



Consolidated Statement of Cash Flow (Unaudited)

for the six-month period ended 30 June 2003
(Amounts in millions)

	Note	Six-month periods ended 30 June	
		2003 RMB	2002 RMB (Audited)
Net cash from operating activities	(a)	14,516	17,449
Cash flows from investing activities			
Capital expenditure		(11,347)	(11,101)
Purchase of investments		(4)	(36)
Lease prepayments		(17)	(26)
Proceeds from disposal of property, plant and equipment		18	59
Increase in time deposits with maturity over three months		(168)	(364)
Maturity of time deposits with maturity over three months		1,079	473
Net cash used in investing activities		(10,439)	(10,995)
Cash flows from financing activities			
Capital element of finance lease payments		—	(22)
Proceeds from bank debt		17,900	10,112
Repayments of bank debt		(20,585)	(16,192)
Cash contributions from minority interests		20	—
Cash distributions to owner		—	(1,594)
Net cash used in financing activities		(2,665)	(7,696)
Net increase/(decrease) in cash and cash equivalents		1,412	(1,242)
Cash and cash equivalents at 1 January		16,423	3,882
Cash and cash equivalents at 30 June		17,835	2,640

The notes on pages 13 to 20 form part of these interim financial statements.



(a) Reconciliation of profit before taxation and minority interests to net cash from operating activities

	Six-month periods ended 30 June	
	2003	2002
	RMB	RMB
		(Audited)
Profit before taxation and minority interests	12,024	10,487
Adjustments for:		
Depreciation and amortisation	10,859	10,030
Provision for doubtful accounts	319	171
Investment income	(2)	(1)
Share of profit from associates	—	(9)
Interest income	(119)	(67)
Interest expense	616	656
Unrealised foreign exchange (gains) / losses	(28)	193
Loss on retirement and disposal of property, plant and equipment	109	434
Increase in accounts receivable	(1,789)	(1,485)
(Increase)/decrease in inventories	(87)	363
(Increase)/decrease in prepayments and other current assets	(50)	578
Decrease/(increase) in other non-current assets	50	(327)
Decrease in accounts payable	(417)	(386)
Increase in accrued expenses and other payables	818	774
Decrease in deferred revenues	(2,786)	(2,979)
Cash generated from operations	19,517	18,432
Interest received	119	67
Interest paid	(613)	(662)
Investment income received	13	—
Income tax paid	(4,520)	(388)
Net cash from operating activities	14,516	17,449

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