

# Cash Flow Statement

for the year ended December 31, 2006

	NOTES	The Group		The Company	
		2006 RMB	2005 RMB	2006 RMB	2005 RMB
CASH FLOW FROM OPERATING ACTIVITIES:					
Cash received from sales of goods or rendering of services		15,745,513,926	13,476,932,655	15,617,782,151	13,475,817,162
Other cash received relating to operating activities	47	936,268,220	588,838,380	751,454,328	186,985,815
Sub-total of cash inflows		16,681,782,146	14,065,771,035	16,369,236,479	13,662,802,977
Cash paid for goods and services		4,952,717,269	3,903,830,672	4,583,470,961	3,921,446,617
Cash paid to and on behalf of employees		1,812,730,717	1,785,519,649	1,775,208,475	1,765,543,379
Taxes payment		3,318,349,229	2,537,018,590	3,315,398,012	2,536,222,962
Other cash paid relating to operating activities	48	2,221,163,657	1,846,492,022	2,727,728,896	2,205,656,139
Sub-total of cash outflows		12,304,960,872	10,072,860,933	12,401,806,344	10,428,869,097
NET CASH FLOW FROM OPERATING ACTIVITIES		4,376,821,274	3,992,910,102	3,967,430,135	3,233,933,880
CASH FLOW FROM INVESTING ACTIVITIES:					
Cash received from disposal of investments		-	210,000,000	-	210,000,000
Cash received from return on investment		6,311,225	10,208,536	15,183,013	10,819,392
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		14,173,454	4,378,342	13,394,064	4,214,255
Cash received from the acquisition of Heze		-	170,247,828	-	-
Other cash received relating to investing activities		-	303,647	-	-
Sub-total of cash inflows		20,484,679	395,138,353	28,577,077	225,033,647
Cash paid to acquire fixed assets, intangible assets and other long-term assets		3,770,532,448	1,353,764,616	1,067,365,264	959,394,956
Cash paid for investments		541,629,776	-	2,296,351,100	172,207,700
Including: Cash paid for the acquisition of Heze		-	-	-	10,007,700
Cash paid for the acquisition of Shanxi	49	444,203,876	-	733,346,200	-

## Cash Flow Statement (Cont'd)

for the year ended December 31, 2006

NOTES	The Group		The Company	
	2006 RMB	2005 RMB	2006 RMB	2005 RMB
Cash paid for additional investment in Australia	-	-	211,996,000	-
Investment prepaid to Yushuwan Coal Mine	22 97,425,900	-	97,425,900	-
Other cash paid relating to investing activities	81,034,538	-	15,503,032	-
Sub-total of cash outflows	4,393,196,762	1,353,764,616	3,379,219,396	1,131,602,656
NET CASH FLOW USED IN INVESTING ACTIVITIES	(4,372,712,083)	(958,626,263)	(3,350,642,319)	(906,569,009)
CASH FLOW FROM FINANCING ACTIVITIES:				
Repayments of borrowings	200,000,000	200,000,000	200,000,000	200,000,000
Cash paid for acquisition of Jining III	13,247,800	13,247,800	13,247,800	13,247,800
Dividends paid, profit distributed or interest paid	1,103,087,868	820,228,727	1,101,285,561	819,992,000
Including: dividends paid to minority shareholder of a subsidiary	271,449	236,727	-	-
Sub-total of cash outflows	1,316,335,668	1,033,476,527	1,314,533,361	1,033,239,800
NET CASH FLOW USED IN FINANCING ACTIVITIES	(1,316,335,668)	(1,033,476,527)	(1,314,533,361)	(1,033,239,800)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	(19,719,687)	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,331,946,164)	2,000,807,312	(697,745,545)	1,294,125,071

The accompanying notes are part of the financial statements.

## Cash Flow Statement (Cont'd)

for the year ended December 31, 2006

NOTES	The Group		The Company		
	2006 RMB	2005 RMB	2006 RMB	2005 RMB	
SUPPLEMENTAL INFORMATION:					
RECONCILIATION OF NET PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES:					
Net profit	1,749,341,072	2,495,481,451	1,758,212,857	2,495,481,451	
Add: Minority interest	341,511	475,997	-	-	
Impairment losses on assets	(19,716,674)	-	(9,860,444)	-	
Depreciation of fixed assets	1,027,692,415	959,241,081	981,548,810	950,274,520	
Provision for Wei Jian Fei	213,479,995	207,931,404	213,479,995	207,931,404	
Provision for Work Safety Expense	283,883,240	277,241,872	283,883,240	277,241,872	
Provision for Reform and Specific Development Fund	177,427,025	173,276,170	177,427,025	173,276,170	
Amortization of intangible assets	38,986,163	33,684,933	33,696,680	33,684,933	
Decrease (Increase) in long-term deferred expenses	73,594,040	(121,801,480)	-	-	
Decrease (Increase) in deferred expenses	35,157,858	(5,800,132)	35,309,093	(6,482,898)	
Losses (Gains) on disposal of fixed assets and other long-term assets	73,523,649	526,605	73,523,649	526,605	
Financial expenses	23,202,250	20,752,000	19,237,561	20,752,000	
Gain arising from investments	(4,194,304)	(9,092,385)	324,978,455	20,638,842	
Decrease (Increase) in inventories	(104,450,309)	14,927,243	10,668,210	45,893,995	
Decrease (Increase) in receivables under operating activities	(126,414,416)	(776,801,811)	(255,968,270)	(1,064,184,260)	
Increase (Decrease) in payables under operating activities	934,967,759	722,867,154	321,293,274	78,899,246	
Net cash flow from operating activities	4,376,821,274	3,992,910,102	3,967,430,135	3,233,933,880	
Net increase in cash and cash equivalents:					
Cash at the end of the year	50	5,910,475,432	7,242,421,596	5,599,896,104	6,297,641,649
Less: Cash at the beginning of the year		7,242,421,596	5,241,614,284	6,297,641,649	5,003,516,578
Net increase in cash and cash equivalents		(1,331,946,164)	2,000,807,312	(697,745,545)	1,294,125,071

The accompanying notes are part of the financial statements.