

CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in RMB millions)

	Note	Year ended 31 December	
		2015	2014
Cash flows from operating activities			
Cash generated from operations	(a)	91,169	97,062
Interest received		319	283
Interest paid		(4,943)	(4,631)
Income tax paid		(2,244)	(4,620)
Net cash inflow from operating activities		84,301	88,094
Cash flows from investing activities			
Purchase of property, plant and equipment		(88,465)	(69,586)
Proceeds from disposal of property, plant and equipment and other assets		2,336	797
Dividends received from financial assets at fair value through other comprehensive income		365	353
Proceeds from disposal of financial assets at fair value through profit and loss		19	–
Dividends received from associates		10	–
Increase in short-term bank deposits		(3)	(1)
Purchase of other assets		(4,542)	(3,807)
Acquisition of financial assets at fair value through profit and loss		(66)	–
Acquisition of interest in associates		(8)	(3,075)
Acquisition of interest in joint venture		(1,000)	–
Net cash outflow from investing activities		(91,354)	(75,319)
Cash flows from financing activities			
Proceeds from exercise of share options		1	871
Proceeds from commercial papers		30,000	19,885
Proceeds from short-term bank loans		139,663	158,259
Proceeds from long-term bank loans		1,920	–
Proceeds from ultimate holding company loan		1,344	–
Proceeds from related party loan		–	473
Proceeds from promissory notes		17,957	21,430
Repayment of commercial papers		(20,000)	(45,000)
Repayment of short-term bank loans		(149,072)	(161,007)
Repayment of long-term bank loans		(45)	(46)
Repayment of related party loan		(473)	–
Repayment of ultimate holding company		(1,344)	–
Repayment of convertible bond		(11,664)	–
Repayment of finance lease		(217)	(161)
Dividends paid to equity shareholders of the Company	38	(4,643)	(3,677)
Net cash inflow/(outflow) from financing activities		3,427	(8,973)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents, beginning of year		25,308	21,506
Effect of changes in foreign exchange rate		73	–
Cash and cash equivalents, end of year	18	21,755	25,308
Analysis of the balances of cash and cash equivalents:			
Cash balances		1	3
Bank balances		21,754	25,305
		21,755	25,308

The notes on pages 89 to 165 are an integral part of these consolidated financial statements.

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(All amounts in RMB millions)

(a) The reconciliation of profit before income tax to cash generated from operations is as follows:

	Year ended 31 December	
	2015	2014
Profit before income tax	14,035	15,931
Adjustments for:		
Depreciation and amortisation	76,738	73,868
Interest income	(120)	(283)
Finance costs	6,641	4,113
(Gain)/Loss on disposal of property, plant and equipment and other assets	(7,280)	1,064
Impairment losses for doubtful debts and write-down of inventories	4,054	3,958
Impairment losses for property, plant and equipment	29	65
Dividends from financial assets at fair value through other comprehensive income	(397)	(353)
Share of loss of associates	759	–
Share of loss of joint venture	42	–
Other investment loss	8	28
Changes in working capital:		
Increase in accounts receivable	(3,666)	(2,927)
(Increase)/Decrease in inventories and consumables	(73)	675
Increase in other assets	(6,288)	(1,897)
Increase in prepayments and other current assets	(1,630)	(211)
Decrease/(Increase) in amounts due from related parties	2,905	(1)
Decrease/(Increase) in amounts due from domestic carriers	126	(1,523)
(Decrease)/Increase in accounts payable and accrued liabilities	(1,781)	5,451
Increase in taxes payable	5,126	2,068
Increase/(Decrease) in advances from customers	1,465	(2,949)
(Decrease)/Increase in deferred revenue	(81)	238
(Decrease)/Increase in other obligations	(17)	22
Decrease in amounts due to ultimate holding company	(185)	(12)
Increase/(Decrease) in amounts due to related parties	861	(161)
Decrease in amounts due to domestic carriers	(102)	(102)
Cash generated from operations	91,169	97,062