

Consolidated Cash Flow Statement

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3,366,149	4,065,876
Adjustments for:			
Finance costs	6	362,470	225,284
Share of profits and losses of associates		(13,464)	958
Interest income	4, 5	(22,103)	(24,236)
Dividend income from an available-for-sale equity investment	5	(5,281)	(1,105)
Depreciation	5	2,064,539	1,789,443
Recognition of prepaid land premiums	5	21,092	21,047
Amortisation of a mine participation right	5	1,115	–
Recognition of deferred income	4, 5	(48,498)	(38,379)
Reversal of impairment provision for property, plant and equipment	5	–	(15,412)
Loss on disposal of items of property, plant and equipment, net	5	19,114	11,078
Provision against inventories	5	75,464	10,402
Provision/(reversal of provision) for doubtful debts	5	554	(18,194)
Exchange losses/(gains), net	5	(154,743)	197,183
Operating profit before working capital changes		5,666,408	6,223,945
Increase in inventories		(401,012)	(2,384,792)
Increase in construction contracts		32,498	–
Decrease in trade and bills receivables		60,394	133,822
Decrease in prepayments, deposits and other receivables		247,295	431,167
Increase in trade and bills payables		850,403	348,599
Increase/(decrease) in other payables and accruals		(71,243)	2,075,618
Increase in provisions for pension benefits and housing subsidies, net		(20,889)	(82,186)
Cash generated from operations		6,363,854	6,746,173
Income tax paid		(503,911)	(332,897)
Net cash inflow from operating activities		5,859,943	6,413,276

Consolidated Cash Flow Statement (continued)

(Prepared under Hong Kong accounting standards)

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
Net cash inflow from operating activities		5,859,943	6,413,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		22,103	24,236
Dividend income from an available-for-sale equity investment		5,281	1,105
Dividend income from an associate		54	–
Government subsidies granted for specific projects		6,700	–
Purchases of items of property, plant and equipment and construction in progress		(8,351,010)	(4,362,670)
Purchases of prepaid land premiums		(23,182)	(17,796)
Proceeds from disposal of items of property, plant and equipment		25,176	32,521
Purchases of available-for-sale equity investments		–	(400)
Proceeds from retrieval of held-to-maturity investments		2,660	2,660
Investment in a jointly-controlled entity		(234,000)	–
Investments in associates		(104,832)	(4,000)
Proceeds from disposal of an associate		200	–
Acquisition of a subsidiary/businesses	36	(149,774)	(11,511)
Retrieval of overdue fixed deposits		1,514	43,287
Decrease in time deposits with original maturity of more than three months		–	50,000
(Increase)/decrease in pledged deposits		(133,677)	1,206
Net cash outflow from investing activities		(8,932,787)	(4,241,362)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		17,113,844	1,468,468
Repayment of bank borrowings		(11,606,332)	(2,165,880)
Capital contribution by minority shareholders		23,267	20,479
Interest paid		(434,623)	(294,448)
Dividend paid		(1,011,522)	(1,355,613)
Dividend paid to minority shareholders		(2,265)	(929)
Net cash inflow/(outflow) from financing activities		4,082,369	(2,327,923)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		1,009,525	(156,009)
Cash and cash equivalents at beginning of year		2,112,876	2,261,629
Effect of foreign exchange rate changes, net		(73,131)	7,256
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		3,049,270	2,112,876
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	28	3,049,270	2,112,876