

Consolidated Cash Flow Statement

CHALCO For the year ended December 31, 2004

	Year ended December 31,	
	2004 RMB'000	2003 RMB'000
Cash flow from operating activities		
Operating profit after finance costs	8,550,971	4,627,069
Depreciation	2,312,540	2,043,983
Loss on disposal of property, plant and equipment	43,740	160,823
Impairment loss on property, plant and equipment	20,227	74,485
Amortization of intangible assets	58,468	48,464
Unrealized loss on short-term investments	917	2,979
Realized gain on short-term investments	(403)	—
Unrealized loss on futures contracts	4,972	10,244
Realized loss on futures contracts	20,520	54,970
Interest waived	(9,777)	(44,476)
Interest income	(61,540)	(26,204)
Interest expense	408,992	451,411
Income from unlisted investment securities	(351)	(351)
Operating profit before working capital changes	11,349,276	7,403,397
Increase in inventories	(1,164,495)	(819,477)
(Increase) decrease in accounts receivable and other receivables, including amounts due from related parties	(982,300)	1,069,109
Increase (decrease) in accounts payable and other payables, including amounts due to related parties	1,255,177	(223,159)
Cash generated from operating activities	10,457,658	7,429,870
Interest paid	(456,291)	(600,836)
PRC income taxes paid	(1,736,164)	(826,528)
	(2,192,455)	(1,427,364)
Net cash inflow from operating activities	8,265,203	6,002,506

Consolidated Cash Flow Statement *(Continued)*

For the year ended December 31, 2004 **CHALCO**

	Note	Year ended December 31,	
		2004 RMB'000	2003 RMB'000
Investing activities			
Purchase of property, plant and equipment, excluding interest capitalized		(8,972,400)	(5,352,771)
Sale of property, plant and equipment		53,864	50,038
Purchase of intangible assets		(81,606)	(17,542)
Purchase of short-term listed investments		(3,405)	(51,067)
Purchase of an unlisted equity investment		—	(10,000)
Investment in a jointly controlled entity		(49,500)	(3,300)
Investment in an associated company	18(b)	(45,000)	—
Sale of long-term unlisted equity investment		—	100
Sale of short-term listed investments		11,441	4,869
Loss on settlement of futures contracts		(30,764)	(41,790)
Interest received		61,540	26,204
Net cash used in investing activities		(9,055,830)	(5,395,259)
Net cash (outflow)inflow before financing		(790,627)	607,247
Financing activities 30			
Issue of shares		3,300,648	—
Share issue expenses		(49,998)	—
New loans borrowed		7,302,829	5,631,789
Repayment of amounts borrowed		(5,418,356)	(5,654,603)
		1,884,473	(22,814)
Decrease in bank deposits, pledged		—	46,169
Dividend paid by subsidiaries to minority shareholders		(16,885)	(23,851)
Other contributions by Chinalco* (Note 28(b)(i))		—	85,500
Capital injection by minority shareholders		360,500	80,600
Dividend paid		(1,060,788)	(472,496)
Net cash inflow(outflow) from financing activities		4,417,950	(306,892)
Increase in cash and cash equivalents		3,627,323	300,355
Cash and cash equivalents at beginning of the year		2,596,440	2,296,085
Cash and cash equivalents at end of the year		6,223,763	2,596,440
Analysis of balances of cash and cash equivalents:			
Bank balances and cash		6,223,763	2,596,440

* Aluminum Corporation of China 中國鋁業公司("Chinalco or the holding company")