

# CONSOLIDATED CASH FLOW STATEMENT

31 December 2003

(All amounts expressed in thousands of Renminbi)

	Notes	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	34(a)	21,142,911	17,406,915
Income taxes paid		(3,514,807)	(3,013,279)
Income tax refund		–	167,065
Interest received		183,576	147,870
Dividends received		90,000	90,000
Short term investment income received		55,840	79,679
Interest paid		(138,801)	(136,222)
Net cash from operating activities		17,818,719	14,742,028
<b>INVESTING ACTIVITIES</b>			
Acquisition of and prepayment for oil and gas properties	34(b)	(4,100,900)	(4,734,174)
Additions of property, plant and equipment		(8,271,564)	(6,832,746)
Proceeds from disposal of property, plant and equipment		–	446
Investment in an associate		(450,000)	–
Decrease/(increase) in time deposits with maturities over three months		2,367,000	(2,640,000)
Additions of short term investments		(8,144,702)	(3,399,413)
Disposals of short term investments		9,087,581	5,882,305
Net cash used in investing activities		(9,512,585)	(11,723,582)
<b>FINANCING ACTIVITIES</b>			
Issue of long term guaranteed notes		3,995,773	4,059,345
Repayment of bank loans		(336,938)	(3,367,347)
Dividends paid		(5,403,689)	(2,265,054)
Net cash used in financing activities		(1,744,854)	(1,573,056)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>6,561,280</b>	<b>1,445,390</b>
Cash and cash equivalents at beginning of year		7,839,114	6,393,724
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>14,400,394</b>	<b>7,839,114</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		14,400,394	7,839,114