

Consolidated Statement of Cash Flows

For the year ended 31 December 2012

	2012 RMB'million	2011 RMB'million
Operating activities		
Profit before taxation	3,718	6,060
Adjustments for:		
Depreciation of property, plant and equipment	176	67
Release of prepaid lease payments	2	2
Net foreign exchange gain	(11)	(125)
Share of results of associates	(82)	(137)
Loss on disposal of property, plant and equipment	1	–
Gain on disposal of investment properties	–	(17)
Finance costs, inclusive of exchange differences	459	(94)
Interest income	(181)	(152)
Increase in fair value of investment properties	(2,698)	(2,696)
Increase in defined benefit liabilities	5	2
Equity-settled share-based payment expenses	18	15
Gain on acquisition of subsidiaries	(50)	–
Release of special reserve	–	40
Operating cash flows before movements in working capital	1,357	2,965
(Increase) decrease in accounts receivable, deposits and prepayments	(87)	1,079
Increase in properties under development for sale	(6,712)	(7,010)
Decrease in properties held for sale	2,178	4,485
Decrease (increase) in restricted bank deposits	152	(92)
Decrease (increase) in amounts due from related companies	79	(163)
(Decrease) increase in amounts due to related companies	(41)	273
Increase in amounts due from associates	(38)	–
Increase (decrease) in amounts due to associates	6	(24)
Increase (decrease) in accounts payable, deposits received and accrued charges	2,587	(265)
Cash (used in) generated from operations	(519)	1,248
Tax paid	(1,704)	(720)
Net cash (used in) from operating activities	(2,223)	528



Consolidated Statement of Cash Flows

For the year ended 31 December 2012

		2012	2011
	Notes	RMB'million	RMB'million
Investing activities			
Interest received		137	119
Purchase of property, plant and equipment		(464)	(237)
Additions to investment properties		(3,617)	(7,280)
Proceeds from disposal of investment properties		24	613
Additions to prepaid lease payments		–	(434)
Advances of loans to associates		(374)	(120)
Cash inflow from acquisition of subsidiaries	36(a)	111	–
Net cash inflow on disposal of subsidiaries	36(c)	–	342
Withdrawal of pledged bank deposits		1,895	645
Placement of pledged bank deposits		(1,546)	(1,272)
Repayment of loans receivable		152	445
Net cash used in investing activities		(3,682)	(7,179)
Financing activities			
Advance from non-controlling shareholders of subsidiaries		193	410
Repayment to non-controlling shareholders of subsidiaries		(15)	(733)
Capital injected by non-controlling shareholders of subsidiaries		32	26
Deposit received in respect of partial disposal of equity interests in subsidiaries	25(b)	–	352
Proceeds received in respect of partial disposal of equity interests in subsidiaries	36(d)	138	–
New bank borrowings raised		10,001	6,106
Repayment of bank and other borrowings		(9,066)	(2,082)
Issue of notes	31	6,952	3,500
Expenses on issue of notes	31	(137)	(70)
Issue of perpetual capital securities		3,137	–
Expenses on issue of perpetual capital securities		(63)	–
Settlement of interest rate swaps designated as cash flow hedges		(73)	–
Interest paid		(2,220)	(1,547)
Payment of dividends		(182)	(327)
Dividend payment to a non-controlling shareholder of a subsidiary		(20)	(4)
Net cash from financing activities		8,677	5,631
Net increase (decrease) in cash and cash equivalents		2,772	(1,020)
Cash and cash equivalents at the beginning of the year		3,523	4,662
Effect of foreign exchange rate changes		(8)	(119)
Cash and cash equivalents at the end of the year		6,287	3,523
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		6,287	3,523