

Consolidated Income Statement

Year ended 31 December 2007

	Notes	2007 RMB'000	2006 RMB'000
REVENUE	4, 5	1,512,273	1,164,415
Cost of sales		(757,452)	(541,240)
Gross profit		754,821	623,175
Other revenue and gains	5	155,031	16,411
Selling and distribution costs		(9,581)	(5,669)
Administrative expenses		(216,039)	(143,488)
Other operating expenses		(105,471)	(5,801)
Finance costs		(20,745)	(54,346)
Share of profit/(loss) of an associate		1,979	(1,935)
PROFIT BEFORE INTEREST INCOME ARISING FROM SHARE APPLICATION FUNDS AND TAX	6	559,995	428,347
Interest income arising from share application funds		–	89,403
PROFIT BEFORE TAX		559,995	517,750
Income tax expense:			
– On profit before interest income arising from share application funds		(184,072)	(139,216)
– On interest income arising from share application funds		–	(28,883)
Total income tax expense	8	(184,072)	(168,099)
PROFIT FOR THE YEAR		375,923	349,651
Attributable to:			
Equity holders of the Company		388,447	351,190
Minority interests		(12,524)	(1,539)
		375,923	349,651
Dividends	9	182,179	167,042
Basic earnings per share (RMB) attributable to ordinary equity holders of the Company:			
– Before interest income arising from share application funds	10	0.53	0.54
– After interest income arising from share application funds	10	0.53	0.65

Consolidated Balance Sheet

31 December 2007

	Notes	2007 RMB'000	2006 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	1,436,135	1,177,988
Intangible assets	12	799,900	550,679
Interest in an associate	13	33,977	14,848
Long term deposits	16	4,637	4,955
Land lease prepayments	17	68,131	54,175
Other long term assets	18	409,864	–
Deferred tax assets	19	74,488	82,836
Total non-current assets		2,827,132	1,885,481
CURRENT ASSETS			
Cash and cash equivalents	20	1,625,689	2,695,397
Trade and notes receivables	21	33,216	1,193
Prepayments and other receivables	22	124,788	50,004
Inventories	23	333,440	275,483
Equity investments at fair value through profit or loss	24	30,926	–
Derivative financial instruments	25	38,686	–
Total current assets		2,186,745	3,022,077
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	352,800	125,400
Trade payables	27	235,292	163,596
Other payables and accruals	28	238,235	237,266
Provisions	29	10,447	8,230
Tax payable		176,810	130,458
Dividend payable		16,695	–
Total current liabilities		1,030,279	664,950
NET CURRENT ASSETS		1,156,466	2,357,127
TOTAL ASSETS LESS CURRENT LIABILITIES		3,983,598	4,242,608

	<i>Notes</i>	2007 RMB'000	2006 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	22,790	607,790
Provisions	29	50,390	46,095
Deferred income	30	31,967	34,107
Deferred tax liabilities	19	125,237	90,192
Total non-current liabilities		230,384	778,184
NET ASSETS		3,753,214	3,464,424
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital	31	728,715	728,715
Reserves	32	2,772,591	2,569,491
Proposed final dividend	9	182,179	109,307
Minority interests		3,683,485	3,407,513
		69,729	56,911
Total equity		3,753,214	3,464,424

路東尚
Director

王培福
Director

Consolidated Cash Flow Statement

Year ended 31 December 2007

	<i>Notes</i>	2007 RMB'000	2006 <i>RMB'000</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		559,995	517,750
Adjustments for:			
Depreciation of property, plant and equipment	<i>11</i>	107,648	94,639
Amortisation of mining rights	<i>12</i>	18,205	21,954
Amortisation of land lease prepayments	<i>17</i>	2,026	3,456
Net loss on disposal of property, plant and equipment		10,282	726
Exploration assets written off (Reversal of impairment)/impairment of other receivables	<i>12</i>	11,387	5,429
Deferred income recognised	<i>30</i>	(25,251)	(2,476)
Interest expenses		20,637	47,744
Foreign exchange loss		91,951	–
Interest income		(73,578)	(7,712)
Interest income arising from share application funds		–	(89,403)
Share of (profit)/loss of an associate		(1,979)	1,935
Fair value gains, net:			
Equity investments at fair value through profit or loss	<i>5</i>	(10,845)	–
Derivative instruments – transactions not qualifying as hedges	<i>5</i>	(38,686)	–
		670,913	595,792
(Increase)/decrease in trade and notes receivables		(27,744)	20,500
Decrease/(increase) in prepayments and other receivables		10,088	(21,628)
Increase in inventories		(39,444)	(121,621)
Increase in amounts due from a related party		(3,899)	(2,857)
Increase in trade payables		63,151	89,150
Increase/(decrease) in other payables and accruals		(156,595)	83,853
Increase/(decrease) in provisions		2,400	(4,910)
Decrease in amounts due to related parties		–	(10,990)

	<i>Notes</i>	2007 RMB'000	2006 RMB'000
CASH GENERATED FROM OPERATIONS			
Income taxes paid		(144,257)	(86,700)
NET CASH INFLOW FROM OPERATING ACTIVITIES		374,613	540,589
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(217,923)	(239,004)
Purchase of intangible assets	12	(38,723)	(28,501)
Increase in land lease prepayments	17	(2,554)	(8,879)
Proceeds from disposal of property, plant and equipment		7,803	5,479
Acquisition of subsidiaries	36	(217,037)	–
Purchase of an additional equity interest in an associate		(1,750)	–
Additional capital contribution in an associate		(15,400)	–
Contribution of capital from minority interests upon establishment of subsidiaries		4,000	–
Receipt of government grants	30	18,111	18,379
Interest received		24,515	7,712
Deposits paid for the purchase of subsidiaries	18	(399,981)	–
Purchase of equity investments at fair value through profit or loss		(20,081)	–
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(859,020)	(244,814)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		–	2,531,133
Interest income received on application funds		–	89,403
Share issue expenses		–	(163,665)
Proceeds from bank borrowings		274,000	610,290
Repayment of bank borrowings		(656,500)	(703,500)
Dividend paid		(92,612)	(57,735)
Interest paid		(16,525)	(44,869)
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES		(491,637)	2,261,057

Consolidated Cash Flow Statement

Year ended 31 December 2007

	<i>Notes</i>	2007 RMB'000	2006 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		2,695,397	138,565
Effect of foreign exchange rate changes, net		(93,664)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		1,625,689	2,695,397
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:			
Cash and bank balances	20	626,551	2,695,397
Non-pledged time deposits with original maturity of one year when acquired but can be withdrawn at the discretion of the Group with seven days' notice	20	999,138	–
		1,625,689	2,695,397

Consolidated Statement of Changes in Equity

Year ended 31 December 2007

	Issued share capital	Capital reserve	Statutory reserves	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total owners' equity	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 31	Note 32	Note 32						
At 31 December 2005 and 1 January 2006	530,000	(77,731)	26,180	-	268,141	-	746,590	58,450	805,040
Issue of new shares	198,715	2,332,418	-	-	-	-	2,531,133	-	2,531,133
Share issue expenses	-	(163,665)	-	-	-	-	(163,665)	-	(163,665)
Profit/(loss) for the year	-	-	-	-	351,190	-	351,190	(1,539)	349,651
Total income and expense for the year	-	-	-	-	351,190	-	351,190	(1,539)	349,651
Transfer to reserves	-	-	28,602	-	(28,602)	-	-	-	-
Dividends									
- 2006 final proposed	-	-	-	-	(109,307)	109,307	-	-	-
- 2005 final paid	-	-	-	-	(57,735)	-	(57,735)	-	(57,735)
At 31 December 2006 and 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 interests upon formation 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	728,715	2,091,022	96,355	(3,168)	588,382	182,179	3,683,485	69,729	3,753,214

Company Balance Sheet

31 December 2007

	Notes	2007 RMB'000	2006 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	849,674	785,956
Intangible assets	12	367,176	370,862
Interest in an associate	13	34,650	17,500
Interests in subsidiaries	14	606,903	265,569
Long term loans receivable	15	350,500	195,983
Long term deposits	16	4,637	4,955
Land lease prepayments	17	38,536	37,813
Deferred tax assets	19	–	1,398
Other long term assets	18	409,864	–
Total non-current assets		2,661,940	1,680,036
CURRENT ASSETS			
Cash and cash equivalents	20	1,444,949	2,689,759
Trade and notes receivables	21	16,975	1,193
Prepayments and other receivables	22	122,274	48,974
Inventories	23	227,956	260,731
Short term loans receivable	15	195,982	–
Derivative financial instruments	25	38,686	–
Total current assets		2,046,822	3,000,657
CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	201,400	51,900
Trade payables	27	210,990	149,215
Other payables and accruals	28	105,502	130,574
Provisions	29	9,287	7,485
Tax payable		177,144	124,458
Dividend payable		16,695	–
Total current liabilities		721,018	463,632
NET CURRENT ASSETS		1,325,804	2,537,025
TOTAL ASSETS LESS CURRENT LIABILITIES		3,987,744	4,217,061

	Notes	2007 RMB'000	2006 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	26	7,790	527,790
Provisions	29	41,361	39,583
Deferred income	30	24,191	30,984
Deferred tax liabilities	19	1,829	–
Total non-current liabilities		75,171	598,357
NET ASSETS		3,912,573	3,618,704
EQUITY			
Issued share capital	31	728,715	728,715
Reserves	32	3,001,679	2,780,682
Proposed final dividend	9	182,179	109,307
Total equity		3,912,573	3,618,704

路東尚
Director

王培福
Director