

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	6	1,133,892	636,685
Adjustments for:			
Finance costs	5	18,437	5,836
Share of profits of associates		(31,173)	(15,034)
Interest income	4	(10,659)	(11,761)
Dividend income	4	—	(6)
Gain on disposal of financial assets at fair value through profit or loss	4	(1,520)	(2,243)
Gain on deemed disposal of equity interests in subsidiaries, net	4,6	—	(130)
Loss on disposal of subsidiaries	6	4,879	—
Gain on disposal of 16% equity interest in a subsidiary	4	—	(9)
Excess over the cost of a business combination recognized in the income statement	4	—	(44)
Fair value loss on derivative financial instruments	6	10,287	—
Depreciation	6	139,918	101,099
Amortisation of land use rights	6	580	543
Amortisation of long term deferred assets	6	9,071	6,465
Amortisation of intangible assets	6	17,952	13,297
Amortisation of goodwill	6	—	1,845
Provision for inventory obsolescence	6	471	493
Provision for bad and doubtful receivables	6	1,296	8,122
Impairment provision for intangible assets	6	6,857	—
Loss on disposal of property, plant and equipment	6	3,836	20,473
Write-back of impairment provision on property, plant and equipment	6	—	(94)
Operating profit before working capital changes		1,304,124	765,537
Increase in inventories		(74,172)	(68,727)
Increase in prepayments, deposits and other receivables		(33,831)	(27,256)
Increase in trade receivables		(56,413)	(5,056)
Increase in bills receivable		(6,993)	(700)
Increase / (decrease) in accrued liabilities and other payables		82,469	(35,482)
Increase in trade payables		49,675	24,807
Movements in balances with related parties		—	641
Increase / (decrease) in long term other payables		(9,186)	23,104
Increase in provision for land restoration and environmental costs		11,458	12,793
Utilisation of land restoration and environmental costs		—	(1,037)
Increase in pledged cash		—	(9,213)
Cash generated from operations		1,267,131	679,411
Income tax paid		(152,314)	(102,644)
Net cash inflow from operating activities		1,114,817	576,767

Consolidated Cash Flow Statement

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
Net cash inflow from operating activities		1,114,817	576,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		10,659	11,761
Dividends received from available-for-sale investments		—	6
Dividends received from an associate		7,987	794
Purchase of available-for-sale investments		(69,438)	(19,850)
Purchase of financial assets at fair value through profit or loss		(6,100)	(51,766)
Proceeds from disposal of financial assets at fair value through profit or loss		14,286	41,243
Purchases of property, plant and equipment	13,38(c)	(1,067,330)	(557,226)
Proceeds from disposal of property, plant and equipment		7,553	7,404
Additions to land use rights	14	(39,660)	(810)
Additions to long term deferred assets	15	(112,044)	(48,360)
Additions to intangible assets	17,38(a)&(b)	(113,288)	(244,532)
Proceeds from disposal of intangible assets		9,775	—
Acquisition of associates		(271,005)	(24,500)
Investment in jointly-controlled entities		(3,295)	(7,040)
Acquisition of subsidiaries	38(a)	(142,462)	26,860
Proceeds from disposal of equity interests in subsidiaries	38(b)	3,523	—
Proceeds from disposal of a 16% equity interest in a subsidiary		—	2,261
Acquisition of equity interest in a subsidiary from a minority share holder		(14,423)	—
Loans advanced to related parties		—	(4,012)
Repayment of loans advanced to related parties		2,707	4,805
Increase/(decrease) in bank deposits with original maturity over three months when acquired		38,965	(63,000)
Net cash outflow from investing activities		(1,743,590)	(925,962)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		—	247,657
Share issue expenses		—	(61,574)
New bank loans		1,030,257	134,000
Repayment of bank loans		(72,247)	(86,589)
Repayment of other long term loans		(1,000)	(14,730)
Interest paid		(41,542)	(12,673)
Dividends paid		(262,826)	(197,120)
Dividends paid to minority shareholders		(1,179)	(4,620)
Cash received from government grants		9,000	1,520
Utilisation of government grants		—	(380)
Cash received from minority shareholders upon investments in subsidiaries		148,364	54,985
Net cash inflow from financing activities		808,827	60,476
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		180,054	(286,719)
Cash and cash equivalents at beginning of year		825,747	1,114,466
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,005,801	825,747
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	28	1,005,801	825,747