

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011 (“Q3 2011”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2011 (“FY2011”)**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS**

**1.(a)(i) An income statement (for the Group) for the period ended 30 September 2011 together with a comparative statement for the corresponding period of the immediate preceding financial year**

**Unaudited consolidated income statement of the Group for the period ended 30 September 2010 and 30 September 2011**

	<b>The Group</b>					
	<b>Q3 2011</b>	Q3 2010	%	<b>9M 2011</b>	9M 2010	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
Revenue	<b>49,251</b>	97,240	(49)	<b>141,410</b>	143,178	(1)
Cost of sales	<b>(42,622)</b>	(76,730)	(44)	<b>(114,388)</b>	(107,870)	6
Gross profit	<b>6,629</b>	20,510	(68)	<b>27,022</b>	35,308	(23)
Other operating (expense)/income	<b>(446)</b>	(1,280)	(65)	<b>599</b>	14,575	(96)
Share of losses of associates	<b>(624)</b>	-	N/M	<b>(2,539)</b>	-	N/M
Other losses	<b>(20,960)</b>	-	N/M	<b>(27,501)</b>	-	N/M
General and administrative expenses	<b>(5,680)</b>	(6,848)	(17)	<b>(21,925)</b>	(21,937)	-
Selling and distribution expenses	<b>(1,511)</b>	(4,039)	(63)	<b>(4,868)</b>	(7,739)	(37)
Finance income/ (expense)	<b>2,658</b>	(1,320)	N/M	<b>6,291</b>	(4,799)	N/M
(Loss)/profit before tax	<b>(19,934)</b>	7,023	N/M	<b>(22,921)</b>	15,408	N/M
Income tax expense	<b>(1,308)</b>	(4,776)	(73)	<b>(7,534)</b>	(7,694)	(2)
Net (loss)/profit for the period	<b>(21,242)</b>	2,247	N/M	<b>(30,455)</b>	7,714	N/M

“Q3 2010” and “Q3 2011” denotes the third quarter or the three-month period ended 30 September 2010 and 30 September 2011 respectively

“9M 2010” and “9M 2011” denotes the nine- month period ended 30 September 2010 and 30 September 2011 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

**1.(a)(ii) The accompanying notes to the unaudited financial statements form an integral part of the financial statements**

	<b>The Group</b>					
	<b>Q3 2011</b>	Q3 2010	%	<b>9M 2011</b>	9M 2010	%
	<b>RMB'000</b>	RMB'000	Change	<b>RMB'000</b>	RMB'000	Change
(Loss)/profit before tax has been arrived at after charging/(crediting):	<b>(19,934)</b>	7,023	N/M	<b>(22,921)</b>	15,408	N/M
Depreciation of property, plant and equipment	<b>289</b>	2,532	(89)	<b>3,497</b>	5,767	(39)
Foreign currency exchange gain	<b>(126)</b>	(168)	(25)	<b>(432)</b>	(288)	50
Amortization of land use rights	-	-	N/M	<b>1</b>	1	-
Loss on disposal of property, plant and equipment	-	37	N/M	<b>(1)</b>	201	N/M
Loss on disposal of subsidiaries and project	<b>(20,906)</b>	-	N/M	<b>(27,501)</b>	-	N/M
Share of loss of associates	<b>624</b>	-	N/M	<b>2,539</b>	-	N/M
Reversal of compensation payable for demolition and relocation	-	-	N/M	-	(15,023)	N/M
Waived construction and related costs	-	-	N/M	-	(4,977)	N/M
Bad Debt written off	-	-	N/M	-	1,097	N/M
Interest income	<b>(158)</b>	(19)	732	<b>(388)</b>	(35)	1009
Finance (Income)/expenses	<b>(2,658)</b>	1,320	N/M	<b>(6,291)</b>	4,798	N/M

"Q3 2010" and "Q3 2011" denotes the third quarter or the three-month period ended 30 September 2010 and 30 September 2011 respectively

"9M 2010" and "9M 2011" denotes the nine-month period ended 30 September 2010 and 30 September 2011 respectively

"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

"N/M" denotes "Not meaningful".

**1.(b)(i) A statements of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year**

**Statements of financial position of the Group and the Company as at 30 September 2011 and 31 December 2010**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September 2011</b>	<b>31 December 2010</b>	<b>30 September 2011</b>	<b>31 December 2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	4,255	76,472	3	5
Land use rights	63	64	-	-
Investment properties	183,650	183,650	-	-
Prepayments and other receivables	20,649	25,681	-	-
Amounts due from a related party	62,201	59,672	-	-
Amounts due from associates	41,870	37,886	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	53,993	56,532	-	-
	<b>366,681</b>	<b>439,957</b>	<b>213,741</b>	<b>213,743</b>
<b>Current assets</b>				
Completed properties for sale	239,169	369,664	-	-
Properties under development for sale	124,743	635,212	-	-
Trade receivables	827	4,911	-	-
Prepayments and other receivables	39,235	42,307	-	36
Amounts due from subsidiaries	-	-	447,249	442,403
Amounts due from related parties	43,998	44,124	-	-
Amounts due from associates	29,656	54,655	-	-
Income tax recoverable	16,404	17,038	-	-
Pledged bank deposits	8,284	11,360	-	-
Cash and cash equivalents	282,153	59,670	3,812	804
	<b>784,469</b>	<b>1,238,941</b>	<b>451,061</b>	<b>443,243</b>
<b>Current liabilities</b>				
Trade payables	46,027	85,287	-	-
Sales and rental deposits	144,903	247,916	-	-
Accruals and other payables	31,327	349,501	926	652
Amount due to subsidiaries	-	-	14,855	7,876
Amounts due to related parties	17,668	21,597	10,025	10,888
Amounts due to associates	6,151	6,156	-	-
Income tax payables	50,330	46,331	-	-
Bank and other borrowings	-	29,000	-	-
	<b>296,406</b>	<b>785,788</b>	<b>25,806</b>	<b>19,416</b>
<b>Net current assets</b>	<b>488,063</b>	<b>453,153</b>	<b>425,255</b>	<b>423,827</b>
	<b>854,744</b>	<b>893,110</b>	<b>638,996</b>	<b>637,570</b>
<b>Capital and reserves</b>				
Issued capital	305,888	305,888	305,888	305,888
Share premium	224,094	224,094	224,094	224,094
Treasury Shares	(18)	-	(18)	-
Capital reserve	49,031	49,031	-	-
Retained earnings	246,159	274,838	109,032	107,588
Equity attributable to owners of the Company	825,154	853,851	638,996	637,570
Non-controlling interests	2,417	11,775	-	-
Total equity	827,571	865,626	638,996	637,570
<b>Non-current liabilities</b>				
Deferred tax liabilities	27,173	27,484	-	-
	<b>27,173</b>	<b>27,484</b>	<b>-</b>	<b>-</b>
	<b>854,744</b>	<b>893,110</b>	<b>638,996</b>	<b>637,570</b>

**1.(b)(ii) Aggregate amount of borrowings and debt securities for the Group.**

	<b>The Group</b>	
	<b>30 September 2011 RMB '000</b>	<b>31 December 2010 RMB '000</b>
Borrowings, secured <sup>(1)</sup>	-	29,000
Borrowings, unsecured	-	-
	<u>-</u>	<u>29,000</u>
The borrowings are repayable:		
On demand or within one year	-	29,000
More than one year	-	-
	<u>-</u>	<u>29,000</u>

**Note:**

(1) Secured against certain completed properties for sales of the Group.

**1.(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. Unaudited consolidated statement of cash flows of the Group for the period ended 30 September 2010 and 30 September 2011.**

	<b>The Group</b>			
	<b>Q3 2011</b> RMB'000	Q3 2010 RMB'000	<b>9M 2011</b> RMB'000	9M 2010 RMB'000
<b>OPERATING ACTIVITIES</b>				
(Loss)/profit before tax	(19,934)	7,023	(22,921)	15,408
Adjustments for:				
Depreciation of property, plant and equipment	289	2,532	3,497	5,767
Foreign currency exchange gain	(126)	(168)	(432)	(288)
Amortization of land use rights	-	-	1	1
Loss on disposal of property, plant and equipment	-	37	(1)	201
Loss on disposal of subsidiaries and project	20,960	-	27,501	-
Reversal of compensation payable for demolishment and relocation	-	-	-	(15,023)
Bad debt written off	-	-	-	1,097
Share of loss of associates	624	-	2,539	-
Waived construction and related costs	-	-	-	(4,977)
Interest income	(158)	(19)	(388)	(35)
Finance (income) costs	(2,658)	1,320	(6,291)	4,798
Operating cash flows before movements in working capital	(1,003)	10,725	3,505	6,949
Decrease in completed properties for sale	12,528	69,658	71,822	97,956
(Increase)/decrease in properties under development for sale	(27,387)	(38,563)	(87,676)	(96,155)
(Increase)/decrease in trade receivables	(25)	3,767	1,892	3,529
(Increase)/decrease in prepayments and other receivables	(11,018)	(34,806)	(24,808)	(48,471)
Increase/(decrease) in trade payables	2,459	(2,238)	(8,387)	(57,644)
Increase/(decrease) in sales and rental deposits	32,168	(39,530)	58,758	60,291
Increase/(decrease) in accruals and other payables	80,553	7,995	120,744	24,831
Increase in amount due to related parties	-	231	-	231
Increase/(decrease) in payable to associate company	1	-	(5)	-
Cash generated from/(used in) from operations	88,276	(22,761)	135,845	(8,483)
Income tax paid	(5,007)	(4,138)	(10,331)	(11,378)
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>83,269</b>	<b>(26,899)</b>	<b>125,514</b>	<b>(19,861)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(1,569)	(35)	(1,879)	(78)
Increase in pledged bank deposits	557	(647)	(892)	(1,257)
Disposal of subsidiaries (Note 1)	15,416	-	21,784	-
Loan to third party	-	-	-	(10,000)
Proceed from disposal of property, plant and equipment	-	9	-	28
Proceed from disposal of projects	4,200	-	6,150	-
Refund of investment cost of available-for-sale investments	-	-	-	1,400
Deposit received in respect of property under development for sales	-	42,000	-	42,000
Interest received	158	-	388	16
<b>NET CASH GENERATE FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>18,762</b>	<b>41,327</b>	<b>25,551</b>	<b>32,109</b>
<b>FINANCING ACTIVITIES</b>				
Increase in bank and other borrowings	-	631	50,000	30,000
Repayments of bank and other borrowings	-	-	-	(66,800)
Repayments received on borrowings due from third party	-	9,619	-	21,330
Amount repaid from associate company	-	-	24,999	-
Share buyback	(18)	-	(18)	-
Amount advanced to a director	-	-	-	(274)
Amount received (repaid to)/from related parties	(2,374)	14	(2,919)	(2,251)
Interest paid	-	(1,320)	(644)	(1,320)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>(2,392)</b>	<b>8,944</b>	<b>71,418</b>	<b>(19,315)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>99,639</b>	<b>23,372</b>	<b>222,483</b>	<b>(7,067)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>182,514</b>	<b>34,123</b>	<b>59,670</b>	<b>64,562</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>282,153</b>	<b>57,495</b>	<b>282,153</b>	<b>57,495</b>

## NOTE 1: DISPOSAL OF SUBSIDIARIES

	The Group			
	Q3 2011 RMB'000	Q3 2010 RMB'000	9M 2011 RMB'000	9M 2010 RMB'000
Property, plant and equipment	85	-	70,534	-
Completed properties for sale	29,673	-	29,673	-
Properties under development for sale	307,988	-	307,988	-
Trade receivables, prepayments and other receivables	23,259	-	33,865	-
Amount due from related parties	-	-	15,010	-
Cash and cash equivalents	6,195	-	7,827	-
Trade payables, accruals and other payables	(219,536)	-	(245,110)	-
Sales deposit	(161,771)	-	(161,771)	-
Amount due to related parties	(884)	-	(884)	-
Bank and other borrowings	-	-	(50,000)	-
Non-controlling interests	-	-	(7,582)	-
Net identifiable assets disposed	(14,991)	-	(450)	-
Gain/(loss) on disposal	36,602	-	30,061	-
Proceeds from disposal	21,611	-	29,611	-
Less: cash and bank balances disposed	(6,195)	-	(7,827)	-
Net cash inflows from disposal of subsidiaries	15,416	-	21,784	-

**1.(d) A statements of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding year of the immediately preceding financial period.**

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the period ended 30 September 2010 and 30 September 2011**

	The Group			
	Q3 2011 RMB'000	Q3 2010 RMB'000	9M 2011 RMB'000	9M 2010 RMB'000
(Loss)/profit for the period	(21,242)	2,247	(30,454)	7,714
Other comprehensive income for the period	-	-	-	-
Total comprehensive (expense)/income for the period	(21,242)	2,247	(30,454)	7,714

**Total comprehensive (expense)/income for the period attributable to:**

	The Group			
	Q3 2011 RMB'000	Q3 2010 RMB'000	9M 2011 RMB'000	9M 2010 RMB'000
Owners of the Company	(21,242)	2,511	(28,679)	8,465
Minority interests	-	(264)	(1,776)	(750)
	(21,242)	2,247	(30,455)	7,715

	The Company			
	Q3 2011 RMB'000	Q3 2010 RMB'000	9M 2011 RMB'000	9M 2010 RMB'000
Income/(loss) for the period	976	944	1,444	(246)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive income/(expense) for the period	976	944	1,444	(246)

**Total comprehensive income/(expense) for the period attributable to:**

	The Company			
	Q3 2011 RMB'000	Q3 2010 RMB'000	9M 2011 RMB'000	9M 2010 RMB'000
Owners of the Company	976	944	1,444	(246)
Minority interests	-	-	-	-
	976	944	1,444	(246)

**1.(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Unaudited consolidated statement of changes in equity of the Group for the period ended 30 September 2010 and 30 September 2011**

	<b>The Group</b>									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Bond reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Minority interests RMB'000	Total RMB'000
Balance at 1 January 2011	305,888	224,094	49,031	-	-	-	274,838	853,851	11,775	865,626
Comprehensive expense for the period	-	-	-	-	-	-	(3,356)	(3,356)	(1,565)	(4,921)
Balance at 31 March 2011	305,888	224,094	49,031	-	-	-	271,482	850,495	10,210	860,705
Disposal of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	(7,582)	(7,582)
Comprehensive expense for the period	-	-	-	-	-	-	(4,081)	(4,081)	(211)	(4,292)
Balance at 30 June 2011	305,888	224,094	49,031	-	-	-	267,401	846,414	2,417	848,831
Share buyback	-	-	-	-	(18)	-	-	(18)	-	(18)
Comprehensive expense for the period	-	-	-	-	-	-	(21,242)	(21,242)	-	(21,242)
<b>Balance at 30 September 2011</b>	<b>305,888</b>	<b>224,094</b>	<b>49,031</b>	<b>-</b>	<b>(18)</b>	<b>-</b>	<b>246,159</b>	<b>825,154</b>	<b>2,417</b>	<b>827,571</b>

	<b>The Group</b>									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Bond reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Minority interests RMB'000	Total RMB'000
Balance at 1 January 2010	305,888	224,094	49,031	18,077	-	-	230,783	827,873	84,200	912,073
Comprehensive income/(expense) for the period	-	-	-	-	-	-	2,080	2,080	(171)	1,909
Balance at 31 March 2010	305,888	224,094	49,031	18,077	-	-	232,863	829,953	84,029	913,982
Surrender of share Options	-	-	-	(2,403)	-	-	2,403	-	-	-
Comprehensive income/(expense) for the period	-	-	-	-	-	-	3,874	3,874	(315)	3,559
Balance at 30 June 2010	305,888	224,094	49,031	15,674	-	-	239,140	833,827	83,714	917,541
Comprehensive income/(expense) for the period	-	-	-	-	-	-	2,511	2,511	(264)	2,247
Surrender of share Options	-	-	-	(15,674)	-	-	15,674	-	-	-
Balance at 30 September 2010	305,888	224,094	49,031	-	-	-	257,325	836,338	83,450	919,788

	<b>The Company</b>					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2011	305,888	224,094	-	-	107,588	637,570
Comprehensive income for the period	-	-	-	-	126	126
Balance at 31 March 2011	305,888	224,094	-	-	107,714	637,696
Comprehensive income for the period	-	-	-	-	342	342
Balance at 30 June 2011	305,888	224,094	-	-	108,056	638,038
Share Buyback	-	-	-	(18)	-	(18)
Comprehensive income for the period	-	-	-	-	976	976
<b>Balance at 30 September 2011</b>	<b>305,888</b>	<b>224,094</b>	<b>-</b>	<b>(18)</b>	<b>109,032</b>	<b>638,996</b>

	<b>The Company</b>					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained losses RMB'000	Total RMB'000
Balance at 1 January 2010	305,888	224,094	18,077	-	88,814	636,873
Comprehensive expense for the period	-	-	-	-	(883)	(883)
Balance at 31 March 2010	305,888	224,094	18,077	-	87,931	635,990
Comprehensive expense for the period	-	-	-	-	(307)	(307)
Surrender of Share options	-	-	(2,403)	-	2,403	-
Balance at 30 June 2010	305,888	224,094	15,674	-	90,027	635,683
Comprehensive expense for the period	-	-	-	-	944	944
Surrender of Share options	-	-	(15,674)	-	15,674	-
Balance at 30 September 2010	305,888	224,094	-	-	106,645	636,627

**1.(e)(ii) Details of any changes in company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no movements in the Company's share capital during the three months' period and the six months' period ended 30 September 2011.

#### Sunshine Employee Share Option Scheme

Pursuant to the Sunshine Employee Share Option Scheme ("SESOS"), which was approved by the Company's shareholders at the Extraordinary General Meeting held on 30 April 2007, a total of 60,000,000 share options were granted to the eligible employees on 29 November 2007. No share options were issued in Q3 2011 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 30 September 2011 (31 December 2010: Nil).

**1.(e)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<u>As at 30 September 2011</u>	<u>As at 31 December 2010</u>
Total number of issued ordinary shares (excluding Treasury Shares)	977,908,000	978,000,000



**1.(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The movement in the balance of the Treasury Shares of the Company since 1 January 2011 till 30 September 2011 is summarised below:

<u>Treasury Shares</u>	<u>The Group and The Company</u>	
	<u>RMB'000</u>	<u>Number</u>
Balance as at 1 January 2011	-	-
Share Buyback <sup>(1)</sup>	<u>18</u>	<u>92,000</u>
Balance as at 30 September 2011	<u><u>18</u></u>	<u><u>92,000</u></u>

**Note:**

(1) Purchases made via off market acquisition at S\$0.037 per share on 16 August 2011.

**2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.**

The figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

The figures have not been audited or reviewed by the auditors.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The same accounting policies and methods of computation adopted by the Group in respect of the audited financial statements for the financial year ended 31 December 2010 have been consistently applied by the Group for the financial periods presented.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

For FY2011, the Group has adopted all the following new and revised International Financial Reporting Standards ("IFRS") and Interpretations of IFRS that are mandatory for application from 1 January 2011:

- IAS 27 (Revised) Consolidated and Separate Financial Statements
- IFRS 3 (Revised) Business Combinations
- IAS 24 (Revised) Related Party Disclosures
- IAS 1 (Amendments) Presentation of Financial Statements
- IAS 7 (Amendments) Statements of Cash Flows
- IAS 32 (Amendments) Financial Instruments – Presentation: Classification of Rights Issues
- IFRIC 14 (Amendments) Prepayments of a Minimum Funding Requirement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above IFRS and Interpretation of IFRS did not result in any material impact on the consolidated financial statements of the Group and of the Company for Q3 2011 or prior financial periods and year.

**6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

**Unaudited earnings/(losses) per ordinary shares of the Group for the period ended 30 September 2010 and 30 September 2011**

	<b>The Group</b>			
	<b>Q3 2011</b> RMB'000	<b>Q3 2010</b> RMB'000	<b>9M 2011</b> RMB'000	<b>9M 2010</b> RMB'000
<b>(Loss)/profit attributable to owners of the Company</b>	<b><u>(21,242)</u></b>	<b><u>2,511</u></b>	<b><u>(28,679)</u></b>	<b><u>8,465</u></b>
Basic (Singapore cents) <sup>(1)</sup>	<b><u>(0.42) cents</u></b> <sup>(2)</sup>	<b><u>0.05 cents</u></b> <sup>(2)</sup>	<b><u>(0.56) cents</u></b> <sup>(2)</sup>	<b><u>0.18 cents</u></b> <sup>(2)</sup>
Diluted (Singapore cents) <sup>(1)</sup>	<b><u>(0.42) cents</u></b> <sup>(4)</sup>	<b><u>0.05 cents</u></b> <sup>(3)</sup>	<b><u>(0.56) cents</u></b> <sup>(4)</sup>	<b><u>0.18 cents</u></b> <sup>(3)</sup>

**Notes:**

- (1) Calculated based on the average exchange rate of Q3 2011: S\$1: RMB5.19 (Q3 2010: S\$1: RMB5.02) and 9M 2011: S\$1: RMB5.20 (9M 2010: S\$1: RMB4.93)
- (2) Based on the issued ordinary shares of 978,000,000 for the period ended 30 September 2010 and weighted average issued ordinary shares of 977,994,889 (excluding treasury shares) for the period ended 30 September 2011. No new shares are issued during the three months period ended 30 September 2011 and 30 September 2010.
- (3) The computation of the diluted earnings per share does not take into account of the exercise of the Company's share options because the exercise price of these options was higher than the average market share price of the Company for the three month periods ended 30 September 2010. The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 30 September 2010 was nil as the remaining share option have been voluntarily surrendered by the remaining employees during the third quarter period ended 30 September 2010.
- (4) There was no ordinary share that may be issued upon exercise of all share options outstanding as at 30 September 2011.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	<b>The Group</b>		<b>The Company</b>	
	<b>30 September</b> <b>2011</b> RMB'000	<b>31 December</b> <b>2010</b> RMB'000	<b>30 September</b> <b>2011</b> RMB'000	<b>31 December</b> <b>2010</b> RMB'000
Net asset value (excluding minority interests) as at end of financial period/ year	<b><u>825,154</u></b>	<b><u>853,851</u></b>	<b><u>638,996</u></b>	<b><u>637,570</u></b>
Net asset value per ordinary share as at the end of financial period/ year (Singapore cents) <sup>(1)</sup>	<b><u>17.15 cents</u></b>	<b><u>17.15 cents</u></b>	<b><u>13.28 cents</u></b>	<b><u>12.81 cents</u></b>

**Note:**

- (1) Calculated based on exchange rate of S\$1: RMB4.92 as at 30 September 2011 (as at 31 December 2010: S\$1: RMB5.09) and 978,000,000 ordinary shares as at 31 December 2011 and 977,908,000 ordinary shares (excluding treasury shares) as at 30 September 2011.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.**

**(a) Review of consolidated statement of comprehensive income of the Group for Q3 2011 (relative to that for Q3 2010)**

**Turnover**

The Group's turnovers (net of sales tax) generated in Q3 2011 and Q3 2010 were as follow:

	Q3 2011		Q3 2010		9M 2011		9M 2010	
	RMB million	%	RMB million	%	RMB million	%	RMB million	%
(1) Sales of developed properties	46.6	95	85.5	88	122.5	87	108.6	76
(2) Rental income	1.5	3	10.3	11	15.4	11	30.8	22
(3) Property management income	1.1	2	1.4	1	3.5	2	3.8	2
Turnover	<b>49.2</b>	<b>100</b>	<b>97.2</b>	<b>100</b>	<b>141.4</b>	<b>100</b>	<b>143.2</b>	<b>100</b>

Our overall turnover decreased by RMB48.0 million or 49% from RMB97.2 million in Q3 2010 to RMB49.2 million in Q3 2011 principally as a result of reduced sales revenue and rental income.

The decrease in sales revenue was attributed principally to the disposal in Q3 2011 by the Group of its entire equity interest in Zhoukou Xin Shi Jia Real Estate Co., Ltd (周口新世家置业有限公司) (the "Zhoukou Company") to two unrelated third parties for a cash consideration of RMB21.6 million (the "Zhoukou Disposal") (the "Disposal Consideration") with a view to fund prospective investment opportunities which the Group may undertake.

The decrease in rental income was attributed mainly to the disposal of Beijing Sunshine Elegant Jade Real Estate Co., Ltd (北京阳光美基置业有限公司) and Beijing Feng Bao Heng Investments Co., Ltd (北京丰宝恒投资有限公司) (collectively the "Beijing Subsidiaries") in Q2 2011. The Beijing Subsidiaries were mainly engaged in sub-leasing of two Beijing hotels to third party.

**Gross profit**

In line with the lower turnover registered, our gross profit decreased by RMB13.9 million or 68% from RMB20.5 million in Q3 2010 to RMB6.6 million in Q3 2011. The Group also recorded a lower gross profit margin of 14% in Q3 2011 compared to that of 21% in Q3 2010 due to the fact that units sold in Q3 2010 comprised more commercial properties and high-rise residential units that commands higher gross profit margins relative to that in Q3 2011, which comprised mainly lower-rise residential properties and few commercial properties.

**Other operating expense**

Our other operating expense decreased by RMB0.8 million or 65% from RMB1.3 million in Q3 2010 to RMB0.4 million in Q3 2011. The other operating expense incurred in Q3 2011 were attributed principally to the payment of revenue related business taxes and other surcharges while that incurred in Q3 2010 were attributed mainly to an one-off construction cost incurred by a former subsidiary, Beijing Feng Bao Heng Investments Co., Ltd (北京丰宝恒投资有限公司).

**Share of loss of associates**

There was no share of loss of associates in Q3 2010 as Climbing Ace Limited (攀峰有限公司), together with its subsidiaries comprising Xinxiang Gaojie Technology Development Co., Ltd (新乡高捷科技发展有限公司), Xinxiang Shiantai Commerce Co., Ltd (新乡市安泰商贸有限公司) and Hainan Sunshine Elegant Jade Investment & Development Co., Ltd (海南阳光美基投资开发有限公司) (collectively, the "Climbing Ace Group"), only ceased to be the subsidiaries and became the associated companies of the Group in October 2010 following the Group's reduction in its equity interest in the Climbing Ace Group from 51% to 40%.

**Other losses**

The other losses of RMB20.9 million incurred in Q3 2011 was attributed mainly to a disposal loss in connection with the disposal of the Zhengzhou Eastern District Project (郑州新区项目) by the Group to an unrelated third party (the "Zhengzhou Disposal") netted off against the disposal gain in connection with the Zhoukou Disposal .

## **General and administrative expenses/Selling and distribution expenses**

Following the disposal of the Beijing Subsidiaries in Q2 2011 and the Zhoukou Disposal in Q3 2011, our general and administrative expenses decreased by RMB1.2 million or 17% from RMB6.8 million in Q3 2010 to RMB5.7 million in Q3 2011 and our selling expenses decreased by RMB2.5 million or 63% from RMB4.0 million in Q3 2010 to RMB1.5 million in Q3 2011.

## **Finance income/(expense)**

We registered a finance income of RMB2.7 million in Q3 2011, principally as a result of the amortization of the present values of receivables due beyond 31 December 2011, as contrasted against a finance expense of RMB1.3 million incurred in Q3 2010.

## **(Loss)/profit before tax**

Following from the above, we registered a loss before tax of RMB19.9 million in Q3 2011 compared to a profit before tax of RMB7.0 million attained in Q3 2010.

## **Income tax expense**

Our income tax expenses decreased by RMB3.5 million or 73% from RMB4.8 in Q3 2010 to RMB1.3 million in Q3 2011 due principally to the lower net profits attained by the subsidiaries.

## **Net (loss)/profit attributable to owners of the Company**

Accordingly, the amount attributable to the owners of the Company was a loss of RMB21.2 million in Q3 2011 compared to a profit of RMB2.5 million in Q3 2010.

## **Minority Interests**

Following the disposal of the Beijing Subsidiaries in Q2 2011, the remaining minority interests of the Group bore a lower share of loss of RMB186 in Q3 2011 compared to that of RMB0.3 million in Q3 2010.

## **(b) Review of statements of financial position of the Group as at 30 September 2011 (relative to that as at 31 December 2010)**

### **Non-current assets**

Our non-current assets decreased by RMB73.3 million or 17% from RMB439.9 million as at 31 December 2010 to RMB366.7 million as at 30 September 2011. The reduction was due mainly to decreases in property, plant and equipment by RMB72.2 million or 94% as well as decreases in prepayments and other receivables by RMB5.0 million or 20% mainly as a result of disposal of the Beijing Subsidiaries, which collectively were partially off-set by increases in the amounts due from a related party and amounts due from associates of RMB2.5 million and RMB4.0 million respectively, primarily as a result of the amortisation on the present values of the receivables due beyond 31 December 2011 which are to be recognized progressively over the remaining tenure of the receivables beyond 31 December 2011.

### **Current assets**

Our completed properties for sale decreased by RMB130.5 million or 35% due mainly to (i) the continuing sales of units at such properties; (ii) the Zhoukou Disposal; and (iii) the *en-bloc* disposal of the 50 completed commercial units located at Yuhua Wenguiyuan in Zhengzhou City (the "Wenguiyuan Project").

Our properties under development for sale decreased by RMB510.5 million or 80% due principally to (i) the Zhoukou Disposal; and (ii) the Zhengzhou Disposal.

The decreases in trade receivables by RMB4.1 million or 83% and the decreases in amounts due from associates by RMB25.0 million or 46% were attributed mainly to improved cash collections.

The decreases in pledged bank deposits by RMB3.1 million or 27% was mainly attributed to the release of the relevant pledged bank deposit following the completion of the Zhoukou Disposal in Q3 2011.

The increases in cash and bank balances by RMB222.5 million or more than 4-fold were due mainly to (i) receipt of the Disposal Consideration; (ii) full settlement of the outstanding obligations due by Zhoukou Company to the Group following the completion of the Zhoukou Disposal; and (iii) partial repayment of an outstanding obligation due from an associated company.

Taken as a whole, our current assets decreased by RMB454.5 million or 37% from RMB1,238.9 million as at 31 December 2010 to RMB784.5 million as at 30 September 2011.

## Current liabilities

In view of the Zhoukou Disposal, our sales and rental deposits collectively decreased by RMB103.0 million or 42% and our trade payables decreased by RMB39.3 million or 46%.

The decreases in accruals and other payables by RMB318.2 million or 91% were due mainly to (i) a prior deposit of RMB229 million, which the Group collected in advance from the relevant buyers in connection with the Zhengzhou Disposal, being fully settled following the completion of the said disposal in Q3 2011; and (ii) the Zhoukou Disposal, which relieved the Group from assuming the accruals and other payables of Zhoukou Company subsequent to the completion of the said disposal.

The decrease in amounts due to related parties of RMB3.9 million was attributed mainly to repayments made by the Group in Q3 2011.

The decrease in other borrowing of RMB29.0 million was in line with settlements made by the Group in Q3 2011.

Taken as a whole, our current liabilities decreased by RMB489.4 million or more than half from RMB785.8 million as at 31 December 2010 to RMB296.4 million as at 30 September 2011.

Following from the above, we improved our working capital position by RMB34.9 million or 8% from RMB453.2 million as at 31 December 2010 to RMB488.1 million as at 30 September 2011

As regards our net cash generated from operations, we registered a net cash generated from operating activities of RMB83.3 million in Q3 2011 as contrasted against a net cash used in operating activities of RMB26.9 million in Q3 2010.

## Non-controlling interests

Following the disposal of the non-wholly owned subsidiaries in Q2 2011, our non-controlling interests decreased by RMB9.4 million or 79% from RMB11.8 million as at 31 December 2010 to RMB2.4 million as at 30 September 2011.

## 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil

## 10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As highlighted in the Company's Circular dated 13 October 2011, the series of austerity measures introduced by the Chinese government to check soaring property prices and to curb excessive lending has prompted the Group, against the approval procured from the Shareholders on 26 October 2011, to diversify its real estate core business to include the business relating to the management, exploration, exploitation, production, processing, sourcing and distribution of Ferrous Metal (being iron, manganese or chromium) and Non-Ferrous Metal (being any metal other than a Ferrous Metal) and the ownership, development and operation of related mines (the "Mining Business"). In this regard, the Group has been exploring opportunities and assessing proposals in relation to several Ferrous Metal or Non-Ferrous Metal related projects in the Henan, Yunnan, Shanxi, Guizhou provinces as well as the Xinjiang and Inner Mongolia Autonomous Regions of China.

Two senior mining engineers, each possesses about 20 years of mining experience and expertise, have recently been recruited by the Group and have been appointed as members of the newly set up Investment Committee to look into possible investments in the Mining Business. They have been (prior to their formal appointment with the Group) and will continue to be assisting the Group with the identification and evaluation of viable joint venture investments in relation to the Mining Business. The Group is presently in advanced negotiations for possible investment with the owners of some of the mines mentioned above. The Company will keep the Shareholders updated once any such investment opportunity has been firmed up

*Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.*

## **11. Dividend**

### **(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

No

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

No applicable.

## **12. If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared or recommended for the three months ended 30 September 2011.

**BY ORDER OF THE BOARD**

**Mr Guo Yinghui  
Chairman and CEO**

12 November 2011



Company Registration No. CT-140095

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the three months ended 30 September 2011 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

**Mr Li Bin**  
**Director**

**Ms Dong Lingling**  
**Director**

12 November 2011