

## CONDENSED STATEMENT OF CASH FLOWS

NOTE   RMB'000 (RMB'000 (Quaudited)   RMB'000 (Quaudited)   RMB'000 (Quaudited) (quaudited)			Six months ended June 30,	
Cash flow from operating activities         (unaudited)         (audited)           Net income         446,998         358,763           Adjustments to reconcile net income to net cash provided by operating activities:         416,116         261,423           Depreciation and amortization         416,116         261,423           Amortization of goodwill to income         (18,426)            Deemed interest expenses         22,565            Amortization of mining rights         3,312            Recognition of deferred tax asset         (1,216)         (7,920)           Loss on disposal of property, plant and equipment         3,548         11,235           (Increase) decrease in assets:         (67,931)         (21,192)           Inventories         (68,90)         (112,921)           Inventories         (67,931)         (21,195)           Prepayments and other current assets         (67,931)         (21,4195)           Increase (decrease) in liabilities:         (67,931)         (214,195)           Increase (decrease) in liabilities:         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,046)           Other payables and accrued expenses         82,551         (30,714)			2001	2000
Net income		NOTE	RMB'000	RMB'000
Net income Adjustments to reconcile net income to net cash provided by operating activities:  Depreciation and amortization Amortization of goodwill and safe safe safe and safe safe safe and safe safe safe safe safe safe safe safe			(unaudited)	(audited)
Net income Adjustments to reconcile net income to net cash provided by operating activities:  Depreciation and amortization Amortization of goodwill and safe safe safe and safe safe safe safe safe safe safe safe				
Adjustments to reconcile net income to net cash provided by operating activities:   Depreciation and amortization   389   38	Cash flow from operating activities			
Adjustments to reconcile net income to net cash provided by operating activities:   Depreciation and amortization   389   38			440.000	050 700
Depreciation and amortization   416,116   261,423   389			446,998	358,763
Depreciation and amortization   416,116   261,423   Amortization of goodwill   389				
Amortization of goodwill         389         389           Release of negative goodwill to income         (18,426)         -           Deemed Interest expenses         22,565         -           Amortization of mining rights         3,312         -           Recognition of deferred tax asset         (1,216)         (7,920)           Loss on disposal of property, plant and equipment         3,548         11,235           (Increase) decrease in assets:         8         11,2921           Bills and accounts receivable         6,980         (112,921)           Inventories         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Accounts payable         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         540,645         283,523           Acquisition of Jining III         24         (1,354,136)         -           Proceeds on disposal of property, plant and equi			416 116	061 400
Release of negative goodwill to income         (18,426)         -           Deemed interest expenses         22,565         -           Amortization of mining rights         3,312         -           Recognition of deferred tax asset         (1,216)         (7,920)           Loss on disposal of property, plant and equipment         3,548         11,235           (Increase) decrease in assets:         818 and accounts receivable         6,980         (112,921)           Inventories         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (67,931)         (214,195)           Accounts payable         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         24         (1,354,136)         -           Purchase of property, plant and equipment         (2,788         983           Net cash utilized for investing activities         <	·			
Deemed interest expenses         22,565         -           Amortization of mining rights         3,312         -           Recognition of deferred tax asset         (1,216)         (7,920)           Loss on disposal of property, plant and equipment         3,548         11,235           (Increase) decrease in assets:         8         11,235           Bills and accounts receivable         6,980         (112,921)           Inventories         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (67,931)         (214,195)           Accounts payable         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         24         (1,354,136)         -           Proceeds on disposal of property, plant and equipment         (45,128)         (20,698)           Proceeds on disposal of property, plant and equipment         (2,798) <t< td=""><td>_</td><td></td><td></td><td>309</td></t<>	_			309
Amortization of mining rights         3,312         -           Recognition of deferred tax asset         (1,216)         (7,920)           Loss on disposal of property, plant and equipment         3,548         11,235           (Increase) decrease in assets:         8         11,235           Bills and accounts receivable         6,980         (112,921)           Inventories         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         24         (1,354,136)         -           Purchase of property, plant and equipment         (45,128)         (20,698)           Proceeds on disposal of property, plant and equipment         2,798         983           Net cash utilized for investing activities         (1,396,466)         (19,715)           Cash flow from financing activities				
Recognition of deferred tax asset	·			_
Loss on disposal of property, plant and equipment (Increase) decrease in assets:   Bills and accounts receivable (6,980 (112,921)     Inventories (78,159) 33,548     Prepayments and other current assets (67,931) (214,195)     Increase (decrease) in liabilities:   Accounts payable (120,367) (144,046)     Other payables and accrued expenses (127,826) (296,095     Taxes payable (27,889) (168,134)     Net cash provided by operating activities (24,198)     Purchase of property, plant and equipment (45,128) (20,698)     Purchase of property, plant and equipment (45,128) (20,698)     Proceeds on disposal of property, plant and equipment (1,396,466) (19,715)     Cash flow from financing activities (1,396,466) (19,715)     Cash flow from financing activities (235,340) (231,400)     Net cash provided by (utilized for) financing activities (1,215,963 (231,400)     Net cash provided by (utilized for) financing activities (235,340) (231,400)     Net cash provided by (utilized for) financing activities (235,340) (231,400)     Net increase in cash and cash equivalents (360,142 (32,408 (231,400) (231,400) (231,400) (231,400)     Net increase in cash and cash equivalents (360,142 (32,408 (231,400) (321,400) (321,400) (321,400) (321,400) (321,400)     Additional cash flow information: (28) paid for (38) paid for				(7 920)
Bills and accounts receivable   6,980 (112,921)     Inventories   (78,159)   33,548     Prepayments and other current assets   (67,931) (214,195)     Increase (decrease) in liabilities:       Accounts payable   (120,367) (144,046)     Other payables and accrued expenses   82,551 (30,714)     Amounts due to Parent Company and its subsidiary companies   (127,826) (296,095)     Taxes payable   (27,889) (168,134)     Net cash provided by operating activities   540,645 (283,523)     Cash flow from investing activities   24 (1,354,136)   -   Purchase of property, plant and equipment   (45,128) (20,698)     Net cash utilized for investing activities   (1,396,466) (19,715)     Cash flow from financing activities   (1,396,466) (231,400)     Net cash provided by (utilized for) financing activities   (235,340) (231,400)     Net cash provided by (utilized for) financing activities   (1,215,963) (231,400)     Net cash provided by (utilized for) financing activities   (235,340) (231,400)     Net cash provided by (utilized for) financing activities   (1,215,963) (231,400)     Net increase in cash and cash equivalents   360,142 (32,408)     Cash and cash equivalents, beginning   844,754 (517,687)     Cash and cash equivalents, ending   1,204,896 (550,095)     Additional cash flow information:   Cash paid for				* * * *
Bills and accounts receivable         6,980         (112,921)           Inventories         (78,159)         33,548           Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         4 (1,354,136)         -           Purchase of property, plant and equipment         (45,128)         (20,698)           Proceeds on disposal of property, plant and equipment         2,798         983           Net cash utilized for investing activities         (1,396,466)         (19,715)           Cash flow from financing activities         1,451,303         -           Issues of shares, net of share issue expenses         1,451,303         -           Dividend paid         (235,340)         (231,400)           Net increase in cash and cash equivalents         360,142         32,408           Cash and cash equivalents, beginning         844,75			0,010	11,200
Inventories			6.980	(112.921)
Prepayments and other current assets         (67,931)         (214,195)           Increase (decrease) in liabilities:         (120,367)         (144,046)           Accounts payable         (120,367)         (144,046)           Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         24         (1,354,136)         -           Purchase of property, plant and equipment         (45,128)         (20,698)           Proceeds on disposal of property, plant and equipment         2,798         983           Net cash utilized for investing activities         (1,396,466)         (19,715)           Cash flow from financing activities         1,451,303         -           Issues of shares, net of share issue expenses         1,451,303         -           Dividend paid         (235,340)         (231,400)           Net cash provided by (utilized for) financing activities         1,215,963         (231,400)           Net increase in cash and cash equivalents, beginning         844,754         517,687				• • • •
Increase (decrease) in liabilities:   Accounts payable			-	
Accounts payable       (120,367)       (144,046)         Other payables and accrued expenses       82,551       (30,714)         Amounts due to Parent Company and its subsidiary companies       (127,826)       296,095         Taxes payable       (27,889)       (168,134)         Net cash provided by operating activities       540,645       283,523         Cash flow from investing activities       (1,354,136)       -         Acquisition of Jining III       24       (1,354,136)       -         Purchase of property, plant and equipment       (45,128)       (20,698)         Proceeds on disposal of property, plant and equipment       2,798       983         Net cash utilized for investing activities       (1,396,466)       (19,715)         Cash flow from financing activities       1,451,303       -         Issues of shares, net of share issue expenses       1,451,303       -         Dividend paid       (235,340)       (231,400)         Net cash provided by (utilized for) financing activities       1,215,963       (231,400)         Net increase in cash and cash equivalents       360,142       32,408         Cash and cash equivalents, beginning       844,754       517,687         Cash and cash equivalents, ending       1,204,896       550,095			, ,	, ,
Other payables and accrued expenses         82,551         (30,714)           Amounts due to Parent Company and its subsidiary companies         (127,826)         296,095           Taxes payable         (27,889)         (168,134)           Net cash provided by operating activities         540,645         283,523           Cash flow from investing activities         (1,354,136)         -           Acquisition of Jining III         24         (1,354,136)         -           Purchase of property, plant and equipment         (45,128)         (20,698)           Proceeds on disposal of property, plant and equipment         2,798         983           Net cash utilized for investing activities         (1,396,466)         (19,715)           Cash flow from financing activities         1,451,303         -           Issues of shares, net of share issue expenses         1,451,303         -           Dividend paid         (235,340)         (231,400)           Net cash provided by (utilized for) financing activities         1,215,963         (231,400)           Net increase in cash and cash equivalents         360,142         32,408           Cash and cash equivalents, beginning         844,754         517,687           Cash and cash equivalents, ending         1,204,896         550,095           Additi			(120,367)	(144,046)
Amounts due to Parent Company and its subsidiary companies       (127,826)       296,095         Taxes payable       (27,889)       (168,134)         Net cash provided by operating activities       540,645       283,523         Cash flow from investing activities       -         Acquisition of Jining III       24       (1,354,136)       -         Purchase of property, plant and equipment       (45,128)       (20,698)         Proceeds on disposal of property, plant and equipment       2,798       983         Net cash utilized for investing activities       (1,396,466)       (19,715)         Cash flow from financing activities       1,451,303       -         Issues of shares, net of share issue expenses       1,451,303       -         Dividend paid       (235,340)       (231,400)         Net cash provided by (utilized for) financing activities       1,215,963       (231,400)         Net increase in cash and cash equivalents       360,142       32,408         Cash and cash equivalents, beginning       844,754       517,687         Cash and cash equivalents, ending       1,204,896       550,095         Additional cash flow information:       Cash paid for         Interest       1,314       2,473				
Net cash provided by operating activities  Cash flow from investing activities  Acquisition of Jining III  Purchase of property, plant and equipment  Proceeds on disposal of property, plant and equipment  Net cash utilized for investing activities  Cash flow from financing activities  Issues of shares, net of share issue expenses  Dividend paid  Net cash provided by (utilized for) financing activities  Net cash provided by (utilized for) financing activities  Cash and cash equivalents  Cash and cash equivalents, beginning  Additional cash flow information:  Cash paid for  Interest  1,314  2,473	Amounts due to Parent Company and its subsidiary companie	S	(127,826)	296,095
Cash flow from investing activities  Acquisition of Jining III  Purchase of property, plant and equipment  Proceeds on disposal of property, plant and equipment  Proceeds on disposal of property, plant and equipment  Record of the cash utilized for investing activities  Cash flow from financing activities  Issues of shares, net of share issue expenses  Dividend paid  Net cash provided by (utilized for) financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents, beginning  Additional cash flow information:  Cash paid for  Interest  1,314  2,473	Taxes payable		(27,889)	(168,134)
Acquisition of Jining III       24       (1,354,136)       -         Purchase of property, plant and equipment       (45,128)       (20,698)         Proceeds on disposal of property, plant and equipment       2,798       983         Net cash utilized for investing activities       (1,396,466)       (19,715)         Cash flow from financing activities       1,451,303       -         Issues of shares, net of share issue expenses       1,451,303       -         Dividend paid       (235,340)       (231,400)         Net cash provided by (utilized for) financing activities       1,215,963       (231,400)         Net increase in cash and cash equivalents       360,142       32,408         Cash and cash equivalents, beginning       844,754       517,687         Cash and cash equivalents, ending       1,204,896       550,095         Additional cash flow information:       Cash paid for         Interest       1,314       2,473	Net cash provided by operating activities		540,645	283,523
Acquisition of Jining III       24       (1,354,136)       -         Purchase of property, plant and equipment       (45,128)       (20,698)         Proceeds on disposal of property, plant and equipment       2,798       983         Net cash utilized for investing activities       (1,396,466)       (19,715)         Cash flow from financing activities       1,451,303       -         Issues of shares, net of share issue expenses       1,451,303       -         Dividend paid       (235,340)       (231,400)         Net cash provided by (utilized for) financing activities       1,215,963       (231,400)         Net increase in cash and cash equivalents       360,142       32,408         Cash and cash equivalents, beginning       844,754       517,687         Cash and cash equivalents, ending       1,204,896       550,095         Additional cash flow information:       Cash paid for         Interest       1,314       2,473	Cash flow from investing activities			
Purchase of property, plant and equipment Proceeds on disposal of 1,396,466) Proceeds on disposal of property, plant and equipment Proceeds on disposal of 1,451,288 Proceeds on disposal of 1,451,303 Proceeds	-	24	(1,354,136)	_
Proceeds on disposal of property, plant and equipment  Net cash utilized for investing activities  Cash flow from financing activities  Issues of shares, net of share issue expenses  Dividend paid  Net cash provided by (utilized for) financing activities  Net increase in cash and cash equivalents  Cash and cash equivalents, beginning  Additional cash flow information:  Cash paid for  Interest  2,798 983 (1,396,466) (19,715)  (231,400)  (231,400)  (231,400)  (231,400)  1,215,963 (231,400)  360,142 32,408 517,687  517,687  1,204,896 550,095	Purchase of property, plant and equipment			(20,698)
Cash flow from financing activities Issues of shares, net of share issue expenses Dividend paid (235,340) (231,400) Net cash provided by (utilized for) financing activities 1,215,963 (231,400) Net increase in cash and cash equivalents 360,142 32,408 Cash and cash equivalents, beginning 844,754 517,687 Cash and cash equivalents, ending 1,204,896 550,095  Additional cash flow information: Cash paid for Interest 1,314 2,473	Proceeds on disposal of property, plant and equipment		2,798	
Cash flow from financing activities Issues of shares, net of share issue expenses Dividend paid (235,340) (231,400) Net cash provided by (utilized for) financing activities 1,215,963 (231,400) Net increase in cash and cash equivalents 360,142 32,408 Cash and cash equivalents, beginning 844,754 517,687 Cash and cash equivalents, ending 1,204,896 550,095  Additional cash flow information: Cash paid for Interest 1,314 2,473	Net cash utilized for investing activities		(1,396,466)	(19,715)
Issues of shares, net of share issue expenses  Dividend paid  (235,340)  (231,400)  Net cash provided by (utilized for) financing activities  1,215,963  (231,400)  Net increase in cash and cash equivalents  Cash and cash equivalents, beginning  Cash and cash equivalents, ending  Additional cash flow information:  Cash paid for  Interest  1,451,303  (231,400)  (231,400)  1,215,963  (231,400)  360,142  32,408  517,687  517,687  1,204,896  550,095				
Dividend paid (235,340) (231,400)  Net cash provided by (utilized for) financing activities 1,215,963 (231,400)  Net increase in cash and cash equivalents 360,142 32,408  Cash and cash equivalents, beginning 844,754 517,687  Cash and cash equivalents, ending 1,204,896 550,095  Additional cash flow information:  Cash paid for  Interest 1,314 2,473			1,451,303	_
Net cash provided by (utilized for) financing activities1,215,963(231,400)Net increase in cash and cash equivalents360,14232,408Cash and cash equivalents, beginning844,754517,687Cash and cash equivalents, ending1,204,896550,095Additional cash flow information:Cash paid forInterest1,3142,473	·			(231,400)
Net increase in cash and cash equivalents  Cash and cash equivalents, beginning  Cash and cash equivalents, ending  Additional cash flow information:  Cash paid for  Interest  360,142 32,408 517,687 517,687 550,095				
Cash and cash equivalents, beginning Cash and cash equivalents, ending  Additional cash flow information: Cash paid for Interest  S17,687  1,204,896  550,095  1,314  517,687  550,095				
Cash and cash equivalents, ending 1,204,896 550,095  Additional cash flow information: Cash paid for Interest 1,314 2,473	•		ŕ	,
Additional cash flow information:  Cash paid for  Interest  1,314  2,473				
Cash paid for Interest 1,314 2,473	Cash and Cash equivalents, ending		1,204,090	330,093
Interest 1,314 2,473	Additional cash flow information:			
	Cash paid for			
Income taxes 198,510 314,015	Interest		1,314	2,473
	Income taxes		198,510	314,015