

CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012 (“Q3 2012”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2012 (“FY2012”)

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding year of the immediately preceding financial year

	The Group					
	Q3 2012	Q3 2011	%	9M 2012	9M 2011	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Revenue	12,204	49,251	(75)	71,307	141,410	(50)
Cost of sales	(7,077)	(42,622)	(83)	(45,682)	(114,388)	(60)
Gross profit	5,127	6,629	(23)	25,625	27,022	(5)
Other operating (expense)/income	(231)	(21,406)	(99)	2,192	(26,902)	N/M
General and administrative expenses	(4,541)	(5,680)	(20)	(22,851)	(21,925)	4
Selling and distribution expenses	(685)	(1,511)	(55)	(1,993)	(4,868)	(59)
Operating (Loss)/profit	(330)	(21,968)	(98)	2,973	(26,673)	N/M
Fair value loss on financial assets	(20,778)	-	N/M	(26,543)	-	N/M
Share of losses of associates	(923)	(624)	48	(3,515)	(2,539)	38
Share of losses of joint venture	(91)	-	N/M	(219)	-	N/M
Finance income	1,659	2,658	(38)	4,665	6,291	(26)
Loss before tax	(20,463)	(19,934)	3	(22,639)	(22,921)	(1)
Income tax expense	(1,022)	(1,308)	(22)	(6,224)	(7,534)	(17)
Net loss for the period	(21,485)	(21,242)	1	(28,863)	(30,455)	(5)

“Q3 2011” and “Q3 2012” denotes the third quarter or the three-month period ended 30 September 2011 and 30 September 2012 respectively.

“9M 2011” and “9M 2012” denotes the nine-month period ended 30 September 2011 and 30 September 2012 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

	The Group					
	Q3 2012	Q3 2011	%	9M 2012	9M 2011	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):						
Depreciation of property, plant and equipment	552	289	91	1,704	3,497	(51)
Foreign currency exchange gain	(77)	(126)	(39)	34	(432)	N/M
Amortization of land use rights	1	-	N/M	2	1	100
Loss on disposal of property, plant and equipment	133	-	N/M	187	(1)	N/M
Loss on disposal of subsidiaries	-	(20,960)	N/M	-	(27,501)	N/M
Interest income	(19)	<u>(158)</u>	(88)	(154)	<u>(388)</u>	(60)

“Q3 2011” and “Q3 2012” denotes the third quarter or the three-month period ended 30 September 2011 and 30 September 2012 respectively.

“9M 2011” and “9M 2012” denotes the nine-month period ended 30 September 2011 and 30 September 2012 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 31 December 2011 and 30 September 2012

	The Group		The Company	
	30 September 2012 RMB'000	31 December 2011 RMB'000	30 September 2012 RMB'000	31 December 2011 RMB'000
Non-current assets				
Property, plant and equipment	12,220	8,620	1	3
Land use rights	60	62	-	-
Investment properties	131,139	131,139	-	-
Amounts due from a related party	64,481	60,445	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	48,297	51,811	-	-
Equity accounted investment in joint ventures	306,502	306,722	-	-
	562,699	558,799	213,739	213,741
Current assets				
Completed properties for sale	158,534	190,970	-	-
Properties under development for sale	87,779	68,250	-	-
Trade receivables	-	399	-	-
Prepayments and other receivables	28,494	34,094	-	-
Amounts due from subsidiaries	-	-	493,897	497,115
Amounts due from related parties	9,334	9,333	-	-
Amounts due from joint ventures	1,293	-	-	-
Income tax recoverable	1,558	1,568	-	-
Available for sale financial assets	-	16,000	-	-
Financial assets at fair value through profit or loss	9,957	-	-	-
Pledged bank deposits	6,744	5,354	-	-
Cash and cash equivalents	48,935	100,565	277	1,978
	352,628	426,533	494,174	499,093
Current liabilities				
Trade payables	35,891	48,204	-	-
Sales and rental deposits	74,119	91,755	-	-
Accruals and other payables	43,333	49,433	174	1,284
Amount due to subsidiaries	-	-	665	665
Amounts due to related parties	16,686	15,807	10,888	10,888
Amounts due to joint venture partner	2,191	10,402	-	-
Income tax payables	52,262	50,005	-	-
	224,482	265,606	11,727	12,837
Net current assets	128,146	160,927	482,447	486,256
	690,845	719,726	696,186	699,997
Capital and reserves				
Issued capital	368,358	368,358	368,358	368,358
Share premium	224,594	224,594	224,594	224,594
Treasury Shares	(18)	(18)	(18)	(18)
Capital reserve	49,031	49,031	-	-
Retained earnings	37,640	66,503	103,252	107,063
Equity attributable to owners of the Company	679,605	708,468	696,186	699,997
Non-controlling interests	-	-	-	-
Total equity	679,605	708,468	696,186	699,997
Non-current liabilities				
Deferred tax liabilities	11,240	11,258	-	-
	11,240	11,258	-	-
	690,845	719,726	696,186	699,997

1.(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial year reported on with comparative figures as at the end of the immediately preceding financial year:

There is no borrowing or debt security as at 31 December 2011 and 30 September 2012.

1.(c) A statements of cash flow (for the group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

	The Group			
	Q3 2012	Q3 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
OPERATING ACTIVITIES				
Loss before tax	(20,463)	(19,934)	(22,639)	(22,921)
Adjustments for:				
Depreciation of property, plant and equipment	552	289	1,704	3,497
Foreign currency exchange gain	(77)	(126)	34	(432)
Amortization of land use rights	1	-	2	1
Loss on disposal of property, plant and equipment	133	-	187	(1)
Loss on disposal of subsidiaries (Note 1)	-	20,960	-	27,501
Share of loss of associates	923	624	3,515	2,539
Share of loss of joint ventures	91	-	219	-
Interest income	(19)	(158)	(154)	(388)
Fair value loss on financial assets	20,778	-	26,543	-
Amortization of discount on long-term receivables	(1,659)	(2,658)	(4,665)	(6,291)
Operating cash flows before movements in working capital	260	(1,003)	4,746	3,505
Completed properties for sale	7,065	12,528	32,436	71,822
Properties under development for sale	(14,758)	(27,387)	(19,514)	(87,676)
Trade receivables	-	(25)	399	1,892
Prepayments and other receivables	4,116	(11,018)	5,317	(24,808)
Trade payables	(392)	2,459	(12,313)	(8,387)
Sales and rental deposits	7,017	32,168	(17,636)	58,758
Accruals and other payables	(133)	80,553	(7,311)	120,744
Payable to associate company	-	1	-	(5)
Cash used in operations	3,175	88,276	(13,876)	135,845
Income tax paid	(770)	(5,007)	(5,507)	(10,331)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	2,405	83,269	(19,383)	125,514
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(662)	(1,569)	(5,631)	(1,879)
Investment in quoted security	(7,500)	-	(56,740)	-
Increase in pledged bank deposits	(562)	557	(1,390)	(892)
Disposal of subsidiaries (Note 1)	-	15,416	-	21,784
Receipts from realization of investment in quoted security	-	-	20,240	-
Receipts from maturity of structured deposits	-	-	16,000	-
Proceed from disposal of projects	-	4,200	-	6,150
Proceed from disposal of property, plant and equipment	422	-	422	-
Interest received	19	158	154	388
NET CASH (USED IN)/GENERATE FROM INVESTING ACTIVITIES	(8,283)	18,762	(26,945)	25,551
FINANCING ACTIVITIES				
Increase in bank and other borrowings	-	-	-	50,000
Amount repaid from associate company	-	-	-	24,999
Share buyback	-	(18)	-	(18)
Amount repaid to Joint Venture partner	693	-	(4,887)	-
Amount received from Joint Venture companies	(368)	-	(1,293)	-
Amount received from/(repaid to) related parties	329	(2,374)	878	(2,919)
Interest paid	-	-	-	(644)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	654	(2,392)	(5,302)	71,418
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,224)	99,639	(51,630)	222,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	54,159	182,514	100,565	59,670
CASH AND CASH EQUIVALENTS AT END OF PERIOD	48,935	282,153	48,935	282,153

NOTE 1: DISPOSAL OF SUBSIDIARY

	The Group			
	Q3 2012 RMB'000	Q3 2011 RMB'000	9M 2012 RMB'000	9M 2011 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	8,622	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)	8,622	(450)
Gain/(loss) on disposal	-	<u>36,602</u>	-	<u>30,061</u>
Proceeds from disposal	-	21,611	8,622	29,611
Less: cash and bank balances disposed	-	(6,195)	(8,622)	(7,827)
	-	-	-	-
Net cash inflows from disposal of subsidiaries	-	<u>15,416</u>	-	<u>21,784</u>

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 3-months period ended 30 September 2011 and 30 September 2012

Total comprehensive expense for the period attributable to:

	The Group			
	Q3 2012	Q3 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Loss for the period	(21,485)	(21,242)	(28,863)	(30,455)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	(21,485)	(21,242)	(28,863)	(30,455)

	The Group			
	Q3 2012	Q3 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	(21,485)	(21,242)	(28,863)	(28,679)
Minority interests	-	-	-	(1,776)
	(21,485)	(21,242)	(28,863)	(30,455)

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

	The Company			
	Q3 2012	Q3 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
(Loss)/Income for the period	(1,210)	976	(3,811)	1,444
Other comprehensive expense for the period	-	-	-	-
Total comprehensive (expense)/income for the period	(1,210)	976	(3,811)	1,444

	The Company			
	Q3 2012	Q3 2011	9M 2012	9M 2011
	RMB'000	RMB'000	RMB'000	RMB'000
Owners of the Company	(1,210)	976	(3,811)	1,444
Minority interests	-	-	-	-
	(1,210)	976	(3,811)	1,444

1(d)(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 year of the immediately preceding financial year.

Unaudited consolidated statement of changes in equity of the Group for the year ended 30 September 2011 and 30 September 2012

	The Group								
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non controlling interests RMB'000	Total RMB'000
Balance as at 1.1.2012	368,358	224,594	49,031	-	(18)	66,503	708,468	-	708,468
Comprehensive Income for the period	-	-	-	-	-	9,053	9,053	-	9,053
Balance as at 31.3.2012	368,358	224,594	49,031	-	(18)	75,556	717,521	-	717,521
Comprehensive expense for the period	-	-	-	-	-	(16,431)	(16,431)	-	(16,431)
Balance as at 30.6.2012	368,358	224,594	49,031	-	(18)	59,125	701,090	-	701,090
Comprehensive expense for the period	-	-	-	-	-	(21,485)	(21,485)	-	(21,485)
Balance as at 30.9.2012	368,358	224,594	49,031	-	(18)	37,640	679,605	-	679,605

	The Group								
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non controlling interests RMB'000	Total RMB'000
Balance as at 1.1.2011	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 as at 31.3.2011	305,888	224,094	49,031	-	-	271,482	850,495	10,210	860,705
Disposal of non-wholly owned subsidiary	-	-	-	-	-	-	-	(7,582)	(7,582)
Comprehensive expense for the period	-	-	-	-	-	(4,081)	(4,081)	(211)	(4,292)
Balance as at 30.6.2011	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)
Balance as at 30.9.2011	305,888	224,094	49,031	-	(18)	246,159	825,154	2,417	827,571

	The Company					
	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 as at 1.1.2012	368,358	224,594	-	(18)	107,063	699,997
Comprehensive expense for the period	-	-	-	-	(1,041)	(1,041)
Balance as at 31.3.2012	368,358	224,594	-	(18)	106,022	698,956
Comprehensive expense for the period	-	-	-	-	(1,560)	(1,560)
Balance as at 30.6.2012	368,358	224,594	-	(18)	104,462	697,396
Comprehensive expense for the period	-	-	-	-	(1,210)	(1,210)
Balance as at 30.9.2012	368,358	224,594	-	(18)	103,252	696,186

	The Company					
	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 as at 1.1.2011	305,888	224,094	-	-	107,588	637,570
Comprehensive income for the period	-	-	-	-	126	126
Balance as at 31.3.2011	305,888	224,094	-	-	107,714	637,696
Comprehensive income for the period	-	-	-	-	342	342
Balance as at 30.6.2011	305,888	224,094	-	-	108,056	638,038
Share Buyback	-	-	-	(18)	-	(18)
Comprehensive income for the period	-	-	-	-	976	976
Balance as at 30.9.2011	305,888	224,094	-	(18)	109,032	638,996

1(d)(ii) Details of any changes in the 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 the previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total issued shares excluding treasury shares of the issuer, as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.

Issued capital

There was no movement in the Company's share capital during the 3-month period ended 30 September 2012.

Sunshine Employee Share Option Scheme

No share options were issued for the year ended 31 December 2011 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 30 September 2012 (31 December 2011: Nil).

Proposed reorganization of share capital

As at the date of this announcement, the authorized share capital of the Company is S\$500,000,000 (equivalent to about RMB2,536,333,000) divided into 8,000,000,000 ordinary shares with a par value of S\$0.0625 each, of which 1,173,600,000 shares (including treasury shares) with a par value of S\$0.0625 each have been issued and fully paid up.

The Company announced on 19 October 2012 that it is proposing to undertake a conditional reorganization of its share capital (the "Proposed Capital Reorganisation"), subject principally to the approval from the shareholders of the Company at a general meeting to be convened and an order being made by the Grand Court of the Cayman Islands.

The Proposed Capital Reorganisation involves the following:

- (i) Reduction of the par value from S\$0.0625 each to S\$0.001 each of the ordinary shares of the Company;
- (ii) Cancellation of the paid-up capital of the company to the extent of S\$0.0615 on each of the shares of the Company with par value of S\$0.0625, so that each issued shares with a par value of S\$0.0625 in the capital of the Company will be treated as one fully paid-up share with a par value of S\$0.001 in the capital of the Company;
- (iii) Reduction of the issued and paid-up share capital of the Company (the "Proposed Capital Reduction") from S\$73,350,000 (equivalent to about RMB368,358,000) divided into 1,173,600,000 shares with a par value of S\$0.0625 each to S\$1,173,600 (equivalent to about RMB5,894,000) divided into 1,173,600,000 shares with a par value of S\$0.001 each;
- (iv) Cancellation of all the remaining 6,826,400,000 authorized but unissued shares with a par value of S\$0.0625 each, and forthwith upon such a cancellation, the creation of 498,826,400,000 authorised but unissued shares of S\$0.001 each; and
- (v) the application of the credit amount of S\$72,176,400 (equivalent to about RMB362,464,000) arising from the Proposed Capital Reduction to a distributable reserve account of the Company where it may be utilized by the directors of the Company in accordance with the Articles of Association of the Company and all applicable laws.

The Proposed Capital Reorganisation will provide the Company with greater flexibility to issue new shares in the future for the purposes of fund-raising or facilitating corporate actions which may require the issuance of new shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.

Total number of issued ordinary shares as at 1.1.2012 and 30.9.2012 (excluding treasury shares) 1,173,508,000

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current year reported on.

	Group and Company	
	Number of ordinary shares	RMB'000
Treasury shares at 1.1.2012	92,000	18
Share buy-back during the period	-	-
Treasury shares at 30.9.2012	<u>92,000</u>	<u>18</u>

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

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 a 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 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 2011 have been consistently applied by the Group for the financial year 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.

There are no changes in the accounting policies and methods of computation, including any required by an accounting standard.

6. Earnings per ordinary share of the group for the current year reported on and the corresponding year of the immediately preceding financial year, after deducting any provision for preference dividends (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	The Group			
	Q3 2012 RMB'000	Q3 2011 RMB'000	9M 2012 RMB'000	9M 2011 RMB'000
Loss attributable to owners of the Company	<u>(21,485)</u>	<u>(21,242)</u>	<u>(28,863)</u>	<u>(28,679)</u>
Basic (Singapore cents) ⁽¹⁾	<u>(0.36) cents</u> ⁽²⁾	<u>(0.42) cents</u> ⁽²⁾	<u>(0.49) cents</u> ⁽²⁾	<u>(0.56) cents</u> ⁽²⁾
Diluted (Singapore cents) ⁽¹⁾	<u>(0.36) cents</u> ⁽³⁾	<u>(0.42) cents</u> ⁽³⁾	<u>(0.49) cents</u> ⁽³⁾	<u>(0.56) cents</u> ⁽³⁾

Notes:

- (1) Calculated based on the average exchange rate in Q3 2012 at S\$1: RMB5.11 (Q3 2011 at S\$1: RMB5.19); 9M 2012 at S\$1:RMB5.04 (9M 2011 at S\$1: RMB5.20)
- (2) Based on the issued ordinary shares of 978,000,000 for the period ended 30 September 2011 and issued ordinary shares excluding treasury shares of 1,173,508,000 for the period ended 30 September 2012. No new shares were issued in Q3 2011 and Q3 2012.
- (3) The Company has no dilutive potential ordinary shares in Q3 2011 and Q3 2012.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial year reported on; and (b) immediately preceding financial year.

	The Group		The Company	
	30 September 2012 RMB'000	31 December 2011 RMB'000	30 September 2012 RMB'000	31 December 2011 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<u>679,605</u>	<u>708,468</u>	<u>696,186</u>	<u>699,997</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	<u>11.27 cents</u>	<u>12.37 cents</u>	<u>11.54 cents</u>	<u>12.22 cents</u>

Note:

- (1) Calculated based on exchange rate of S\$1: RMB5.14 as at 30 September 2012 (as at 31 December 2011: S\$1: RMB4.88) and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2011 and 30 September 2012.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year reported on.

(a) Review of consolidated statement of comprehensive income of the Group for Q3 2012 (relative to that for Q3 2011)

Turnover

The Group's turnovers (net of sales tax) generated in Q3 2012 (*vis-à-vis* Q3 2011) and 9M 2012 (*vis-à-vis* 9M 2011) were as follow:

	Q3 2012		Q3 2011		9M 2012		9M 2011	
	RMB million	%	RMB million	%	RMB million	%	RMB million	%
(1) Sales of developed properties	10.7	88	46.6	95	67.0	94	122.5	87
(2) Rental income	1.5	12	1.5	3	4.3	6	15.4	11
(3) Property management income	-	-	1.1	2	-	-	3.5	2
	12.2	100	49.2	100	71.3	100	141.4	100

Our overall turnover decreased by RMB37.0 million or 75% from RMB49.2 million in Q3 2011 to RMB12.2 million in Q3 2012, principally as a result of decreased sales of developed properties for the Xinxiang Sunny Town Project (新乡阳光新城项目) in Q3 2012.

The Group ceased to have any property management income subsequent to the disposal of Henan Huilong Property Management Co., Ltd (河南辉龙物业管理有限公司) as announced by the Company on 6 March 2012.

Gross profit

In line with the lower turnover, our gross profit decreased by RMB1.5 million or 23% from RMB6.6 million in Q3 2011 to RMB5.1 million in Q3 2012. Our Group registered a higher gross profit margin of about 42% in Q3 2012 compared to about 13% in Q3 2011, due primarily to the increase in average selling price for the property units sold in Q3 2012 as compared to the units sold in Q3 2011.

Other operating expense

Our other operating expense decreased by RMB21.2 million or 99% from RMB21.4 million in Q3 2011 to RMB0.2 million in Q3 2012, attributed principally to the disposal loss recognized in Q3 2011 in connection with the disposal of the Zhengzhou Eastern District Project (郑州新区项目) by the Group to an unrelated party (the "Zhengzhou Disposal") netted off against the disposal gain in connection with the disposal of the Zhoukou Xin Shi Jia Real Estate Co., Ltd (周口新世家置业有限公司) to two unrelated third parties.

Selling and distribution expenses

Our selling expenses decreased by RMB0.8 million or 55% from RMB1.5 million in Q3 2011 to RMB0.7 million in Q3 2012 subsequent to the following events:

- (i) the disposal of the 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 (the "Zhoukou Disposal") as announced by the Company in Q3 2011 on 13 September 2011; and
- (ii) the disposal of the entire equity interest in Ace Build Limited, which wholly-owned Wealthy Ray Limited (利晖有限公司), Meiji Shangqiu Real Estate Co., Ltd (美基商丘置业有限公司) and Meiji Luoyang Real Estate Co., Ltd (美基洛阳置业有限公司) (the "Ace Disposal") as announced by the Company in Q4 2011 on 23 November 2011, 1 December 2011 and 2 December 2011.

General and administrative expenses

Our general and administrative expense decreased by RMB1.1 million or 20% from RMB5.7 million in Q3 2011 to RMB4.5 million in Q3 2012, attributed mainly to the Zhoukou Disposal and Ace Disposal.

Operating results

With its operating loss significantly reduced by 98% from RMB22.0 million in Q3 2011 to RMB0.3 million in Q3 2012, the Group drastically reversed from an operating loss of RMB26.7 million for 9M 2011 to an operating profit of RMB3.0 million for 9M 2012.

Fair value loss on financial assets

As announced by the Company on 13 January 2012, the Group invested in a quoted security listed on the Shenzhen Stock Exchange during Q1 2012 (the "Quoted Investment"). The fair value loss on financial assets relates to the mark-to-market fair value adjustment on the Quoted Investment in Q3 2012 as a result of the prevailing negative stock market sentiments; computed based on the Quoted Investment's closing share price as at 30 September 2012 relative to the initial investment cost, the fair value loss, by its sheer size, is exceptional in nature.

Share of loss of associates

The share of loss of associates increased by RMB0.3 million or 48% from RMB0.6 million in Q3 2011 to RMB0.9 million in Q3 2012. The increase was attributed principally to increased operating expenses incurred following the commencement of pre-sale activities since Q4 2011 in respect of residential units owned by the associated group of companies, being Climbing Ace Limited (攀峰有限公司) together with its subsidiaries (collectively, the "Climbing Ace Group"), comprising Xinxiang Gaojie Technology Development Co., Ltd (新乡高捷科技发展有限公司), Xinxiang Antai Commerce Co., Ltd (新乡市安泰商贸有限公司), Hainan Sunshine Elegant Jade Investment & Development Co., Ltd (海南阳光美基投资开发有限公司) and Hainan Hai Yu Sunshine Property Management Service Co., Ltd (海南海域阳光物业服务服务有限公司).

Share of loss of joint venture

There was no share of loss of joint venture in Q3 2011 as the joint venture was acquired only in Q4 2011.

Finance income

The finance income of RMB2.7 million and RMB1.7 million recognised in Q3 2011 and Q3 2012 respectively were principally attributed to the amortization of the fair value of long-term receivables (net of interest expense).

Loss before tax

Following from the above, we recorded a loss before tax of RMB20.5 million in Q3 2012 compared to that of RMB19.9 million in Q3 2011.

Income tax expense

The income tax expense decreased by RMB0.3 million or 22% from RMB1.3 million from Q3 2011 to RMB1.0 million in Q3 2012, due principally to the decrease of net profit of our subsidiaries.

Net loss attributable to owners of the Company

Accordingly, the amount attributable to the owners of the Company was a net loss of RMB21.5 million for Q3 2012 compared to that of RMB21.2 million for Q3 2011, bringing the amount attributable to the owners of the Company for 9M 2012 to a net loss of RMB28.9 million compared to that of RMB28.7 million for 9M 2011.

Non-controlling interests

Following the Beijing Disposal and the de-registration of a non-wholly owned subsidiary, Luoyang Meiji Yubo Real Estate Co., Ltd (洛阳美基豫博置业有限公司), in Q2 2011, the Company no longer has any material non-controlling shareholder.

(b) Review of statements of financial position of the Group as at 30 September 2012 (relative to that as at 31 December 2011)

Non-current assets

Our non-current assets increased by RMB3.9 million or 1% from RMB558.8 million as at 31 December 2011 to RMB562.7 million as at 30 September 2012. The increase (net of the higher share of losses of RMB3.5 million on investment in associates) was attributed mainly to increased property, plant and equipment as a result of renovation costs of RMB4.0 million incurred in Q2 2012 following the re-location of the Group's office and an increase in amounts due from a related party of RMB4.0 million as a result of the amortization of the fair value of long-term receivables (net of interest expense).

Current assets

Our completed properties for sale decreased by RMB32.4 million or 17% due mainly to the delivery of completed units to buyers.

An excess cash of RMB16.0 million was placed as an available-for-sale investment via a structured deposit with a local bank towards the end of FY2011. The said deposit, which matured in early January 2012, had subsequently been rolled into the current account of the Group.

The decrease in cash and bank balances by RMB51.6 million or 51% was due principally to payment for operating expenses, development costs and the Quoted Investment made in H1 2012.

The decrease in prepayments and other receivables by RMB5.6 million or 16% was due principally to improved collections made in H1 2012.

Our property under development for sale increased by RMB19.5 million or 29% due principally to the continuous development of the Xinxiang Sunny Town Project (新乡阳光新城项目).

The financial assets at fair value through profit or loss relate to the Quoted Investment.

The increase in pledged bank deposits by RMB1.4 million or 26% was mainly attributed to the increase in deposits placed with banks to facilitate the procurement of housing loans by buyers of the Group's properties; these pledged deposits will be released to the Group upon the issuance of the relevant property ownership certificates to the buyers concerned.

Taken as a whole, our current assets decreased by RMB73.9 million or 17% from RMB426.5 million as at 31 December 2011 to RMB352.6 million as at 30 September 2012.

Current liabilities

Our sales and rental deposits collectively decreased by RMB17.6 million or 19%, due principally to the recognition of sales deposits as revenue upon the delivery of the completed property units to the buyers concerned.

The decreases in trade payables by RMB12.3 million or 26%, accruals and other payables by RMB6.1 million or 12% and amounts due to joint venture partner by RMB8.2 million or 79% were due principally to repayments made by the Group.

Taken as a whole, our current liabilities decreased by RMB41.1 million or 15% from RMB265.6 million as at 31 December 2011 to RMB224.5 million as at 30 September 2012.

Consequence to the above, we registered a net cash generated from operating activities of RMB2.4 million in Q3 2012 as compared to that of RMB83.3 million in Q3 2011, with our working capital decreased by RMB32.8 million or 20% from RMB160.9 million as at 31 December 2011 to RMB128.1 million as at 30 September 2012.

Non-controlling interests

The Group no longer has any material non-controlling interest as at 30 September 2012 following the disposal of all non-wholly-owned subsidiaries in FY2011.

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 significant trends and 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 year and the next 12 months.

The property market in China continues to be subdued under the widespread cooling off measures introduced by the relevant Chinese authorities and the slowing down of the Chinese economy.

The tedious and time-consuming preparation for the application of the mining licence, in respect of the two mines of the Group, is still in progress

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. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share (cents)

No.

(b)(ii) Previous corresponding period (cents)

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

No.

(d) The date the dividend is payable.

No.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

No.

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

No dividend has been declared or recommended for Q3 2012.

13. If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of the interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
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Nil	RMB'000 -	RMB'000 -
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The Company does not have any general mandate from its shareholders concerning interested party transaction.

14. Negative assurance on interim financial statements pursuant to Rule 705(4) of the Listing Manual

To the best of our knowledge and belief, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the three-month period ended 30 September 2012 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

Mr Li Bin
CEO and Director

Ms Dong Lingling
Director

14 November 2012