

### 3. CASH FLOW STATEMENTS (UNAUDITED)

	Note	The Group Six-month period ended RMB millions	The Company 30 June 2001 RMB millions
<b>Cash flows from operating activities</b>			
Cash received from sale of goods and rendering services		180,646	131,779
Rental received		135	72
Other cash received relating to operating activities		605	249
Sub-total of cash inflows		181,386	132,100
Cash paid for goods and services		(138,690)	(110,395)
Cash paid for operating leases		(1,370)	(987)
Cash paid to and on behalf of employees		(5,471)	(2,870)
VAT paid		(4,547)	(1,595)
Income tax paid		(4,573)	(1,615)
Taxes paid other than VAT and income tax		(7,040)	(4,195)
Other cash paid relating to operating activities		(11,538)	(16,755)
Sub-total of cash outflows		(173,229)	(138,412)
<b>Net cash inflow/(outflow) from operating activities</b>	(a)	<b>8,157</b>	<b>(6,312)</b>
<b>Cash flows from investing activities</b>			
Net cash received from disposal of fixed assets and intangible assets		156	90
Cash received from disposal of investments		70	—
Dividend received		—	9,666
Other cash received relating to investing activities		12,945	11,814
Sub-total of cash inflows		13,171	21,570
Cash paid for acquisition of fixed assets and intangible assets		(20,795)	(11,885)
Cash paid for acquisition of investments		(2,046)	(1,213)
Other cash paid relating to investing activities		(1,581)	(257)
Sub-total of cash outflows		(24,422)	(13,355)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(11,251)</b>	<b>8,215</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans		120,329	71,667
Sub-total of cash inflows		120,329	71,667
Repayment of loans		(105,196)	(64,040)
Cash paid for dividends, distribution of profits or interest		(2,580)	(1,768)
Dividend paid to minority interests by subsidiaries		(234)	—
Sub-total of cash outflows		(108,010)	(65,808)
<b>Net cash inflow from financing activities</b>		<b>12,319</b>	<b>5,859</b>
<b>Effect of foreign exchange rates changes on cash</b>		<b>(10)</b>	<b>(5)</b>
<b>Net increase in cash and cash equivalents</b>	(b)	<b>9,215</b>	<b>7,757</b>

The notes on pages 41 to 50 form part of these interim accounts.

### 3. CASH FLOW STATEMENTS (UNAUDITED) (CONTINUED)

Notes	The Group Six-month period ended RMB millions	The Company 30 June 2001 RMB millions
<b>(a) Reconciliation of net profit to cash flows from operating activities</b>		
Net profit	8,107	8,107
Add: Provision for bad and doubtful debts	(416)	(447)
Depreciation of fixed assets	11,860	5,132
Amortisation of intangible assets	82	78
Loss on disposal of fixed assets and intangible assets	258	104
Financial expenses	2,213	1,272
Investment income	(184)	(9,800)
Deferred tax debits	(144)	(43)
Increase in inventories	(4,683)	(3,679)
Increase in operating receivables	(8,908)	(11,179)
(Decrease)/increase in operating payables	(602)	4,143
Minority interests	574	—
<b>Net cash inflow/(outflow) from operating activities</b>	<b>8,157</b>	<b>(6,312)</b>
<b>(b) Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at the end of the period	28,519	16,948
Less: Cash and cash equivalents at the beginning of the period	19,304	9,191
<b>Net increase in cash and cash equivalents</b>	<b>9,215</b>	<b>7,757</b>

The notes on pages 41 to 50 form part of these interim accounts.