

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2001

(Amounts in millions)

(a) Reconciliation of profit from ordinary activities before taxation to net cash generated from operating activities

	2001 RMB	2000 RMB
Profit from ordinary activities before taxation	24,667	31,036
Depreciation, depletion and amortisation	22,430	20,781
Dry hole costs	1,770	1,944
Share of profits less losses from associates and jointly controlled entities	(320)	(270)
Investment income	(199)	(191)
Interest income	(1,183)	(861)
Interest expense	4,706	6,663
Unrealised foreign exchange gain	(413)	(365)
Loss on disposal of property, plant and equipment	67	928
Impairment losses on long-lived assets	—	187
Reversal of impairment losses on long-lived assets, net of depreciation effect	—	(936)
Decrease/(increase) in trade accounts receivables	1,990	(5,328)
Increase in bills receivable	(823)	(343)
Decrease/(increase) in inventories	4,319	(21,983)
Decrease/(increase) in prepaid expenses and other current assets	718	(8,743)
Increase in other assets	(43)	(283)
(Decrease)/increase in trade accounts payable	(2,761)	9,104
Increase in bills payable	14,819	8,575
(Decrease)/increase in accrued expenses and other payables	(4,972)	3,387
Increase/(decrease) in other liabilities	360	(348)
Cash flow from operating activities	65,132	42,954
Interest received	1,237	1,171
Interest paid	(5,057)	(8,221)
Investment income received	293	125
Income tax paid	(6,326)	(6,849)
Net cash generated from operating activities	55,279	29,180

The notes on pages 117 to 143 form part of these financial statements.