

Consolidated Statement of Cash Flows

For the year ended 31 December 2010

	2010 RMB'million	2009 RMB'million
Operating activities		
Profit before taxation	4,367	3,894
Adjustments for:		
Depreciation of property, plant and equipment	66	53
Release of prepaid lease payments	1	1
Loss on disposal of property, plant and equipment	1	–
Net foreign exchange (gain) loss	(46)	22
Share of results of associates	(58)	(436)
Gain on disposal of investment properties	(23)	–
Gain on acquisition of additional equity interests in subsidiaries	–	(6)
Finance costs, net of exchange gain	(42)	89
Interest income	(150)	(149)
Increase in fair value of investment properties	(2,711)	(536)
Decrease in defined benefit assets	3	6
Equity-settled share-based payment expenses	19	47
Release of special reserve	30	296
Operating cash flows before movements in working capital	1,457	3,281
Increase in accounts receivable, deposits and prepayments	(2,672)	(44)
Increase in properties under development for sale	(4,448)	(4,148)
Decrease in properties held for sale	2,619	2,906
Decrease (increase) in amounts due from related companies	24	(11)
Increase in amounts due to related companies	26	36
(Decrease) increase in amounts due to associates	(16)	45
Increase (decrease) in accounts payable, deposits received and accrued charges	675	(113)
Cash (used in) generated from operations	(2,335)	1,952
Tax paid	(745)	(339)
Net cash (used in) from operating activities	(3,080)	1,613

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	Notes	2010 RMB'million	2009 RMB'million
Investing activities			
Interest received		114	77
Purchase of property, plant and equipment		(33)	(47)
Additions to investment properties		(3,426)	(2,973)
Proceeds from disposal of investment properties		185	–
Advance of loans to associates		–	(20)
(Increase) decrease in amounts due from associates		(171)	303
Acquisition of a subsidiary	35	(109)	–
Acquisition of additional equity interests in subsidiaries	36(b)	–	(100)
Proceeds from partial disposals of equity interests in subsidiaries		–	339
Release of pledged bank deposits		954	821
Increase in pledged bank deposits		(820)	(1,131)
(Increase) decrease in loans receivable		(219)	36
Net cash used in investing activities		(3,525)	(2,695)
Financing activities			
Net proceeds on issuance of shares		–	1,759
Advance from non-controlling shareholders of subsidiaries		807	174
Capital injected by non-controlling shareholders of subsidiaries		50	13
New bank and other loans raised		6,761	4,182
Repayment of bank loans		(3,483)	(2,168)
Repayment of loan from a director		–	(567)
Issue of convertible bonds	30	2,720	–
Expenses on issue of convertible bonds	30	(54)	–
Issue of notes	31	3,000	–
Expenses on issue of notes	31	(60)	–
Interest and bank charges paid		(827)	(766)
Payment of dividends		(245)	(81)
Dividend payment to non-controlling shareholders		(4)	(204)
Net cash from financing activities		8,665	2,342
Net increase in cash and cash equivalents		2,060	1,260
Cash and cash equivalents at the beginning of the year		2,928	1,671
Effect of foreign exchange rate changes		(83)	(3)
Cash and cash equivalents at the end of the year		4,905	2,928
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		4,905	2,928