

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2001

	RMB millions
(a) Reconciliation of net profit to cash flows from operating activities	
Net profit	14,018
Add: Depreciation of fixed assets	24,659
Amortisation of intangible assets	260
Net loss on disposal of fixed assets and intangible assets	107
Financial expenses	3,596
Investment income	(546)
Deferred tax credits	647
Decrease in inventories	4,596
Decrease in operating receivables	2,144
Increase in operating payables	9,670
Minority interests	541
Net cash inflow from operating activities	59,692
(b) Acquisition of Sinopec National Star	
Acquisition price	6,446
Less: Cash obtained from acquisition of Sinopec National Star	317
Net cash paid for acquisition of Sinopec National Star	6,129
Cash obtained from acquisition of Sinopec National Star	317
Assets other than cash obtained from acquisition of Sinopec National Star	
Fixed assets and construction in progress	4,861
Long-term investments	501
Trade accounts receivables	385
Inventories	283
Advance payments and other receivables	833
Other assets	153
	7,333
Liabilities	
Short-term loans	445
Accrued expenses and other creditors	868
Long-term loans	2,331
Other liabilities	178
	3,822
Minority interests	228
Net assets value	3,283
Intangible assets - Exploration and production right	3,163
Acquisition price	6,446
(c) Net increase in cash and cash equivalents	
Cash and cash equivalents at the end of the year	21,023
Less: Cash and cash equivalents at the beginning of the year	19,304
Net increase in cash and cash equivalents	1,719

The notes on the financial statements form part of these financial statements.