

Notes to the Cash Flow Statements

(a) Reconciliation of net profit to cash flows from operating activities

	Six-month period ended 30 June 2002	
	The Group RMB'000	The Company RMB'000
Net profit	203,369	203,369
Minority interests	17,521	-
Depreciation	734,525	625,933
Loss on disposal of fixed assets and other long-term assets	44,364	42,912
Financial expenses	172,101	151,355
Investment income	(18,454)	(55,486)
Increase in inventories	(363,061)	(486,570)
Increase in operating receivables	(287,166)	(458,229)
Increase in operating payables	555,125	525,909
Net cash flows from operating activities	<u>1,058,324</u>	<u>549,193</u>

(b) Net increase in cash and cash equivalents

	Six-month period ended 30 June 2002	
	The Group RMB'000	The Company RMB'000
Cash at the end of the period	1,548,717	1,084,793
Less: Cash at the beginning of the period	(1,414,567)	(955,438)
Add: Cash equivalents at the end of the period	35,313	35,313
Less: Cash equivalents at the beginning of the period	(32,111)	(32,111)
Net increase in cash and cash equivalents	<u>137,352</u>	<u>132,557</u>