

# Consolidated Cash Flow Statement

For the year ended 31 December 2006

(Prepared in accordance with International Financial Reporting Standards)

(All amounts expressed in thousands of Rmb)

	Note	2006	2005
<b>Cash flows from operating activities</b>			
Cash generated from operations	34(a)	8,506,743	6,790,440
Income tax paid		(1,047,710)	(922,514)
Dividends paid		(1,750,835)	(1,514,335)
Net cash generated from operating activities		<u>5,708,198</u>	<u>4,353,591</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(15,394,121)	(17,863,422)
Decrease in short-term bank deposits over three months		–	210,409
Increase in investments in associates		(260,900)	(281,914)
Proceeds from sales of available-for-sale investments		–	119,215
Increase in available-for-sale investments		(538,235)	(48,130)
Proceeds from disposal of property, plant and equipment		48,403	213,513
Dividends received		30,108	47,038
Acquisition of a power plant, net of cash acquired	30(g)	–	(156,719)
Acquisition of a railway company, net of cash received	35	(280,965)	–
Proceeds from other investments activities		56,107	50,290
Net cash used in investing activities		<u>(16,339,603)</u>	<u>(17,709,720)</u>
<b>Cash flows from financing activities</b>			
Capital contribution into subsidiaries from minority shareholders		386,586	115,100
Proceeds from issuance of A shares	17	3,278,824	–
Proceeds from long-term loans		16,980,767	16,953,690
Proceeds from short-term loans		17,201,308	14,156,896
Repayments of long-term loans		(7,710,583)	(4,207,815)
Repayments of short-term loans		(13,682,821)	(14,419,176)
Interest paid		(2,395,346)	(1,645,539)
Net cash generated from financing activities		<u>14,058,735</u>	<u>10,953,156</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,427,330</b>	<b>(2,402,973)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b><u>1,029,339</u></b>	<b><u>3,462,019</u></b>
<b>Exchange losses on cash</b>		<b><u>(5,385)</u></b>	<b><u>(29,707)</u></b>
<b>Cash and cash equivalents at end of year</b>		<b><u>4,451,284</u></b>	<b><u>1,029,339</u></b>

The accompanying notes are an integral part of these financial statements.