3. CASH FLOW STATEMENTS (UNAUDITED)

Cash flows from operating activities Isomotion operating activities Cash received from sale of goods and rendering services 180,646 131,779 Rental received relating to operating activities 605 249 Sub-total of cash inflows 181,336 132,100 Cash paid for goods and services (138,690) (110,395) Cash paid for operating leases (1,370) (987) VAT paid (4,573) (1,615) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Retash received from disposal of fixed assets and intaggible assets (a) 1,251 (5,312) Cash freceived from disposal of investments (20		Note	The Group	The Company
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Rental received 135 72 Other cash received relating to operating activities 605 249 Sub-total of cash inflows 181,386 132,100 Cash paid for goods and services (1,38,690) (10,395) Cash paid for operating leases (1,370) (987) Cash paid to and on behalf of employees (5,471) (2,870) VAT paid (4,547) (1,595) Income tax paid (4,547) (1,595) Income tax paid (4,547) (1,595) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Cash flows from investing activities 156 90 Cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Other cash received from disposal of investing activities 12,945 11,814			180,646	131,779
Sub-total of cash inflows 181,386 132,100 Cash paid for goods and services (138,690) (110,395) Cash paid for operating leases (1,370) (987) Cash paid to and on behalf of employees (5,471) (2,870) VAT paid (4,547) (1,595) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Net cash inflow from investing activities (a) 8,157 (6,312) Net cash received from disposal of investments 70 — Obtract ash received from disposal of investments 156 90 Cash received from disposal of investments 12,945 11,814 Sub-total of cash outflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments			135	72
Cash paid for goods and services (138,690) (110,395) Cash paid for operating leases (1,370) (987) Cash paid to and on behalf of employees (5,471) (2,870) VAT paid (4,547) (1,595) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Net cash inflow from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Dividend received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (20,795) (11,885) Cash paid for acquisition of investments (20,46) (1,213) Other cash paid relating to in	Other cash received relating to operating activities		605	249
Cash paid for operating leases (1,370) (987) Cash paid to and on behalf of employees (5,471) (2,870) VAT paid (4,547) (1,595) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (173,229) (138,412) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Cash flows from investing activities (a) 8,157 (6,312) Net cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Dividend received — 9,666 Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (20,795) (11,885) Cash paid for acquisition of investm	Sub-total of cash inflows		181,386	132,100
Cash paid to and on behalf of employees (5,471) (2,870) VAT paid (4,547) (1,595) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (13,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Cash flows from investing activities (a) 8,157 (6,312) Cash received from disposal of fixed assets and intangible assets 70 — Cash received from disposal of investments 70 — Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (20,795) (11,885) Cash paid for acquisition of investments (20,046) (1,213) Other cash paid relating to investing activities (1,581) (257)	Cash paid for goods and services		(138,690)	(110,395)
VAT paid (4,547) (1,595) Income tax paid (4,573) (1,615) Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Cash flows from investing activities (a) 8,157 (6,312) Net cash inflow/(outflow) from operating activities 156 90 Cash flows from investing activities 70 — Net cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — 9,666 Other cash received relating to investments 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (20,795) (11,885) Cash paid for acquisition of investments (20,46) (1,213)	Cash paid for operating leases		(1,370)	(987)
Income tax paid	Cash paid to and on behalf of employees		(5,471)	(2,870)
Taxes paid other than VAT and income tax (7,040) (4,195) Other cash paid relating to operating activities (11,538) (16,755) Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Net cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Dividend received — 9,666 Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (2,046) (1,213) Other cash paid relating to investing activities (2,046) (1,213) Other cash paid relating to investing activities (2,046) (1,213) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (10,20) (5,404	VAT paid		(4,547)	(1,595)
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Sub-total of cash outflows (173,229) (138,412) Net cash inflow/(outflow) from operating activities (a) 8,157 (6,312) Cash flows from investing activities **Cash flows from investing activities Net cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Dividend received — 9,666 Other cash received relating to investing activities 13,171 21,570 Cash paid for acquisition of fixed assets and intangible assets (20,795) (11,885) Cash paid for acquisition of fixed assets and intangible assets (20,795) (11,885) Cash paid for acquisition of investments (20,795) (11,885) Cash paid for acquisition of investments (20,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows <td< td=""><td>Taxes paid other than VAT and income tax</td><td></td><td>(7,040)</td><td>(4,195)</td></td<>	Taxes paid other than VAT and income tax		(7,040)	(4,195)
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Cash flows from investing activities Net cash received from disposal of fixed assets and intangible assets 156 90 Cash received from disposal of investments 70 — Dividend received — 9,666 Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets and intangible assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities (11,251) 8,215 Cash flows from loans 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (2	Sub-total of cash outflows		(173,229)	(138,412)
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Dividend received — 9,666 Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets and intangible assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (100 (5)			156	90
Other cash received relating to investing activities 12,945 11,814 Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets and intangible assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (100) (5)	Cash received from disposal of investments		70	_
Sub-total of cash inflows 13,171 21,570 Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Dividend received			9,666
Cash paid for acquisition of fixed assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Other cash received relating to investing activities		12,945	11,814
and intangible assets (20,795) (11,885) Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Proceeds from loans 120,329 71,667 Sub-total of cash inflows (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Sub-total of cash inflows		13,171	21,570
Cash paid for acquisition of investments (2,046) (1,213) Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	·			
Other cash paid relating to investing activities (1,581) (257) Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Proceeds from loans 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)			· / /	
Sub-total of cash outflows (24,422) (13,355) Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities 120,329 71,667 Proceeds from loans 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)			<u> </u>	
Net cash (outflow)/inflow from investing activities (11,251) 8,215 Cash flows from financing activities			* * *	
Cash flows from financing activities Proceeds from loans 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)			(24,422)	(13,355)
Proceeds from loans 120,329 71,667 Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Net cash (outflow)/inflow from investing activities		(11,251)	8,215
Sub-total of cash inflows 120,329 71,667 Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Cash flows from financing activities			
Repayment of loans (105,196) (64,040) Cash paid for dividends, distribution of profits or interest (2,580) (1,768) Dividend paid to minority interests by subsidiaries (234) — Sub-total of cash outflows (108,010) (65,808) Net cash inflow from financing activities 12,319 5,859 Effect of foreign exchange rates changes on cash (10) (5)	Proceeds from loans		120,329	71,667
Cash paid for dividends, distribution of profits or interest(2,580)(1,768)Dividend paid to minority interests by subsidiaries(234)—Sub-total of cash outflows(108,010)(65,808)Net cash inflow from financing activities12,3195,859Effect of foreign exchange rates changes on cash(10)(5)	Sub-total of cash inflows		120,329	71,667
Dividend paid to minority interests by subsidiaries(234)—Sub-total of cash outflows(108,010)(65,808)Net cash inflow from financing activities12,3195,859Effect of foreign exchange rates changes on cash(10)(5)	Repayment of loans		(105,196)	(64,040)
Sub-total of cash outflows(108,010)(65,808)Net cash inflow from financing activities12,3195,859Effect of foreign exchange rates changes on cash(10)(5)	Cash paid for dividends, distribution of profits or interest		, ,	(1,768)
Net cash inflow from financing activities12,3195,859Effect of foreign exchange rates changes on cash(10)(5)	Dividend paid to minority interests by subsidiaries			
Effect of foreign exchange rates changes on cash (10) (5)	Sub-total of cash outflows		(108,010)	(65,808)
	Net cash inflow from financing activities		12,319	5,859
Net increase in cash and cash equivalents (b) 9,215 7,757	Effect of foreign exchange rates changes on cash		(10)	(5)
	Net increase in cash and cash equivalents	(b)	9,215	7,757

The notes on pages 41 to 50 form part of these interim accounts.

3. CASH FLOW STATEMENTS (UNAUDITED) (CONTINUED)

Notes	The Group Six-month period e RMB millions	The Company nded 30 June 2001 RMB millions
(a) Reconciliation of net profit to cash flows		
from operating activities		
Net profit	8,107	8,107
Add: Provision for bad and doubtful debts	(416)	(447)
Depreciation of fixed assets	11,860	5,132
Amortisation of intangible assets	82	78
Loss on disposal of fixed assets and intangible assets	258	104
Financial expenses	2,213	1,272
Investment income	(184)	(9,800)
Deferred tax debits	(144)	(43)
Increase in inventories	(4,683)	(3,679)
Increase in operating receivables	(8,908)	(11,179)
(Decrease)/increase in operating payables	(602)	4,143
Minority interests	574	
Net cash inflow/(outflow) from operating activities	8,157	(6,312)
(b) Net increase in cash and cash equivalents		<u> </u>
Cash and cash equivalents at the end of the period	28,519	16,948
Less:Cash and cash equivalents at the beginning of the period	19,304	9,191
Net increase in cash and cash equivalents	9,215	7,757

The notes on pages 41 to 50 form part of these interim accounts.