

## Notes to the Cash Flow Statements

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

	<u>Six-month period ended 30 June 2003</u>	
	The Group RMB'000	The Company RMB'000
Net profit	471,680	471,680
Minority interests	13,375	-
Depreciation	925,852	830,589
Loss on disposal of fixed assets	2,529	3,100
Financial expenses	210,195	197,252
Investment losses / (income)	1,178	(33,120)
Increase in inventories	(45,896)	(60,669)
Increase in operating receivables	(91,851)	(20,108)
Increase / (decrease) in operating payables	25,701	(43,751)
Net cash flows from operating activities	<u>1,512,763</u>	<u>1,344,973</u>

### (b) Net increase in cash and cash equivalents

	<u>Six-month period ended 30 June 2003</u>	
	The Group RMB'000	The Company RMB'000
Cash at the end of the period	1,860,950	1,380,478
Less: Cash at the beginning of the period	(1,627,551)	(1,168,200)
Add: Cash equivalents at the end of the period	-	-
Less: Cash equivalents at the beginning of the period	(32,980)	(32,980)
Net increase in cash and cash equivalents	<u>200,419</u>	<u>179,298</u>

The notes on pages 38 to 78 form part of these unaudited financial statements.