

Consolidated Statement of Cash Flows

For the year ended 31st December, 2006
(Prepared in accordance with International Financial Reporting Standards)
(Amounts expressed in thousands of RMB)

	Note	For the year ended 31st December,	
		2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		8,016,773	6,592,208
Adjustments to reconcile profit before tax to net cash provided by operating activities:			
Depreciation		6,721,684	6,172,866
Impairment loss on property, plant and equipment		11,920	30,080
Amortization of land use rights		42,484	36,429
Amortization of other non-current assets		15,719	15,297
Amortization of housing loss		38,810	39,258
Amortization of bonds issuance expense		19,052	—
Write off of excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost		(24,758)	—
(Reversal of)/Provision for doubtful accounts		(4,853)	49,869
Provision for inventory obsolescence		1,808	31,724
Investment income, net		(128,595)	(60,872)
Loss on disposals/write-off of property, plant and equipment, net		100,018	145,762
Unrealized exchange gains, net		(116,028)	(294,281)
Share of profits of associates		(790,629)	(644,376)
Interest income		(51,910)	(53,685)
Interest expense		1,591,033	1,426,609
Changes in working capital:			
Inventories, net		188,060	(831,622)
Other receivables and assets, net		(106,505)	265,320
Accounts receivable, net		(883,033)	(596,517)
Due from HIPDC		—	(21,847)
Due from other related parties		(621)	14,970
Restricted cash		(2,587)	1,412
Other non-current liabilities		183,003	91,188
Accounts payable and other liabilities		39,378	574,654
Taxes payable		151,412	(69,569)
Due to Huaneng Group		(6,128)	6,128
Due to HIPDC		26,500	(1,205,569)
Due to associates		83,512	(3,799)
Due to other related parties		36,176	20,183
Salary and welfare payables		189,641	(23,653)
Others		1,790	—
Interest paid		(2,507,354)	(1,965,094)
Interest received		53,444	52,475
Income tax paid		(1,394,503)	(1,114,698)
Net cash provided by operating activities		11,494,713	8,680,850

Consolidated Statement of Cash Flows

For the year ended 31st December, 2006
(Prepared in accordance with International Financial Reporting Standards)
(Amounts expressed in thousands of RMB, except per share data)

		For the year ended	
		31st December,	
	Note	2006	2005
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(15,998,575)	(13,842,293)
Proceeds from disposals of property, plant and equipment, net		32,180	32,098
Prepayments of land use rights		(250,627)	(99,745)
(Increase)/Decrease in other non-current assets		(8,973)	15,766
Decrease in temporary cash investment		2,652	9,989
Cash dividend received		482,609	429,589
Capital injections in associates		(174,918)	—
Cash consideration paid for acquisitions		—	(2,528,300)
Direct transaction costs paid for acquisitions		—	(16,698)
Cash from the power plants acquisitions		—	566,704
Net cash inflow on disposals of a subsidiary and other investment		110	19,521
Net cash used in investing activities		(15,915,542)	(15,413,369)
CASH FLOWS FROM FINANCING ACTIVITIES			
Bonds issuance expense paid		(20,000)	(22,500)
Drawdown of short-term bonds		5,000,000	4,862,200
Repayments of short-term bonds		(4,862,200)	—
Drawdown of short-term loans		14,458,700	11,657,569
Repayments of short-term loans		(13,215,850)	(13,670,000)
Drawdown of long-term loans from Huaneng Group		—	2,000,000
Drawdown of long-term bank loans		9,982,982	8,297,018
Repayments of long-term bank loans		(3,010,623)	(2,933,870)
Drawdown of other long-term loans		40,000	—
Repayments of other long-term loans		(472,154)	(351,118)
Net capital injection from minority shareholders of the subsidiaries		588,708	585,702
Dividends paid to shareholders of the Company		(3,013,846)	(3,022,096)
Dividends paid to minority shareholders of the subsidiaries		(495,361)	(318,252)
Net cash provided by financing activities		4,980,356	7,084,653
NET INCREASE IN CASH AND CASH EQUIVALENTS		559,527	352,134
Cash and cash equivalents as at beginning of the year		2,647,665	2,295,531
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	32(a)	3,207,192	2,647,665

The notes on pages 94 to 154 are an integral part of these financial statements.