

Consolidated Cash Flow Statement

Year ended 31 December 2005

(All amounts expressed in thousands of Renminbi)

076

	Notes	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35(a)	41,695,648	29,705,761
Income taxes paid		(9,849,454)	(7,402,280)
Interest received		359,294	206,871
Dividends received		232,346	135,000
Short term investment income received		45,785	4,626
Interest paid		(329,797)	(322,118)
Net cash inflow from operating activities		32,153,822	22,327,860
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of and prepayment for oil and gas properties	35(b)	(864,007)	(5,779,140)
Additions of property, plant and equipment		(16,605,548)	(12,842,905)
Increase in time deposits with maturities over three months		(3,597,000)	(6,280,000)
Purchase of available-for-sale financial assets/ short term investments		(21,487,478)	(5,735,093)
Disposals of available-for-sale financial assets/ short term investments		13,204,817	6,029,946
Net cash outflow from investing activities		(29,349,216)	(24,607,192)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of long term guaranteed notes		—	8,154,085
Repayment of bank loans		(18,654)	(21,075)
Dividends paid		(7,772,218)	(6,101,395)
Share repurchases		—	(61,153)
Proceeds from exercise of share options		4,500	—
Net cash (outflow)/inflow from financing activities		(7,786,372)	1,970,462
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		14,091,524	14,400,394
Effect of foreign exchange rate changes, net		(118,000)	—
CASH AND CASH EQUIVALENTS AT END OF YEAR			
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents balances		8,991,758	14,091,524