

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	Year ended 31 December	
		2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		517,750	239,976
Adjustments for:			
Depreciation of property, plant and equipment	13	94,639	64,366
Amortisation of mining rights	14	21,954	16,705
Amortisation of land lease prepayments	19	3,456	2,870
Net loss on disposal of property, plant and equipment		726	10,928
Write off of exploration assets		5,429	–
Impairment of other receivables		1,750	1,447
Write down of inventories to net realisable value		–	180
Deferred income recognised	29	(2,476)	(1,116)
Interest expenses		47,744	46,039
Interest income		(7,712)	(1,448)
Interest income arising from share application funds		(89,403)	–
Share of loss of an associate		1,935	717
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		595,792	380,664
Decrease/(increase) in trade and notes receivables		20,500	(21,693)
(Increase)/decrease in prepayments, deposits and other receivables		(21,628)	65,090
Increase in inventories		(121,621)	(59,795)
(Increase)/decrease in amounts due from related parties		(2,857)	617
Increase in trade payables		89,150	1,467
Increase/(decrease) in other payables and accruals		83,853	(1,109)
(Decrease)/increase in provisions		(4,910)	4,034
(Decrease)/increase in amounts due to related parties		(10,990)	7,204
CASH GENERATED FROM OPERATIONS		627,289	376,479
Income taxes paid		(86,700)	(37,662)
NET CASH INFLOW FROM OPERATING ACTIVITIES		540,589	338,817

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Year ended 31 December 2006

	Notes	Year ended 31 December	
		2006 RMB'000	2005 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(239,004)	(234,361)
Purchase of intangible assets	14	(28,501)	(23,616)
Increase in land lease prepayments	19	(8,879)	(585)
Proceeds from disposal of property, plant and equipment		5,479	1,789
Proceeds from sales of available-for-sale financial assets		–	5,850
Acquisition of subsidiaries	35	–	(410,133)
Acquisition of an associate		–	(17,500)
Receipt of government grants	29	18,379	19,220
Interest received		7,712	1,448
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(244,814)	(657,888)
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		610,290	1,665,500
Repayment of bank borrowings		(703,500)	(1,485,083)
Dividends paid		(57,735)	(28,505)
Interest paid		(44,869)	(44,080)
NET CASH INFLOW FROM FINANCING ACTIVITIES		2,261,057	107,832
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,556,832	(211,239)
Cash and cash equivalents at beginning of year		138,565	349,804
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,695,397	138,565
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS:			
Cash and bank balances		2,695,397	138,565