

Year ended 31 December 2006

	Notes	2006 RMB'000	2005 RMB'000
Cash flows from operating activities			
Profit before tax		961,001	889,810
Adjustments for:			
Depreciation	5	7,997	6,120
Goodwill impairment	5	—	18,609
Share of profits and losses of associates		(112,884)	(2,996)
Finance costs	6	8,590	245
Interest income	4	(7,648)	(1,771)
Loss on disposal of items of property and equipment	5	192	114
Gain on fair value adjustment of investment properties	4	(130,651)	—
Gain on disposal of an associate	4	(17,950)	—
Gain on disposal of interest in subsidiaries	4	(3,289)	(32,560)
Negative goodwill recognised as income	4	—	(216,252)
		705,358	661,319
Increase in trade receivables		(43,919)	(44,006)
Increase in properties under development		(431,945)	(1,613,972)
Increase in completed properties for sale		(601,973)	(131,811)
Decrease in prepayments, deposits and other receivables		48,768	527,687
Decrease in amounts due from related companies		66,977	105,796
(Decrease)/increase in trade and bills payables		(674,025)	858,798
Increase/(decrease) in advances from customers		167,440	(260,770)
Decrease in accrued liabilities and other payables		(60,184)	(1,167,541)
Cash used in operations		(823,503)	(1,064,500)
Interest paid		(199,945)	(77,226)
Tax paid		(235,115)	(295,367)
Net cash outflow from operating activities		(1,258,563)	(1,437,093)

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Net cash outflow from operating activities		(1,258,563)	(1,437,093)
Cash flows from investing activities			
Purchases of items of property and equipment	13	(44,052)	(10,149)
Proceeds from disposal of items of property and equipment		11,702	130
Consideration for acquisition of additional equity interest in an associate		(960)	(2,800)
Interest received	4	7,648	1,771
Dividend received from associates		140,637	50,793
Acquisition of minority interests		(4,832)	(48,904)
Acquisition of subsidiaries		—	(200,939)
Proceeds from disposal of associates		16,132	—
Proceeds from partial disposal of equity interests in subsidiaries		109,924	89,004
Increase in payments in advance		(111,742)	—
Decrease/(increase) in pledged time deposits		2,193	(14,141)
Net cash inflow/(outflow) from investing activities		126,650	(135,235)
Cash flows from financing activities			
Proceeds from issue of shares	31	717,650	438,535
Share issue expenses	31	(10,837)	(8,877)
New interest-bearing bank loans and other borrowings		1,644,730	2,442,500
Repayment of bank loans and other borrowings		(884,850)	(1,109,586)
New interest-free loans from related companies		203,294	—
Dividends paid		(227,267)	(305,940)
Dividends paid to minority shareholders		(40,926)	(13,225)
Net cash inflow from financing activities		1,401,794	1,443,407
Net increase/(decrease) in cash and cash equivalents		269,881	(128,921)
Cash and cash equivalents at beginning of year		894,743	1,023,664
Cash and cash equivalents at end of year	23	1,164,624	894,743
Analysis of balances of cash and cash equivalents			
Cash and bank balances	23	1,164,624	894,743