

Cash Flow Statement

For year ended 31 December 2005
(Prepared under PRC Accounting Rules and Regulations)
(Expressed in Renminbi)



	Notes to the cash flow statement	2005 RMB million
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services		31,462
Cash received relating to other operating activities		210
Sub-total of cash inflows		31,672
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Cash paid for goods and services		22,982
Cash paid to and on behalf of employees		3,422
Cash paid for various types of taxes		855
Cash paid relating to other operating activities		98
Sub-total of cash outflows		27,357
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Net cash inflow from operating activities	(i)	4,315
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Cash flows from investing activities:		
Cash received from disposal of investments		487
Cash received from return on investments		76
Net cash received from disposal of fixed assets		116
Refund of deposits for fixed assets purchases		3,975
Cash received relating to other investing activities		96
Sub-total of cash inflows		4,750
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Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		8,432
Cash paid for the CNA/XJA Acquisitions		1,959
Cash paid relating to other investing activities		289
Sub-total of cash outflows		10,680
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Net cash outflow from investing activities		(5,930)

The notes on pages 119 to 182 form part of these financial statements.

Cash Flow Statement (Cont'd)

For year ended 31 December 2005
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	Notes to the cash flow statement	2005 RMB million
Cash flows from financing activities:		
Cash received from borrowings		15,772
Cash received relating to other financing activities		56
Sub-total of cash inflows		15,828
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Cash paid for repayment of borrowings		13,052
Cash paid for dividends or interest		1,461
Sub-total of cash outflows		14,513
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Net cash inflow from financing activities		1,315
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Net decrease in cash and cash equivalents	(ii)	(300)

The notes on pages 119 to 182 form part of these financial statements.

Cash Flow Statement (Cont'd)

For year ended 31 December 2005
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Notes to the cash flow statement

	2005 RMB million
(i) Reconciliation of net loss to cash flows from operating activities:	
Net loss	(1,794)
Add: Depreciation of fixed assets	3,581
Amortisation of intangible assets	34
Amortisation of long-term deferred expenditure	104
Amortisation of deferred credits	(69)
Increase of deferred expenses	(102)
Increase of accrued expenses	129
Loss on disposal of fixed assets	16
Financial expenses	254
Investment loss	204
Deferred tax liabilities (less: deferred tax assets)	(19)
Decrease in inventories	29
Increase in sales in advance of carriage	348
Increase in taxes payable	39
Increase in other creditors	236
Increase in operating receivables	(160)
Increase in operating payables	1,485
Net cash inflow from operating activities	4,315
(ii) Net decrease in cash and cash equivalents:	
Cash and cash equivalents at the end of the year	2,002
Less: Cash and cash equivalents at the beginning of the year	2,302
Net decrease in cash and cash equivalents	(300)

Approved by the Board of Directors on 19 April 2006.

Liu Shao Yong
Chairman

Si Xian Min
Director and President

Xu Jie Bo
Director and
Chief Financial Officer

Xiao Li Xin
General Manager of
Finance Department