

Consolidated Statement of Cash Flow

For the year ended December 31, 2005

	Note	Year ended December 31,	
		2005	2004
		RMB million	RMB million Restated Notes 2&3
Cash flows from operating activities			
Net cash inflows generated from operations	37(a)	40,732	37,434
Interest received		157	86
Dividends received		29	17
Interest paid		(3,296)	(3,877)
Profits tax paid		(4,065)	(7)
Net cash inflow from operating activities		33,557	33,653
Cash flows from investing activities			
Purchase of fixed assets and construction in progress		(27,282)	(28,054)
Prepayments for leased land		(280)	(202)
Sales of fixed assets		49	923
Sales of other investments		2,874	1,528
Net decrease in time deposits with maturity over three months		31	5
Purchase of other investments		—	(2,902)
Net cash outflow from investing activities		(24,608)	(28,702)
Cash flows from financing activities			
New bank loans and other loans		77,578	64,664
Repayment of bank loans		(86,500)	(70,051)
Capital element of finance lease payments		(909)	(964)
Payment of distribution to owner		(1,566)	(7,310)
Payment to owner for the Acquisition (Note 1)		(3,000)	—
Dividends payment		(259)	—
Loans to fellow subsidiaries and related parties		—	(1,021)
Global Offering net of issue expense		—	8,944
Net loan from owner		—	3,995
Net cash outflow from financing activities		(14,656)	(1,743)
(Decrease)/increase in cash and cash equivalents		(5,707)	3,208
Cash and cash equivalents at beginning of year		10,581	7,373
Cash and cash equivalents at end of year	16	4,874	10,581

The notes on pages 87 to 158 are an integral part of these consolidated financial statements.