

Consolidated Income Statement

Year ended 31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
REVENUE	4, 5	2,152,731	1,512,273
Cost of sales		(1,072,814)	(757,452)
Gross profit		1,079,917	754,821
Other revenue and gains	5	58,875	155,031
Selling and distribution costs		(19,982)	(9,581)
Administrative expenses		(297,698)	(216,039)
Other operating expenses		(98,177)	(105,471)
Finance costs		(17,468)	(20,745)
Share of profit of an associate		2,672	1,979
PROFIT BEFORE TAX		708,139	559,995
Income tax expense	8	(170,017)	(184,072)
PROFIT FOR THE YEAR		538,122	375,923
Attributable to:			
Equity holders of the Company		533,905	388,447
Minority interests		4,217	(12,524)
		538,122	375,923
Dividends	9	241,933	182,179
Basic earnings per share (RMB) attributable to ordinary equity holders of the Company	10	0.37	0.27

The accompanying notes on pages 80 to 167 form an integral part of the financial statements.

Consolidated Balance Sheet

31 December 2008

	<i>Notes</i>	2008 RMB'000	2007 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,147,927	1,436,135
Intangible assets	12	1,846,860	799,900
Interest in an associate	13	36,649	33,977
Long term deposits	16	5,866	4,637
Land lease prepayments	17	76,340	68,131
Other long term assets	18	211,656	409,864
Deferred tax assets	19	79,257	74,488
Total non-current assets		4,404,555	2,827,132
CURRENT ASSETS			
Cash and cash equivalents	20	688,764	1,625,689
Trade and notes receivables	21	35,362	33,216
Prepayments and other receivables	22	218,233	124,788
Inventories	23	422,228	333,440
Equity investments at fair value through profit or loss	24	21,843	30,926
Held-to-maturity investments	25	140,000	–
Derivative financial instruments		–	38,686
Total current assets		1,526,430	2,186,745
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	471,190	352,800
Trade payables	27	205,555	235,292
Other payables and accruals	28	327,182	238,235
Provisions	29	12,445	10,447
Tax payable		93,824	176,810
Dividend payable		–	16,695
Total current liabilities		1,110,196	1,030,279
NET CURRENT ASSETS		416,234	1,156,466
TOTAL ASSETS LESS CURRENT LIABILITIES		4,820,789	3,983,598

The accompanying notes on pages 80 to 167 form an integral part of the financial statements.

Consolidated Balance Sheet

31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	7,790	22,790
Provisions	29	56,219	50,390
Deferred income	30	49,280	31,967
Deferred tax liabilities	19	298,831	125,237
Total non-current liabilities		412,120	230,384
NET ASSETS			
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital	31	1,457,430	728,715
Reserves	32	2,356,018	2,772,591
Proposed final dividend	9	241,933	182,179
Minority interests		4,055,381	3,683,485
		353,288	69,729
Total equity		4,408,669	3,753,214

Lu Dongshang
(Director)

Wang Peifu
(Director)

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Consolidated Cash Flow Statement

Year ended 31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		708,139	559,995
Adjustments for:			
Depreciation of property, plant and equipment	11	157,839	107,648
Amortisation of mining rights	12	87,892	18,205
Amortisation of land lease prepayments	17	2,368	2,026
Net loss on disposal of property, plant and equipment	6	296	10,282
Exploration assets written off	12	29,107	11,387
Reversal of impairment of other receivables	6	(389)	(879)
Deferred income recognised	30	(6,757)	(25,251)
Interest expenses	6	17,309	20,637
Foreign exchange loss	6	6,577	91,951
Interest income	4	(18,608)	(73,578)
Loss on disposal of a subsidiary	6	15,553	–
Share of profit of an associate	4	(2,672)	(1,979)
Fair value losses/(gains), net:			
Equity investments at fair value through profit or loss	6	11,796	(10,845)
Derivative instruments – transactions not qualifying as hedges	5	38,686	(38,686)
		1,047,136	670,913
Increase in trade and notes receivables		(2,135)	(27,744)
(Increase)/decrease in prepayments and other receivables		(133,290)	10,088
Increase in inventories		(88,788)	(39,444)
Decrease/(increase) in amounts due from a related party		6,807	(3,899)
(Decrease)/increase in trade payables		(26,284)	63,151
Decrease in other payables and accruals		(18,986)	(156,595)
Increase in provisions		7,827	2,400
CASH GENERATED FROM OPERATIONS		792,287	518,870

Consolidated Cash Flow Statement

Year ended 31 December 2008

Notes	2008 RMB'000	2007 RMB'000
CASH GENERATED FROM OPERATIONS	792,287	518,870
Income taxes paid	(273,228)	(144,257)
NET CASH INFLOW FROM OPERATING ACTIVITIES	519,059	374,613
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(686,883)	(217,923)
Purchase of intangible assets	(290,941)	(38,723)
Increase in land lease prepayments	17 (10,577)	(2,554)
Proceeds from disposal of property, plant and equipment	17,842	7,803
Acquisition of subsidiaries	36 (189,738)	(217,037)
Disposal of a subsidiary	37 20,350	–
Purchase of an additional equity interest in an associate	–	(1,750)
Additional capital contribution in an associate	–	(15,400)
Contribution of capital from minority shareholders upon establishment of subsidiaries	90	4,000
Receipt of government grants	30 24,070	18,111
Held-to-maturity investments	25 (140,000)	–
Interest received	65,974	24,515
Deposits paid for the purchase of subsidiaries	18 (125,000)	(399,981)
Purchase of equity investments at fair value through profit or loss	(2,679)	(20,081)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,317,492)	(859,020)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,016,300	274,000
Repayment of bank borrowings	(926,640)	(656,500)
Dividend paid	(198,874)	(92,612)
Interest paid	(20,476)	(16,525)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(129,690)	(491,637)

Consolidated Cash Flow Statement

Year ended 31 December 2008

	<i>Notes</i>	2008 RMB'000	2007 RMB'000
NET DECREASE IN CASH AND CASH EQUIVALENTS		(928,123)	(976,044)
Cash and cash equivalents at beginning of year		1,625,689	2,695,397
Effect of foreign exchange rate changes, net		(8,802)	(93,664)
CASH AND CASH EQUIVALENTS AT END OF YEAR		688,764	1,625,689
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:			
Cash and bank balances	20	622,033	626,551
Non-pledged time deposits with original maturity from one day to three months when acquired but can be withdrawn at the discretion of the Group with seven days' notice	20	66,731	999,138
		688,764	1,625,689

Consolidated Statement of Changes in Equity

Year ended 31 December 2008

	Issued share capital RMB'000 (note 31)	Capital reserve RMB'000 (note 32)	Statutory and distributable reserves RMB'000 (note 32)	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Total owners' equity RMB'000	Minority interests RMB'000	Total equity RMB'000
At 1 January 2007	728,715	2,091,022	54,782	-	423,687	109,307	3,407,513	56,911	3,464,424
Total income and expense for the year recognised directly in equity –									
Exchange realignment	-	-	-	(3,168)	-	-	(3,168)	-	(3,168)
Profit/(loss) for the year	-	-	-	-	388,447	-	388,447	(12,524)	375,923
Total income and expense for the year	-	-	-	(3,168)	388,447	-	385,279	(12,524)	372,755
Acquisition of subsidiaries	-	-	-	-	-	-	-	21,342	21,342
Contribution of capital from minority shareholders upon establishment of subsidiaries	-	-	-	-	-	-	-	4,000	4,000
Transfer to reserves	-	-	41,573	-	(41,573)	-	-	-	-
Dividend									
- 2007 final proposed	-	-	-	-	(182,179)	182,179	-	-	-
- 2006 final paid	-	-	-	-	-	(109,307)	(109,307)	-	(109,307)
At 31 December 2007 and 1 January 2008	728,715	2,091,022	96,355	(3,168)	588,382	182,179	3,683,485	69,729	3,753,214
Total income and expense for the year recognised directly in equity –									
Exchange realignment	-	-	-	(2,228)	-	-	(2,228)	-	(2,228)
Profit for the year	-	-	-	-	533,905	-	533,905	4,217	538,122
Total income and expense for the year	-	-	-	(2,228)	533,905	-	531,677	4,217	535,894
Bonus issue	728,715	(546,536)	-	-	(182,179)	-	-	-	-
Acquisition of minority interest	-	22,398	-	-	-	-	22,398	(37,398)	(15,000)
Acquisition of subsidiaries	-	-	-	-	-	-	-	312,940	312,940
Contribution of capital from minority shareholders upon establishment of subsidiaries	-	-	-	-	-	-	-	3,800	3,800
Transfer to reserves	-	-	52,423	-	(52,423)	-	-	-	-
Dividend									
- 2008 final proposed	-	-	-	-	(241,933)	241,933	-	-	-
- 2007 final paid	-	-	-	-	-	(182,179)	(182,179)	-	(182,179)
At 31 December 2008	1,457,430	1,566,884	148,778	(5,396)	645,752	241,933	4,055,381	353,288	4,408,669

The accompanying notes on pages 80 to 167 form an integral part of the financial statements.

Company Balance Sheet

31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,205,497	849,674
Intangible assets	12	527,551	367,176
Interest in an associate	13	34,650	34,650
Interests in subsidiaries	14	1,340,179	606,903
Long term loans receivable	15	382,733	350,500
Long term deposits	16	5,866	4,637
Land lease prepayments	17	47,475	38,536
Deferred tax assets	19	5,058	–
Other long term assets	18	201,532	409,864
Total non-current assets		3,750,541	2,661,940
CURRENT ASSETS			
Cash and cash equivalents	20	611,437	1,444,949
Trade and notes receivables	21	10,611	16,975
Prepayments and other receivables	22	204,105	122,274
Inventories	23	215,303	227,956
Short term loans receivable	15	276,500	195,982
Equity investments at fair value through profit or loss	24	522	–
Held-to-maturity investments	25	140,000	–
Derivative financial instruments	5	–	38,686
Total current assets		1,458,478	2,046,822
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	451,400	201,400
Trade payables	27	169,305	210,990
Other payables and accruals	28	137,910	105,502
Provisions	29	11,112	9,287
Tax payable		89,976	177,144
Dividend payable		–	16,695
Total current liabilities		859,703	721,018
NET CURRENT ASSETS		598,775	1,325,804
TOTAL ASSETS LESS CURRENT LIABILITIES		4,349,316	3,987,744

The accompanying notes on pages 80 to 167 form an integral part of the financial statements.

Company Balance Sheet

31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	7,790	7,790
Provisions	29	48,769	41,361
Deferred income	30	34,352	24,191
Deferred tax liabilities	19	–	1,829
Total non-current liabilities		90,911	75,171
NET ASSETS			
EQUITY			
Issued share capital	31	1,457,430	728,715
Reserves	32	2,559,042	3,001,679
Proposed final dividend	9	241,933	182,179
Total equity		4,258,405	3,912,573

Lu Dongshang
(Director)

Wang Peifu
(Director)

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