

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2004

	Note	2004 RMB millions	2003 RMB millions
Cash flows from operating activities			
Cash received from sale of goods and rendering of services		712,682	505,489
Rentals received		368	370
Other cash received relating to operating activities		3,640	2,925
Sub-total of cash inflows		716,690	508,784
Cash paid for goods and services		(549,408)	(371,086)
Cash paid for operating leases		(6,871)	(4,224)
Cash paid to and on behalf of employees		(16,304)	(15,964)
Value added tax paid		(25,961)	(19,429)
Income tax paid		(16,858)	(9,486)
Taxes paid other than value added tax and income tax		(16,045)	(12,904)
Other cash paid relating to operating activities		(15,104)	(11,243)
Sub-total of cash outflows		(646,551)	(444,336)
Net cash flows from operating activities	(a)	70,139	64,448
Cash flows from investing activities			
Cash received from sale of investments		186	107
Dividends received		322	442
Net cash received from sale of fixed assets and intangible assets		315	380
Maturity of time deposits with financial institutions		2,217	1,700
Other cash received relating to investing activities		359	300
Sub-total of cash inflows		3,399	2,929
Cash paid for acquisition of fixed assets and intangible assets		(66,693)	(43,966)
Cash paid for acquisition of fixed assets and intangible assets of jointly controlled entities		(6,035)	(4,107)
Cash paid for purchases of investments		(1,225)	(1,545)
Increase in time deposits with financial institutions		(1,932)	(2,871)
Cash paid for acquisition of Sinopec Maoming, Xi'an Petrochemical and Tahe Petrochemical		(3,652)	—
Sub-total of cash outflows		(79,537)	(52,489)
Net cash flows from investing activities		(76,138)	(49,560)
Cash flows from financing activities			
Proceeds from contribution from minority shareholders		1,008	580
Proceeds from issuance of corporate bonds, net of issuing expenses		3,472	—
Proceeds from borrowings		391,832	228,654
Proceeds from borrowings of jointly controlled entities		3,014	1,450
Sub-total of cash inflows		399,326	230,684
Repayments of borrowings		(377,855)	(235,175)
Cash paid for dividends, distribution of profit or interest		(13,538)	(12,520)
Dividends paid to minority shareholders by subsidiaries		(775)	(360)
Sub-total of cash outflows		(392,168)	(248,055)
Net cash flows from financing activities		7,158	(17,371)
Effects of foreign exchange rate		1	5
Net increase/(decrease) in cash and cash equivalents	(c)	1,160	(2,478)

The notes on pages 94 to 125 form part of these financial statements.