

Consolidated Cash Flow Statement

For the year ended 31 December 2006

NOTES	2006 RMB'000	2005 RMB'000
OPERATING ACTIVITIES		
Profit before taxation	2,585,592	877,542
Adjustments for:		
Allowance for bad and doubtful debts	657	984
Allowance for amount due from a jointly controlled entity	1,294	10,143
Depreciation of property, plant and equipment	26,362	22,875
Release of prepaid lease payments	1,112	1,112
Gain on change in fair value of early redemption rights	(23,013)	(1,952)
Loss on change in fair value of conversion option of senior preference shares	143,168	—
Loss on change in fair value of warrants	357,349	3,132
Net foreign exchange gain	(109,552)	—
Loss on cash flow hedge transfer to profit and loss	2,868	—
Share of profit of associates	(694)	—
Share of loss of a jointly controlled entity	—	52
Gain on partial disposal of equity interest in subsidiaries	(582,337)	—
Finance costs	218,777	166,873
Loss (gain) on disposal of property, plant and equipment	3,299	(160)
Interest income	(96,253)	(15,701)
Increase in fair value of investment properties	(144,849)	(606,565)
Increase in defined benefit assets	(1,108)	(3,433)
Release of special reserve	22,893	—
Operating cash flows before movements in working capital	2,405,565	454,902
Increase in inventories	(108)	(617)
Increase in accounts receivable, deposits and prepayments	(490,696)	(617,538)
Decrease in properties held for sale	1,552,401	306,330
Increase in accounts payable, deposits received and accrued charges	13,405	60,190
Cash generated from operations	3,480,567	203,267
PRC Income Tax paid	(215,322)	(90,713)
NET CASH FROM OPERATING ACTIVITIES	3,265,245	112,554
INVESTING ACTIVITIES		
Interest received	89,770	15,701
Purchase of property, plant and equipment	(51,632)	(43,813)
Proceeds from disposal of property, plant and equipment	270	341
Additions to investment properties	(104,322)	(128,488)
Additions to prepaid lease payments	(1,194,978)	(1,876,435)
Additions to properties under development	(2,619,626)	(2,329,682)
Repayment from (advance to) an associate	63	(492)
Advance to a jointly controlled entity	(1,294)	(10,143)
Acquisition of subsidiaries	—	2,490
Acquisition of additional interests in subsidiaries	—	(269,645)
Proceeds from disposal of equity interest in subsidiaries	604,058	—
Investment in an associate	—	(2,500)
Investment in a jointly controlled entity	—	(52)
(Increase) decrease in pledged bank deposits	(794,008)	273,404
Increase in loan receivable	(227,067)	—
NET CASH USED IN INVESTING ACTIVITIES	(4,298,766)	(4,369,314)

	2006 RMB'000	2005 RMB'000
FINANCING ACTIVITIES		
Net proceeds on issuance of shares	4,449,231	—
Net proceeds on issuance of notes	—	2,994,334
Net proceeds on issuance of preference shares	—	1,220,310
Advance from minority shareholders of subsidiaries	3,459	202,730
Repayment to an associate	—	(221)
Net repayment to related parties	(1,067)	(464,399)
Capital injected from minority shareholders	5,515	4,380
New bank loans raised	3,476,516	1,680,676
Repayment of bank loans	(3,611,065)	(74,199)
Share issue expenses	(145,697)	—
Interest and bank charges paid	(617,612)	(402,160)
NET CASH FROM FINANCING ACTIVITIES	3,559,280	5,161,451
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,525,759	904,691
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,988,944	1,090,706
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(62,692)	(6,453)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4,452,011	1,988,944
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	4,452,011	1,988,944