

## Four Years Summary

	2005 RMB'000	2004 RMB'000	2003 RMB'000	2002 RMB'000
<b>Assets and liabilities</b>				
Non-current assets	<b>478,915</b>	333,931	257,915	196,544
Net current assets/(liabilities)	<b>139,029</b>	5,719	(40,260)	(54,688)
<b>Total assets less current liabilities</b>	<b>617,944</b>	339,650	217,655	141,856
Non-current liabilities	<b>115,824</b>	–	–	–
<b>NET ASSETS</b>	<b>502,120</b>	339,650	217,655	141,856
<b>Share capital</b>	<b>100,000</b>	100,000	100,000	100,000
<b>Reserves</b>	<b>392,618</b>	237,715	117,655	41,856
<b>Total equity attributable to equity shareholders of the Company</b>	<b>492,618</b>	337,715	217,655	141,856
Minority interests	<b>9,502</b>	1,935	–	–
<b>TOTAL EQUITY</b>	<b>502,120</b>	339,650	217,655	141,856
<b>Operating results</b>				
Turnover	<b>1,555,704</b>	1,223,429	856,278	682,872
Profit from operations	<b>247,887</b>	194,352	122,788	105,399
Deficit on revaluation of property, plant and equipment written back/(made)	<b>1,991</b>	–	–	(17,833)
Finance costs	<b>(23,085)</b>	(15,503)	(11,391)	(10,113)
<b>Profit before taxation</b>	<b>226,793</b>	178,849	111,397	77,453
Income tax	<b>(72,017)</b>	(59,454)	(35,598)	(29,533)
<b>Profit for the year</b>	<b>154,776</b>	119,395	75,799	47,920
<b>Attributable to:</b>				
Equity shareholders of the Company	<b>154,584</b>	120,060	75,799	47,920
Minority interests	<b>192</b>	(665)	–	–
<b>Profit for the year</b>	<b>154,776</b>	119,395	75,799	47,920

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*Note:*

The Company was incorporated on 27 September 2002 with the approval of the Henan Provincial Government in accordance with document (Yu Gu Pi Zi) 2002 no.25 as a joint stock company with limited liability in the PRC to take over and operate the business of the mining, processing, smelting and sales of gold products.

The Group resulting from the Restructuring is regarded as a continuing entity and that the financial results are presented on the basis that the Company, for the purpose of this report, is regarded as a continuing entity and that the Restructuring had been completed as at 1 January 2002, rather than from 27 September 2002 and that the business of the Group had been conducted by the Company throughout the years as they are related to entities under common control. The assets and liabilities transferred from Lingbao State-owned Assets Operation Limited Liability Company to the Company on 27 September 2002 were based on historical amounts at which they were recorded in their accounts, except for property, plant and equipment, and construction in progress which were transferred at revalued amounts as required by the PRC rules and regulations applicable to state-owned enterprise restructuring for the purpose of determination of the capital contribution from Lingbao State-owned Assets Operation Limited Liability Company upon incorporation of the Company. The acquisition of equity interests in Habahe Huatai Gold Limited Liability Company and Tongbai Xingyuan Mining Company Limited by the Company was accounted for under the acquisition accounting.

The consolidated results of the Group for the four years ended 31 December 2005 have been prepared as if the Group structure immediately after the Restructuring had been in existence since 1 January 2002. This financial summary includes the consolidated results of the Company and its subsidiaries with effect from 1 January 2002 or since their respective dates of incorporation or the date of acquisition, whichever is a shorter period. The consolidated balance sheets at 31 December 2002, 2003, 2004 and 2005 are the combination of the balance sheets of the Company and its subsidiaries at 31 December 2002, 2003, 2004 and 2005. In the opinion of the directors, the resulting consolidated financial statements give a more meaningful view of the results and state of affairs of the Group as a whole.