

Consolidated Cash Flow Statement

for the year ended 31 December 2013
(Expressed in RMB)

	Note	2013 Million	2012 Million
Operating activities			
Profit before taxation		158,579	171,300
Adjustments for:			
– Depreciation of property, plant and equipment		104,699	100,848
– Amortization of other intangible assets	6	78	68
– Amortization of land lease prepayments	16	385	346
– (Gain)/loss on disposal of property, plant and equipment	6	(3)	1
– Write-off of property, plant and equipment	6	2,074	2,818
– Impairment loss of doubtful accounts	6	5,084	4,504
– Write-down of inventories	6	202	313
– Interest income		(15,289)	(12,661)
– Finance costs	8	331	390
– Dividend income from unlisted securities	7	(34)	(11)
– Share of profit of associates		(7,062)	(5,685)
– Share of loss of a joint venture		–	1
– Unrealized exchange gain, net		(59)	(17)
– Loss on disposal of a subsidiary		18	–
Operating cashflow before changes in working capital		249,003	262,215
(Increase)/decrease in inventories		(2,156)	436
Increase in accounts receivable		(7,273)	(7,063)
(Increase)/decrease in other receivables		(148)	82
Increase in prepayments and other current assets		(2,189)	(3,403)
Decrease in amount due from ultimate holding company		8	68
Increase in accounts payable		5,372	5,443
(Decrease)/increase in bills payable		(563)	20
Increase in deferred revenue		4,129	6,308
Increase in accrued expenses and other payables		22,041	11,432
Decrease in amount due to ultimate holding company		(17)	(246)
Cash generated from operations		268,207	275,292
Tax paid			
– Hong Kong profits tax paid		(26)	(100)
– PRC enterprise income tax paid		(43,196)	(44,483)
Net cash generated from operating activities carried forward		224,985	230,709

Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2013
(Expressed in RMB)

	Note	2013 Million	2012 Million
Net cash generated from operating activities brought forward		224,985	230,709
Investing activities			
Capital expenditure		(138,997)	(123,232)
Land lease prepayments		(1,044)	(1,792)
Acquisition of other intangible assets		(355)	(174)
Proceeds from disposal of property, plant and equipment		44	6
Increase in bank deposits		(42,980)	(85,310)
Increase in restricted bank deposits		(1,398)	(5,264)
Cash receipt from repayment of entrusted loan		–	14,000
Interest received		12,392	9,459
Proceeds from disposal of a joint venture		6	–
Proceeds from disposal of a subsidiary		124	–
Acquisition of interest in an associate	20	(1,363)	–
Dividends received from associates	37(c)	2,062	1,120
Dividends received from unlisted securities		34	11
Net cash used in investing activities		(171,475)	(191,176)
Financing activities			
Proceeds from issuance of shares under share option scheme	36(c)(ii)	43	531
Capital injection from non-controlling interests of a subsidiary		–	400
Interest paid		(329)	(403)
Dividends paid to the Company's equity shareholders	36(b)	(55,491)	(55,425)
Dividend paid to non-controlling interests		(21)	–
Repayment of deferred considerations		(23,633)	–
Net cash used in financing activities		(79,431)	(54,897)
Net decrease in cash and cash equivalents		(25,921)	(15,364)
Cash and cash equivalents at beginning of year		70,906	86,259
Effect of changes in foreign exchange rate		(54)	11
Cash and cash equivalents at end of year	30	44,931	70,906

Significant non-cash transactions

The Group recorded payables of RMB98,992,000,000 (2012: RMB54,816,000,000) to equipment suppliers as at 31 December 2013 for additions of construction in progress during the year then ended.

The notes on pages 81 to 140 are an integral part of these consolidated financial statements.