

Consolidated Cash Flow Statement

For the year ended December 31, 2006

	Note	2006 RMB'000	2005 RMB'000
Cash flows from operating activities			
Profit before income taxes		16,780,245	9,741,647
Share of losses/(profits) of jointly controlled entities		11,419	(372)
Share of profits of associates		(105,141)	(26,947)
Depreciation of property, plant and equipment	27	3,437,438	2,477,877
Loss on disposal of property, plant and equipment	27	55,579	63,355
Impairment loss on property, plant and equipment	27	32,303	4,225
Amortization of intangible assets	27	24,204	36,396
Amortization of land use rights	27	35,298	10,671
Gain on financial assets at fair value through profit or loss	24	—	(5,582)
Realized and unrealized gain on futures contracts	24	(86,633)	(5,760)
Income from held-to-maturity investments	24	—	(193)
Excess of interest in the net fair value of net assets acquired over cost	24	(235,900)	—
Interest waived	24	—	(14,711)
Interest income	24	(183,514)	(89,363)
Interest expense	28	673,615	404,478
		20,438,913	12,595,721
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
Increase in inventories		(1,104,109)	(1,972,698)
(Increase)/ decrease in accounts receivable		(855,407)	81,593
(Increase)/ decrease in other current assets		(465,632)	621,348
(Decrease)/ increase in accounts payable		(118,936)	570,521
(Decrease)/ increase in other payables and accruals		(228,080)	46,326
Cash generated from operating activities		17,666,749	11,942,811
Interest paid		(766,601)	(686,432)
PRC enterprise income taxes paid		(3,676,188)	(2,666,171)
Net cash generated from operating activities		13,223,960	8,590,208

Consolidated Cash Flow Statement (Continued)

For the year ended December 31, 2006

	Note	2006 RMB'000	2005 <i>RMB'000</i>
Cash flows from investing activities			
Purchase of intangible assets	6	(29,384)	(28,722)
Purchase of property, plant and equipment, excluding interest capitalized		(6,494,582)	(7,994,744)
Purchase of land use rights	8	(44,269)	(56,898)
Proceeds from sales of property, plant and equipment	33	201,264	18,026
Cash and cash equivalents acquired from acquisition of subsidiaries	5	(472,130)	—
Investment in a jointly controlled entity	10(a)	(402,814)	(117,150)
Investment in an associate	10(b)	(247,454)	(799,038)
Increase in time deposits	15	(3,000,000)	—
Disposal of held-to-maturity investments		—	11,053
Disposal of financial assets at fair value through profit or loss		5,540	47,754
Disposal of available-for-sale financial assets		200	—
Gain on settlement of futures contracts		83,976	9,148
Interest received		155,427	89,363
Net cash used in investing activities		(10,244,226)	(8,821,208)

Consolidated Cash Flow Statement (Continued)

For the year ended December 31, 2006

	Note	2006 RMB'000	2005 RMB'000
Net cash inflow/(outflow) before financing		2,979,734	(231,000)
Cash flows from financing activities			
Issue of shares, net of issuance expenses		4,390,469	—
Issue of short-term bonds, net of issuance expenses	20(c)	4,913,400	1,943,200
Repayment of short-term bonds	20(c)	(2,000,000)	—
News bank loans		2,878,668	6,987,888
Repayment of bank loans		(6,438,265)	(5,478,648)
Dividends paid by subsidiaries to minority shareholders		(81,429)	(83,636)
Capital injection by minority shareholders		92,400	180,938
Dividends paid		(4,529,929)	(1,944,778)
Net cash (outflow)/inflow from financing activities		(774,686)	1,604,964
Net increase in cash and cash equivalents		2,205,048	1,373,964
Cash and cash equivalents at beginning of the year		7,597,727	6,223,763
Cash and cash equivalents at end of the year	15	9,802,775	7,597,727

The notes on pages 69 to 162 are an integral part of these consolidated financial statements.