

# Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 RMB million	2004 RMB million
Cash flows from operating activities			
Profit before tax		<b>2,221</b>	3,174
Adjustments for:			
Share of profits and losses of associates		<b>(29)</b>	(42)
Gain on dilution of interests in certain businesses and investments, net		—	(852)
Loss on disposal of items of property, plant and equipment, net	6	<b>14</b>	25
Loss on disposal of intangible assets	6	<b>8</b>	—
Provision/(write-back of provision) for bad and doubtful debts	6	<b>16</b>	(101)
Exchange losses/(gains) net	6	<b>(252)</b>	106
Depreciation and impairment, net	6	<b>1,357</b>	1,056
Amortisation of intangible assets	6	<b>112</b>	83
Finance costs	7	<b>478</b>	242
Interest income	5	<b>(141)</b>	(138)
Operating profit before working capital changes		<b>3,784</b>	3,553
Increase in trade and bills receivables and prepayments, deposits and other receivables		<b>(27)</b>	(1,921)
Decrease/(increase) in inventories		<b>513</b>	(1,944)
Decrease/(increase) in other financial assets		<b>115</b>	(51)
Decrease/(increase) in amounts due from jointly-controlled entities		<b>231</b>	(138)
Increase in other long term assets		<b>(66)</b>	(109)
Increase in trade, bills and other payables, and accruals		<b>1,749</b>	3,006
Increase in amounts due to jointly-controlled entities		<b>306</b>	37
Increase in provisions		<b>18</b>	35
Decrease in government grants		<b>(431)</b>	(120)
Increase/(decrease) in other long term liabilities		<b>(210)</b>	2
Cash generated from operations		<b>5,982</b>	2,350
Interest paid		<b>(522)</b>	(259)
Income tax paid		<b>(186)</b>	(222)
Net cash flows generated from operating activities		<b>5,274</b>	1,869

## Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 RMB million	2004 RMB million
<b>Cash flows from investing activities</b>			
Purchases of items of property, plant and equipment		(4,051)	(2,985)
Increase in lease prepayments		(1)	(58)
Purchases of intangible assets		(226)	(290)
Purchases of available-for-sale financial assets		(21)	(139)
Loan to a jointly-controlled entity		(250)	—
Investments in associates		(98)	(49)
Disposal of certain businesses and investments to a jointly-controlled entity attributable to a joint venture partner, net of cash acquired	17	—	872
Acquisition of a jointly-controlled entity, net of cash acquired	18(a)	(22)	—
Acquisition of additional equity interests in jointly-controlled entities, net of cash acquired	18(b)	(27)	(655)
Proceeds from disposal of items of property, plant and equipment		467	430
Proceeds from disposal of available-for-sale financial assets		28	24
Proceeds from disposal of associates		16	105
Dividends from associates		29	18
Government grants received	33	464	172
Interest received	5	141	138
Decrease/(increase) in pledged time deposits		86	(481)
Increase in non-pledged time deposits with original maturity of three months or more when acquired		(738)	(30)
<b>Net cash flows used in investing activities</b>		<b>(4,203)</b>	<b>(2,928)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		10,338	7,871
Repayment of borrowings		(10,456)	(6,471)
Repurchase of capital		(2,306)	(2,307)
Net proceeds from issue of shares		3,959	—
Capital contribution from minority shareholders		—	139
Dividends paid to minority shareholders		(108)	(168)
Dividends paid		(1,390)	—
<b>Net cash flows generated from/(used in) financing activities</b>		<b>37</b>	<b>(936)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,108</b>	<b>(1,995)</b>
Cash and cash equivalents at beginning of year		4,478	6,473
Cash and cash equivalents at end of year	28	5,586	4,478