

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 US\$'000	2005 US\$'000
<b>OPERATING ACTIVITIES</b>		
Loss before taxation	(7,238)	(5,057)
Adjustments for:		
Amortisation of prepaid lease payments	105	102
Depreciation of property, plant and equipment	2,914	3,013
Interest income	(24)	(9)
Interest expenses	883	746
Share of results of associates	2,692	1,801
Loss on disposal of property, plant and equipment	11	17
Recognition of share-based payments	-	42
Gain on disposal of investment in an investee company	-	(283)
Gain on disposal of associates	-	(4)
Allowance for bad and doubtful debts	758	342
Write down of inventories to net realisable value	659	-
Impairment loss recognised in respect of construction in progress	268	-
Impairment loss recognised in respect of club debenture	37	-
Operating cash flows before movements in working capital	1,065	710
Decrease (increase) in inventories	2,563	(2,730)
Decrease in trade and other receivables	61	2,133
Decrease (increase) in deposits and prepayments	10	(254)
Increase in trade and other payables	817	1,787
Increase in amounts due to associates	406	118
Cash generated from operations	4,922	1,764
PRC Enterprise Income Tax paid	-	(43)
Interest paid	(883)	(746)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>4,039</b>	<b>975</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(671)	(1,298)
Interest received	24	9
Proceeds from disposal of property, plant and equipment	10	4
Proceeds from disposal of investment in an investee company	-	724
Decrease in amounts due from associates	-	184
Proceeds from disposal on an associates	-	54
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(637)</b>	<b>(323)</b>

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	2006 US\$'000	2005 US\$'000
<b>FINANCING ACTIVITIES</b>		
New bank loans raised	<b>8,480</b>	9,776
Repayments of bank loans	<b>(9,018)</b>	(9,064)
Capital repatriated to a minority shareholder of a subsidiary	<b>(1,986)</b>	(941)
Dividends paid to minority shareholders of a subsidiary	–	(55)
Proceeds from issue of shares upon exercise of share options	–	94
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,524)</b>	(190)
Increase in cash and cash equivalents	<b>878</b>	462
Cash and cash equivalents at 1 January	<b>2,635</b>	2,173
Effect of changes in foreign exchange rates	<b>148</b>	–
Cash and cash equivalents at 31 December, represented by bank balances and cash	<b>3,661</b>	2,635