

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 RMB million	2005 RMB million
Cash flows from operating activities			
Profit before tax		2,679	2,221
Adjustments for:			
Share of profits and losses of associates		(61)	(29)
Loss on disposal of items of property, plant and equipment, net	6	57	14
Loss on disposal of intangible assets, net	6	—	8
Loss on dilution of interests in jointly-controlled entities	8	252	—
Gain on disposal of available-for-sale financial assets	6	(4)	—
Impairment/(reversal of impairment) of trade and other receivables	6	(6)	16
Exchange gains, net	6	(9)	(252)
Depreciation and impairment, net	6	1,531	1,357
Amortisation of intangible assets	6	155	112
Finance costs	7	411	478
Interest income	5	(162)	(141)
		4,843	3,784
Increase in trade and bills receivables and prepayments, deposits and other receivables		(2,488)	(27)
Decrease/(increase) in inventories		(877)	513
Decrease in other financial assets		53	115
Decrease in amounts due from jointly-controlled entities		26	231
Increase in trade and bills payables, and other payables, and accruals		4,027	731
Increase in amounts due to jointly-controlled entities		20	306
Increase in provisions		73	18
Decrease in government grants		(138)	(431)
Decrease in other long term liabilities		(182)	(210)
Cash generated from operations		5,357	5,030
Interest paid		(452)	(522)
Income tax paid		(344)	(186)
Net cash flows generated from operating activities		4,561	4,322

Consolidated Cash Flow Statement

Year ended 31 December 2006

	Notes	2006 RMB million	2005 RMB million
Cash flows from investing activities			
Purchases of items of property, plant and equipment		(2,787)	(4,051)
Increase in lease prepayments and other long-term assets		(583)	(67)
Purchases of intangible assets		(681)	(226)
Purchases of available-for-sale financial assets		(12)	(21)
Repayment of loan from/(loan to) a jointly-controlled entity		50	(250)
Investments in associates		(36)	(98)
Acquisition of a jointly-controlled entity, net of cash acquired	19(a)	—	(22)
Acquisition of additional equity interests in jointly-controlled entities, net of cash acquired	19(b)	—	(27)
Proceeds from disposal of items of property, plant and equipment		87	467
Proceeds from disposal of available-for-sale financial assets		44	28
Proceeds from disposal of associates		21	16
Dividends from associates		15	29
Government grants received	34	132	464
Interest received	5	162	141
Decrease/(increase) in pledged time deposits		(367)	86
Decrease/(increase) in non-pledged time deposits with original maturity of three months or more when acquired		25	(738)
Net cash flows used in investing activities		(3,930)	(4,269)
Cash flows from financing activities			
Proceeds from borrowings		11,894	10,960
Repayment of borrowings		(12,041)	(10,456)
Repurchase of capital		—	(2,306)
Net proceeds from issue of shares		—	3,959
Proceeds/(refund of proceeds) from sales of Domestic Shares of National Council for Social Security Fund	30	(396)	396
Capital contribution from minority shareholders		22	—
Dividends paid to minority shareholders		(37)	(108)
Dividends paid		—	(1,390)
Net cash flows generated from/(used in) financing activities		(558)	1,055
Net increase in cash and cash equivalents		73	1,108
Cash and cash equivalents at beginning of year		5,586	4,478
Cash and cash equivalents at end of year	29	5,659	5,586