

Short Form of the Stock: SHENSHENFANG A, SHENSHENFANG B

No.: 2007-017

Stock Code: 000029, 200029

## SHENZHEN Special Economic Zone Real Estate & Properties (Group) Co., Ltd. Summary of Interim Report 2007

### §1. Important Notice

1.1 The Board of Directors, the Supervisory Committee as well as directors, supervisors and senior management of the SHENZHEN Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (hereinafter referred to as the Company) warrant that this report does not contain any false or misleading statements or omit any material facts and all information set forth herein are true, accurate and complete.

The summary of interim report 2007 is abstracted from the interim report; and full text of the interim report 2007 is published on the Internet website <http://www.cninfo.com.cn> in the mean time. The investors are suggested to read the full text of interim report to understand more details.

#### 1.2 Name list of absent directors from the meeting

Name of absent director	Reason of absence	Name of assignee
Shao Zhihe	Business trip	Guo Hongzhuang
Xu Zhenhan	Business trip	Liu Ying
Li QiuSheng	Personnel affair	No

1.3 All directors attended the Board meeting.

1.4 The financial report 2007 of the Company contained herein has not been audited.

1.5 Mr. Mr. Shao Zhihe, person in charge of the Company, Mr. Guo Hongzhuang, person in charge of Accounting Work, and Mr. Chen Jincai, person in charge of Accounting Organ hereby confirm that the Financial Report enclosed in the Interim Report is true and complete.

### §2. Company Profile

#### 2.1 Basic information

Short form of the stock	SHENSHENFANG A, SHENSHENFANG B	
Stock code	000029, 200029	
Listed stock exchange	Shenzhen Stock Exchange	
	<b>Secretary of the Board</b>	<b>Securities Affairs Representative</b>
Name	Chen Ji	Feng Hongwei
Contact address	45-48/F, SPG Plaza, Renmin South Road, Shenzhen	45-48/F, SPG Plaza, Renmin South Road, Shenzhen
Telephone	86-755-82293000-4718	86-755-82293000-4715
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## 2.2 Major financial data and indexes

## 2.2.1 Major accounting data and financial indexes

Unit: RMB Yuan

	At the end of this report period	At the end of the last year		Increase/decrease at the end of this report period compared with the year-begin (%)	
		Before the adjustment	After the adjustment	Before the adjustment	After the adjustment
Total assets	2,565,548,771.73	2,391,441,694.13	2,384,845,276.50	7.28%	7.58%
Owner's equity (excluding Shareholder's equity)	1,124,670,032.64	1,093,956,870.51	1,117,925,512.16	2.81%	0.60%
Net assets per share	1.1117	1.08130	1.1050	2.81%	0.61%
	In the report period	At the same period of last year		Increase/decrease in this report period compared with the same period of last year (%)	
		Before the adjustment	After the adjustment	Before the adjustment	After the adjustment
Net profit	16,219,920.15	12,230,105.61	13,895,350.65	32.62%	16.73%
Net profit after deducting non-recurring gains and losses	14,023,452.21	7,770,327.94	9,435,572.98	80.47%	48.62%
Earnings per share	9,782,925.15	7,349,856.13	9,015,101.17	33.10%	8.52%
Earnings per share (note)	-15,393,230.43	12,158,308.12	13,124,878.84	-226.61%	-217.28%
Return on equity (%)	0.00970	0.00730	0.00890	32.88%	8.99%
Net cash flow arising from operating activities	0.00970	0.00730	0.00890	32.88%	8.99%
Net profit	0.87%	0.67%	0.81%	0.20%	0.06%
Net profit after deducting non-recurring gains and losses	-93,548,397.35		235,826,415.59		-139.67%
Earnings per share	-0.0925		0.2331		-139.68%

## 2.2.2 Items of non-recurring gains and losses

 Applicable       Inapplicable

Unit: RMB Yuan

Items of non-recurring gains and losses	Amounts
Investment income	27,576,623.52

Non-operating income	22,662.73
Non-operating expense	-2,423,130.67
Total	25,176,155.58

## 2.3.3 Difference between PRC GAAP and IFRS

√ Applicable       Inapplicable

Unit: RMB Yuan

	PRC GAAP	IFRS
Net profit	9,783,000.00	28,238,000.00
Net assets	1,124,670,000.00	1,060,665, 000.00
Explanation of the difference	<p>In accordance with IFRS, items that there is certain influence on increase of net profit included: 1. Switching back of depreciation and amortization charges of invested property amounting to RMB 15554000; and 2. Goodwill arising from acquisition of subsidiaries RMB 2901000. while items that there is certain influence on decrease of net profit included: 1. Switching back of depreciation and amortization charges of invested property amounting to RMB 149483000, 2. Timing difference in recognition of expenses accrued in previous year amounting to RMB -12844000, 3. Difference in recognition of cost of fixed assets, workshop and equipment amounting to RMB 202148000, and Goodwill arising from acquisition of subsidiaries amounting to RMB 1504000.</p>	

## §3. Changes in Share Capital and Particulars about Shares held by Main Shareholders

## 3.1 Statement of change in shares

√ Applicable       Inapplicable

Unit: share

	Before the Change		Increase/Decrease Of the Change (+,-)					After the Change	
	Number of shares	Number of shares	Allotment of new shares	Bonus shares	Capitalization of public reserve	Others	Subtotal	Number of shares	Proportion (%)
I. Shares subject to trading moratorium	622,281,200	61.51%				-1,850	-1,850	622,279,350	61.51%
1. Share held by the State									
2. Shares held by state-owned legal person	622,273,800	61.51%						622,273,800	61.51%
3. Shares held by other domestic investors	7,400					-1,850	-1,850	5,550	
Of which: Shares held by domestic									

non-state-owned legal persons									
Shares held by domestic natural persons	7,400					-1,850	-1,850	5,550	
4. Shares held by foreign investors									
Of which: Shares held by foreign legal persons									
Shares held by foreign natural persons									
II. shares not subject to moratorium	389,378,800	38.49%				1,850	1,850	389,380,650	38.49%
1. RMB ordinary shares	269,378,800	26.63%				1,850	1,850	269,380,650	26.63%
2.. Domestically listed foreign shares	120,000,000	11.86%						120,000,000	11.86%
3. Overseas listed foreign shares									
4. Other									
III. Total shares	1,011,660,000	100.00%						1,011,660,000	100.00%

### 3.2 Particulars about shares held by the top ten shareholders and the top ten shareholders not subject to trading moratorium

Unit: share

<b>Total number of shareholders</b>						102,387
<b>Particulars about shares held by the top ten shareholders</b>						
<b>Name of Shareholder</b>	<b>Nature of shareholders</b>	<b>Proportion of share held (%)</b>	<b>Total number of shares held (share)</b>	<b>Number of holding shares subject to trading moratorium</b>	<b>Number of shares pledged or frozen</b>	
SHENZHEN INVESTMENT HOLDINGS CO. LTD.	State-owned legal person	64.83%	655,820,149	622,273,800	0	
Bank of China – Jiashi Hushen 300 Index Securities Investment Fund	Domestic non-state-owned legal person	0.12%	1,257,911	0	0	
SU YANQIN	Domestic natural person	0.11%	1,095,896	0	0	
Agriculture Bank of China Dacheng Hushen 300 Index Securities Investment Fund	Domestic non-state-owned legal person	0.11%	1,019,194	0	0	

Nanjing Yuxuan Technology Co., Ltd.	Domestic non-state-owned legal person	0.08%	790,000	0	0
LAI,KONG SUNG	Foreign natural person	0.07%	766,800	0	0
CHU KOON YUK	Foreign natural person	0.07%	720,000	0	0
CHEN KANGLIANG	Foreign natural person	0.07%	683,417	0	0
HU YANFEN	Foreign natural person	0.06%	600,600	0	0
ORE BURNS(AUSTRALIA)PTY.LIMITED	Foreign natural person	0.06%	600,000	0	0
<b>Particulars about shares held by the top ten shareholders not subject to trading moratorium</b>					
Name of shareholders		Number of shares subject to trading moratorium held		Type of shares	
SHENZHEN INVESTMENT HOLDINGS CO. LTD.		33,546,349		RMB ordinary share	
Bank of China – Jiashi Hushen 300 Index Securities Investment Fund		1,257,911		RMB ordinary share	
SU YANQIN		1,095,896		RMB ordinary share	
Agriculture Bank of China Dacheng Hushen 300 Index Securities Investment Fund		1,019,194		RMB ordinary share	
Nanjing Yuxuan Technology Co., Ltd.		790,000		RMB ordinary share	
LAI,KONG SUNG		766,800		Domestically listed foreign shares	
CHU KOON YUK		720,000		Domestically listed foreign shares	
CHEN KANGLIANG		683,417		Domestically listed foreign shares	
HU YANFEN		600,600		Domestically listed foreign shares	
ORE BURNS(AUSTRALIA)PTY.LIMITED		600,000		Domestically listed foreign shares	
Explanation on associated relationship among the above shareholders or consistent action		Unknown			

## 3.3 Particulars about change in controlling shareholder and actual controller of the Company

Applicable                       Inapplicable

**§4. Particulars about Directors, Supervisors and Senior Management**

## 4.1 Particulars about changes in shares held by directors, supervisors and senior management

Applicable                       Inapplicable

The number of stock option and limited stock held by the above directors, supervisors and senior management

Applicable       Inapplicable

## § 5 Report of the Board of Directors

### 5.1 Main operations classified according to industries or products

Unit: RMB'0000

Main operations classified according to industries						
Industries	Operating revenues	Operating cost	Gross profit ratio (%)	Increase or decrease of operating revenues compared with the last year (%)	Increase or decrease of operating cost compared with the last year (%)	Increase or decrease of gross profit ratio compared with the last year (%)
Development and operation real estate	5,334.78	3,279.46	38.53%	-73.20%	-75.39%	16.57%
Other real estate industry	2,517.55	1,955.53	22.32%	7.90%	32.32%	-39.10%
Fitment and Decoration	6,615.57	6,282.52	5.03%	19.97%	17.49%	66.36%
Property Management	3,357.16	2,744.48	18.25%	3.26%	5.76%	-9.59%
Other	2,211.32	1,544.50	30.15%	-68.60%	-76.39%	324.00%
Main operations classified according to products						
Residence	5,334.78	3,279.46	38.53%	-73.20%	-75.39%	16.57%

Of which: Total amount of related transactions that listed company sold products and provide labor service to its controlling shareholder and subsidiaries was zero in the report period.

### 5.2 Main operations classified according to region

Unit: RMB'0000

Region	Income from main operations	Increase/decrease of income from main operations over the same period of last year
Domestic	20,000.46	-49.24%
Overseas	35.93	2.59%

### 5.3 Reasons of significant changes in main operations and its structure

Applicable       Inapplicable

Income from real estates development decreased by 73.20% over the same period of last year which was mainly because that no new buildings were sold by parent company in the report period, and sale income from real estates was mainly from sale revenue of villas built by Shantou Hualin Corporation. Sale income from the following industries such as lease industry, properties management industry, construction & installation industry, as well as tourism, hotel and meals service increased a few

compared with the same period of last year.

5.4 Reasons of significant changes in profitability capability of main operations (gross profit ratio) than that in the last year

Applicable             Inapplicable

5.5 Analysis to reasons of significant changes in profit breakdown compared with the previous year

Applicable             Inapplicable

5.6 Utilization of the raised proceeds

5.6.1 Utilization of the raised proceeds

Applicable             Inapplicable

5.6.2 Change of projects

Applicable             Inapplicable

5.7 Revised business plan of the Board for the second half of 2007

Applicable             Inapplicable

5.8 Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its significant change compared with the corresponding period of the last year and explanation on reason

Applicable             Inapplicable

5.9 Explanation of the Management Team on “Non-standard Auditors’ Report” from the Certified Public Accountants in the report period

Applicable             Inapplicable

5.10 Explanation of the Board of Directors on changes and solutions of the issues involved in “Non-standard Auditors’ Report” from the Certified Public Accountants in the last year

Applicable             Inapplicable

## **§6. Significant Events**

6.1 Acquisition and sales of assets and assets restructure

6.1.1 Assets acquired

Applicable             Inapplicable

6.1.2 Assets sold

Applicable             Inapplicable

6.1.3 Progress of these events and its influence on the operating results and financial status in the report period after the report on assets restructure or public notice on acquisition and sales of

assets being published

 Applicable  Inapplicable

## 6.2 Guarantees

 Applicable  Inapplicable

Unit: RMB'0000

Particulars about External Guarantees (excluding guarantees for shareholding subsidiaries)						
Name of Warrantee	Date of occurrence	Amount of guarantee (RMB'0000)	Type of guarantee	Term of guarantee	Accomplished implementation or not	Guaranteed for related parties or not
Naught	Jun. 30, 2007	0.00	Naught	Naught	Yes	No
Total guarantee occurred in the report term		0.00				
Total balance in the report term (A)		0.00				
Guarantees for shareholding subsidiaries by the Company						
Total guarantee provided to the controlled subsidiaries in the report term		0.00				
Total balance of guarantee provided to the controlled subsidiaries in the report term (B)		2,600.00				
Total guarantee amount of the Company (including guarantees for shareholding subsidiaries)						
Total amount of guarantee (A+B)		2,600.00				
The proportion of the total amount of guarantee in the net assets of the Company		2.31%				
Among which:						
Amount of guarantee provided for the shareholder, actual controller and other related parties (C)		0.00				
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70% (D)		0.00				
Proportion of total amount of guarantee in net assets of the Company exceeded 50% (E)		0.00				
Total amount of the above three guarantees* (C+D+E)		2,600.00				

## 6.3 Non-operating current related credits and liabilities

 Applicable  Inapplicable

Unit: RMB'0000

Related parties	Funds provided by the listed company to related parties	Funds provide by related parties to listed company

	Occurred amount	Balance	Occurred amount	Balance
Shenzhen Investment Holdings Co., Ltd.	0.00	0.00	0.00	7,984.88
Total	0.00	0.00	0.00	7,984.88

Of which: Listed company offered a capital of RMB 0.00 to controlling shareholders and its subsidiaries. The balance was RMB 0.00 in reported period.

#### 6.4 Material lawsuits and arbitrations

Applicable       Inapplicable

##### (1) Lawsuit case on Guoxing Building

On 21 March 1997, the company executed an agreement with Baoxin Real Estate Development (Shenzhen) Company limited ( called Baoxin below) to sell its share of 68% interest in Guoxing Building at a consideration of RMB145,000,000. In addition, the construction cost for the building of RMB15,000,000 was undertaken by Baoxin. Baoxin has paid a deposit of RMB45, 000,000. But outstanding purchase consideration of RMB100, 000,000 and the construction cost of RMB15, 000,000 have still not been settled while the property right of Guoxing building has been transferred to Baoxin. So the company lodged a claim. As sentence by the Guangdong High People's Court on September 28 2002, Baoxin should pay the outstanding purchase consideration of RMB 98,948,060 and the interests to the company. Upon a second sued of the case, the outcome remained unchanged and in the favor of the company. Up to December 31 2004, part of outstanding purchase consideration has been received. In 2005, As sentence by the Guangdong High People's Court on July 7 2005. By Guangdong Shanwei urban people's court is responsible executed for this case. Because can't be found property available from executor, so fail to execute this year. For prudence purpose, the company has not recognized any income, cost on the above transaction. The company accounting RMB166,109,047 of Guoxing Building to other account receivable, as also after received of RMB68,720,773.33 in receive in advance account, the relevant balance has been withdrew as bad debts.

##### (2) Lawsuit case of Xi'an

A subsidiary, Fresh Peak Holding limited company (called Fresh Peak below), entered into a joint venture agreement with a third party to establish a contractual joint venture, Xian Fresh Peak Estate Commercial limited company (Xian Fresh Peak Estate) in Xian. Its principal activities are the development and management of commercial buildings in Xian. Pursuant to the aforesaid agreement, Fresh Peak hold 84% of Xian Fresh Peak and the third party provide the land for development and hold 16% of Xian Fresh Peak. The development of the commercial building started in November 1995 and suspended in 1996 due to disagreement between Fresh Peak and the third party. In 1997, the Xian government decided to receive the project and transferred to an enterprise under a department of the Xian government. Xian Fresh Peak then lodged a litigation regarding the compensation. Subsequently, the court judgment in Xian was that 1: the enterprise of the department of Xian government has to pay compensation to Xian Fresh Peak of RMB36, 620,000 plus interest and 2: the development of Xian government is jointly liable for the interest payment. During this year RMB11, 500,000.00 have been received. In May 30 2005, issuance <Warrant of creditor's right> through the Shanxin High People's Court, confirm the two executors still owing RMB21,540,000.00 of principal and interest to Fresh Peak. The company with Xian government consults until now. Ended Dec. 31, 2006, the book balance of Xi'an Xifeng in the statement of the Company was RMB 17,127,934.80, the balance of long-term equity investment was RMB 24,132,000.00, after deducting the balance of the above two enforcees amounting to RMB 21.54 million, the Company has withdrew provision for impairment amounting to RMB

20,673,831.77 to the part of the Company did not draw back.
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## 6.5 Other significant events and explanation on analysis to their influences and solutions

 Applicable       Inapplicable

## 6.5.1 Securities investment

 Applicable       Inapplicable

Unit: RMB Yuan

Securities variety	Securities code	Short form of securities	Amount of initial investment (RMB)	Number of share held (share)	Book value at period-end (RMB)	Proportion in total securities investment at period-end (%)	Profits or losses in the report period (RMB)
Stock	601328	Bank of Communication	31,000.00	4,000.00	43,960.00	33.81%	12,960.00
Stock	002137	Shiyida	5,150.00	500.00	23,595.00	18.15%	18,445.00
Stock	601998	CITIC Industrial Bank	11,000.00	2,000.00	18,400.00	14.15%	7,400.00
Stock	601919	COSCO	8,480.00	1,000.00	18,260.00	14.04%	9,780.00
Stock	002128	OPENCUT COAL INDUSTRY	4,900.00	500.00	18,050.00	13.88%	13,150.00
Stock	002129	ZHONGHUAN	2,905.00	500.00	7,760.00	5.97%	4,855.00
Other securities investment held at the period-end			0.00	-	0.00	-	0.00
Profits or losses of securities sold in the report period			-	-	-	-	-
Total			64,635.00	-	130,025.00	-	66,590.00

## 6.5.2 Equity of other listed companies the Company held

 Applicable       Inapplicable

## 6.5.3 Equity of non-listed financial enterprises and companies to be listed held by the Company

 Applicable       Inapplicable

## 6.6 Particular about reception, investigation, communication, interview, etc. in the report period

Time	Venue	Manner	Visitor	Content
Mar. 9, 2007	Office of the Company	Communication by telephone	Individual investor	The current operation situation without providing any materials
Apr. 3, 2007	Office of the Company	Communication by telephone	Individual investor	The current operation situation without providing any materials
Apr. 12, 2007	Office of the Company	Communication by	Individual investor	Enquired stock price of the Company

		telephone		without providing any materials
Jun. 5, 2007	Office of the Company	Communication by telephone	Individual investor	Enquired stock price of the Company without providing any materials
Jun. 15, 2007	Office of the Company	Communication by telephone	Individual investor	Discussed present real estate market and operation of the Company without providing any materials

## §7. Financial Report

### 7.1 Auditing opinion

Financial Report	<input checked="" type="checkbox"/> Unaudited	<input type="checkbox"/> Audited
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### 7.2 Financial statement

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

Notes

<u>01/01-30/06/2007</u>	<u>01/01-30/06/2006</u>	RMB'000	RMB'000
	4	190,189	377,647
Turnover			
Cost of sales		(142,512)	(309,336)
<b>Gross (loss) / profit</b>		47,677	68,311
Other operating income		1,639	6,303
Write back of provision for impairment losses of properties under development for sale		--	--
General and administrative expenses		(41,117)	(30,055)

Operating expenses		(4,122)	(10,117)
		<u>                    </u>	<u>                    </u>
<b>Profit / (loss) from operations</b>	5	4,077	34,442
Finance cost	6	(2,392)	(16,617)
Share of profit of non-consolidated subsidiaries, associated companies, and contractual joint ventures		30,794	1,320
		<u>                    </u>	<u>                    </u>
<b>Profit/(Loss) before taxation</b>		32,479	19,145
Taxation	7	(3,616)	(231)
		<u>                    </u>	<u>                    </u>
<b>Profit/(Loss) after taxation</b>		28,863	18,914
Minority interests		(625)	(190)
		<u>                    </u>	<u>                    </u>
<b>Net profit/( loss) for the period</b>		<u>28,238</u>	<u>18,724</u>
<b>Earnings per share</b>			
Basic	8	<u>RMB0.028</u>	<u>RMB0.019</u>
Diluted	8	<u>N/A</u>	<u>N/A</u>

The notes on pages 5 to 25 form part of these financial statements.

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

CONSOLIDATED BALANCE SHEET

AT JUNE 30, 2007  
(UNAUDITED)

	<u>Notes</u>	<u>30/06/2007</u> RMB'000	<u>31/12/2006</u> RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	9	68,492	69,231
Investment properties	10	685,610	682,899
Non-consolidated subsidiaries	11	--	110,723
Associates	12	19,251	31,376
Contractual joint ventures	13	70,683	70,683
Long term investments	14	10,184	10,184
Intangible assets	15	--	4
		854,220	975,100
<b>Current assets</b>			
Properties under development for sale	16	783,686	492,459
Completed properties for sale	17	95,301	139,462
Inventories	18	47,051	22,420
Short term investments	19	130	--
Accounts receivable		20,885	14,623
Prepayments, deposits and other debtors		205,770	165,248
Cash and bank balances		494,602	461,311
		1,647,426	1,295,523
<b>Current liabilities</b>			
Customers' deposits		523,301	285,510
Accounts payable and accrued expenses		472,526	601,298
Tax payable	20	(1,084)	4,577
Bank loans	22	261,400	275,425
		1,256,143	1,166,810

		391,283	128,713
<b>Net current liabilities</b>		<u>                    </u>	<u>                    </u>
		1,245,503	1,103,813
<b>Total assets less current liabilities</b>		<u>                    </u>	<u>                    </u>
	21	(196,919)	(85,796)
<b>Non-current liabilities</b>			
<b>Minority interests</b>		12,081	17,449
		<u>                    </u>	<u>                    </u>
<b>NET ASSETS</b>		1,060,665	1,035,466
		<u>                    </u>	<u>                    </u>
<b>CAPITAL AND RESERVES</b>			
Issued capital	23	1,011,660	1,011,660
Reserves		49,005	23,806
		<u>1,060,665</u>	<u>1,035,466</u>

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2007

(UNAUDITED)

	<u>Notes</u>	<u>1/1-30/6/2007</u>	<u>1/1-30/6 /2006</u>
			RMB'000
RMB'000			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from sales of goods or rendering of services		342,633	565,553
Other cash received relating to operating activities		60,470	263,631
Cash paid for goods and services		(317,851)	(213,008)
Cash paid to and on behalf of employees		<u>(39,541)</u>	<u>(38,923)</u>
Payments of all types of taxes		<u>(32,412)</u>	<u>(35,989)</u>
Cash paid relating to other operating activities		<u>(82,184)</u>	<u>(243,076)</u>

<b>Interest paid</b>	<b>(9,201)</b>	<b>(15,637)</b>
	<hr/>	<hr/>
Net cash inflows from operating activities	<b>(78,086)</b>	<b>282,551</b>
	<hr/>	<hr/>

## CASH FLOWS FROM INVESTING ACTIVITIES

Cash received from disposal of investments	31,850	3
	<hr/>	<hr/>
Cash received from dividend and interest	100	100
	<hr/>	<hr/>
Net cash received from the sale of fixed assets, intangible assets and other long-term assets	98	137
	<hr/>	<hr/>
Other cash received relating to investing activities	--	--
	<hr/>	<hr/>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(2,865)	(718)
	<hr/>	<hr/>
Cash paid to acquire investments	--	--
	<hr/>	<hr/>
Cash paid relating to other investing activities	--	--
	<hr/>	<hr/>
Net cash outflows (inflows) from investing activities	<b>29,183</b>	<b>(478)</b>
	<hr/>	<hr/>

## CASH FLOWS FROM FINANCING ACTIVITIES

Cash received from borrowings	235,726	165,371
	<hr/>	<hr/>
Other cash received relating to financing activities	--	--
	<hr/>	<hr/>
Cash repayments of amounts borrowed	(140,025)	(190,437)
	<hr/>	<hr/>
Cash paid relating to other financing activities	--	(1,225)
	<hr/>	<hr/>

Net cash outflows from financing activities		<u>95,701</u>	<u>(26,291)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<b>46,798</b>	<b>255,782</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>422,399</b>	<b>210,968</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>24</b>	<u><b>469,197</b></u>	<u><b>466,750</b></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2007  
(UNAUDITED)

	Total	Accumulated	Cumulative		Staff		General
			Share	Capital	translation		
			<u>capital</u>	<u>reserve</u>	<u>reserve</u>	<u>reserve</u>	<u>fund</u>
RMB'000	RMB'000		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at Jan 01,2006	1,011,660	686,308	31,154	3,317	115,594	(872,362)	975,671
Net Profit/(Loss) for the period	--	--	--	--	--	18,724	18,724
Others	--	--	7	--	--	--	7
Balance at Jun 30, 2006	<u>1,011,660</u>	<u>686,308</u>	<u>31,161</u>	<u>3,317</u>	<u>115,594</u>	<u>(853,638)</u>	<u>994,402</u>
Balance at Jan 01, 2007	1,011,660	686,308	48,880	118,911	--	(830,293)	1,035,466

Net profit/(loss) for the period	--	--	--	--	--	28,238	28,238
Others	--	--	(3,039)	--	--	--	(3,039)
Balance at Jun 30,2007	<u>1,011,660</u>	<u>686,308</u>	<u>45,841</u>	<u>118,911</u>	<u>--</u>	<u>(802,055)</u>	<u>1,060,665</u>

### 7.3 Notes to financial report

7.3.1 Should there be any changes in accounting policies, accounting estimates and accounting errors, give the relevant contents, reasons and the amount influenced.

Naught
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7.3.2 The consolidation scope of the financial statements has not changed in the report period.

Applicable                       Inapplicable

7.3.3 If the financial report of the Company is produced as “Qualified Opinion”, the Company should make the relevant matters and notes.

Applicable                       Inapplicable

**Board of Directors of**  
**SHENZHEN Special Economic Zone**  
**Real Estate & Properties (Group) Co., Ltd.**  
Aug. 23, 2007