

## Consolidated Cash Flow Statement

For the year ended 31 December 2005  
(Prepared under International Financial Reporting Standards)  
(Expressed in Renminbi)

	Note	2005 RMB million	2004 RMB million (restated, Note 3)
(Loss)/profit before taxation		<b>(1,853)</b>	220
Depreciation of property, plant and equipment		<b>4,420</b>	2,363
Other amortisation		<b>40</b>	50
Amortisation of deferred credits		<b>(78)</b>	(4)
Share of associates' results		<b>285</b>	(10)
Share of jointly controlled entities' results		<b>(36)</b>	16
Loss on sale of property, plant and equipment		<b>32</b>	1
Interest income		<b>(55)</b>	(22)
Interest expense		<b>1,616</b>	691
Net realised and unrealised gain on equity securities held for trading		<b>(6)</b>	(15)
Unrealised exchange (gain)/loss, net		<b>(1,164)</b>	42
Decrease/(increase) in inventories		<b>46</b>	(29)
Increase in trade receivables		<b>(315)</b>	(218)
Increase in other receivables		<b>(236)</b>	(166)
Increase in prepaid expenses and other current assets		<b>(2)</b>	(31)
Increase in deferred expenditure		–	(2)
Decrease in net amounts due from/(to) related companies		<b>(493)</b>	(586)
Increase/(decrease) in trade and bills payable		<b>2,239</b>	(30)
Increase in sales in advance of carriage		<b>539</b>	408
(Decrease)/increase in accrued expenses		<b>(399)</b>	541
Increase in other liabilities		<b>822</b>	1,223
Increase in provision for major overhauls		<b>17</b>	113
Cash inflows from operations		<b>5,419</b>	4,555
Interest received		<b>55</b>	22
Interest paid		<b>(1,616)</b>	(754)
Income tax paid		<b>(23)</b>	(227)
Net cash inflows from operating activities		<b>3,835</b>	3,596

The notes on pages 47 to 101 form part of these financial statements.

## Consolidated Cash Flow Statement (Cont'd)

For the year ended 31 December 2005  
(Prepared under International Financial Reporting Standards)  
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	Note	2005 RMB million	2004 RMB million (restated, Note 3)
Investing activities			
Proceeds from sale of property, plant and equipment		238	47
Proceeds from sale of other investments		689	–
Increase in deferred credits		57	–
Dividends received from associates		2	12
Dividends received from jointly controlled entities		39	5
Dividends received from other non-current investments		4	–
Dividends received from equity securities held for trading		–	13
Decrease/(increase) in other non-current assets		4	(9)
Payment for the CNA/XJA Acquisitions	43	(1,959)	–
Payment of acquisition of equity interest held by minority shareholders		(118)	–
Payment of lease and equipment deposits		(6,649)	(3,151)
Refund of lease and equipment deposits		4,619	1,253
Capital expenditures		(4,935)	(6,631)
Purchase of other investments		–	(680)
Investment in an associate		–	(9)
Investments in jointly controlled entities		–	(72)
Effect of the CNA/XJA Acquisitions	43	–	398
<b>Net cash used in investing activities</b>		<b>(8,009)</b>	<b>(8,824)</b>
Net cash outflows before financing activities		<b>(4,174)</b>	<b>(5,228)</b>
Financing activities			
Proceeds from bank and other loans		18,238	14,555
Repayment of bank and other loans		(12,193)	(7,108)
Repayment of principal under finance lease obligations		(2,050)	(1,272)
Capital contribution received from minority shareholders		17	71
Dividends paid to minority shareholders		(20)	(15)
<b>Net cash inflows from financing activities</b>		<b>3,992</b>	<b>6,231</b>
(Decrease)/increase in cash and cash equivalents		<b>(182)</b>	1,003
Cash and cash equivalents at 1 January		3,083	2,080
Cash and cash equivalents at 31 December		2,901	3,083

The notes on pages 47 to 101 form part of these financial statements.