

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	2011 RMB'million	2010 RMB'million
Operating activities		
Profit before taxation	6,060	4,367
Adjustments for:		
Depreciation of property, plant and equipment	67	66
Release of prepaid lease payments	2	1
Loss on disposal of property, plant and equipment	–	1
Net foreign exchange gain	(125)	(46)
Share of results of associates	(137)	(58)
Gain on disposal of investment properties	(17)	(23)
Finance costs, net of exchange gain	(94)	(42)
Interest income	(152)	(150)
Increase in fair value of investment properties	(2,696)	(2,711)
Increase in defined benefit liabilities	2	3
Equity-settled share-based payment expenses	15	19
Release of special reserve	40	30
Operating cash flows before movements in working capital	2,965	1,457
Decrease (increase) in accounts receivable, deposits and prepayments	1,079	(2,672)
Increase in properties under development for sale	(7,010)	(4,448)
Decrease in properties held for sale	4,485	2,619
(Increase) decrease in amounts due from related companies	(163)	24
Increase in amounts due to related companies	273	26
Decrease in amounts due to associates	(24)	(16)
(Decrease) increase in accounts payable, deposits received and accrued charges	(265)	675
Increase in restricted bank deposits	(92)	(243)
Cash generated from (used in) operations	1,248	(2,578)
Tax paid	(720)	(745)
Net cash from (used in) operating activities	528	(3,323)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2011

	Notes	2011 RMB'million	2010 RMB'million
Investing activities			
Interest received		119	114
Purchase of property, plant and equipment		(237)	(33)
Additions to investment properties		(7,280)	(3,426)
Proceeds from disposal of investment properties		613	185
Additions to prepaid lease payments		(434)	–
Increase in loans to associates		(120)	(171)
Net cash outflow from acquisition of a subsidiary	35(a)	–	(109)
Net cash inflow from disposal of subsidiaries	36	342	–
Withdrawal of pledged bank deposits		645	954
Placement of pledged bank deposits		(1,272)	(820)
Decrease (increase) in loans receivable		445	(219)
Net cash used in investing activities		(7,179)	(3,525)
Financing activities			
Advance from non-controlling shareholders of subsidiaries		410	1,118
Repayment to non-controlling shareholders of subsidiaries		(733)	(311)
Capital injected by non-controlling shareholders of subsidiaries		26	50
Deposit received in respect of partial disposal of equity interests in subsidiaries	25(b)	352	–
New bank and other loans raised		6,106	6,761
Repayment of bank loans		(2,082)	(3,483)
Issue of convertible bonds	30	–	2,720
Expenses on issue of convertible bonds	30	–	(54)
Issue of notes	31	3,500	3,000
Expenses on issue of notes	31	(70)	(60)
Interest and bank charges paid		(1,547)	(827)
Payment of dividends		(327)	(245)
Dividend payment to non-controlling shareholders		(4)	(4)
Net cash from financing activities		5,631	8,665
Net (decrease) increase in cash and cash equivalents		(1,020)	1,817
Cash and cash equivalents at the beginning of the year		4,662	2,928
Effect of foreign exchange rate changes		(119)	(83)
Cash and cash equivalents at the end of the year		3,523	4,662
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		3,523	4,662