,540)	(1,186)
Interest expense	16,977	8,440
Imputed interest on deferred payable	22	–
<b>Operating cash flows before movements in working capital</b>	<b>43,311</b>	77,876
(Increase) decrease in inventories	(78,218)	135,324
(Increase) decrease in trade receivables	(87,522)	17,583
(Increase) decrease in prepayments and other receivables	(129,826)	61,039
Increase in amounts due from fellow subsidiaries	(14)	(110)
Decrease (increase) in amounts due from associates	365	(353)
(Increase) decrease in amounts due from jointly controlled entities	(11,641)	13,854
Decrease (increase) in amount due from a related company	193	(782)
Increase (decrease) in trade payables	70,080	(56,708)
Increase (decrease) in accruals and other payables	31,518	(31,046)
Increase (decrease) in bills payable	97,650	(99,856)
Increase (decrease) in amount due to ultimate holding company	731	(581)
Decrease in deferred payable	(242)	–
Increase in amounts due to associates	1,446	567
Decrease in amounts due to jointly controlled entities	(9)	(16,060)
<b>Cash (used in) generated from operations</b>	<b>(62,178)</b>	100,747
Interest paid	(16,977)	(8,440)
Income tax paid	(2,202)	(5,646)
<b>Net cash (used in) from operating activities</b>	<b>(81,357)</b>	86,661

## CONSOLIDATED CASH FLOW STATEMENT *(Continued)*

For the year ended 31st December, 2006

	Note	2006 US\$'000	2005 US\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase of property, plant and equipment		(66,542)	(22,119)
Decrease in pledged deposit		–	6,790
Increase in prepaid lease payments		(5,127)	(24,267)
Additions to other assets		(209)	(217)
Increase in investment in associates		(6,800)	(1,200)
Increase in investment in jointly controlled entities		(1,200)	(14,473)
Increase in available-for-sale investments		(1,560)	–
Increase in patents		(502)	–
Proceeds on disposal of property, plant and equipment		1,003	976
Increase in interest in subsidiaries		–	(845)
Proceeds on partial disposal of a subsidiary		4,121	–
Cash inflow arising on acquisition of subsidiaries	39	5,985	–
Cash inflow arising on consolidation of former jointly controlled entities	43	–	19,533
Dividends received from associates and jointly controlled entities		15,664	6,375
Interest received		1,323	1,030
Dividend income from unlisted equity investment		217	156
<b>Net cash used in investing activities</b>		<b>(53,627)</b>	<b>(28,261)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		231,384	360,126
Repayment of bank loans		(104,321)	(358,027)
Dividends paid to minority interests		(5,178)	(4,056)
Capital contributed by minority shareholders		1,512	–
Dividends paid to equity holders of the Company		(10,223)	(16,486)
<b>Net cash from (used in) financing activities</b>		<b>113,174</b>	<b>(18,443)</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(21,810)</b>	<b>39,957</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>		<b>102,604</b>	<b>62,676</b>
Effect of foreign exchange rate changes		(135)	(29)
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>		<b>80,659</b>	<b>102,604</b>
<b>BALANCE OF CASH AND CASH EQUIVALENTS REPRESENTED BY:</b>			
Bank balances and cash		80,659	102,604