

# Consolidated Cash Flow Statement

For the year ended 31 December 2007

(Expressed in Renminbi)

	Note	2007 RMB'000	2006 RMB'000 (restated – note 1c)
<b>Operating activities</b>			
Profit before tax		1,644,250	1,214,096
Adjustments for:			
– Depreciation and amortisation		508,249	532,155
– (Write back) of/charge for impairment losses for accounts and other receivable		(11,274)	28,710
– Impairment losses on property, plant and equipment		–	4,800
– Impairment losses on inventories		1,456	4,795
– Interest income		(119,396)	(123,201)
– Finance costs		52,792	27,869
– Share of profits less losses of associates		(3,575)	14
– Negative goodwill		–	(4,039)
– Dividend income		(39,629)	(28,816)
– Gain on disposal of investments and held to maturity investment		(53,237)	(31,100)
– Impairment losses on investments		–	240
– Gain on disposal of property, plant and equipment and other assets		(129)	(3,732)
– Deficit on revaluation of property, plant and equipment		–	135,629
– Change in fair value of derivative financial asset		9,461	–
– Exchange differences		15,461	–
– Write off of non-payable liabilities		(11,623)	(6,920)
<b>Operating profit before changes in working capital</b>		<b>1,992,806</b>	<b>1,750,500</b>
Increase in inventories		(59,500)	(368,445)
Increase in accounts and bills receivable		(815,941)	(880,536)
Increase in prepayments and other current assets		(332,625)	(307,789)
Increase in accounts and bills payable		508,569	1,289,255
Decrease in receipts in advance for contract work		(159,286)	(387,653)
Increase/(decrease) in accrued expenses and other payables		911,699	(134,210)
<b>Net cash inflow from operations</b>		<b>2,045,722</b>	<b>961,122</b>
Interest paid		(50,258)	(26,655)
Interest received		120,337	69,704
Income tax paid		(452,025)	(579,717)
<b>Cash generated from operating activities</b>		<b>1,663,776</b>	<b>424,454</b>

# Consolidated Cash Flow Statement

For the year ended 31 December 2007

(Expressed in Renminbi)

	Note	2007 RMB'000	2006 RMB'000 (restated – note 1c)
<b>Investing activities</b>			
Payments on acquisition of property, plant and equipment and other assets		(623,564)	(1,399,087)
Proceeds from disposal of property, plant and equipment and other assets		73,549	301,684
Net cash inflow arising from acquisition of subsidiaries	38(a)	–	16,139
Payments for acquisition of investments		(193,188)	(13,784)
Payments for acquisition of Target Business and assets		(4,600,200)	–
Proceeds from disposal of investments		102,232	263,441
Dividends received		57,985	29,970
<b>Net cash used in investing activities</b>		<b>(5,183,186)</b>	<b>(801,637)</b>
<b>Financing activities</b>			
Proceeds from bank and other loans		4,142,839	711,100
Repayments of bank and other loans		(1,752,720)	(694,445)
Dividends paid		(643,830)	(780,366)
Contributions from owner		514,312	1,602,420
Distributions to owner		(53,353)	(851,547)
Advances from owner and fellow subsidiaries		–	3,142,142
Net proceeds from issuance of new shares upon listing and interest income on subscription monies		–	455,766
Increase in restricted deposits		(218,210)	–
<b>Net cash generated from financing activities</b>		<b>1,989,038</b>	<b>3,585,070</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,530,372)</b>	<b>3,207,887</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>8,163,755</b>	<b>4,955,868</b>
<b>Effect of foreign exchanges</b>		<b>(1,131)</b>	<b>–</b>
<b>Cash and cash equivalents at the end of year</b>	31	<b>6,632,252</b>	<b>8,163,755</b>

For major non-cash transactions, please refer to note 38(b).

The notes on pages 99 to 186 form part of these financial statements.