

Consolidated Cash Flow Statement

For the year ended 31 December 2006

| | 2006 US\$'000 | 2005 US\$'000 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Profit before tax | 7,651 | 250 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 8,439 | 8,064 |
| Amortisation of land use rights | 488 | 473 |
| Loss (profit) on disposal/write-off of property, plant and equipment | 30 | (178) |
| Interest income | (1,109) | (1,033) |
| Finance costs | 6,256 | 4,787 |
| Operating cash flows before movements in working capital | 21,755 | 12,363 |
| Increase in inventories | (2,627) | (2,809) |
| Increase in trade receivables | (91) | (539) |
| Decrease (increase) in amounts due from fellow subsidiaries | 217 | (980) |
| Decrease (increase) in other receivables | 176 | (878) |
| (Decrease) increase in trade payables | (879) | 3,519 |
| (Decrease) increase in amount due to a fellow subsidiary | (248) | 248 |
| Increase in other payables | 846 | 292 |
| Cash generated from operations | 19,149 | 11,216 |
| Income tax refund (paid) | 303 | (624) |
| Net cash from operating activities | 19,452 | 10,592 |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (14,344) | (7,561) |
| Proceeds on disposal of property, plant and equipment | 252 | 600 |
| Interest received | 1,109 | 1,033 |
| Decrease (increase) in pledged deposits | 496 | (254) |
| Net cash used in investing activities | (12,487) | (6,182) |
| FINANCING ACTIVITIES | | |
| New bank loans raised | 32,561 | 2,760 |
| Repayments of bank borrowings | (21,900) | (18,706) |
| Interest paid | (6,139) | (4,787) |
| Net cash from (used in) financing activities | 4,522 | (20,733) |
| Net increase (decrease) in cash and cash equivalents | 11,487 | (16,323) |
| Cash and cash equivalents at beginning of the year | 42,098 | 59,378 |
| Effect of foreign exchange rate change | (1,195) | (957) |
| Cash and cash equivalents at end of the year, represented by bank balances and cash | 52,390 | 42,098 |