

NOTES TO THE 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	10,630
Amortisation of intangible assets	239
Net loss on disposal of fixed assets and intangible assets	178
Financial expenses	1,859
Investment income	(19,329)
Deferred tax credits	430
Decrease in inventories	5,330
Increase in operating receivables	(2,300)
Increase in operating payables	15,072
Net cash inflow from operating activities	26,127

	RMB millions
(b) Net increase in cash and cash equivalents	
Cash and cash equivalents at the end of the year	11,595
Less: Cash and cash equivalents at the beginning of the year	9,191
Net increase in cash and cash equivalents	2,404

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