

Consolidated Cash Flow Statement

(Prepared under Hong Kong Accounting Standards)

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,799,931	3,366,149
Adjustments for:			
Finance costs	7	296,226	362,470
Share of profits and losses of associates		(40,287)	(13,464)
Bank interest income	5, 6	(34,259)	(22,103)
Gain on disposal of equity investments at fair value through profit or loss	6	(13,994)	–
Dividend income from an available-for-sale investment	6	(5,284)	(5,281)
Depreciation	6	2,323,629	2,064,539
Depreciation of investment properties	6	586	–
Recognition of prepaid land premiums	6	29,070	21,092
Amortisation of a mine participation right	6	4,481	1,115
Recognition of deferred income	5, 6	(49,752)	(48,498)
Reversal of impairment of property, plant and equipment	6	(19,611)	–
Reversal of impairment of construction in progress	6	(17,676)	–
Loss on disposal of items of property, plant and equipment, net	6	3,011	19,114
Loss on disposal of items of construction in progress, net	6	8,185	–
Provision/(reversal of provision) for inventories, net	6	(26,190)	75,464
Provision/(reversal of provision) for doubtful debts, net	6	(9,230)	554
Exchange losses/(gains), net	6	55,872	(154,743)
		5,304,708	5,666,408
Increase in inventories		(1,178,654)	(401,012)
(Increase)/decrease in construction contracts		(20,117)	32,498
Decrease in trade and bills receivables		972,646	60,394
(Increase)/decrease in prepayments, deposits and other receivables		(188,975)	247,295
Increase in trade and bills payables		406,924	850,403
Increase/(decrease) in other payables and accruals		504,839	(71,243)
Decrease in provisions for pension benefits and housing subsidies		(71,417)	(20,889)
Cash generated from operations		5,729,954	6,363,854
Income tax paid		(447,150)	(503,911)
Net cash inflow from operating activities		5,282,804	5,859,943

Consolidated Cash Flow Statement (Continued)

(Prepared under Hong Kong Accounting Standards)

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
Net cash inflow from operating activities		<u>5,282,804</u>	<u>5,859,943</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		34,259	22,103
Disposal of equity investments at fair value through profit or loss		27,562	–
Dividend income from an available-for-sale investment		5,284	5,281
Dividend income from an associate		–	54
Government subsidies granted for specific projects		116,567	6,700
Purchases of items of property, plant and equipment, construction in progress and other intangible asset		(14,055,200)	(8,351,010)
Purchases of prepaid land premiums		(175,177)	(23,182)
Proceeds from disposal of items of property, plant and equipment		62,002	25,176
Proceeds from retrieval of held-to-maturity investments		2,660	2,660
Investment in a jointly-controlled entity		–	(234,000)
Investments in associates		(13,500)	(104,832)
Proceeds from disposal of an associate		–	200
Acquisition of a subsidiary/businesses	40	(44,918)	(149,774)
Decrease in unpledged time deposits		63,632	1,514
Increase in pledged deposits		(389,303)	(133,677)
Net cash outflow from investing activities		<u>(14,366,132)</u>	<u>(8,932,787)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		14,019,019	17,113,844
Issue of bonds with warrants		5,355,650	–
Repayment of bank and other borrowings		(8,538,526)	(11,606,332)
Capital contribution by minority shareholders		317,983	23,267
Interest paid		(773,016)	(434,623)
Dividend paid		(632,837)	(1,011,522)
Dividend paid to minority shareholders		(26,444)	(2,265)
Net cash inflow from financing activities		<u>9,721,829</u>	<u>4,082,369</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		638,501	1,009,525
Cash and cash equivalents at beginning of year		3,049,270	2,112,876
Effect of foreign exchange rate changes, net		(58,203)	(73,131)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>3,629,568</u></u>	<u><u>3,049,270</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	30	<u><u>3,629,568</u></u>	<u><u>3,049,270</u></u>