



CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st December, 2006

	NOTES	2006 RMB'000	2005 RMB'000
OPERATING ACTIVITIES			
Profit before tax		40,134	31,906
Adjustments for:			
Amortisation of mining rights		8,328	—
Depreciation of property, plant and equipment		34,192	27,153
Discount on acquisition of subsidiaries		(56,532)	—
(Gain) loss on disposal of property, plant and equipment		(353)	13
Impairment loss recognised in respect of property, plant and equipment		44,679	—
Interest expense		7,866	3,399
Interest income		(1,368)	(519)
Loss on disposal of a subsidiary		6,337	—
Loss on disposal of held for trading investments		—	352
Loss from increase in fair value of convertible bonds			
— embedded derivatives		39,873	—
Release of prepaid lease payments		11	—
Share-based payment expense		—	2,193
Operating cash flows before movements in working capital		123,167	64,497
Decrease in held for trading investments		—	8
Increase in inventories		(1,190)	—
Increase in accounts and other receivables		(2,354)	(2,023)
Increase in amounts due from related companies		(5,947)	(10,687)
Increase (decrease) in amounts due to related companies		3,105	(2,136)
Increase in accounts and other payables		212	1,295
Cash generated from operations		116,993	50,954
Income tax paid		(6,429)	(4,899)
NET CASH FROM OPERATING ACTIVITIES		110,564	46,055



	NOTES	2006 RMB'000	2005 RMB'000
INVESTING ACTIVITIES			
Acquisition of subsidiaries	28	(384,826)	—
Transaction costs directly attributable to acquisition of subsidiaries	28	(15,525)	—
Purchase of property, plant and equipment		(14,859)	(448)
Purchase of exploration and evaluation assets		(4,848)	—
Disposal of a subsidiary	29	52,376	—
Proceeds from disposal of property, plant and equipment		6,090	23
Interest received		1,368	519
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(360,224)	94
FINANCING ACTIVITIES			
Proceeds on placing of new shares		152,000	—
Bank borrowings raised (repaid)		75,000	(15,000)
Proceeds from issue of shares upon exercise of share options		5,218	—
Repayment of loans to minority shareholders		(11,791)	—
Dividend paid to minority shareholders		(7,380)	(4,914)
Payments on repurchase of shares		(7,154)	—
Expenses on placing of new shares		(4,943)	—
Interest paid		(507)	(1,508)
Dividend paid		—	(4,200)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		200,443	(25,622)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(49,217)	20,527
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		151,311	130,784
CASH AND CASH EQUIVALENTS AT END OF YEAR, REPRESENTED BY BANK BALANCES AND CASH		102,094	151,311