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**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011 (“FY2011”)**

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**PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**

**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**

	<b>The Group</b>		
	<b>FY2011</b>	FY2010	%
	<b>RMB'000</b>	RMB'000	Change
Revenue	<b>164,463</b>	241,100	(32)
Cost of sales	<b>(130,823)</b>	(195,139)	(33)
Gross profit	<b>33,640</b>	45,961	(27)
Other operating (expense)/income	<b>(30,245)</b>	26,633	N/M
Impairment loss on:			
Properties under development for sale	<b>(303)</b>	-	N/M
Completed properties for sale	<b>(70,827)</b>	(11,540)	514
Investment in joint venture	<b>(43,000)</b>	-	N/M
Write back on impairment on:			
Completed properties for sales	<b>212</b>	-	N/M
Properties under development for sale	-	63,609	N/M
Changes in fair value of investment properties	<b>(50,325)</b>	150	N/M
Share of losses of associates	<b>(4,721)</b>	(318)	1,385
Share of losses of jointly controlled entities	<b>(278)</b>	-	N/M
Selling and distribution expenses	<b>(5,609)</b>	(10,802)	(48)
General and administrative expenses	<b>(61,191)</b>	(32,770)	87
Finance income/(expense)	<b>14,335</b>	(34,221)	N/M
(Loss)/profit before tax	<b>(218,312)</b>	46,702	N/M
Income tax credit/(expense)	<b>7,761</b>	(23,508)	N/M
Net (loss)/profit for the year	<b>(210,551)</b>	23,194	N/M

“FY2010” and “FY2011” denotes the 12 financial months of financial year ended 31 December 2010 and 31 December 2011 respectively

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

“N/M” denotes “Not meaningful”

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

	<b>The Group</b>		
	<b>FY2011</b>	FY2010	%
	<b>RMB'000</b>	RMB'000	Change
(Loss)/profit before tax has been arrived at after charging/(crediting):			
Allowance for doubtful trade receivables	<b>275</b>	107	157
Allowance for doubtful non-trade receivables	<b>23,037</b>	-	N/M
Amortisation of land use rights	<b>2</b>	2	-
Depreciation of property, plant and equipment	<b>4,254</b>	10,036	(58)
Foreign currency exchange gain	<b>(70)</b>	(500)	(86)
Gain on disposal of subsidiaries	<b>(32,875)</b>	-	N/M
Gain on dilution of equity interests in a subsidiary	-	(14,366)	N/M
Interest expenses	<b>1,515</b>	5,901	(74)
Interest income	<b>(2,140)</b>	(265)	708
(Gain)/loss on disposal of property, plant and equipment	<b>(17)</b>	220	N/M
Loss on disposal of property under development for sale	<b>57,562</b>	-	N/M
Gain on disposal of investment properties	<b>(1,508)</b>	-	N/M
Amortisation of discount on long-term receivables	<b>(15,850)</b>	28,320	N/M

*"FY2010" and "FY2011" denotes the 12 financial months of financial year ended 31 December 2010 and 31 December 2011 respectively*

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

*"N/M" denotes "Not meaningful"*

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

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

	The Group		The Company	
	31 December 2011 RMB'000	31 December 2010 RMB'000	31 December 2011 RMB'000	31 December 2010 RMB'000
<b>Non-current assets</b>				
Property, plant and equipment	8,620	76,472	3	5
Land use rights	62	64	-	-
Investment properties	131,139	183,650	-	-
Prepayments and other receivables	-	25,681	-	-
Amounts due from a related party	60,445	59,672	-	-
Amounts due from associates	-	37,886	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	51,811	56,532	-	-
Equity accounted investment in joint ventures	306,722	-	-	-
	<b>558,799</b>	<b>439,957</b>	<b>213,741</b>	<b>213,743</b>
<b>Current assets</b>				
Completed properties for sale	190,970	369,664	-	-
Properties under development for sale <sup>(1)</sup>	68,250	635,212	-	-
Trade receivables	399	4,911	-	-
Prepayments and other receivables	16,604	42,307	-	36
Amounts due from subsidiaries	-	-	497,115	442,403
Amounts due from related parties	26,823	44,124	-	-
Amounts due from associates	-	54,655	-	-
Income tax recoverable	1,568	17,038	-	-
Available for sale financial assets	16,000	-	-	-
Pledged bank deposits	5,354	11,360	-	-
Cash and cash equivalents	100,565	59,670	1,978	804
	<b>426,533</b>	<b>1,238,941</b>	<b>499,093</b>	<b>443,243</b>
<b>Current liabilities</b>				
Trade payables	48,204	85,287	-	-
Sales and rental deposits	91,755	247,916	-	-
Accruals and other payables	46,260	349,501	1,284	652
Amount due to subsidiaries	-	-	665	7,876
Amounts due to related parties	18,980	21,597	10,888	10,888
Amounts due to associates	-	6,156	-	-
Amounts due to joint venture partner	10,402	-	-	-
Income tax payables	50,005	46,331	-	-
Bank and other borrowings	-	29,000	-	-
	<b>265,606</b>	<b>785,788</b>	<b>12,837</b>	<b>19,416</b>
<b>Net current assets</b>	<b>160,927</b>	<b>453,153</b>	<b>486,256</b>	<b>423,827</b>
	<b>719,726</b>	<b>893,110</b>	<b>699,997</b>	<b>637,570</b>
<b>Capital and reserves</b>				
Issued capital	368,358	305,888	368,358	305,888
Share premium	224,594	224,094	224,594	224,094
Treasury Shares	(18)	-	(18)	-
Capital reserve	49,031	49,031	-	-
Retained earnings	66,503	274,838	107,063	107,588
Equity attributable to owners of the Company	708,468	853,851	699,997	637,570
Non-controlling interests	-	11,775	-	-
Total equity	708,468	865,626	699,997	637,570
<b>Non-current liabilities</b>				
Deferred tax liabilities	11,258	27,484	-	-
	<b>11,258</b>	<b>27,484</b>	<b>-</b>	<b>-</b>
	<b>719,726</b>	<b>893,110</b>	<b>699,997</b>	<b>637,570</b>

**Note:**

- (1) As disclosed in note 14 in the FY2010 audited financial statements, the Company's subsidiary, Xinxiang Huilong Real Estate Co., Ltd (新乡汇龙置业有限公司), has entered into a sale and purchase agreement with an unrelated party for disposal of a piece of land located at Xinxiang New District, Western District of Xinxiang City (the "Xinxiang Land") for cash consideration of approximately RMB52.1 million, of which RMB10.0 million has been received in 2010 and RMB15.0 million in 2011. These two cash collections were included in accruals and other payables as at 31 December 2011. The book value of the the Xinxiang Land is RMB52.1 million as at 31 December 2011.

**(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:**

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

**Note:**

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

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

	<b>The Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	<b>(218,312)</b>	46,702
Adjustments for:		
Allowance for doubtful trade receivables	275	107
Allowance for doubtful non-trade receivables	<b>23,037</b>	-
Amortisation of land use rights	2	2
Change in fair value of investment properties	<b>50,325</b>	(150)
Depreciation of property, plant and equipment	<b>4,254</b>	10,036
Foreign currency exchange gain	<b>(512)</b>	(500)
Gain on disposal of subsidiaries	<b>(32,875)</b>	-
Gain on dilution of equity interests in a subsidiary	-	(14,366)
Impairment loss on completed properties for sale	<b>70,827</b>	11,540
Impairment loss on property under development for sales	<b>303</b>	-
Impairment loss on investment in joint venture	<b>43,000</b>	-
Written back on impairment on completed properties	<b>(212)</b>	-
Written back on properties under development for sale	-	(63,609)
Interest expenses	<b>1,515</b>	5,901
Interest income	<b>(2,140)</b>	(265)
(Gain)/loss on disposal of property, plant and equipment	<b>(17)</b>	220
Loss on disposal of property under development for sale	<b>57,562</b>	-
Gain on disposal of investment properties	<b>(1,508)</b>	-
Amortisation of discount on long-term receivables	<b>(15,850)</b>	28,320
Share of results of associates	<b>4,721</b>	318
Share of results of joint venture	<b>278</b>	-
Operating (loss)/profit before working capital changes	<b>(15,327)</b>	24,256
Completed properties for sale	<b>86,343</b>	(14,116)
Properties under development for sale	<b>(101,713)</b>	43,633
Trade receivables	<b>2,551</b>	3,941
Prepayments and other receivables	<b>(8,343)</b>	(47,947)
Trade payables	<b>(5,075)</b>	(63,806)
Sales and rental deposits	<b>64,084</b>	44,203
Accruals and other payables	<b>135,279</b>	57,112
Amount due to joint venture partner	<b>10,402</b>	-
Cash generated from operations	<b>168,201</b>	47,276
Income tax paid	<b>(12,213)</b>	(14,593)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>155,988</b>	32,683
<b>INVESTING ACTIVITIES</b>		
Increase in pledged bank deposits	<b>(707)</b>	(2,099)
Dilution of equity interests in a subsidiary (note 1)	-	(1,244)
Deferred proceeds for disposal of subsidiaries	-	18,606
Proceed from disposal of properties under development for sales	<b>4,200</b>	1,000
Interest received	<b>2,140</b>	265
Purchase of financial assets, available for sale	<b>(16,000)</b>	-
Net cash out flows for disposal of subsidiaries (note 1)	<b>(323,763)</b>	-
Proceeds from disposal of property, plant and equipment	<b>117</b>	113
Proceeds from termination of asset transfer agreement	-	10,000
Purchase of property, plant and equipment	<b>(7,025)</b>	(101)
Refund of investment cost of available-for-sale investments	-	1,400
<b>NET CASH (USED IN)/GENERATE FROM INVESTING ACTIVITIES</b>	<b>(341,038)</b>	27,940

	<b>The Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>FINANCING ACTIVITIES</b>		
Amounts repaid from related parties	12,390	-
Amounts repaid from associate companies	101,469	-
Advance to associates	-	(21,000)
Payment to related parties	-	(1,261)
Interest paid	(643)	(5,389)
Proceeds from borrowings	50,000	59,000
Share buyback	(18)	-
Private share placement	62,970	-
Repayments of bank and other borrowings	-	(96,800)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>226,168</b>	<b>(65,450)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>41,118</b>	<b>(4,827)</b>
<b>EXCHANGE DIFFERENCE</b>	<b>(223)</b>	<b>(65)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>59,670</b>	<b>64,562</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>100,565</b>	<b>59,670</b>

**NOTE 1: DISPOSAL OF SUBSIDIARIES/DILUTION OF EQUITY INTERESTS IN SUBSIDIARY**

	<b>The Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Property, plant and equipment	70,670	1,880
Completed properties for sale	67,907	-
Properties under development for sale	307,988	174,538
Trade receivables, prepayments and other receivables	42,017	46,480
Amount due from related parties	-	6,156
Income tax receivables	22,892	-
Pledged bank deposits	6,713	-
Cash and cash equivalents	353,375	1,244
Trade payables, accruals and other payables	(247,580)	(7,691)
Sales deposit	(216,332)	-
Amount due to related parties	(1,354)	-
Amounts due to shareholder	-	(80,469)
Income tax payables	-	(13)
Bank and other borrowings	(50,000)	-
Non-controlling interests	(9,559)	(69,641)
Investment cost transferred to associates	-	(56,850)
<b>Net identifiable assets disposed</b>	<b>346,737</b>	<b>15,634</b>
<b>Gain on disposal</b>	<b>32,875</b>	<b>14,366</b>
<b>Proceeds from disposal</b>	<b>379,612</b>	<b>30,000</b>
Less: consideration due from a related party	-	(30,000)
Less: Investment in joint venture	(350,000)	-
Less: cash and bank balances disposed	(353,375)	(1,244)
<b>Net cash outflows from disposal of subsidiaries/dilution of equity interests in subsidiary</b>	<b>(323,763)</b>	<b>(1,244)</b>

**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 year ended 31 December 2010 and 31 December 2011**

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

	<b>The Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(Loss)/profit for the year	<b>(210,551)</b>	23,194
Other comprehensive income for the year	<u>-</u>	<u>-</u>
<b>Total comprehensive (expense)/income for the year</b>	<b><u>(210,551)</u></b>	<b><u>23,194</u></b>

	<b>The Group</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Owners of the Company	<b>(208,335)</b>	25,978
Non-controlling interests	<b><u>(2,216)</u></b>	<b><u>(2,784)</u></b>
	<b><u>(210,551)</u></b>	<b><u>23,194</u></b>

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

	<b>The Company</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(Loss)/income for the year	<b>(525)</b>	697
Other comprehensive expense for the year	<u>-</u>	<u>-</u>
<b>Total comprehensive (expense)/income for the year</b>	<b><u>(525)</u></b>	<b><u>697</u></b>

	<b>The Company</b>	
	<b>FY2011</b>	<b>FY2010</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Owners of the Company	<b>(525)</b>	697
Non-controlling interests	<u>-</u>	<u>-</u>
	<b><u>(525)</u></b>	<b><u>697</u></b>

**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 capitalisation 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 2010 and 31 December 2011**

	<b>The Group</b>								
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non controlling interests RMB'000	Total RMB'000
Balance at 1.1.2010	305,888	224,094	49,031	18,077	-	230,783	827,873	84,200	912,073
Dilution of equity interests in subsidiary	-	-	-	-	-	-	-	(69,641)	(69,641)
Surrender of share options	-	-	-	(18,077)	-	18,077	-	-	-
Comprehensive Income/(expense) for the year	-	-	-	-	-	25,978	25,978	(2,784)	23,194
Balance at 31.12.2010 and 1.1.2011	305,888	224,094	49,031	-	-	274,838	853,851	11,775	865,626
Buyback of 92,000 ordinary shares	-	-	-	-	(18)	-	(18)	-	(18)
Disposal of subsidiaries	-	-	-	-	-	-	-	(9,559)	(9,559)
Issue of 195,600,000 new ordinary shares at S\$0.063 each pursuant to a placement	62,470	500	-	-	-	-	62,970	-	62,970
Comprehensive expense for the year	-	-	-	-	-	(208,335)	(208,335)	(2,216)	(210,551)
<b>Balance at 31.12.2011</b>	<b>368,358</b>	<b>224,594</b>	<b>49,031</b>	<b>-</b>	<b>(18)</b>	<b>66,503</b>	<b>708,468</b>	<b>-</b>	<b>708,468</b>

	<b>The Company</b>					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Treasury Shares RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1.1.2010	305,888	224,094	18,077	-	88,814	636,873
Surrender of share options	-	-	(18,077)	-	18,077	-
Comprehensive income for the year	-	-	-	-	697	697
Balance at 31.12.2010 and 1.1.2011	305,888	224,094	-	-	107,588	637,570
Buyback of 92,000 ordinary shares	-	-	-	(18)	-	(18)
Issue of 195,600,000 new ordinary shares at S\$0.063 each pursuant to a placement	62,470	500	-	-	-	62,970
Comprehensive expense for the year	-	-	-	-	(525)	(525)
<b>Balance at 31.12.2011</b>	<b>368,358</b>	<b>224,594</b>	<b>-</b>	<b>(18)</b>	<b>107,063</b>	<b>699,997</b>



**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

The movements in the Company's issued capital during the 12 months' year ended 31 December 2011 are as follows:

	<u>Group and Company</u>	
	<b>Number of ordinary shares</b>	<b>RMB'000</b>
At the beginning of the year	978,000,000	305,888
Issue of ordinary shares pursuant to a private placement <sup>(1)</sup>	195,600,000	62,470
At the end of the year	<u>1,173,600,000</u>	<u>368,358</u>

**Note:**

(1) Pursuant to a placement carried out by the Company in November 2011, the Company issued 195,600,000 new ordinary shares of par value of S\$0.0625 each to two unrelated subscribers for S\$ 0.063 each for cash.

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 December 2011 (31 December 2010: Nil).

**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.**

	<u>As at 31 December 2011</u>	<u>As at 31 December 2010</u>
Total number of issued ordinary shares (excluding treasury shares)	<u>1,173,508,000</u>	<u>978,000,000</u>

**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.**

Treasury Shares

The movements in the Company's treasury shares during the 12 months' year ended 31 December 2011 are as follows:

	<u>Group and Company</u>	
	<b>Number of ordinary shares</b>	<b>RMB'000</b>
At the beginning of the year	-	-
Share Buy-back during the year <sup>(1)</sup> and at the end of the year	<u>92,000</u>	<u>18</u>

**Note:**

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

**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 2010 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.**

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

- IAS 27 (Revised) Consolidated and Separate Financial Statements
- IFRS 3 (Revised) Business Combinations
- IAS 24 (Revised) Related Party Disclosures
- IAS 1 (Amendments) Presentation of Financial Statements
- IAS 7 (Amendments) Statements of Cash Flows
- IAS 32 (Amendments) Financial Instruments – Presentation: Classification of Rights Issues
- IFRIC 14 (Amendments) Prepayments of a Minimum Funding Requirement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- IFRIC 15 Agreements for Construction of Real Estate

The adoption of the above IFRS and Interpretation of IFRS did not result in any material impact on the consolidated financial statements of the Group and of the Company for FY2011 or prior financial year.

**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).**

**Unaudited (loss)/earnings per ordinary shares of the Group for the year ended 31 December 2010 and 31 December 2011**

	The Group	
	FY2011 RMB'000	FY2010 RMB'000
<b>(Loss)/profit attributable to owners of the Company</b>	<b>(208,335)</b>	25,978
Basic (Singapore cents) <sup>(1)</sup>	<b>(4.04) cents</b> <sup>(2)</sup>	0.53 cents <sup>(2)</sup>
Diluted (Singapore cents) <sup>(1)</sup>	<b>(4.04) cents</b> <sup>(3)</sup>	0.53 cents <sup>(3)</sup>

**Notes:**

- (1) Calculated based on the average exchange rate of FY2011: S\$1: RMB5.15 (FY2010: S\$1: RMB4.97)
- (2) Based on the issued ordinary shares of 978,000,000 for the year ended 31 December 2010 and weighted average issued ordinary shares of 1,001,544,394 (excluding treasury shares) for the year ended 31 December 2011.
- (3) The Company has no dilutive potential ordinary shares for the financial year ended 31 December 2011 and 31 December 2010.

**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 2011 RMB'000	31 December 2010 RMB'000	31 December 2011 RMB'000	31 December 2010 RMB'000
Net asset value (excluding non-controlling interests) as at end of financial year	<u>708,468</u>	<u>853,851</u>	<u>699,997</u>	<u>637,570</u>
Net asset value per ordinary share as at the end of financial year (Singapore cents) <sup>(1)</sup>	<u>12.37 cents</u>	<u>17.15 cents</u>	<u>12.22 cents</u>	<u>12.81 cents</u>

**Note:**

(1) Calculated based on exchange rate of S\$1: RMB4.88 as at 31 December 2011 (as at 31 December 2010: S\$1: RMB5.09) and 978,000,000 ordinary shares as at 31 December 2010 and 1,173,508,000 ordinary shares (excluding treasury shares) as at 31 December 2011.

**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 FY2011 (relative to that for FY2010)**

**Turnover**

The Group's turnovers (net of sales tax) generated in FY2011 and FY2010 were as follow:

	FY2011		FY2010	
	RMB million	%	RMB million	%
(1) Sales of developed properties	143.1	87	195.2	81
(2) Rental income	17.0	10	41.0	17
(3) Property management income	4.4	3	4.9	2
	<u>164.5</u>	<u>100</u>	<u>241.1</u>	<u>100</u>

Our overall turnover decreased by RMB76.6 million or 32% from RMB241.1 million in FY2010 to RMB164.5 million in FY2011 principally as a result of reduced sales revenue and rental income.

The decrease in sales revenue was attributed principally to the disposal of the following property development subsidiaries by the Group in 2011:

- (i) As announced by the Company on 13 September 2011, 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") for a cash consideration of RMB21.6 million (the "Zhoukou Disposal Consideration"); and
- (ii) As announced by the Company on 23 November 2011, 1 December 2011 and 2 December 2011, 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 part of the consideration for the acquisition of a 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.

The decrease in rental income was attributed mainly to the disposal of Beijing Sunshine Elegant Jade Real Estate Co., Ltd (北京阳光美基置业有限公司) and Beijing Feng Bao Heng Investments Co., Ltd (北京丰宝恒投资有限公司) (collectively the “Beijing Subsidiaries”) to certain unrelated parties for a cash consideration of RMB8.0 million (the “Beijing Disposal”) in Q2 2011 as announced by the Company on 1 June 2012. The Beijing Subsidiaries were principally engaged in the sub-leasing of two hotels in Beijing to a third party.

### Gross profit

In line with the lower turnover registered, our gross profit decreased by RMB12.4 million or 27% from RMB46.0 million in FY2010 to RMB33.6 million in FY2011 with gross profit margin maintained at about 19-20%.

### Other operating (expense)/income

We registered an other operating expense of RMB30.2 million in FY2011 vis-à-vis an other operating income of RMB26.6 million in FY2010.

Our other operating expense incurred in FY2011 were attributed principally to:

- (i) tax expenses of RMB10.4 million to be bore by the Group in connection with the Ace Disposal; and
- (ii) 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 party as announced by the Company on 14 December 2009 (the “Ke Shu Disposal”),

which collectively were off-set by a disposal gain aggregating RMB32.9 million in connection with the Zhoukou Disposal, the Beijing Disposal and the Ace Disposal.

The other operating income attained in FY2010 was attributed to a net gain on the partial disposal of an equity interest in a former subsidiary of the Group as announced by the Company on 11 November 2010, which subsequent to the said disposal became an associated company of the Group.

### Impairment losses on properties under development, completed properties for sale and investment in joint venture as well as decrease in fair value of investment properties

The impairment losses/decrease in fair value were attributed to impairment of the net book value (“NBV”) of the following assets as at 31 December 2011 based on the valuation conducted by the respective accompanied independent valuers:

Impaired asset category	Impaired asset details	Independent valuer	Impaired amount RMB'000	Reason for impairment
Properties under development	Xinxiang Sunny Town Project (新乡阳光新城项目)	Henan Huatong Asset Appraisal Co., Ltd (河南华通资产评估有限公司) based in China	303	Market price expected to fall below NBV due to the spate of cooling-off measures introduced by the Chinese government in recent months in checking soaring property prices and increased costs due to inflation
Completed properties for sale	Xinxiang Shopping Mall – Phase II	Henan Huatong Asset Appraisal Co., Ltd (河南华通资产评估有限公司) based in China	70,827	Same as above and in view that Xinxiang Shopping Mall – Phase II is intended to be disposed on an <i>en-bloc</i> basis
Investment in joint venture	Tian Cheng	Roma Appraisals Limited based in Hong Kong (“Roma”)	43,000	Urumqi Xi Yuan Mining Consulting Co., Ltd. (乌鲁木齐西源矿业信息咨询有限公司)(the “Chinese Valuer”), a valuer based in China, was engaged for valuing the acquisition of Tian Cheng at the insistent of the vendor of Tian Cheng and in compliance with the criteria prescribed in the circular to the shareholder of the Company dated 13 October 2011 for the acquisition of mining assets.
				Roma, an international valuer, was appointed at the request of the auditors of the Company to access the value of Tian Cheng as at 31 December 2011 so as to be more in line with international

accounting practices and in compliance with IFRS.

While Roma based its valuation on the same bases as that of the Chinese Valuer, some of the assumptions assumed by Roma for the valuation are more stringent than that assumed by the Chinese Valuer. Accordingly, a lower valuation by Roma ensued.

Investment properties	Remaining units at Xinxiang Shopping Mall - Phase I	Henan Huatong Asset Appraisal Co., Ltd (河南华通资产评估有限公司) based in China	50,325	Market price expected to fall below NBV due to the spate of cooling-off measures introduced by the Chinese government in recent months in checking soaring property prices and increased costs due to inflation and in view that Xinxiang Shopping Mall – Phase I is intended to be disposed on an <i>en-bloc</i> basis
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### Write back on impairment for completed properties for sale

The write-back on impairment for completed properties for sale in FY2011 was due to the Ace Disposal.

### Share of loss of associates

Share of loss of associates increased by RMB4.4 million from RMB0.3 million in FY2010 to RMB4.7 million in FY2011 as 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 Shiantai Commerce Co., Ltd (新乡市安泰商贸有限公司) and Hainan Sunshine Elegant Jade Investment & Development Co., Ltd (海南阳光美基投资开发有限公司), only ceased to be the subsidiaries and became the associated companies of the Group in October 2010 following the Group’s reduction in its equity interest in the Climbing Ace Group from 51% to 40%.

### Share of loss of joint venture

There was no share of loss of joint venture in FY2010 as the acquisition of the 50% equity interest in Tian Cheng was only completed in Q4 2011.

### Selling and distribution expenses

Following the Beijing Disposal, the Zhoukou Disposal and the Ace Disposal in 2011, our selling expenses decreased by RMB5.2 million or 48% from RMB10.8 million in FY2010 to RMB5.6 million in FY2011.

### General and administrative expenses

General and administrative expense increased by RMB28.4 million or 87% from RMB32.8 million in FY2010 to RMB61.2million in FY2011, attributed mainly to a bad debt provision of RMB23.0 million for an amount due from a non-trade debtor for reason of uncleared visibility on the debtor’s ability to make repayment, notwithstanding that the debtor had been prompt in making its past repayment instalments.

### Finance income/(expense)

The finance income of RMB14.3 million recognised in FY2011 was principally attributed to the amortization of the fair value of long-term receivables (net of interest expense) while the finance expense of RMB34.2 million incurred in FY2010 was principally attributed to expense arose from discounting the long-term receivables to its present value as at 31 December 2010.

### (Loss)/profit before tax

Following from the above, we registered a loss before tax of RMB218.3 million in FY2011 compared to a profit before tax of RMB46.7 million attained in FY2010.

### Income tax credit/(expense)

We registered an income tax credit of RMB7.8 million in FY2011 vis-à-vis an income tax expense of RMB23.5 million in FY2010.

The income tax credit recorded in FY2011 was principally attributed to a written-off on deferred tax liabilities of RMB13.1 million as a result of changes in fair value of investment properties in FY2011 netted against the income tax expense attributed to the operating income for FY2011.

The income tax expense incurred in FY2010 was principally attributed to the write-back of deferred tax assets as a result of the write-back of impairment on properties under development for sale, in addition to the income tax expense attributed to the operating income for FY2010.

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

Accordingly, the amount attributable to the owners of the Company was a loss of RMB208.3 million in FY2011 compared to a profit of RMB26.0 million in FY2010.

### **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 FY2011, the remaining non-controlling interests of the Group bore a lower share of loss of RMB2.2 million in FY2011 compared to that of RMB2.8 million in FY2010.

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

#### **Non-current assets**

Our non-current assets increased by RMB118.8 million or 27% from RMB440.0 million as at 31 December 2010 to RMB558.8 million as at 31 December 2011. The increase was attributed mainly to the new investment in Tian Cheng, which was offset by:

- (i) decreased property, plant and equipment due principally to the Beijing Disposal;
- (ii) provision of bad debt for long term non-trade receivables;
- (iii) collection of long term receivables from associates;
- (iv) decreased investment properties as a result of impairment;
- (v) and impairment on investment in joint venture.

#### **Current assets**

Our completed properties for sale decreased by RMB178.7 million or 48% due mainly to :

- (i) the continuing sales of units at such properties;
- (ii) the Ke Shu Disposal ;
- (iii) the Zhoukou Disposal;
- (iv) the Ace Disposal;
- (v) the *en-bloc* disposal of the 50 completed commercial units located at Yuhua Wenguiyuan in Zhengzhou City as announced by the Company on 1 March 2011; and
- (vi) the impairment of Xinxiang Shopping Mall – Phase II.

The decreases in trade receivables by RMB4.5 million or 92% was attributed mainly to improved cash collections.

The decreases in prepayments and other receivables by RMB25.7 million or 61% was attributed mainly to improved collections made in FY2011.

The decreases in amounts due from related parties by RMB17.3 million and in amounts due from associates by RMB54.7 million were mainly due to the repayment of outstanding obligations by the parties concerned.

The decreases in pledged bank deposits by RMB6.0 million or 53% and the decreases in income tax recoverable by RMB15.5 million or 91% was mainly attributed to the release of the relevant pledged bank deposit following the completion of the Zhoukou Disposal and the Ace Disposal in FY2011.

The increases in cash and bank balances by RMB40.9 million or 69% were due mainly to:

- (i) the receipt of the Zhoukou Disposal Consideration;
- (ii) the full settlement of the outstanding obligations due by Zhoukou Company to the Group following the completion of the Zhoukou Disposal; and
- (iii) partial collection from the associates and related parties.

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 since been rolled into the current bank account of the Group.

Taken as a whole, our current assets decreased by RMB812.4 million or 66% from RMB1.2 billion as at 31 December 2010 to RMB426.5 million as at 31 December 2011.

## Current liabilities

Our sales and rental deposits collectively decreased by RMB156.2 million or 63% and our trade payables decreased by RMB37.1 million or 43%, due principally to the Beijing Disposal, the Zhoukou Disposal and the Ace Disposal.

The decreases in accruals and other payables by RMB303.2 million or 87% were due principally to the full settlement of a prior deposit of RMB229 million (which the Group collected in advance from the relevant buyers in connection with the Ke Shu Disposal) following the completion of the Zhoukou Disposal in Q3 2011 coupled with the Group having been released from assuming the accruals and other payables of the disposed subsidiaries in connection with the Beijing Disposal, the Zhoukou Disposal and the Ace Disposal in 2011.

The decreases in other borrowing by RMB29.0 million, amounts due to related party by RMB2.6 million and amounts due to associates by RMB6.2 million were in line with settlements made by the Group in 2011.

The amount due to joint venture partner was mainly due to tax expenses of RMB10.4 million to be borne by the Group in connection with the Ace Disposal.

Taken as a whole, our current liabilities decreased by RMB520.2 million or 66% from RMB785.8 million as at 31 December 2010 to RMB265.6 million as at 31 December 2011.

Notwithstanding that our working capital decreased by RMB292.3 million or 64% from RMB453.2 million as at 31 December 2010 to RMB160.9 million as at 31 December 2011, our net cash generated from operating activities increased by RMB123.1 million or more than 3-fold from RMB32.6 million in FY2010 to RMB155.7 million in FY2011.

## Deferred tax liabilities

The decreases in deferred tax liabilities by RMB16.2 million or 59% were due principally to a written-back on deferred tax liabilities of RMB13.1 million as a result of changes in fair value of investment properties in FY2011.

## Non-controlling interests

The Group ceased to have any non-controlling interest as at 31 December 2011 following the disposal of all non-wholly owned subsidiaries in FY2011 compared to RMB11.8 million as at 31 December 2010.

## 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, the Group's property development business comprised the following:

### A. The Group's properties under development for sale as at 31 December 2011:

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Sunny Town located at Xinxiang New District, Western District of Xinxiang, Henan Province, PRC (the "Xinxiang Project")	Residential	Up to 70 years expiring in 2077	63,533	16.2

### B. The Group's completed properties for sale as at 31 December 2011:

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Sunny Town located at Xinxiang New District, Western District of Xinxiang, Henan Province, PRC	Residential	Up to 70 years expiring in 2077	103,249	118.4
Shining Holiday Shopping Centre (Phase II) Block B, No. 31 Jiankang Road, Xinxiang City, Henan Province, PRC	Commercial	40 years expiring in 2046	23,728	72.6
<b>Total</b>			<b>126,977</b>	<b>191.0</b>

**C. The Group's investment properties as at 31 December 2011:**

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
Shining Holiday Shopping Centre (Phase I) Block B, No. 31 Jiankang Road, Xinxiang City, Henan Province, PRC	Commercial	40 years expiring in 2041	32,207	130.7
60 motorcycles spaces and 134 bicycle spaces located at Huilong Garden, Remenzhong Road, Xinxiang City, Henan Province, the PRC	Commercial	40 years expiring in 2014	674	0.4
<b>Total</b>			<b>32,881</b>	<b>131.1</b>

**D. The Group's properties held through an associate company as at 31 December 2011:**

Property and address	Description	Tenure	Est gross floor area (sqm)	Book value (RMB million)
3 pieces of land of Hianan Sunshine Project located at No.315 Bin Hai Road, Haikou City, Hainan Province, the PRC (the "Hainan Project")	Residential	70 years expiring in 2079	340,000	276.5

Of the properties listed above, only the Xinxiang Project and the Hainan Project are expected to contribute significantly to the performance of the Group for FY2012. 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 at these two projects.

In anticipation of the challenging environment posed by the property development industry in China, the Group has commenced to diversify its core business to include mining business. In this regard, the Group had acquired Tian Cheng together with the two iron ore mines owned by it in December 2011. Preparation for the application of the mining licence for the two mines is currently in progress. Pre-production works, including the installation of mining infrastructure at these two mines, are expected to take at least 12 to 18 months to complete.

*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 the financial year ended 31 December 2011.

**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
Henan Xin Du Men Chuang Co., Ltd (河南鑫都门窗有限公司) (the "Xin Du Men Chuang")	6,054	-

The Company does not has any general mandate for interested party transaction. Mr Guo Yinghui, the chairman and CEO of the Company, has deemed equity interest in Xu Du Men Chuang. The transactions with Xin Du Meng Chuang are conducted on normal terms.

**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.**

	Commerical and residential property development	Others	Total
	RMB '000	RMB '000	RMB '000
<b>2011</b>			
Segment Revenue	142,792	21,671	164,463
Segment loss	(95,343)	(50,706)	(146,049)
Central administrative costs and directors' salaries			(7,227)
Other loss			(8,279)
Other losses unallocated			(66,093)
Finance income			14,335
Share of results of jointly controlled entities			(278)
Share of results of associates			(4,721)
Loss before tax			(218,312)
Income tax credit			7,761
<b>Loss for the year</b>			<b>(210,551)</b>

<b>2010</b>	<b>Commerical and residential property development</b>	<b>Others</b>	<b>Total</b>
	<b>RMB '000</b>	<b>RMB '000</b>	<b>RMB '000</b>
Segment Revenue	195,174	45,926	241,100
Segment profit	52,786	7,556	60,342
Central administrative costs and directors' salaries			(5,734)
Other loss			(5,744)
Other gain unallocated			32,377
Interest expenses			(5,901)
Discounting effect of long-term receivables			(28,320)
Share of results of associates			(318)
Profit before tax			46,702
Income tax expense			(23,508)
<b>Profit for the year</b>			<b>23,194</b>

**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**

	<b>The Group</b>		<b>% Change</b>
	<b>FY2011 RMB'000</b>	<b>FY2010 RMB'000</b>	
(i) Sales reported for:			
First half year ended 30 June	65,061	45,938	42
Second half year ended 31 December	99,402	195,162	(49)
	<b>164,463</b>	<b>241,100</b>	<b>(32)</b>
(ii) Operating (loss)/profit after tax deducting non-controlling interests reported for:			
First half year ended 30 June	(7,437)	5,954	N/M
Second half year ended 31 December	(200,898)	20,024	N/M
	<b>(208,335)</b>	<b>25,978</b>	<b>N/M</b>

"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:-**

	<b>FY2011 RMB'000</b>	<b>FY2010 RMB'000</b>
Ordinary Share:		
Final dividend	<b>Nil</b>	<b>Nil</b>
Special dividend	<b>Nil</b>	<b>Nil</b>

**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 Guo Yinghui  
Chairman and CEO  
29 February 2012**