

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2008

	2008 RMB'million	2007 RMB'million
OPERATING ACTIVITIES		
Profit before taxation	3,719	3,687
Adjustments for:		
Allowance for bad and doubtful debts	–	7
Depreciation of property, plant and equipment	51	28
Release of prepaid lease payments charged to consolidated income statement	1	1
Net foreign exchange (gain) loss	(9)	55
Share of results of associates	(44)	(26)
Gains on disposal and partial disposals of equity interests in subsidiaries	(1,883)	(845)
Gain on acquisition of additional equity interests in subsidiaries	–	(80)
Finance costs, net of exchange gain	133	125
Loss on disposal of property, plant and equipment	14	1
Interest income	(227)	(208)
Increase in fair value of investment properties	(382)	(577)
Decrease (increase) in defined benefit assets	2	(1)
Equity-settled share-based payment expenses	54	36
Release of special reserve upon disposal of the related assets	63	12
Operating cash flows before movements in working capital	1,492	2,215
Decrease (increase) in accounts receivable, deposits and prepayments	1,552	(1,476)
Decrease in properties held for sale	1,292	1,765
Decrease in amounts due from related parties	5	56
Decrease in amounts due to related parties	(28)	(34)
Increase in accounts payable, deposits received and accrued charges	310	215
Cash generated from operations	4,623	2,741
Tax paid	(780)	(312)
NET CASH GENERATED FROM OPERATING ACTIVITIES	3,843	2,429

	Notes	2008 RMB'million	2007 RMB'million
INVESTING ACTIVITIES			
Interest received		123	187
Purchase of property, plant and equipment		(56)	(44)
Proceeds from disposal of property, plant and equipment		3	2
Additions to investment properties		(8)	(9)
Additions to prepaid lease payments		(2,105)	(1,100)
Additions to properties under development		(4,489)	(2,222)
Loans to associates		(428)	(1,037)
Increase in amounts due from associates		(438)	(10)
Acquisition of subsidiaries	34	(100)	–
Acquisition of additional interests in subsidiaries	35	–	(870)
Proceeds from partial disposals of equity interests in subsidiaries	36	2,905	917
(Increase) decrease in pledged bank deposits		(855)	348
Increase in loans receivable		(174)	(13)
NET CASH USED IN INVESTING ACTIVITIES		(5,622)	(3,851)
FINANCING ACTIVITIES			
Net proceeds on issuance of shares		–	4
Advance from (repayment to) minority shareholders of subsidiaries		382	(16)
Capital injected by minority shareholders of subsidiaries		20	11
New bank loans raised		7,283	2,989
Increase in loan from a director		567	–
Repayment of bank loans		(3,209)	(2,183)
Redemption of notes		(2,562)	–
Settlement of derivative financial instruments designed as cash flow hedge		(347)	–
Interest and bank charges paid		(833)	(398)
Payment of dividends		(630)	(458)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES		671	(51)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,108)	(1,473)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,843	4,452
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(64)	(136)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,671	2,843
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		1,671	2,843