

Consolidated Cash Flow Statement

Year ended December 31, 2007

	Group	
	2007	2006
	RMB'000	RMB'000
Operating activities		
Profit before tax and IPO expenses	84,615	244,085
Adjustments for:		
Depreciation of property, plant and equipment	2,178	1,221
(Gain) Loss on disposal of property, plant and equipment	(26)	29
Gain on disposal of investments held for trading	(3,374)	–
Increase in fair value of investment properties	(16,390)	(7,850)
Gain on disposal of subsidiaries	(20,194)	(423)
Release of negative goodwill	–	(20,589)
Investment income from available-for-sale investments	(25,436)	–
Share-based payments	462	–
Interest income	(3,288)	(1,342)
Interest expense	31,049	2,444
Operating cash flows before movements in working capital	49,596	217,575
Completed properties for sale	(59,069)	(20,118)
Land use rights	17	17
Properties under development for sale	(657,809)	62,875
Trade receivables	119,833	11,723
Prepayments and other receivables	323,132	(335,367)
Trade payables	(58,850)	(90,812)
Sales deposits	85,480	(54,269)
Accruals and other payables	38,758	(39,312)
Cash used in operations	(158,912)	(247,688)
Income tax paid	(59,289)	(17,785)
Net cash used in operating activities	(218,201)	(265,473)
Investing activities		
Purchase of property, plant and equipment	(4,216)	(3,458)
Proceeds from disposal of property, plant and equipment	698	480
Acquisition of underlying assets and liabilities of entities	(55,710)	–
Acquisition of subsidiaries	–	(74,095)
Disposal of subsidiaries	55,208	22,212
Deposit for investment properties	(55,000)	–
Purchase of available-for-sale investments	(44,415)	–
Purchase investments held for trading	(91,000)	–
Receipt of investment income from available-for-sale investments	25,436	–
Proceeds from disposal of investments held for trading	94,374	–
Increase in amounts due from related parties	(27,687)	–
Interest received	3,288	1,342
Net cash used in investing activities	(99,024)	(53,519)

Consolidated Cash Flow Statement (cont'd)

Year ended December 31, 2007

	Group	
	2007	2006
	RMB'000	RMB'000
Financing activities		
Increase in bank loans and other borrowings	707,667	311,306
Proceeds from issue of shares pursuant to IPO	–	279,708
Dividends paid	(49,058)	(29,536)
Interest paid	(48,090)	(6,334)
Increase in amounts due to related parties	7,167	41,810
Increase in pledged bank deposits	(71,395)	803
IPO costs incurred	–	(16,377)
Net cash from financing activities	546,291	581,380
Increase in cash and bank balances	229,066	262,388
Cash and bank balances at the beginning of the year	280,493	18,105
Cash and bank balances at the end of the year	509,559	280,493