

Consolidated Cash Flow Statement

For the year ended 31 December 2006

(Expressed in Renminbi)

	Note	2006 RMB'000	2005 RMB'000
Operating activities			
Profit before tax		999,972	1,040,984
Adjustments for:			
— Depreciation and amortisation		400,221	401,579
— Impairment losses on property, plant and equipment		—	2,079
— Interest income		(111,451)	(59,982)
— Finance costs		17,898	22,081
— Share of profits less (losses) of associates		30	(11,687)
— Negative goodwill		(4,039)	(159,499)
— Dividend income		(22,473)	(30,198)
— Gain on disposal of investments		(28,948)	(4,327)
— Impairment losses on investments		—	2,177
— Gain on disposal of property, plant and equipment and other assets		(6,163)	(3,576)
— Deficit on revaluation of property, plant and equipment		105,299	—
— Write off of non-payable liabilities		(268)	(18,783)
Operating profit before changes in working capital		1,350,078	1,180,848
(Increase)/decrease in inventories		(334,030)	107,536
Increase in accounts and bills receivable		(515,527)	(399,156)
(Increase)/decrease in prepayments and other current assets		(260,885)	243,183
Increase/(decrease) in accounts and bills payable		1,102,712	(54,065)
Decrease in receipts in advance for contract work		(267,820)	(322,356)
Decrease in accrued expenses and other payables		(138,409)	(187,826)
Net cash inflow from operations		936,119	568,164
Interest paid		(17,898)	(17,514)
Interest received		57,912	54,728
Income tax paid		(476,662)	(330,208)
Cash generated from operating activities		499,471	275,170

The notes on pages 70 to 122 form part of these financial statements.

	Note	2006 RMB'000	2005 RMB'000
Investing activities			
Payments on acquisition of property, plant and equipment and other assets		(1,159,883)	(583,499)
Proceeds from disposal of property, plant and equipment and other assets		253,621	125,194
Net cash inflow arising from acquisition of subsidiaries	35(a)	16,139	13,849
Payments for acquisition of investments		(13,162)	(18,145)
Proceeds from disposal of investments		250,102	140,221
Dividends received		21,601	45,787
Net cash used in investing activities		(631,582)	(276,593)
Financing activities			
Proceeds from bank and other loans		664,900	214,000
Repayments of bank and other loans		(618,945)	(188,838)
Dividends paid		(661,314)	(316,582)
Contributions from owner		1,458,519	391,059
Distributions to owner		(841,544)	(523,495)
Advances from/(to) owner and fellow subsidiaries		373,466	(404,826)
Net proceeds from issuance of new shares upon listing and interest income on subscription monies		3,142,142	—
Net cash generated from/(used in) financing activities		3,517,224	(828,682)
Net increase/(decrease) in cash and cash equivalents		3,385,113	(830,105)
Cash and cash equivalents at the beginning of year		3,685,916	4,516,021
Cash and cash equivalents at the end of year	29	7,071,029	3,685,916

For major non-cash transactions, please refer to note 35(b).