

Consolidated Cash Flow Statement

For the year ended 31 December 2006

	2006 <i>Rmb'000</i>	2005 <i>Rmb'000</i>
Operating activities		
Profit for the year	1,288,494	586,769
Adjustments for:		
Share of results of associates	38,784	(35,735)
Share of results of jointly controlled entities	(2,054)	4,507
Depreciation and amortisation	18,750	26,484
Interest income	(103,892)	(50,821)
Finance costs	64,202	70,790
Fair value changes on embedded financial derivatives	233,925	—
Net loss on redemption of convertible bonds	70,396	—
Income tax expense	851,336	125,112
Release of negative goodwill to income	—	(3,010)
Net gain on disposal of associates	(1,360)	(573)
Net gain on disposal of subsidiaries	—	(44,993)
Gain on disposal of discontinued operations	—	(551)
Impairment loss on completed properties for sale	—	11,000
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Operating cash flows before movements in working capital	2,458,581	688,979
(Increase) decrease in properties for development	(1,355,774)	355,317
Decrease (increase) in properties under development	88,772	(1,013,004)
Increase in completed properties for sale	(428,781)	(470,937)
Decrease (increase) in inventories	10,185	(10,376)
Increase in trade and other receivables, deposits and prepayments	(563,264)	(28,672)
Decrease (increase) in other taxes recoverable	140,050	(39,997)
Decrease in rental paid in advance	212	796
(Decrease) increase in pre-sale deposits	(2,920,403)	838,455
Increase (decrease) in trade and other payables	279,307	(50,501)
Increase in other taxes payable	26,547	29,885
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Cash from operations	(2,264,568)	299,945
Income taxes paid	(163,278)	(293,918)
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Net cash (used in) from operating activities	(2,427,846)	6,027

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For the year ended 31 December 2006

	Notes	2006 Rmb'000	2005 Rmb'000
Investing activities			
Purchase of property, plant and equipment		(213,779)	(77,244)
Proceeds from disposal of property, plant and equipment		6,184	10,003
Purchase of available-for-sale investments		—	(1,000)
Proceeds from disposal of available-for-sale investments		—	25,000
Investments in associates		(169,050)	(410,088)
Investments in jointly controlled entities		(50,000)	(40,000)
Proceeds from disposal of interests in associates		—	18,000
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	29	(57,156)	28,852
Purchase of additional interests in subsidiaries		(2,040)	(17,220)
Proceeds from disposal of subsidiaries (net of cash and cash equivalents disposed of)	30	(13,839)	101,937
Repayment from third parties		87,681	59,581
Repayment from related parties		653,792	123,339
Increase in pledged bank deposits		(353,681)	(80,284)
Interest received		109,837	50,821
Net cash used in investing activities		(2,051)	(208,303)
Financing activities			
Bank and other borrowings raised		2,756,120	3,800,912
Repayment of bank and other borrowings		(3,635,112)	(2,990,107)
Repayment to related parties		(94,717)	(106,347)
Contribution by minority shareholders of subsidiaries		127,552	23,000
Interest paid		(312,071)	(250,778)
Dividends paid		(396,975)	(226,153)
Proceeds on issue of convertible bonds	26	1,037,073	—
Distribution of paid-in capital and special reserve		—	(308,293)
Proceeds on issue of shares		2,835,744	—
Redemption of convertible bonds		(557,702)	—
Proceeds on issue of senior notes	27	3,069,738	—
Net cash from (used in) financing activities		4,829,650	(57,766)
Net increase (decrease) in cash and cash equivalents		2,399,753	(260,042)
Cash and cash equivalents at beginning of year		859,393	1,119,435
Effects of foreign exchange rate changes		(10,132)	—
Cash and cash equivalents at end of year		3,249,014	859,393
Represented by			
Bank balances and cash		3,249,014	859,393
— presented on face of balance sheet			