

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 Rmb'000	2005 Rmb'000
Cash generated from operations	30(a)	2,295,485	1,965,704
Interest paid		(5,478)	(22,177)
Income tax paid		(455,775)	(328,688)
Net cash from operating activities		<u>1,834,232</u>	<u>1,614,839</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(486,969)	(1,906,327)
Prepayment to Parent Company	10(b)	(2,000,000)	—
Purchase of intangible assets		(6,749)	(3,320)
Investment in associates		—	(12,933)
Capital contributions by minority interest		—	200
Net cash inflow / (outflow) on disposal of certain assets and liabilities and subsidiaries	30(b)	277,794	(25,295)
Decrease / (Increase) in time deposits with original maturities over three months but within one year		100,000	(80,295)
Proceeds from sale of property, plant and equipment		3,249	5,530
Dividends received		300	197
Interests received		26,441	15,622
Net cash used in investing activities		<u>(2,085,934)</u>	<u>(2,006,621)</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		1,023,176	—
Draw down of short-term bank borrowings		1,460,000	1,950,000
Repayment of short-term bank borrowings		(2,260,000)	(1,900,000)
Dividends paid		(372,521)	(364,538)
Dividends paid to minority interests		—	(10,086)
Net cash used in financing activities		<u>(149,345)</u>	<u>(324,624)</u>
Net decrease in cash and cash equivalents		(401,047)	(716,406)
Cash and cash equivalents at beginning of year		556,811	1,274,548
Exchange adjustment		(2,946)	(1,331)
Cash and cash equivalents at end of year	11	<u>152,818</u>	<u>556,811</u>

The notes on pages 56 to 116 are an integral part of these financial statements.