

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2006**

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

1.(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediate preceding financial year

	The Group		
	Q1 2006 RMB '000	Q1 2005 RMB '000	% Change
Revenue	8,605	12,011	(28)
Cost of sales	<u>(1,390)</u>	<u>(6,382)</u>	(78)
Gross profit	7,215	5,629	28
Other operating income	151	71	113
General and administrative expenses	(2,461)	(2,182)	13
Selling and distribution expenses	<u>(523)</u>	<u>(538)</u>	(3)
Operating profit	4,382	2,980	47
Finance cost	<u>-</u>	<u>(16)</u>	(100)
Profit before tax and IPO expenses	4,382	2,964	48
Income tax expense	<u>(351)</u>	<u>(830)</u>	(58)
Profit after tax but before IPO expenses	4,031	2,134	89
IPO expenses	<u>(2,981)</u>	<u>-</u>	N/M
Net profit for the period	<u>1,050</u>	<u>2,134</u>	(51)
Attributable to:			
Equity holders of the parent	1,050	2,134	(51)
Minority interests	<u>-</u>	<u>-</u>	N/M
	<u>1,050</u>	<u>2,134</u>	(51)

"% Change" denotes increase/(decrease) in the relevant income or expense item as compared with the comparative figure and "N/M" denotes "Not Meaningful".

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

The Group's profit before taxation was arrived at after charging/(crediting):

	<u>The Group</u>		
	<u>Q1</u>	<u>Q1</u>	
	<u>2006</u>	<u>2005</u>	<u>%</u>
	<u>RMB '000</u>	<u>RMB '000</u>	<u>Change</u>
Profit before tax has been arrived at after charging/ (crediting):			
Depreciation of property, plant and equipment	311	218	43
Amortisation of land use rights	5	5	-
Bank interest income	(11)	(24)	(54)
Loss on disposal of property, plant and equipment	<u>-</u>	<u>49</u>	<u>(100)</u>

"% Change" denotes increase/(decrease) in the relevant income or expense item as compared with the comparative figure and "N/M" denotes "Not Meaningful".

1.(b)(i) An balance sheet (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

	The Group			The Company		
	31 March 2006 RMB '000	31 December 2005 RMB '000	% Change	31 March 2006 RMB '000	31 December 2005 RMB '000	% Change
Non-current assets						
Property, plant and equipment	6,895	5,951	16	-	-	N/M
Land use rights	678	683	(1)	-	-	N/M
Investment properties	247,050	247,050	-	-	-	N/M
Investments in subsidiaries	-	-	N/M	239,834	239,834	-
	<u>254,623</u>	<u>253,684</u>	-	<u>239,834</u>	<u>239,834</u>	-
Current assets						
Completed properties for sale	6,967	5,305	31	-	-	N/M
Properties under development for sale	353,438	333,348	6	-	-	N/M
Trade receivables	145,979	204,423	(29)	-	-	N/M
Prepayments and other receivables	6,645	19,311	(66)	-	2,445	(100)
Amounts due from related parties	-	28,354	(100)	-	-	N/M
Pledged bank deposits	4,916	8,385	(41)	-	-	N/M
Bank balances and cash	307,711	18,105	1,600	279,708	-	N/M
	<u>825,656</u>	<u>617,231</u>	34	<u>279,708</u>	<u>2,445</u>	11,340
Current liabilities						
Trade payables	137,018	198,499	(31)	-	-	N/M
Sales deposits	1,048	1,035	1	-	-	N/M
Accruals and other payables	56,516	55,909	1	12,668	844	1,401
Amounts due to related parties	2,968	-	N/M	11,121	10,067	10
Taxation payables	90,654	91,538	(1)	-	-	N/M
Current portion of long term bank loans	68,200	68,200	-	-	-	N/M
Other borrowings	13,000	14,000	(7)	-	-	N/M
	<u>369,404</u>	<u>429,181</u>	(14)	<u>23,789</u>	<u>10,911</u>	118
Net current assets/ (liabilities)	<u>456,252</u>	<u>188,050</u>	143	<u>255,919</u>	<u>(8,466)</u>	3,123
	<u>710,875</u>	<u>441,734</u>	61	<u>495,753</u>	<u>231,368</u>	114
Capital and reserves						
Share capital	261,404	197,834	32	261,404	197,834	32
Share premium	204,521	-	N/M	204,521	-	N/M
Capital reserves	49,031	49,031	-	-	-	N/M
Retained earnings	146,533	145,483	1	29,828	33,534	(11)
Equity attributable to equity holders of the parent	661,489	392,348	69	495,753	231,368	114
Minority interests	3,163	3,163	-	-	-	N/M
Total equity	<u>664,652</u>	<u>395,511</u>	68	<u>495,753</u>	<u>231,368</u>	114
Non-current liabilities						
Deferred taxation liabilities	46,223	46,223	-	-	-	N/M
	<u>46,223</u>	<u>46,223</u>	-	<u>-</u>	<u>-</u>	N/M
	<u>710,875</u>	<u>441,734</u>	61	<u>495,753</u>	<u>231,368</u>	114

"% Change" denotes increase/(decrease) in the relevant balance sheet item as compared with the comparative figure and "N/M" denotes "Not Meaningful".

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

	As at 31 March 2006 RMB '000	As at 31 December 2005 RMB '000
Bank loans, secured	<u>68,200</u>	<u>68,200</u>
The borrowings are repayable as follows:		
On demand or within one year	68,200	68,200
In the second year	<u>-</u>	<u>-</u>
	68,200	68,200
Less: Amount due for settlement within 12 months or on demand shown under current liabilities	<u>(68,200)</u>	<u>(68,200)</u>
Amounts due after one year	<u>-</u>	<u>-</u>

The bank loans, which carried fixed interest rates ranging from 6.588% to 7.812% (2005: 6.588% to 7.812%) per annum, were secured by the Group's investment properties and certain properties under development held for sale.

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

	Group	
	Q1 2006 RMB '000	Q1 2005 RMB '000
OPERATING ACTIVITIES		
Profit before tax and IPO expenses	4,382	2,964
Adjustments for:		
Depreciation of property, plant and equipment	311	218
Amortisation of land use rights	5	5
Loss on disposal of property, plant and equipment	-	49
Interest income	(11)	(24)
Interest expenses	-	16
Operating cash flows before movements in working capital	4,687	3,228
(Increase)/ decrease in completed properties for sale	(1,662)	9,413
Increase in properties under development for sale	(18,885)	(9,456)
Decrease in trade receivables	58,444	68,323
Decrease/(increase) in prepayments and other receivables	12,666	(7,221)
Decrease in trade payables	(61,481)	(18,801)
Increase in sales deposits	13	21,085
Increase/(decrease) in accruals and other payables	607	(12,610)
Cash (used in)/generated from operations	(5,611)	53,961
Income tax paid	(1,235)	(13,044)
NET CASH (USED IN)/ FROM OPERATING ACTIVITIES	(6,846)	40,917
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,255)	(117)
Proceeds from disposal of property, plant and equipment	-	26
Decrease/(increase) in pledged bank deposits	3,469	(301)
Decrease in amounts due from related parties	28,354	7,751
Interest received	11	24
NET CASH FROM INVESTING ACTIVITIES	30,579	7,383
NET CASH INFLOW BEFORE FINANCING ACTIVITIES	23,733	48,300

	Group	
	Q1	Q1
	2006	2005
	RMB '000	RMB '000
NET CASH INFLOW BEFORE FINANCING ACTIVITIES	23,733	48,300
FINANCING ACTIVITIES		
Interest paid	(1,205)	(1,755)
Injection of capital	-	31
Repayment of other borrowings	(1,000)	-
Increase in amounts due to related parties	2,968	5,520
Proceeds from issue of capital	279,708	-
IPO expenses	(14,598)	-
NET CASH FROM FINANCING ACTIVITIES	265,873	3,796
INCREASE IN CASH AND CASH EQUIVALENTS	289,606	52,096
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,105	24,062
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Bank balances and cash	307,711	76,158

1.(d)(i) 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.

THE GROUP							
	Share capital	Share premium	Capital reserve	Retained earnings	Attributable to equity holders of the parent	Minority interest	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At 1 January 2005	197,834	-	-	-	197,834	2,933	200,767
Capitalisation of amount due to a director and substantial shareholder by Elegant Jade Enterprises Limited	-	-	49,031	-	49,031	-	49,031
Net profit for the year	-	-	-	145,483	145,483	230	145,713
At 31 December 2005	197,834	-	49,031	145,483	392,348	3,163	395,511
Issue of ordinary shares	63,570	216,138	-	-	279,708	-	279,708
IPO expenses	-	(11,617)	-	-	(11,617)	-	(11,617)
Net profit for the period	-	-	-	1,050	1,050	-	1,050
At 31 March 2006	<u>261,404</u>	<u>204,521</u>	<u>49,031</u>	<u>146,533</u>	<u>661,489</u>	<u>3,163</u>	<u>664,652</u>

THE COMPANY				
	Share capital	Share premium	Retained profits	Total
	RMB '000	RMB '000	RMB '000	RMB '000
At 1 January 2005	197,834	-	-	197,834
Profit for the year	-	-	33,534	33,534
At 31 December 2005	197,834	-	33,534	231,368
Issue of ordinary shares	63,570	216,138	-	279,708
IPO expenses	-	(11,617)	-	(11,617)
Loss for the period	-	-	(3,706)	(3,706)
At 31 March 2006	<u>261,404</u>	<u>204,521</u>	<u>29,828</u>	<u>495,753</u>

1.(d)(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.

On 31 March 2006, pursuant to the Company's IPO, the Company issued 208,000,000 new ordinary shares of S\$0.0625 each at S\$0.275 per share for cash. Details of the movement of the number of issued ordinary shares of the Company are as follows:

	<u>Q1 2006</u>	<u>FY2005</u>	<u>Q1 2006</u>	<u>FY2005</u>
	<u>Number of ordinary shares of S\$0.0625 each</u>		<u>RMB '000</u>	<u>RMB '000</u>
Authorised:	<u>832,000,000</u>	<u>624,000,000</u>	<u>197,834</u>	<u>197,834</u>
Issued and fully paid:				
At beginning of period/year	624,000,000	624,000,000	197,834	197,834
Issued of new ordinary shares	<u>208,000,000</u>	-	<u>63,570</u>	-
At end of period/year	<u>832,000,000</u>	<u>624,000,000</u>	<u>261,404</u>	<u>197,834</u>

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).

Not applicable.

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 the audited financial statements for the financial year ended 31 December 2005 had been consistently applied by the Group for the 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.

Not applicable.

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.

	Q1 2006 RMB '000	Q1 2005 RMB '000
Net profit attributable to shareholders	<u>1,050</u>	<u>2,134</u>
Earnings per share		
Basic (Singapore cents)	<u>0.03 cents</u>	<u>0.07 cents</u>
Diluted (Singapore cents)	<u>0.03 cents</u>	<u>0.07 cents</u>

Earnings per share were calculated based on the weighted average number of 628,622,000 ordinary shares in issued during Q1 2006. The weighted average number of ordinary shares in turn was calculated based on pre-IPO issued share capital of 624,000,000 of S\$0.0625 each and additional ordinary shares of 208,000,000 of S\$0.0625 each issued during the IPO.

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 period reported on and (b) immediately.

	<u>The Group</u>		<u>The Company</u>	
	31 March 2006 RMB '000	31 December 2005 RMB '000	31 March 2006 RMB '000	31 December 2005 RMB '000
Net asset value (net of minority interests) as at end of the financial period/year	<u>661,489</u>	<u>392,348</u>	<u>495,753</u>	<u>231,368</u>
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (Singapore cents)	<u>16.3 cents</u>	<u>12.9 cents</u>	<u>12.2 cents</u>	<u>7.6 cents</u>

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 earning 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 income statement of the group

Revenue

The revenue of the Group for Q1 2006 of RMB 8.6 million and for Q1 2005:of RMB 12.0 million were derived from:

	RMB (million)	Q1 2006	Q1 2005
(a)	Sale of properties	6.5	9.4
(b)	Rental income from investment properties	1.6	1.6
(c)	Property management income	0.5	1.0

Our sales of properties of RMB 6.5 million in Q1 2006 were attributed mainly to additional sales for units in Sunlight City — Yi Yuan, which were completed in FY2005. For Q1 2005, our sales of properties of RMB 9.4 million were attributed mainly to additional sales for units in Sunlight City — Jing Yuan, which were completed in FY2004.

Gross Profit

In line with the completion method (instead of percentage of completion) of revenue recognition as advocated by IFRS, the Group recorded a gross profit of RMB 7.2 million for Q1 2006 as compared to RMB 5.6 million for Q1 2005. The higher gross profit in Q1 2006 was mainly attributed to sales of commercial properties at Sunlight City — Yi Yuan, which command higher profit margin.

Traditionally, because of the spring festive period, the gross profit of the first quarter of each calendar year of the Group is generally low.

Operating Profit

As a result of the improved gross profit, our operating profit increased markedly by 47% from RMB 3.0 million in Q1 2005 to RMB 4.4 million in Q1 2006.

Finance Cost

In Q1 2005, finance cost of RMB 0.02 million were expensed off. In contrast, no finance costs were recognised in Q1 2006 in the Group's profit and loss statement as these were capitalised as part of our development costs.

IPO Expenses

IPO expenses represent expenses incurred in relation to the Company's IPO on the Singapore Exchange. The amount expensed was computed in accordance with IFRS. Had the Company adopted Singapore Financial Reporting Standards and applied Singapore Statement of Recommended Accounting Practice 9 "IPO Costs", some of amount expensed to profit and loss statement may be capitalised as a deduction against equity for the period ended 31 March 2006.

Net Profit

Had it not for the one-time charged of IPO expenses of RMB 3.0 million, the Group's net profit after tax would have nearly doubled from RMB 2.1 million for Q1 2005 to RMB 4.0 million for Q1 2006.

(b) Review of balance sheet of the Group

Non-current Assets

Our non-current assets increased by RMB 0.9 million from RMB 253.7 million as at 31 December 2005 to RMB 254.6 million as at 31 March 2006 due mainly to the addition of fixed assets net of depreciation expenses.

Current Assets

Our current assets increased by RMB 208.5 million from RMB 617.2 million as at 31 December 2005 to RMB 825.7 million as at 31 March 2006. The increase was mainly attributed to the net IPO proceeds of RMB 265.1 million.

Current Liabilities

Our current liabilities decreased by RMB 59.8 million from RMB 429.2 million as at 31 December 2005 to RMB 369.4 million as at 31 March 2006 due mainly to settlement of trade payables.

Cash and Working Capital Positions

As a result of the net IPO proceeds of RMB 265.1 million, the cash and working capital positions of the Group ballooned from RMB 18.1 million and RMB 188.1 million respectively as at 31 December 2005 to RMB 307.7 million and RMB 456.3 million respectively as at 31 March 2006.

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

Not applicable.

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 month

The Group is well placed to recognise revenue and profit from the developments to be completed by this financial year now classified as "Properties under development for sale" in the balance sheet.

Given the development pipe line, the stage of completion and the contracted purchases for our properties, barring unforeseen circumstances, we are optimistic about the full year profitability of the Group for FY2006.

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?

The directors of the Company propose that a dividend of Singapore 0.71 cents (2004: nil) per ordinary shares be paid. This dividend is subject to approval by shareholders at the Annual General Meeting. The total estimated dividend to be paid is RMB 28.9 million. This represents slightly more than 20% of the Group's net distributable earnings (excluding the fair value movements arising from the investment properties of the Group) for FY2005, which is consistent with our dividend policy as stated in the Prospectus dated 24 March 2006.

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

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

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1 ,Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information (on a pro forma basis) for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business of geographical segments.

Not applicable.

15. Breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

The initial public offering of the Company was sponsored by UOB Asia Limited.

BY ORDER OF THE BOARD

GUO YINGHUI
Chairman

12 May 2006