

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2009

(Expressed in Renminbi)

	Note	2009 RMB million	2008 RMB million (restated)
Operating activities			
Profit before taxation		153,836	149,523
Adjustments for:			
— Depreciation of property, plant and equipment	14(a)	80,179	71,509
— Amortization of other intangible assets	5	56	204
— Amortization of land lease prepayments		261	279
— Loss/(gain) on disposal of property, plant and equipment	5	11	(8)
— Write-off of property, plant and equipment	5	4,493	3,250
— Impairment loss for doubtful accounts	5	4,503	4,385
— Interest income		(5,940)	(6,002)
— Finance costs	8	1,243	1,550
— Dividend income from unlisted securities	7	(18)	(15)
— Share of loss of jointly controlled entity	20	8	—
— Equity-settled share-based payment expenses	4	—	222
— Unrealized exchange (gain)/loss, net	7	(3)	32
Operating cashflow before changes in working capital			
Increase in inventories		(353)	(199)
Increase in accounts receivable		(3,945)	(4,309)
Decrease in other receivables		127	270
Increase in prepayments and other current assets		(1,423)	(1,961)
Decrease/(increase) in amount due from ultimate holding company		84	(31)
Increase in accounts payable		2,598	3,245
Increase in bills payable		25	4
Increase in deferred revenue		2,376	2,847
Increase in accrued expenses and other payables		11,946	10,031
Decrease in amount due to ultimate holding company		(2)	(20)
Cash generated from operations			
Tax paid			
— Hong Kong profits tax paid		(80)	(96)
— PRC enterprise income tax paid		(42,859)	(41,063)
Net cash generated from operating activities carried forward			
		207,123	193,647

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

for the year ended 31 December 2009

(Expressed in Renminbi)

	Note	2009 RMB million	2008 RMB million (restated)
Net cash generated from operating activities brought forward		207,123	193,647
Investing activities			
Capital expenditure		(115,314)	(120,816)
Land lease prepayments		(1,361)	(1,998)
Payment for purchase of other intangible assets		(484)	(37)
Proceeds from disposal of property, plant and equipment		13	22
Increase in deposits with banks		(54,780)	(21,148)
Interest received		5,988	4,943
Payment for investment in jointly controlled entity	20	(7)	(7)
Dividends received from unlisted securities	7	18	15
Net cash used in investing activities		(165,927)	(139,026)
Financing activities			
Proceeds from issuance of shares under share option scheme	36(c)(ii)	132	465
Interest paid		(1,292)	(1,569)
Dividends paid to the Company's equity shareholders	36(b)	(48,614)	(44,560)
Dividends paid to minority interest		–	(20)
Net cash used in financing activities		(49,774)	(45,684)
Net (decrease)/increase in cash and cash equivalents		(8,578)	8,937
Cash and cash equivalents at beginning of year		87,426	78,859
Effect of changes in foreign exchange rate		46	(370)
Cash and cash equivalents at end of year	28	78,894	87,426

Significant non-cash transactions

The Group recorded payables of RMB52,427,000,000 (2008: RMB42,933,000,000) and RMB591,000,000 (2008: RMB2,084,000,000) to equipment suppliers and banks respectively as at 31 December 2009 for additions of construction in progress during the year then ended.

The notes on pages 82 to 149 form part of these financial statements.