

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2002
(Amounts in millions)

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

	2002 RMB	2001 RMB
Profit from ordinary activities before taxation	24,832	24,667
Adjustments for:		
Depreciation, depletion and amortisation	24,282	22,430
Dry hole costs	1,771	1,770
Share of profits less losses from associates and jointly controlled entities	(310)	(320)
Investment income	(190)	(199)
Interest income	(338)	(1,183)
Interest expense	4,018	4,706
Unrealised foreign exchange loss/(gain)	244	(413)
Loss on disposal of property, plant and equipment	721	67
Decrease in trade accounts receivable	326	1,990
Increase in bills receivable	(1,144)	(823)
(Increase)/decrease in inventories	(137)	4,319
Decrease in prepaid expenses and other current assets	4,122	668
(Increase)/decrease in lease prepayments	(11)	50
Increase in other assets	(612)	(43)
Increase/(decrease) in trade accounts payable	2,517	(2,761)
Increase in bills payable	4,165	14,819
Increase/(decrease) in accrued expenses and other payables	572	(4,972)
Increase in other liabilities	622	360
Cash generated from operations	65,450	65,132
Interest received	353	1,237
Interest paid	(5,592)	(5,057)
Investment and dividend income received	278	293
Income tax paid	(6,599)	(6,326)
Cash flows from operating activities	53,890	55,279

The notes on pages 120 to 142 form part of these financial statements.