

Consolidated Cash Flow Statement

For the year ended December 31, 2003

(Amounts in thousands)

	Notes	2003 RMB	2002 RMB
CASH FLOWS FROM OPERATING ACTIVITIES	28	3,578,324	1,329,003
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures		(675,078)	(791,725)
Acquisition of Jilian (Jilin) Petrochemicals Limited	29	(54,000)	(73,086)
Purchase of intangible assets	17	(6,394)	(7,542)
Proceeds from disposal of property, plant and equipment		13,335	7,141
Dividends received		–	1,860
NET CASH USED IN INVESTING ACTIVITIES		(722,137)	(863,352)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital investment by minority interests	14	100	–
Proceeds from borrowings		5,440,491	4,867,375
Repayments of borrowings		(8,294,084)	(5,335,405)
Dividends paid to minority interests		–	(1,733)
NET CASH USED IN FINANCING ACTIVITIES		(2,853,493)	(469,763)
Increase/(decrease) in cash and cash equivalents		2,694	(4,112)
Cash and cash equivalents at beginning of year		32,805	36,917
Cash and cash equivalents at end of year	22	35,499	32,805

The accompanying notes are an integral part of these financial statements.