

Cash Flow Statements *(unaudited)*

	Note	Six-month periods ended 30 June			
		The Group		The Company	
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities:					
Cash received from sale of goods and rendering of services		21,217,344	16,887,965	18,351,720	15,449,173
Refund of taxes and levies		51,095	-	10,262	-
Other cash received relating to operating activities		2,996	6,577	944	2,790
Sub-total of cash inflows		21,271,435	16,894,542	18,362,926	15,451,963
Cash paid for goods and services		(17,831,752)	(14,288,838)	(15,370,265)	(13,283,474)
Cash paid to and on behalf of employees		(776,398)	(669,031)	(531,462)	(425,934)
Income tax paid		(290,069)	(103,738)	(271,619)	(89,658)
Taxes paid other than income tax		(405,321)	(296,917)	(395,038)	(287,589)
Other cash paid relating to operating activities		(279,794)	(23,255)	(270,830)	(20,335)
Sub-total of cash outflows		(19,583,334)	(15,381,779)	(16,839,214)	(14,106,990)
Net cash flows from operating activities	(a)	1,688,101	1,512,763	1,523,712	1,344,973
Cash flows from investing activities:					
Cash received from disposal of investments		1,457	29,287	-	-
Maturity of time deposits with financial institutions		122,452	84,095	52	26,095
Cash received from investment income		34,138	20,829	65,970	17,931
Cash received from disposal of fixed assets		12,347	11,718	7,526	5,988
Other cash received relating to investing activities		20,100	12,995	15,367	8,657
Sub-total of cash inflows		190,494	158,924	88,915	58,671
Cash paid for acquisition of fixed assets		(819,269)	(910,446)	(761,597)	(844,866)
Cash paid for purchase of investments		(300,492)	(147,129)	(287,705)	(135,795)
Increase in time deposits with financial institutions		(23,900)	(142,435)	-	(26,435)
Sub-total of cash outflows		(1,143,661)	(1,200,010)	(1,049,302)	(1,007,096)
Net cash flows from investing activities		(953,167)	(1,041,086)	(960,387)	(948,425)

The notes on pages 44 to 84 form part of these unaudited financial statements.

Cash Flow Statements *(unaudited)(continued)*

	Note	Six-month periods ended 30 June			
		The Group		The Company	
		2004	2003	2004	2003
		RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from financing activities:					
Proceeds from borrowings		3,469,978	3,973,844	2,894,645	3,707,818
Sub-total of cash inflows		3,469,978	3,973,844	2,894,645	3,707,818
Repayment of borrowings		(4,121,907)	(4,017,905)	(3,372,519)	(3,717,190)
Cash paid for dividends, profit distribution and interest		(357,516)	(228,748)	(307,579)	(209,429)
Sub-total of cash outflows		(4,479,423)	(4,246,653)	(3,680,098)	(3,926,619)
Net cash flows from financing activities		(1,009,445)	(272,809)	(785,453)	(218,801)
Effect of foreign exchange rate changes		-	1,551	-	1,551
Net (decrease)/ increase in cash and cash equivalents (b)		(274,511)	200,419	(222,128)	179,298

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