

# Consolidated Cash Flow Statements

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		<b>728,245</b>	411,907
Adjustments for:			
Finance costs	7	<b>27,921</b>	50,188
Share of profits and losses of associates		<b>(51,545)</b>	(311,370)
Interest income	5	<b>(48,038)</b>	(40,432)
Dividend income from unlisted investments	5	<b>(750)</b>	(2,312)
Loss on disposal of property, plant and equipment	6	<b>74</b>	1,868
Gain on capital contribution from a shareholder of an associate	5	<b>–</b>	(33,334)
Gain on disposal of an associate		<b>(338,194)</b>	(8,240)
Loss on disposal of a subsidiary	6	<b>705</b>	–
Depreciation	6	<b>232,054</b>	243,313
Increase in fair value of investment properties	6	<b>(26,821)</b>	(3,810)
Recognition of prepaid land lease payments	16	<b>2,121</b>	2,910
Amortisation of patents and licences	6	<b>607</b>	32,982
Goodwill impairment		<b>26,778</b>	24,904
Amortisation of goodwill arising on acquisition of an associate		<b>–</b>	328
Amortisation of goodwill arising from acquisition of subsidiaries		<b>–</b>	2,836
Provisions for bad and doubtful debts	6	<b>106,171</b>	128,717
Impairment of property, plant and equipment	6	<b>8,178</b>	20,052
Impairment of intangible assets	6	<b>–</b>	53,805
Impairment of investments in securities		<b>–</b>	2,897
Operating profit before working capital changes		<b>667,506</b>	577,209
Decrease in inventories		<b>71,094</b>	1,977
(Increase)/decrease in trade and other receivables		<b>(808,978)</b>	242,912
Decrease/(increase) in amounts due from associates		<b>475,268</b>	(18,028)
Increase in trade and other payables		<b>192,848</b>	174,376
Decrease in an amount due from the ultimate holding company		<b>12</b>	–
Increase in amounts due from fellow subsidiaries		<b>(6,101)</b>	–
Increase in an amount due to the ultimate holding company		<b>1,394</b>	–
Increase/(decrease) in amounts due to fellow subsidiaries		<b>580</b>	(402)
Increase/(decrease) in amounts due to associates		<b>7,405</b>	(21,479)
Increase in provisions		<b>47,695</b>	17,564
Cash generated from operations		<b>648,723</b>	974,129
The Mainland China income tax paid		<b>(48,967)</b>	(63,867)
The Mainland China income tax refunded		<b>–</b>	30,195
Net cash inflow from operating activities		<b>599,756</b>	940,457

# Consolidated Cash Flow Statements

Year ended 31 December 2005

	Notes	2005 RMB'000	2004 RMB'000 (Restated)
Net cash inflow from operating activities		599,756	940,457
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		24,943	40,432
Dividends received from unlisted investments		750	2,312
Dividends received from associates		516,144	321,677
Purchases of items of property, plant and equipment		(441,918)	(339,614)
Proceeds from disposal of partial interest in a subsidiary		–	37,675
Proceeds from disposal of an associate		503,905	31,820
Proceeds from disposal of items of property, plant and equipment		8,269	12,616
Additions to other intangible assets	18	(2,794)	–
Acquisition of subsidiaries	34	(31,999)	1,551
Acquisition of interest in an associate		(49,547)	(408,263)
Disposal of a subsidiary	35	(1,632)	–
Advances of loans to associates		(282,068)	–
Decrease in amounts due from associates		–	2,001
Decrease in amounts due from fellow subsidiaries		–	1,317
Increase in an amount due from the ultimate holding company		–	(8)
Purchases of available for-sales equity investments		(16,149)	(5,000)
Increase in capital injection to an associate		(17,950)	–
Decrease in pledged time deposits		281,485	11,315
Net cash inflow/(outflow) from investing activities		491,439	(290,169)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans		683,760	1,496,943
Repayment of bank loans		(1,177,167)	(1,891,000)
Government grants raised		18,709	14,401
Government grants used		(640)	(3,009)
Capital Contribution from a minority interest		49,402	–
Capital element of finance lease rental payments		(1,450)	(4,074)
Interest paid		(27,921)	(50,188)
Dividends paid		(50,305)	–
Dividends paid to minority shareholders		(101,198)	(50,241)
Net cash outflow from financing activities		(606,810)	(487,168)
NET INCREASE IN CASH AND CASH EQUIVALENTS		484,385	163,120
Cash and cash equivalents at beginning of year		1,830,544	1,667,424
Effect of foreign exchange rate changes, net		7,032	–
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,321,961	1,830,544