

CHINA MINING INTERNATIONAL LIMITED

中矿国际有限公司

Registered in Cayman Islands

Company Registration No. CT-140095

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 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		
	FY2012 RMB'000	FY2011 RMB'000 (Restated)	% Change
Revenue	90,093	154,283	(42)
Cost of sales	(59,655)	(126,330)	(53)
Gross profit	30,438	27,953	9
Other income	40,776	44,879	(9)
Other expenses	(24,074)	(58,408)	(59)
Selling and distribution expenses	(2,774)	(5,609)	(51)
General and administrative expenses	(39,769)	(57,466)	(31)
Operating profit/(loss)	4,597	(48,651)	N/M
Impairment loss on:			
Properties under development for sale	-	(303)	N/M
Completed properties for sale	(9,567)	(70,827)	(86)
Investment in joint ventures	(151,185)	(43,000)	252
Write back on impairment on:			
Completed properties for sale	507	212	139
Share of losses of associates	(5,654)	(4,721)	19
Share of losses of joint ventures	(287)	(278)	3
Finance costs	(4,619)	(1,515)	205
Loss before tax from continuing operations	(166,208)	(169,083)	(2)
Income tax credit/(expenses)	6,173	(8,218)	N/M
Net loss for the year from continuing operations	(160,035)	(177,301)	(10)
Loss from discontinued operations (Note 1)	(25,140)	(33,250)	(24)
Total loss for the year	(185,175)	(210,551)	(12)

**Restated retrospectively as certain operations of the Group (in connection with the Shining Shopping Mall 1 Disposal, the Huilong Property Management Disposal and the Climbing Ace Disposal as respectively defined hereinafter) had been discontinued in FY2012 or are to be discontinued in FY2013 pursuant to a commitment made as at the date of this announcement.*

“FY2011” and “FY2012” denotes the full year or the twelve-month financial period ended 31 December 2011 and 31 December 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		
	FY2012	FY2011	%
	RMB'000	RMB'000	Change
Loss before tax has been arrived at after charging/(crediting):			
Allowance for doubtful trade receivables	-	275	N/M
Allowance for doubtful other receivables	2,600	23,036	(89)
Depreciation of property, plant and equipment	2,753	4,157	(34)
Foreign currency exchange gain	(137)	(512)	(73)
Amortization of land use rights	2	2	-
Loss/(gain) on disposal of property, plant and equipment	181	(17)	N/M
Loss on disposal of properties under development for sale	-	57,562	N/M
Loss/(gain) on disposal of investment properties	20,914	(1,508)	N/M
Gain on disposal of subsidiaries	-	(25,324)	N/M
Loss on disposal of financial assets at fair value through profit or loss	3,275	-	N/M
Fair value loss on financial assets at fair value through profit or loss	20,476	-	N/M
Write-back of provision on doubtful trade receivables	(717)	-	N/M
Write-back of provision on doubtful other receivables	(23,000)	-	N/M
Write-back of provision on taxation	(4,487)	-	N/M
Amortisation of unwinding discount on long term receivables	(12,074)	(15,850)	(24)
Interest expenses	4,619	1,515	205
Interest income	(1,209)	(2,140)	(44)

"FY2011" and "FY2012" denotes the full year or the twelve-month financial period ended 31 December 2011 and 31 December 2012 respectively.

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

"N/M" denotes "Not meaningful".

NOTE 1: LOSS FROM DISCONTINUED OPERATIONS

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
Revenue and other income	6,584	12,191
Expenses	(10,810)	(58,569)
Loss on disposal of investment properties	(20,914)	-
Loss before tax from discontinued operations	(25,140)	(46,378)
Income tax credit	-	13,128
Net loss for the year from discontinued operations	(25,140)	(33,250)

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 31 December 2012

	The Group		The Company	
	31 December 2012 RMB'000	31 December 2011 RMB'000	31 December 2012 RMB'000	31 December 2011 RMB'000
Non-current assets				
Property, plant and equipment	15,694	8,620	-	3
Land use rights	60	62	-	-
Investment properties	-	131,139	-	-
Other receivables	-	60,445	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	-	51,811	-	-
Equity accounted investment in joint ventures	155,250	306,722	-	-
	171,004	558,799	213,738	213,741
Current assets				
Completed properties for sale	156,518	190,970	-	-
Properties under development for sale	74,382	68,250	-	-
Trade receivables	-	399	-	-
Prepayments and other receivables	90,521	34,094	-	-
Amounts due from subsidiaries	-	-	492,892	497,115
Amounts due from related parties	1,455	9,333	-	-
Amounts due from joint ventures	2,543	-	-	-
Income tax recoverable	69	1,568	-	-
Available for sale financial assets	-	16,000	-	-
Financial assets at fair value through profit or loss	37,355	-	-	-
Pledged bank deposits	7,392	5,354	-	-
Cash and cash equivalents	183,990	100,565	890	1,978
	554,225	426,533	493,782	499,093
Non-current asset held for sales	40,000	-	-	-
Current liabilities				
Trade payables	25,094	48,204	-	-
Sales and rental deposits	86,174	91,755	-	-
Accruals and other payables	55,523	49,433	1,283	1,284
Amount due to subsidiaries	-	-	11,548	665
Amounts due to related parties	-	15,807	-	10,888
Amounts due to joint ventures	1,264	-	-	-
Amounts due to joint venture partner	11	10,402	-	-
Financial liabilities	19,192	-	-	-
Income tax payables	47,273	50,005	-	-
	234,531	265,606	12,831	12,837
Net current assets	359,694	160,927	480,951	486,256
	530,698	719,726	694,689	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	-	-
(Accumulated losses)/retained earnings	(118,672)	66,503	101,755	107,063
Equity attributable to owners of the Company	523,293	708,468	694,689	699,997
Non-controlling interests	-	-	-	-
Total equity	523,293	708,468	694,689	699,997
Non-current liabilities				
Deferred tax liabilities	7,405	11,258	-	-
	7,405	11,258	-	-
	530,698	719,726	694,689	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 31 December 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	
	FY2012	FY2011
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss before tax:		
Continuing operations	(166,208)	(169,083)
Discontinuing operations	(25,140)	(46,378)
Adjustments for:		
Allowance for doubtful trade receivables	-	275
Allowance for doubtful other receivables	2,600	23,036
Amortisation of land use rights	2	2
Changes in fair value of investment properties	-	50,325
Depreciation of property, plant and equipment	2,753	4,157
Foreign currency exchange gain	(137)	(512)
Gain on disposal of subsidiaries	-	(25,324)
Impairment loss on completed properties for sale	9,567	70,827
Impairment loss on properties under development for sale	-	303
Impairment loss on investment in joint venture	151,185	43,000
Impairment loss on non-current assets held for sale	6,157	-
Interest expenses	4,619	1,515
Interest income	(1,209)	(2,140)
Loss/(gain) on disposal of property, plant and equipment	181	(17)
Loss on disposal of properties under development for sale	-	57,562
Loss/(gain) on disposal of investment properties	20,914	(1,508)
Loss on disposal of financial assets	3,275	-
Amortisation of unwinding discount on long-term receivables	(12,074)	(15,850)
Fair value loss on financial assets at fair value through profit or loss	20,476	-
Share of losses of associates	5,654	4,721
Share of losses of joint ventures	287	278
Write-back of impairment loss on completed properties for sale	(507)	(212)
Write-back of provision for doubtful trade receivables	(717)	-
Write-back of provision for doubtful other receivables	(23,000)	-
Write-back of provision on taxation	(4,487)	-
Operating cash flows before movements in working capital	(5,809)	(5,023)
Completed properties for sale	-	86,343
Properties under development for sale	(40,396)	(101,616)
Trade receivables	1,116	2,551
Prepayments and other receivables	26,269	18,915
Trade payables	(13,310)	(5,603)
Sales and rental deposits	54,075	64,084
Amount due to joint venture partner	(7,251)	-
Accruals and other payables	(3,302)	134,544
Cash generated from operations	11,392	194,195
Income tax paid	(4,273)	(12,213)
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,119	181,982

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
INVESTING ACTIVITIES		
Increase in pledged bank deposits	(2,038)	(707)
Amount due to joint venture	(1,279)	-
Net cash out-flows for disposal of subsidiaries	-	(323,763)
Proceeds from disposal of projects	-	4,200
Interest received	1,209	2,140
Purchase of available-for-sale financial assets	-	(16,000)
Proceeds from disposal of available-for-sales financial assets	16,000	-
Proceeds from disposal of investment properties	114,730	-
Proceeds from disposal of property, plant and equipment	629	117
Purchase of property, plant and equipment	(9,585)	(7,025)
Investment in financial assets at fair value through profit or loss	(41,914)	-
NET CASH GENERATE FROM/(USED IN) INVESTING ACTIVITIES	77,752	(341,038)
FINANCING ACTIVITIES		
Amount repaid from associates	-	87,738
Share buyback	-	(18)
Private share placement	-	62,970
Placement of short term deposit	(135,000)	-
Interest paid	(547)	(643)
Proceeds from borrowings	-	50,000
Amount (repaid to)/ received from related parties	(1,036)	127
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(136,583)	200,174
(Decrease)/increase in cash and cash equivalents	(51,712)	41,118
Exchange difference on cash and cash equivalents	137	(223)
Cash and cash equivalents at beginning of year	100,565	59,670
CASH AND CASH EQUIVALENTS AT END OF YEAR	48,990	100,565

NOTE 2: DISPOSAL OF SUBSIDIARIES

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
Property, plant and equipment	-	70,670
Completed properties for sale	-	67,907
Properties under development for sale	-	307,988
Trade receivables, prepayments and other receivables	-	42,017
Tax receivables	-	22,892
Pledged bank deposits	-	6,713
Cash and cash equivalents	8,622	353,375
Trade payables, accruals and other payables	-	(247,580)
Sales deposit	-	(216,332)
Amount due to related parties	-	(1,354)
Bank and other borrowings	-	(50,000)
Non-controlling interests	-	(9,559)
Reversal of deferred tax liabilities recognized at group level	-	(2,851)
Assumed tax liabilities	-	10,402
Net identifiable assets disposed	8,622	354,288
Gain on disposal	-	25,324
Proceeds from disposal	8,622	379,612
Less: Cash and bank balances disposed	(8,622)	(353,375)
Less: Investment in joint ventures	-	(350,000)
Net cash outflows from disposal of subsidiaries	-	(323,763)

NOTE 3: CASH AND CASH EQUIVALENTS AT THE END OF YEAR

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
Cash and cash at bank	48,990	100,565
Short term deposits	135,000	-
Cash and cash equivalents at end of year	<u>183,990</u>	<u>100,565</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 financial year ended 31 December 2011 and 31 December 2012

Total comprehensive loss for the year attributable to:

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
Loss for the year	(185,175)	(210,551)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	<u>(185,175)</u>	<u>(210,551)</u>

	The Group	
	FY2012	FY2011
	RMB'000	RMB'000
Equity holder of the Company	(185,175)	(208,335)
Non-controlling interests	-	(2,216)
	<u>(185,175)</u>	<u>(210,551)</u>

Total comprehensive loss for the year attributable to:

	The Company	
	FY2012	FY2011
	RMB'000	RMB'000
Loss for the year	(5,308)	(525)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	<u>(5,308)</u>	<u>(525)</u>

	The Company	
	FY2012	FY2011
	RMB'000	RMB'000
Equity holder of the Company	(5,308)	(525)
Non-controlling interests	-	-
	<u>(5,308)</u>	<u>(525)</u>

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 31 December 2011 and 31 December 2012

The Group

	Share capital	Share premium	Capital reserve	Treasury Shares	Retained Earnings/ (Accumulated losses)	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2012	368,358	224,594	49,031	(18)	66,503	708,468	-	708,468
Total comprehensive loss for the year	-	-	-	-	(185,175)	(185,175)	-	(185,175)
Balance as at 31.12.2012	368,358	224,594	49,031	(18)	(118,672)	523,293	-	523,293

The Group

	Share capital	Share premium	Capital reserve	Treasury Shares	Retained earnings	Attributable to owners of the Company	Non controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2011	305,888	224,094	49,031	-	274,838	853,851	11,775	865,626
Total comprehensive loss for the year	-	-	-	-	(208,335)	(208,335)	(2,216)	(210,551)
Disposal of subsidiaries	-	-	-	-	-	-	(9,559)	(9,559)
Share buyback	-	-	-	(18)	-	(18)	-	(18)
Issuance of new shares	62,470	500	-	-	-	62,970	-	62,970
Balance as at 31.12.2011	368,358	224,594	49,031	(18)	66,503	708,468	-	708,468

The Company

	Share capital	Share premium	Treasury Shares	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2012	368,358	224,594	(18)	107,063	699,997
Total comprehensive loss for the year	-	-	-	(5,308)	(5,308)
Balance as at 31.12.2012	368,358	224,594	(18)	101,755	694,689

The Company

	Share capital	Share premium	Treasury Shares	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2011	305,888	224,094	-	107,588	637,570
Total comprehensive loss for the year	-	-	-	(525)	(525)
Share buyback	-	-	(18)	-	(18)
Issuance of new shares	62,470	500	-	-	62,970
Balance as at 31.12.2011	368,358	224,594	(18)	107,063	699,997

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 financial year ended 31 December 2012.

Sunshine Employee Share Option Scheme

No share options were issued for the year ended 31 December 2012 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 December 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 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 31.12.2012 (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 year	-	-
Treasury shares at 31.12.2012	<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	
	FY2012	FY2011
	RMB'000	RMB'000
Loss attributable to owners of the Company	(185,175)	(208,335)
Basic (Singapore cents) ⁽¹⁾	(3.12) cents⁽²⁾	(4.04) cents⁽²⁾
Diluted (Singapore cents) ⁽¹⁾	(3.12) cents⁽³⁾	(4.04) cents⁽³⁾

Notes:

- (1) Calculated based on the average exchange rate in FY2012 at S\$1: RMB5.06 (FY2011 at S\$1: RMB5.15).
- (2) Based on the issued ordinary shares of 1,173,508,000 (excluding treasury shares) for FY2012 and weighted average issued ordinary shares of 1,001,544,394 (excluding treasury shares) for FY2011.
- (3) The Company has no dilutive potential ordinary shares in FY2011 and FY2012.

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	
	31 December	31 December	31 December	31 December
	2012	2011	2012	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	523,293	708,468	694,689	699,997
Net asset value per ordinary share as at the end of financial year (Singapore cents) ⁽¹⁾	8.66 cents	12.37 cents	11.49 cents	12.22 cents

Note:

- (1) Calculated based on exchange rate of S\$1: RMB5.15 as at 31 December 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 31 December 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 FY2012 (relative to that for FY2011)

Turnover

The Group's turnovers (net of sales tax) generated in FY2012 *vis-à-vis* FY2011 were as follow:

	FY2012		FY2011	
	RMB million	%	RMB million	%
(1) Sales of developed properties	90.1	100	142.7	92
(2) Sub-leasing income	-	-	11.6	8
	90.1	100	154.3	100

Our overall turnover decreased by RMB64.2 million or 42% from RMB154.3 million in FY2011 to RMB90.1 million in FY2012, 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 FY2012.

The Group ceased to have any sub-leasing income subsequent to the disposal of the entire equity interests in Beijing Sunshine Elegant Jade Real Estate Co., Ltd and Beijing Feng Bao Heng Investments Co., Ltd (collectively the "Beijing Elegant Jade Group") in June 2011 to certain unrelated third parties (the "Beijing Elegant Jade Group Disposal").

Gross profit

Albeit the lower turnover registered in FY2012 as compared to FY2011, the Group attained a higher gross profit of RMB30.4 million in FY2012 compared to that of RMB27.9 million in FY2011 and at a higher gross profit margin of about 34% in FY2012 compared to that of about 18% in FY2011. The increased gross profit margin was attributed primarily to the increase in average selling price for the property units sold in FY2012 compared to the units sold in FY2011, in part due the fact that the units sold in FY2012 comprised more high-rise residential units which generally command higher gross profit margins relative to those units sold in FY2011.

Other income

Our other income decreased by RMB4.1 million or 9% from RMB44.9 million in FY2011 to RMB40.8 million in FY2012.

Our other income attained in FY2011 were mainly attributed to the amortization of unwinding discount of long-term receivables of RMB15.8 million and the net disposal gain of RMB25.3 million in connection with the following disposals:

- (i) the Beijing Elegant Jade Group Disposal at a loss of RMB5.8 million;
- (ii) as announced by the Company on 13 September 2011, the disposal of the entire equity interest in Zhou Kou Xin Shi Jia Real Estate Co., Ltd in September 2011 to certain unrelated third parties (the "Zhoukou Disposal") at a gain of RMB36.6 million; and
- (iii) as announced by the Company on 23 November 2011, 1 December 2011 and 2 December 2011, the disposal of the entire equity interests in Ace Build Limited and its wholly-owned subsidiaries, namely Wealthy Ray Limited, Meiji Shangqiu Real Estate Co., Ltd ("Meiji Shangqiu") and Meiji Luoyang Real Estate Co., Ltd ("Meiji Luoyang"), to certain unrelated third parties (the "Ace Disposal") at a loss of RMB5.5 million.

Our other income attained in FY2012 were mainly attributed to:

- (i) the amortization of unwinding discount of long-term receivables of RMB12.1 million;
- (ii) the write-back of provision on over-accrued tax liabilities of RMB4.5 million following the tax clearance obtained with the tax authority in FY2012; and
- (iii) the write-back of provision on doubtful debts in respect of other receivables of RMB23.0 million which were fully collected by early FY2013.

Other expenses

Our other expenses decreased by RMB34.3 million or 59% from RMB58.4 million in FY2011 to RMB24.1 million in FY2012.

Our other expenses registered in FY2011 were mainly attributed to a disposal loss of RMB57.6 million incurred 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 as announced by the Company on 14 December 2009 (the “Ke Shu Disposal”).

Our other expenses registered in FY2012 were mainly attributed to the fair value loss on financial assets of RMB20.5 million in relation to the mark-to-market fair value adjustment of the Group’s investment in a quoted security listed on the Shenzhen Stock Exchange as announced by the Company on 13 January 2012 (the “Quoted Investment”) as a result of the prevailing negative stock market sentiments; the mark-to-market fair value adjustment was computed based on the Quoted Investment’s closing share price as at 31 December 2012 relative to the initial investment cost.

Selling and distribution expenses

Our selling expenses decreased by RMB2.8 million or 51% from RMB5.6 million in FY2011 to RMB2.8 million in FY2012 subsequent to the Beijing Elegant Jade Group Disposal, the Zhoukou Disposal and the Ace Disposal.

General and administrative expenses

Our general and administrative expense decreased by RMB17.7 million or 31% from RMB57.5million in FY2011 to RMB39.8 million in FY2012, subsequent to the Beijing Elegant Jade Group Disposal, the Zhoukou Disposal and the Ace Disposal.

Operating results

Consequence to the above, the Group drastically reversed from an operating loss of RMB48.6million in FY2011 to an operating profit of RMB4.6 million in FY2012.

Impairment losses on completed properties for sale

The impairment losses on completed properties for sale of RMB9.6 million were attributed principally to the impairment of the net book value (“NBV”) of Shining Shopping Mall II as at 31 December 2012, as, pursuant to an agreement signed on 20 December 2012, the mall was agreed to be disposed on an *en-bloc* basis to an unrelated third party for a consideration below its NBV as at 31 December 2012 (the “Shinning Mall II Disposal”). While the disposal consideration had been received in full, the Shining Mall II Disposal is expected to be completed in Q1 2013.

Impairment losses on investment in joint ventures

The impairment losses on investment in joint venture of RMB 151.2 million (the “Joint Ventures Impairment”) was in relation to the Company’s 50% equity interest in Tian Cheng Holdings Limited (天晟控股有限公司) (“Tian Cheng”), which wholly-owned Zhengzhou Bidi Trading Co., Ltd (郑州必砥商贸有限公司) (“Zhengzhou Bidi”) and Zhengzhou Mai Yong Trading Co., Ltd (郑州迈永商贸有限公司) (“Zhengzhou Mai Yong”). In turn, Zhengzhou Bidi holds 100% of Xinjiang Feng Shuo Mineral Resources Co., Ltd (新疆丰硕矿业有限公司), which owns the exploration rights over an iron ore mine located at Ruo Qiang county, Xinjiang province, the People’s Republic of China (“PRC”) issued by the PRC Government and certain plant and equipment while Zhengzhou Mai Yong holds 99.9% of the equity interest in Luan Chuan County Zhong Tian Mineral Resources Co., Ltd (栾川县中天矿业有限公司), which owns the exploration rights over an iron ore mine located at Wang Ping village, Luan Chuan county, Henan province, the PRC issued by the PRC Government (collectively, the “Mining Joint Ventures”). The impairment, derived based on the valuation report issued by an independent Hong Kong-based valuation company, Roma Appraisals Limited, was due principally to the significant decline in the price of iron ore, which dropped by about RMB500 per ton or 33% from an average of about RMB1,500 per ton in FY2011 to about an average of RMB1,000 per ton in FY2012. The decrease in iron ore price was due primarily to decreased market demand amidst the slow-down of the PRC economy in FY2012. Nevertheless, with the anticipated pick-up of the PRC economy in FY2013, the iron ore price has since gradually recovered to about RMB1,100 per ton as at end February 2013.

Write-back on impairment of completed properties for sale

The write-back on impairment for completed properties for sale in FY2011 was attributed mainly to impaired completed properties for sale being sold in FY2011 at above the impaired value while the write-back on impairment for completed properties for sale in FY2012 was attributed mainly to basement storage rooms in relation to the Xinxiang Sunny Town Project (新乡阳光新城项目) being sold in FY2012 at above the carrying value.

Share of loss of associates

The share of loss of associates increased by RMB0.9 million or 19% from RMB4.7 million in FY2011 to RMB5.6 million in FY2012. 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 Group’s 40%-owned associated companies, comprising Climbing Ace Limited (“Climbing Ace”) and its two intermediate wholly-owned subsidiaries, namely Xinxiang Gaojie Technology Development Co., Ltd (新乡高捷科技发展有限公司) and Xinxiang Shi An Tai Commerce Co., Ltd (新乡市安泰商贸有限公司), which wholly-owned Hainan Sunshine Elegant Jade Investment & Development Co., Ltd (海南阳光美基投资开发有限公司) (“Hainan Elegant Jade”), which in turn wholly-owned a plot of land located in Haikou, Hainan Province with a land size area of about 78,642 square metres (the “Hainan Land”) (collectively, the “Climbing Ace Group”).

Finance costs

The finance costs more than doubled by RMB3.1 million from RMB1.5 million in FY2011 to RMB4.6 million in FY2012.

The finance costs registered in FY2011 were attributed principally to loan interest expense incurred by the Beijing Elegant Jade Group. The finance costs registered in FY2012 were attributed to the margin financing in respect of the Quoted Investment.

Loss before tax from continuing operations

Following from the above, the Group recorded a loss before tax from continuing operations of RMB166.2 million in FY2012 compared to that of RMB169.1 million in FY2011.

Income tax credit/(expenses)

We registered an income tax credit of RMB6.2 million in FY2012 vis-à-vis an income tax expenses of RMB8.2 million in FY2011.

The income tax expenses recorded in FY2011 was principally attributed to the operating income for FY2011.

The income tax credit recorded in FY2012 was principally attributed to the write-back of over-accrued taxation of RMB8.0 million in one of our wholly-owned subsidiaries following the tax clearance obtained from the tax authority in FY2012, netted against the income tax expense attributed to the operating income for FY2012.

Loss from discontinued operations

The loss from discontinued operations in FY2012 was in relation to the following discontinued or to be discontinued operations:

- (i) the disposal loss cum operating loss aggregating RMB20.5 million incurred in connection with the disposal of the Group's investment property, Shining Shopping Mall I, to an unrelated third party in FY2012 (the "Shining Shopping Mall I Disposal"). The disposal consideration of RMB114.7 million for the Shining Shopping Mall I Disposal had been fully received in FY2012;;
- (ii) write back on provision of doubt debt of RMB0.7 million in connection with 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 (the "Huilong Property Management Disposal"); and
- (iii) the impairment loss of RMB6.1 million in connection with the subsequent disposal of investment in Climbing Ace (the "Non-Current-Asset-Held-For-Sale-Investment"), which, pursuant to the announcement made by the Company on 28 February 2013 in relation to the agreement entered into by the Group with Glossmei Limited ("Glossmei"), will be disposed to Glossmei at a price below the carrying amount of the Non-Current-Asset-Held-For-Sale-Investment as at 31 December 2012 (the "Climbing Ace Disposal"). Glossmei, which currently holds a 60% stake in Climbing Ace, is also a substantial shareholders of the Company with a prevailing equity interest of 12.44%.

In view of the above discontinued or to be discontinued operations of the Group, the consolidated profit and loss statement of the Group for FY2011 had been retrospectively adjusted and restated.

Net loss attributable to owners of the Company

Accordingly, the amount attributable to the owners of the Company was a net loss of RMB185.2 million for FY2012 compared to that of RMB210.6 million for FY2011.

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

Non-current assets

Our non-current assets decreased by RMB387.8 million or 69% from RMB558.8 million as at 31 December 2011 to RMB171.0 million as at 31 December 2012. The decrease was attributed mainly to:

- (i) the Shining Shopping Mall I Disposal;
- (ii) the Non-Current-Assets-Held-For-Sale-Investment, being reclassified from 'investment in associates';
- (iii) the balance of other receivables in connection with the amount due from Glossmei, being reclassified as 'current asset' as the sum is expected to be received in FY2013 based on the committed repayment schedule; and
- (iv) the Joint Ventures' Impairment,

which collectively were off-set by the increase in property, plant and equipment of RMB8.7 million in connection with the capitalised renovation costs in FY2012 in preparation for the imminent re-location of the Group's administration office to Beijing.

Current assets

Our properties under development for sale increased by RMB6.1 million or 9% due principally to the continuous development of the Xinxiang Sunny Town Project (新乡阳光新城项目).

The increase in prepayments and other receivables by RMB56.4 million or more than 2-fold was due principally to the amount due from Glossmei which had been reclassified from 'non-current asset' as at 31 December 2011 to 'current asset' as at 31 December 2012 as, based on the committed repayment schedule, the amount is expected to be fully received by the Group in FY2013.

The increase in pledged bank deposits by RMB2.0 million or 38% 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.

The increase in cash and bank balances by RMB83.4 million or 83% was due principally to the receipt of the consideration for the Shining Shopping Mall I Disposal, net off the payment of the operating expenses incurred in FY2012. The cash and bank balances aggregating RMB135.0 million were placed in a six-month term deposit account starting from February 2012.

The amount due from joint venture of RMB2.5 million were attributed principally to advances made in FY2012 to the Mining Joint Ventures.

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

Our completed properties for sale decreased by RMB34.4 million or 18% due mainly to the delivery of completed units to buyers.

The decrease in amount due from related parties by RMB7.9 million or 84% was attributed mainly to the net-off of an amount due to the same related parties based on an offset agreement signed in FY2012 (the "Offset Agreement").

The decrease in income tax recoverable by RMB1.5 million or 96% was attributed mainly to the utilisation of the prepaid Land Appreciation Tax in conjunction with the Shining Shopping Mall I Disposal.

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.

Taken as a whole, our current assets increased by RMB127.7 million or 30% from RMB426.5 million as at 31 December 2011 to RMB554.2 million as at 31 December 2012.

Non-current asset held for sale

The non-current asset held for sales of RMB40.0 million as at 31 December 2012 relates principally to the Non-current-Asset-Held-For-Sale-Investment.

Current liabilities

Our sales and rental deposits collectively decreased by RMB5.6 million or 6%, 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 RMB23.1 million or 48% and amounts due to joint venture partner by RMB10.4 million or 99% were due principally to repayments made by the Group.

The decrease in amount due to related parties was attributed mainly to the net-off of an amount due from the same related parties based on the Offset Agreement.

The finance liability of RMB19.2 million relates principally to the margin financing for the Quoted Investment

The amount due to the joint ventures of RMB1.3 million as at 31 December 2012 was in connection with the expenses paid by the Mining Joint Ventures on behalf of the Group in FY2012.

The accruals and other payables increased by RMB6.0 million or 12% due principally to the interest levied on the margin financing for the Quoted Investment.

Taken as a whole, our current liabilities decreased by RMB31.1 million or 12% from RMB265.6 million as at 31 December 2011 to RMB234.5 million as at 31 December 2012.

Consequence to the above, we registered a net cash generated from operating activities of RMB7.1 million in FY2012 as

compared to that of RMB182.0 million in FY2011, with our working capital increased more than doubled by RMB198.8 million from RMB160.9 million as at 31 December 2011 to RMB359.7 million as at 31 December 2012.

Deferred tax liabilities

The decrease in deferred tax liabilities by RMB3.8 million or 34% was due principally to the write-back of deferred tax liabilities in connection with the write-back of impairment previously provided for the Shining Shopping Mall I Disposal.

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.

As at the date of this announcement and subsequent to the announcement made by the Company on 28 February 2013 in connection with the Climbing Ace Disposal, the Group's ongoing property development business will comprise the following:

A. The Group's properties under development for sale as at 31 December 2012:

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Xinxiang Sunny Town Project (新乡阳光新城项目)	Residential	Up to 70 years expiring in 2076	31,799	22.6

B. The Group's completed properties for sale as at 31 December 2012:

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Xinxiang Sunny Town Project (新乡阳光新城项目)	Residential	Up to 70 years expiring in 2076	81,010	102.5

The Xinxiang Sunny Town Project (新乡阳光新城项目) is expected to contribute significantly to the performance of the Group for FY2013. However, the spate of cooling off measures imposed by the PRC Government in recent months had and are expected to continue to affect the sales progress of the project.

In anticipation of the challenging environment posed by the property development industry in the PRC, the Group has commenced to diversify its core business to include mining business. In this regard, it has in 2012 acquired two brown field iron ore mines via the Mining Joint Ventures.

Due to the heavy processing schedules of the relevant authorities, the tedious and time consuming application of the mining licence for the two iron ore mines is expected to meet with certain delays and may be expected to be procured only towards the end of 2013.

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 FY2012.

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)
	RMB'000	RMB'000
Mr Guo Yinghui (in connection with the Huilong Property Management Disposal as announced by the Company on 6 March 2012)	8,622	-

The Company does not have any general mandate from its shareholders concerning interested party transaction.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).

Not Applicable

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

2012	Continuing operations -			Total RMB '000
	Commercial and residential property development RMB '000	Sub-leasing rental income RMB'000	Discontinued operations RMB '000	
Segment Revenue	90,093	-	5,866	95,959
Segment loss	18,104	-	(25,140)	(7,036)
Central administrative costs and directors' salaries				(39,257)
Other income				40,710
Other loss				(175,206)
Share of results of jointly controlled entities				(287)
Share of results of associates				(5,654)
Finance costs				(4,619)
Loss before tax				(191,349)
Income tax credit				6,174
Loss for the year				(185,175)

2011	Continuing operations -			Total RMB '000
	Commercial and residential property development RMB '000	Sub-leasing rental income RMB'000	Discontinued Operations RMB '000	
Segment Revenue	142,792	11,491	10,180	164,463
Segment loss	(118,712)	(11,657)	(33,250)	(163,619)
Central administrative costs and directors' salaries				(7,226)
Other income				18,044
Other losses				(43,018)
Finance costs				(1,515)
Share of results of jointly controlled entities				(278)
Share of results of associates				(4,721)
Loss before tax				(202,333)
Income tax expenses				(8,218)
Loss for the year				(210,551)

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

No

17. A breakdown of sales

	The Group		
	FY2012 RMB'000	FY2011 RMB'000	% Change
(i) Sales reported for:			
First half year ended 30 June	60,241	65,061	(7)
Second half year ended 31 December	29,852	99,402	(70)
	90,093	164,463	(45)

(ii) Operating (loss)/profit after tax deducting non-controlling interests reported for:

First half year ended 30 June	<u>(7,378)</u>	<u>(7,437)</u>	(1)
Second half year ended 31 December	<u>(177,797)</u>	<u>(200,898)</u>	(11)
	<u>(185,175)</u>	<u>(208,335)</u>	(12)

"N/M" denotes "Not meaningful"

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	FY2012 RMB'000	FY2011 RMB'000
Ordinary Share:		
Final dividend	<u>Nil</u>	<u>Nil</u>
Special dividend	<u>Nil</u>	<u>Nil</u>

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or its principal subsidiary is a relative of a director, the chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Mr Li Bin
CEO and Director

1 March 2013