

# Consolidated Cash Flow Statement

For the year ended 31 December 2007

	2007 RMB'million	2006 RMB'million
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	3,687	2,785
Adjustments for:		
Allowance for bad and doubtful debts	7	1
Allowance for amount due from a jointly controlled entity	–	1
Depreciation of property, plant and equipment charged to consolidated income statement	28	27
Release of prepaid lease payments charged to consolidated income statement	1	1
Loss on change in fair value of derivative financial instruments	–	500
Net foreign exchange loss (gain)	55	(31)
Share of results of associates	(26)	(1)
Gains on disposal and partial disposals of equity interests in subsidiaries	(845)	(582)
Gain on acquisition of additional equity interests in subsidiaries	(80)	–
Finance costs	125	118
Loss on disposal of property, plant and equipment	1	3
Interest income	(208)	(96)
Increase in fair value of investment properties	(577)	(145)
Increase in defined benefit assets	(1)	(1)
Equity-settled share-based payment expenses	36	–
Release of special reserve	12	23
Operating cash flows before movements in working capital	2,215	2,603
Increase in accounts receivable, deposits and prepayments	(1,476)	(491)
Decrease in properties held for sale	1,765	1,553
Decrease in due from related companies	22	–
Increase (decrease) in accounts payable, deposits received and accrued charges	215	(186)
Cash generated from operations	2,741	3,479
Tax paid	(312)	(215)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>2,429</b>	<b>3,264</b>

	Notes	2007 RMB'million	2006 RMB'million
<b>INVESTING ACTIVITIES</b>			
Interest received		187	90
Purchase of property, plant and equipment		(44)	(52)
Proceeds from disposal of property, plant and equipment		2	–
Additions to investment properties		(9)	(105)
Additions to prepaid lease payments		(1,100)	(1,195)
Additions to properties under development		(2,222)	(2,620)
Loans to associates		(1,037)	–
Advance to a jointly controlled entity		–	(1)
Advance to an associate		(10)	–
Acquisition of additional interests in subsidiaries	35	(870)	–
Proceeds from disposals of equity interests in subsidiaries	36	917	604
Decrease (increase) in pledged bank deposits		348	(794)
Increase in loan receivable		(13)	(227)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,851)</b>	<b>(4,300)</b>
<b>FINANCING ACTIVITIES</b>			
Net proceeds on issuance of shares		4	4,304
(Repayment to) advance from minority shareholders of subsidiaries		(16)	3
Net repayment to related parties		–	(1)
Capital injected from minority shareholders of subsidiaries		11	6
New bank loans raised		2,989	3,476
Repayment of bank loans		(2,183)	(3,611)
Interest and bank charges paid		(398)	(616)
Payment of dividend		(458)	–
<b>NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES</b>		<b>(51)</b>	<b>3,561</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,473)</b>	<b>2,525</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>4,452</b>	<b>1,989</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>		<b>(136)</b>	<b>(62)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>2,843</b>	<b>4,452</b>
<b>ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash		2,843	4,452