

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	Note	RMB millions
<b>Cash flows from operating activities</b>		
Cash received from sale of goods and rendering of services		392,486
Rentals received		344
Other cash received relating to operating activities		2,481
<b>Sub-total of cash inflows</b>		<b>395,311</b>
Cash paid for goods and services		(276,520)
Cash paid for operating leases		(3,441)
Cash paid to and on behalf of employees		(13,020)
Value added tax paid		(15,159)
Income tax paid		(6,599)
Taxes paid other than value added tax and income tax		(12,062)
Other cash paid relating to operating activities		(8,441)
<b>Sub-total of cash outflows</b>		<b>(335,242)</b>
<b>Net cash inflow from operating activities</b>	(a)	<b>60,069</b>
<b>Cash flows from investing activities</b>		
Cash received from sales of investments		150
Dividend received		278
Net cash received from sales of fixed assets and intangible assets		579
Maturity of time deposits with financial institutions		2,160
Other cash received relating to investing activities		353
<b>Sub-total of cash inflows</b>		<b>3,520</b>
Cash paid for acquisition of fixed assets and intangible assets		(43,066)
Cash paid for purchases of investments		(2,357)
Increase in time deposits with financial institutions		(1,342)
<b>Sub-total of cash outflows</b>		<b>(46,765)</b>
<b>Net cash outflow from investing activities</b>		<b>(43,245)</b>
<b>Cash flows from financing activities</b>		
Proceeds from contribution from minority interests		230
Proceeds from borrowings		252,675
<b>Sub-total of cash inflows</b>		<b>252,905</b>
Repayments of borrowings		(258,343)
Cash paid for dividends, distribution of profit or interest		(14,262)
Dividend paid to minority shareholders by subsidiaries		(455)
<b>Sub-total of cash outflows</b>		<b>(273,060)</b>
<b>Net cash outflow from financing activities</b>		<b>(20,155)</b>
<b>Effect of foreign exchange rate</b>		<b>7</b>
<b>Net decrease in cash and cash equivalents</b>	(b)	<b>(3,324)</b>

The notes on pages 89 to 112 form part of these financial statements.

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002

	RMB millions
<b>(a) Reconciliation of net profit to cash flows from operating activities</b>	
Net profit	14,121
Add: Depreciation of fixed assets	26,327
Amortisation of intangible assets	286
Net loss on disposal of fixed assets and intangible assets	663
Financial expenses	4,306
Dry hole costs	1,771
Investment income	(315)
Deferred tax credits	198
Decrease in inventories	482
Decrease in operating receivables	2,530
Increase in operating payables	8,618
Minority interests	1,082
<b>Net cash inflow from operating activities</b>	<b>60,069</b>
<b>(b) Net decrease in cash and cash equivalents</b>	
Cash and cash equivalents at the end of the year	17,699
Less: Cash and cash equivalents at the beginning of the year	21,023
<b>Net decrease in cash and cash equivalents</b>	<b>(3,324)</b>

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