

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2004

(All amounts expressed in thousands of Renminbi)

	Notes	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34(a)	29,705,761	21,142,911
Income taxes paid		(7,402,280)	(3,514,807)
Interest received		206,871	183,576
Dividends received		135,000	90,000
Short term investment income received		4,626	55,840
Interest paid		(322,118)	(138,801)
Net cash inflow from operating activities		22,327,860	17,818,719
INVESTING ACTIVITIES			
Acquisition of and prepayment for oil and gas properties	34(b)	(5,779,140)	(4,100,900)
Additions of property, plant and equipment		(12,842,905)	(8,271,564)
Investment in associates		—	(450,000)
(Increase)/Decrease in time deposits with maturities over three months		(6,280,000)	2,367,000
Additions of short term investments		(5,735,093)	(8,144,702)
Disposals of short term investments		6,029,946	9,087,581
Net cash outflow from investing activities		(24,607,192)	(9,512,585)
FINANCING ACTIVITIES			
Issue of long term guaranteed notes		8,154,085	3,995,773
Repayment of bank loans		(21,075)	(336,938)
Dividends paid		(6,101,395)	(5,403,689)
Share repurchases		(61,153)	—
Net cash inflow/(outflow) from financing activities		1,970,462	(1,744,854)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		14,400,394	7,839,114
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		14,091,524	14,400,394
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents balances		14,091,524	14,400,394