

Notes to the Consolidated Cash Flow Statement

For the year ended 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)

(a) Reconciliation of net profit to cash flows from operating activities

	2005 RMB'000
Net profit	1,704,627
Depreciation	1,742,500
Provision for bad debts	(21,004)
Provision for inventories	(6,600)
Amortisation of goodwill	13,448
Gain on disposal of fixed assets	(15,298)
Financial expenses	216,552
Investment loss	39,375
Deferred tax assets	21,204
Increase in inventories	(380,629)
Decrease in operating receivables	1,155,943
Decrease in operating payables	(295,848)
Minority interests	70,845
Net cash flows from operating activities	4,245,115

(b) Net decrease in cash and cash equivalents

	2005 RMB'000
Cash at the end of the year	1,347,237
Less: Cash at the beginning of the year	(1,690,500)
Net decrease in cash and cash equivalents	(343,263)

Approved by the Board of Directors on 24 March 2006.

Rong Guangdao

Chairman and President

Du Chongjun

Vice chairman and Vice President

Han Zhihao

Director and Chief Financial Officer

The notes on pages 152 to 192 form part of these financial statements.