

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2006
(Expressed in Renminbi Yuan)

	Note	2006	2005
Net cash from operating activities	(a)	221,235,160	126,715,362
Cash flow from investing activities			
Interest received		4,205,484	5,647,017
Acquisition of property, plant and equipment		(50,981,097)	(75,823,422)
Proceeds from disposal of property, plant and equipment		201,069	63,760
Decrease/(increase) in time deposits with banks		30,341,164	(64,259,027)
Net cash used in investing activities		(16,233,380)	(134,371,672)
Cash flow from financing activities			
Interest expense paid		(16,515)	(120,679)
Proceeds from interest-bearing banks loans		40,000,000	98,000,000
Repayment of interest-bearing banks loans		(40,000,000)	(98,000,000)
Dividends paid to equity shareholders of the Company		(120,461,201)	(88,279,936)
Proceeds from shares issued under share option		11,722,111	3,483,764
Share issue expenses paid		-	(1,110)
Net cash used in financing activities		(108,755,605)	(84,917,961)
Net increase/(decrease) in cash and cash equivalents		96,246,175	(92,574,271)
Cash and cash equivalents at 1 January		216,107,425	308,681,696
Cash and cash equivalents at 31 December		312,353,600	216,107,425

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2006
(Expressed in Renminbi Yuan)

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

	2006	2005
Profit before taxation	283,218,054	181,238,248
Adjustments for:		
Depreciation of property, plant and equipment	37,332,691	27,745,318
Amortisation of lease prepayments	172,112	172,730
Amortisation of intangible assets	-	538,050
Losses on disposal of property, plant and equipment	15,176	296,630
Equity-settled share-based payment expenses	8,245,309	3,217,693
Interest expense	16,515	120,679
Interest income	(7,949,525)	(6,771,395)
Operating profit before changes in working capital	321,050,332	206,557,953
Increase in inventories	(75,843,679)	(41,366,836)
Increase in accounts receivables	(72,367,411)	(2,794,422)
Net increase in amounts due from/to related companies	(2,282,792)	(940,578)
Decrease/(increase) in advances to suppliers	3,451,464	(1,414,786)
Decrease/(increase) in other receivables, deposits and prepayments	327,267	(13,462,569)
Increase in bills payables and accounts payables	43,442,118	315,624
Increase/(decrease) in other creditors and accruals	28,837,967	(2,263,462)
Cash generated from operations	246,615,266	144,630,924
Tax refund from the PRC government	9,388,235	7,010,682
Income tax paid	(34,768,341)	(24,926,244)
Net cash from operating activities	221,235,160	126,715,362