



CONSOLIDATED CASH FLOW STATEMENT

For year ended 31 December, 2003

(Prepared under PRC Accounting Rules and Regulations)

Note	2003 RMB'000	2002 RMB'000
Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	17,542,503	19,074,268
Other cash received relating to operating activities	181,567	133,298
Sub-total of cash inflows	17,724,070	19,207,566
Cash flows from investing activities:		
Cash paid for goods and services	12,271,446	10,151,516
Cash paid to and on behalf of employees	1,633,970	1,613,409
Cash paid for all types of taxes	463,614	1,839,596
Other cash paid relating to operating activities	512,887	828,267
Sub-total of cash outflows	14,881,917	14,432,788
Net cash inflow from operating activities	2,842,153	4,774,778
(i)		
Cash flows from investing activities:		
Cash received from return on investments	17,140	3,093
Net cash received from disposal of fixed assets and other long-term assets	64,757	825,667
Refund of deposits for fixed asset purchases	1,066,086	2,247,384
Other cash received relating to investing activities	13,061	52,618
Sub-total of cash inflows	1,161,044	3,128,762
Cash paid for acquisition of fixed assets and other long-term assets	6,697,501	8,845,673
Cash paid for acquisition of investments	4,209	138,353
Sub-total of cash outflows	6,701,710	8,984,026
Net cash outflow from investing activities	(5,540,666)	(5,855,264)

The notes on pages 116 to 182 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT (Cont'd)**

For year ended 31 December, 2003

(Prepared under PRC Accounting Rules and Regulations)

Note	2003 RMB'000	2002 RMB'000
Cash flows from financing activities:		
Cash received from investors	3,931	83,037
Cash received from borrowings	9,116,113	7,093,436
Proceeds from A share issue	2,640,767	–
Sub-total of cash inflows	11,760,811	7,176,473
Cash paid for repayment of borrowings	9,947,252	3,741,471
Cash paid for dividends or interest	938,863	1,167,377
Sub-total of cash outflows	10,886,115	4,908,848
Net cash inflow from financing activities	874,696	2,267,625
Net (decrease)/ increase in cash and cash equivalents (iii)	(1,823,817)	1,187,139

The notes on pages 116 to 182 form part of these financial statements.



CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

For year ended 31 December, 2003

(Prepared under PRC Accounting Rules and Regulations)

Notes to the consolidated cash flow statements	2003 RMB'000	2002 RMB'000
(i) Reconciliation of net profit to cash flows from operating activities		
Net profit	14,488	513,345
Add: Depreciation of fixed assets	2,093,928	1,854,576
Amortisation of deferred expenditure	14,089	18,120
Amortisation of deferred credits	(32,249)	(17,725)
Loss on sale of fixed assets	19,014	28,654
Financial expenses	975,107	1,082,026
Minority interests	228,715	165,111
Investment income	(61,676)	(10,473)
Increase in operating receivables	(104,791)	(342,706)
Decrease/ (increase) in inventories	21,342	(79,165)
Increase in prepaid expenses	(37,616)	(26,235)
Increase in operating payables	140,048	1,347,664
Increase in sales in advance of carriage	75,556	19,985
Increase in accrued expenses	117,950	26,069
Decrease in taxes payable	(20,523)	(99,910)
Increase/ (decrease) in other creditors	2,859	(2,363)
(Decrease)/ increase in deferred taxation	(651,665)	281,579
Increase in provision for major overhauls	47,577	16,226
Net cash inflow from operating activities	2,842,153	4,774,778
(ii) Investing and financing activities not requiring the use of cash and cash equivalents:		
Purchase of fixed assets by assumption of debts	-	964,736
(iii) Net (decrease)/ increase in cash and cash equivalents		
Cash and cash equivalents at the end of the year	2,321,483	4,145,300
Less: Cash and cash equivalents at the beginning of the year	4,145,300	2,958,161
Net (decrease)/ increase in cash and cash equivalents	(1,823,817)	1,187,139

The notes on pages 116 to 182 form part of these financial statements.