

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	7	2,869,337	1,133,892
Adjustments for:			
Finance costs	6	114,975	18,437
Share of profits of associates		(64,923)	(31,173)
Interest income	5	(13,513)	(10,659)
Gain on disposal of equity investments at fair value through profit or loss	5	(33,993)	(1,520)
Fair value gains on equity investments at fair value through profit or loss	5	(30,172)	–
Excess over the cost of business combinations recognized in the income statement	5	(20,696)	–
(Gains)/losses on disposal of subsidiaries	7	(8,856)	4,879
Losses on derivative financial instruments		147,112	10,287
Depreciation	7	264,589	139,918
Amortisation of land use rights	7	4,667	580
Amortisation of long-term deferred assets	7	26,253	7,919
Amortisation of intangible assets	7	27,148	17,952
Provision for inventory obsolescence	7	99	471
Provision for bad and doubtful receivables	7	1,584	1,296
Impairment provision for intangible assets	7	–	6,857
Loss on disposal of property, plant and equipment	7	1,337	3,836
Operating profit before working capital changes		3,284,948	1,302,972
Increase in inventories		(621,875)	(74,172)
Increase in prepayments, deposits and other receivables		(178,108)	(19,592)
Increase in trade receivables		(107,794)	(56,413)
Increase in bills receivable		(5,412)	(6,993)
Increase in accrued liabilities and other payables		627,838	82,469
Increase in trade payables and bills payables		89,606	49,675
Increase /(decrease) in long term other payables		4,212	(9,186)
Increase in provision for land restoration and environmental costs		13,228	11,458
Cash generated from operations		3,106,643	1,280,218
Income tax paid		(500,355)	(152,314)
Net cash inflow from operating activities		2,606,288	1,127,904

Consolidated Cash Flow Statement

Year ended 31 December 2006

Notes	2006 RMB'000	2005 RMB'000 (Restated)
Net cash inflow from operating activities	2,606,288	1,127,904
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	13,513	10,659
Dividends received from associates	49,507	7,987
Purchase of available-for-sale investments	(148,968)	(69,438)
Purchase of equity investment at fair value through profit or loss	(91,268)	(6,100)
Proceeds from disposal of equity investment at fair value through profit or loss	81,530	14,286
Purchase of property, plant and equipment	(1,802,301)	(1,067,330)
Proceeds from disposal of property, plant and equipment	43,052	7,553
Additions to land use rights	(13,419)	(39,660)
Additions to long-term deferred assets	(110,936)	(45,569)
Additions to intangible assets	(199,972)	(113,288)
Additions to other assets, other than exploration and evaluation costs	(726,811)	(14,239)
Additions to exploration and evaluation costs	(12,674)	(65,323)
Proceeds from disposal of intangible assets	14,286	9,775
Acquisition of associates	(384,182)	(271,005)
Investment in jointly-controlled entities	(642)	(3,295)
Acquisition of subsidiaries	38(a) (179,035)	(142,462)
Proceeds from disposal of equity interests in subsidiaries	38(b) 20,609	3,523
Acquisition of equity interest in subsidiaries from minority shareholders	(165,064)	(14,423)
Repayment of loans advanced to related parties	-	2,707
Decrease in non-pledged time deposits with original maturity over three months when acquired	23,534	38,965
Increase in pledged deposits	(25,897)	-
Net cash outflow from investing activities	(3,615,138)	(1,756,677)

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Note	2006 RMB'000	2005 RMB'000 (Restated)
Net cash outflow from investing activities		(3,615,138)	(1,756,677)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		3,792,606	1,030,257
Repayment of bank loans		(1,044,811)	(72,247)
Repayment of other long term loans		–	(1,000)
Interest paid		(144,819)	(41,542)
Dividends paid		(420,522)	(262,826)
Dividends paid to minority shareholders		(401,572)	(1,179)
Cash received from government grants		3,957	9,000
Cash received from minority shareholders upon investments in subsidiaries		161,344	148,364
Net cash inflow from financing activities		1,946,183	808,827
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,005,801	825,747
Movement in exchange fluctuation reserve		(3,726)	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,939,408	1,005,801
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	1,939,408	1,005,801