

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2005
(Expressed in Renminbi Yuan)

	Note	2005	2004 (restated)
Cash generated from operating activities	(a)	126,715,362	150,261,535
Cash flow from investing activities			
Interest received		5,647,017	2,728,294
Acquisition of property, plant and equipment		(75,823,422)	(41,024,082)
Proceeds from disposal of property, plant and equipment		63,760	897,767
Proceed from disposal of land use right		-	3,960,001
(Increase)/ decrease in time deposits with banks		(64,259,027)	16,384,500
Net cash used in investing activities		(134,371,672)	(17,053,520)
Cash flow from financing activities			
Interest expense paid		(120,679)	-
Proceeds from interest-bearing loans and borrowings		98,000,000	-
Repayment of interest-bearing loans and borrowings		(98,000,000)	-
Dividends paid		(88,279,936)	(56,816,590)
Proceeds from the issue of share capital		3,483,764	-
Share issue expenses paid		(1,110)	-
Net cash used in financing activities		(84,917,961)	(56,816,590)
Net (decrease) /increase in cash and cash equivalents		(92,574,271)	76,391,425
Cash and cash equivalents at beginning of year		308,681,696	232,290,271
Cash and cash equivalents at end of year		216,107,425	308,681,696

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2005
(Expressed in Renminbi Yuan)

(a) Reconciliation of profit before taxation to cash generated from operating activities

	2005	2004 <i>(restated)</i>
Profit before taxation	181,238,248	145,925,554
Adjustments for:		
Depreciation of property, plant and equipment	27,745,318	19,980,108
Amortisation of lease prepayments	172,730	247,564
Amortisation of intangible assets	538,050	645,660
Losses on disposal of property, plant and equipment	296,630	88,265
Gain on disposal of land use right	-	(89,064)
Equity-settled share-based payment expenses	3,217,693	3,585,067
Interest expense	120,679	-
Interest income	(6,771,395)	(3,874,311)
Cash flow from operating activities before changes in working capital	206,557,953	166,508,843
Increase in inventories	(41,366,836)	(28,133,829)
Increase in accounts receivable and bills receivable	(2,794,422)	(12,868,884)
Net increase in amounts due from/to related companies	(940,578)	(3,023,066)
Increase in advances to suppliers	(1,414,786)	(485,935)
Increase in other receivables, deposits and prepayments	(13,462,569)	(7,295,495)
Increase in bills payable and accounts payable	315,624	19,707,214
(Decrease)/increase in other creditors and accruals	(2,263,462)	27,222,363
Cash generated from operations	144,630,924	161,631,211
Tax refund from the PRC government	7,010,682	5,016,960
Income tax paid	(24,926,244)	(16,386,636)
Cash generated from operating activities	126,715,362	150,261,535