

# Consolidated Cash Flow Statement

For the year ended December 31, 2007

(Amounts expressed in thousands of RMB)

	Note	2007	2006 (Note 5)
<b>Cash flows from operating activities</b>			
Profit before income tax expense		14,409,354	17,124,243
Share of losses of jointly controlled entities		3,381	11,419
Share of profits of associates		(241,945)	(105,177)
Depreciation of property, plant and equipment		4,466,446	3,680,910
Loss on disposal of property, plant and equipment	27	160,943	90,730
Impairment loss on property, plant and equipment	27	13,249	16,924
Amortization of intangible assets		30,121	24,204
Amortization of land use rights	27	42,435	35,298
Amortization of long-term deferred assets		68,041	6,820
(Gain)/Loss on disposal of investment		(580)	25
Realized and unrealized gain on futures contracts	22	(106,716)	(86,633)
Excess of interest in the net fair value of net assets acquired over cost	22	—	(235,900)
Interest income		(188,070)	(185,874)
Interest expense		926,313	775,250
Others		1,325	—
		<b>19,584,297</b>	<b>21,152,239</b>
Changes in working capital:			
Increase in inventories		(2,704,545)	(1,139,502)
Increase in accounts receivable		(275,735)	(906,691)
Decrease/(Increase) in other current assets		168,224	(431,633)
Increase in restricted cash		(11)	—
Increase in other non-current assets		(230,487)	—
Increase/(Decrease) in accounts payable		263,735	(158,447)
Increase in other non-current liability		28,204	19,630
(Decrease)/Increase in other payables and accruals		(1,486,289)	190,387
Cash generated from operating activities		<b>15,347,393</b>	<b>18,725,983</b>
Interest paid		(1,174,655)	(864,568)
PRC enterprise income taxes paid		(3,995,612)	(3,714,012)
<b>Net cash generated from operating activities</b>		<b>10,177,126</b>	<b>14,147,403</b>

# Consolidated Cash Flow Statement *(Continued)*

For the year ended December 31, 2007

(Amounts expressed in thousands of RMB)

	Note	2007	2006 <i>(Note 5)</i>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	7	(72,081)	(29,384)
Purchase of property, plant and equipment		(9,602,115)	(6,628,807)
Purchase of investment property		(109,201)	—
Purchase of land use rights		(313,490)	(44,269)
Proceeds from sales of property, plant and equipment		132,988	34,181
Proceeds from disposal of associates	11(b)	790	—
Cash and cash equivalents acquired from/(paid for) acquisition of subsidiaries	5	313,662	(472,130)
Investment in a jointly controlled entity	11(a)	(63,883)	(402,814)
Investment in an associate	11(b)	—	(247,454)
Acquisition of minority shareholder investment		(497,058)	—
Acquisition of subsidiary		(140,000)	—
Increase of available-for-sale financial assets		(2,000)	—
Dividend received		51,523	—
Decrease/(Increase) in short-term cash investment		2,903,946	(3,000,000)
Interest received		216,337	157,721
Others		(7,360)	(75,497)
<b>Net cash used in investing activities</b>		<b>(7,187,942)</b>	<b>(10,708,453)</b>

# Consolidated Cash Flow Statement *(Continued)*

For the year ended December 31, 2007

(Amounts expressed in thousands of RMB)

	Note	2007	2006 <i>(Note 5)</i>
<b>Cash flows from financing activities</b>			
Issuance of shares, net of issuance expenses		(119,000)	4,390,469
Issuance of short-term bonds, net of issuance expenses	21(d)	2,988,000	4,913,400
Issuance of long-term bonds, net of issuance expenses	21(b)	1,978,500	—
Repayment of short-term bonds	21(d)	(5,000,000)	(2,000,000)
Drawdown of short-term loans		—	3,178,369
Drawdown of long-term loans		5,462,351	635,300
Repayments of short-term loans		(1,364,400)	(4,784,574)
Repayments of long-term loans		(5,149,173)	(2,547,784)
Dividends paid by subsidiaries to minority shareholders		(465,682)	(117,200)
Capital injection by minority shareholders		10,094	92,400
Dividends paid		(3,511,965)	(4,558,826)
Investment refund to minority shareholders of a subsidiary		(94,128)	(472,551)
<b>Net cash outflow from financing activities</b>		<b>(5,265,403)</b>	<b>(1,270,997)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2,276,219)</b>	<b>2,167,953</b>
Cash and cash equivalents at beginning of the year		9,983,061	7,815,108
<b>Cash and cash equivalents at end of the year</b>	16	<b>7,706,842</b>	9,983,061

The notes on pages 109 to 227 are an integral part of these consolidated financial statements.