

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 December 2014

(Expressed in RMB)

	Note	2014 Million	2013 Million
Operating activities			
Profit before taxation		142,592	158,579
Adjustments for:			
– Depreciation of property, plant and equipment		116,225	104,699
– Amortization of other intangible assets	6	106	78
– Amortization of land lease prepayments	16	406	385
– Gain on disposal of property, plant and equipment	6	–	(3)
– Write-off of property, plant and equipment	6	2,093	2,074
– Impairment loss of doubtful accounts	6	5,494	5,084
– Write-down of inventories	6	293	202
– Interest income		(16,149)	(15,289)
– Finance costs	8	228	331
– Dividend income from unlisted securities	7	–	(34)
– Share of profit of associates		(8,248)	(7,062)
– Unrealized exchange loss/(gain), net		81	(59)
– Loss on disposal of a subsidiary		–	18
– Impairment loss of goodwill	6	1,594	–
Operating cashflow before changes in working capital		244,715	249,003
Increase in inventories		(271)	(2,156)
Increase in accounts receivable		(7,927)	(7,273)
Increase in other receivables		(992)	(148)
Increase in prepayments and other current assets		(8,008)	(2,189)
(Increase)/decrease in amount due from ultimate holding company		(18)	8
Increase in accounts payable		8,384	5,372
Decrease in bills payable		(144)	(563)
Increase in deferred revenue		1,160	4,129
Increase in accrued expenses and other payables		8,914	22,041
Increase/(decrease) in amount due to ultimate holding company		4,249	(17)
Cash generated from operations		250,062	268,207
Tax paid			
– Hong Kong profits tax paid		(269)	(26)
– PRC enterprise income tax paid		(38,771)	(43,196)
Net cash generated from operating activities carried forward		211,022	224,985

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

for the year ended 31 December 2014

(Expressed in RMB)

	Note	2014 Million	2013 Million
Net cash generated from operating activities brought forward		211,022	224,985
Investing activities			
Capital expenditure		(170,776)	(138,997)
Land lease prepayments		(1,030)	(1,044)
Acquisition of other intangible assets		(23)	(355)
Proceeds from disposal of property, plant and equipment		1	44
Decrease/(increase) in bank deposits		22,859	(42,980)
Increase in restricted bank deposits		(2,610)	(1,398)
Interest received		14,392	12,392
Proceeds from disposal of a joint venture		–	6
Proceeds from disposal of a subsidiary		–	124
Acquisition of interest in associates	19	(9,508)	(1,363)
Dividends received from associates	19	2,476	2,062
Dividends received from unlisted securities		–	34
Purchase of available-for-sale financial assets		(2,000)	–
Net cash used in investing activities		(146,219)	(171,475)
Financing activities			
Proceeds from issuance of shares under share option scheme	35(c)(iii)	8,215	43
Interest paid		(225)	(329)
Dividends paid to the Company's equity shareholders	35(b)	(50,924)	(55,491)
Dividend paid to non-controlling shareholders of a subsidiary		(10)	(21)
Repayment of deferred considerations		–	(23,633)
Net cash used in financing activities		(42,944)	(79,431)
Net increase/(decrease) in cash and cash equivalents		21,859	(25,921)
Cash and cash equivalents at beginning of year		44,931	70,906
Effect of changes in foreign exchange rate		(46)	(54)
Cash and cash equivalents at end of year	29	66,744	44,931

Significant non-cash transactions

The Group recorded payables of RMB119,172,000,000 (2013: RMB98,992,000,000) to equipment suppliers as at 31 December 2014 for additions of construction in progress during the year then ended.

The notes on pages 78 to 129 are an integral part of these consolidated financial statements.