

Consolidated Cash Flow Statement

(Prepared in accordance with International Financial Reporting Standards)
 For the year ended 31st December, 2004
 (Amounts expressed in thousands of RMB)

	Note	For the year ended 31st December, 2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6,595,191	6,763,743
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation		4,706,992	4,117,478
Amortization of prepaid land use rights		28,074	19,136
Amortization of goodwill and negative goodwill		(205,277)	(222,108)
Amortization of other non-current assets		39,731	41,566
(Reversal) / Provision for doubtful accounts		(10,654)	12,567
Provision for / (reversal) of inventory obsolescence		1,521	(751)
Loss / (Gain) from disposals of investments		1,988	(10,705)
Investment income		(22,542)	—
(Gain) / Loss on disposals of property, plant and equipment, net		(29,176)	138,726
Unrealized exchange loss		89,913	1,094
Gain on interest rate swaps		(925)	(11,771)
Share of profit of associates		(377,565)	(212,091)
Interest income		(43,092)	(53,044)
Interest expenses		663,424	569,148
Changes in working capital:			
Restricted cash		(23,108)	(146,702)
Accounts receivable		(742,005)	(353,637)
Due from other related parties		(9,108)	(5,862)
Inventories, net		(414,275)	159,419
Other receivables and assets, net		(206,873)	(65,900)
Accounts payable and other liabilities		243,524	226,584
Taxes payable		3,796	131,281
Other non-current liability		13,000	—
Due to HIPDC		(53,263)	(12,967)
Due to other related parties		(13,912)	13,370
Staff welfare and bonus payable		(17,728)	(12,670)
Interest paid		(974,879)	(617,162)
Income tax paid		(1,123,966)	(989,635)
Interest received		43,895	54,182
Net cash provided by operating activities		8,162,701	9,533,289

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	Note	For the year ended 31st December, 2004	2003
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,877,553)	(3,606,704)
Proceeds from disposals of property, plant and equipment		27,768	7,679
Prepayments of land use right		(154,754)	(16,508)
Increase in other non-current assets		(3,680)	(12,847)
Decrease in temporary cash investments		132,355	1,066,629
Proceeds from disposal of investments		548	80,704
Cash dividend received		172,542	—
Cash consideration paid for acquisitions	3	(4,575,000)	(2,940,000)
Direct transaction costs paid for acquisitions	3	(31,685)	(19,618)
Cash inflow from the acquired power plants	3	659,174	215,585
Net cash used in investing activities		(13,650,285)	(5,225,080)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of short-term loans, unsecured		8,724,000	769,000
Repayments of short-term loans, unsecured		(2,940,313)	(450,000)
Drawdown of long-term loans from shareholders, unsecured		800,000	—
Repayments of long-term loans from shareholders, unsecured		(1,504,827)	(388,988)
Drawdown of long-term bank loans, unsecured		4,944,000	1,016,230
Repayments of long-term bank loans, unsecured		(3,192,843)	(2,322,348)
Drawdown of other long-term loans, unsecured		—	350,000
Repayments of other long-term loans, unsecured		(679,062)	(36,060)
Capital injection from minority shareholders of the subsidiaries		677,034	77,632
Dividend paid to shareholders of the Company		(3,005,586)	(2,049,408)
Dividend paid to minority shareholders of the subsidiaries		(167,125)	(148,220)
Redemption of convertible notes		(811)	—
Net cash provided by / (used in) financing activities		3,654,467	(3,182,162)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,833,117)	1,126,047
Cash and cash equivalents, beginning of year		4,128,648	3,002,601
CASH AND CASH EQUIVALENTS, END OF YEAR	35(a)	2,295,531	4,128,648

The notes on pages 101 to 150 are an integral part of these financial statements.