

## Cash Flow Statements *(unaudited)*

	Note	Six-month periods ended 30 June			
		The Group		The Company	
		2005	2004	2005	2004
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from operating activities:</b>					
Cash received from sale of goods and rendering of services		26,333,272	21,217,344	24,144,260	18,351,720
Refund of taxes and levies		2,358	51,095	-	10,262
Other cash received relating to operating activities		2,394	2,996	1,064	944
<b>Sub-total of cash inflows</b>		<b>26,338,024</b>	<b>21,271,435</b>	<b>24,145,324</b>	<b>18,362,926</b>
Cash paid for goods and services		(22,628,321)	(17,831,752)	(20,700,208)	(15,370,265)
Cash paid to and on behalf of employees		(611,650)	(776,398)	(480,159)	(531,462)
Income tax paid		(381,846)	(290,069)	(345,792)	(271,619)
Taxes paid other than income tax		(398,601)	(405,321)	(393,376)	(395,038)
Other cash paid relating to operating activities		(539,165)	(279,794)	(301,802)	(270,830)
<b>Sub-total of cash outflows</b>		<b>(24,559,583)</b>	<b>(19,583,334)</b>	<b>(22,221,337)</b>	<b>(16,839,214)</b>
<b>Net cash flows from operating activities</b>	(a)	<b>1,778,441</b>	<b>1,688,101</b>	<b>1,923,987</b>	<b>1,523,712</b>
<b>Cash flows from investing activities:</b>					
Cash received from disposal of investments		25,576	1,457	-	-
Maturity of time deposits with financial institutions		4,000	122,452	-	52
Cash received from investment income		59,871	34,138	133,106	65,970
Cash received from disposal of fixed assets		98,574	12,347	74,031	7,526
Other cash received relating to investing activities		18,613	20,100	14,785	15,367
<b>Sub-total of cash inflows</b>		<b>206,634</b>	<b>190,494</b>	<b>221,922</b>	<b>88,915</b>
Cash paid for acquisition of fixed assets		(668,588)	(819,269)	(619,835)	(761,597)
Cash paid for purchase of investments		(170,022)	(300,492)	(404,165)	(287,705)
Increase in time deposits with financial institutions		-	(23,900)	-	-
<b>Sub-total of cash outflows</b>		<b>(838,610)</b>	<b>(1,143,661)</b>	<b>(1,024,000)</b>	<b>(1,049,302)</b>
<b>Net cash flows from investing activities</b>		<b>(631,976)</b>	<b>(953,167)</b>	<b>(802,078)</b>	<b>(960,387)</b>

The notes on pages 49 to 88 form part of these unaudited financial statements.

Cash Flow Statements *(unaudited)(continued)*

	Note	Six-month periods ended 30 June			
		The Group		The Company	
		2005	2004	2005	2004
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Cash flows from financing activities:</b>					
Proceeds from borrowings		<b>3,089,286</b>	3,469,978	<b>2,520,980</b>	2,894,645
<b>Sub-total of cash inflows</b>		<b>3,089,286</b>	3,469,978	<b>2,520,980</b>	2,894,645
Repayment of borrowings		<b>(4,327,523)</b>	(4,121,907)	<b>(3,663,506)</b>	(3,372,519)
Cash paid for dividends, profit distribution and interest		<b>(198,382)</b>	(357,516)	<b>(125,175)</b>	(307,579)
<b>Sub-total of cash outflows</b>		<b>(4,525,905)</b>	(4,479,423)	<b>(3,788,681)</b>	(3,680,098)
<b>Net cash flows from financing activities</b>		<b>(1,436,619)</b>	(1,009,445)	<b>(1,267,701)</b>	(785,453)
<b>Effect of foreign exchange rate changes</b>		<b>(89)</b>	-	<b>(65)</b>	-
<b>Net decrease in cash and cash equivalents</b>	(b)	<b>(290,243)</b>	(274,511)	<b>(145,857)</b>	(222,128)

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