

Financial Statement Announcement for First Quarter ended 31 March 2013

Part 1 -
INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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

	Group		
	Quarter Ended 31/3/2013 RMB'000	Quarter Ended 31/3/2012 RMB'000	Increase / (Decrease) %
Continuing operations			
Revenue	407	-	n.m.
Direct Costs	(885)	-	n.m.
Gross Profit/(Loss)	(478)	-	n.m.
Other income	266	40,317	(99%)
Distribution Expenses	(38)	-	n.m.
Administrative expenses	(6,773)	(4,235)	60%
Other operating (expenses)/income	-	-	n.m.
Finance Cost	(91)	-	n.m.
Profit/(Loss) before income tax from continuing operations	(7,114)	36,082	n.m.
Income tax	-	-	-
Profit/(Loss) after income tax from continuing operations	(7,114)	36,082	n.m.
Profit/(Loss) from discontinued operations	-	-	-
Profit/(Loss) for the period	(7,114)	36,082	n.m.
Profit/(Loss) attributable to:			
Equity holders of the Company			
Continuing	(7,114)	36,082	n.m.
Discontinued	(7,114)	36,082	n.m.
Non -Controlling Interests			
Continuing	-	(10)	n.m.
Discontinued	-	(10)	n.m.

n.m Not meaningful

1 (a)(ii) Included in the determination of (loss)/ profit before taxation are the following items:

Group			
Quarter Ended	Quarter Ended	Increase /	
31/3/2013	31/3/2012	(Decrease)	
RMB'000	RMB'000	%	
Amortisation of intangible assets	(6)	(13)	(54%)
Depreciation of plant & equipment	(1,322)	(10)	13,120%
Equity-settled share-based payment transactions	-	(201)	n.m.
Exchange gain/ (loss), net	(823)	3,274	n.m.
Interest income	1,027	26	3,850%
Negative goodwill	-	37,015	n.m.

A statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group			
Quarter Ended	Quarter Ended	Increase /	
31/3/2013	31/3/2012	(Decrease)	
RMB'000	RMB'000	%	
Profit/(Loss) for the period	(7,114)	36,082	n.m.
Other comprehensive income			
Currency translation differences arising from consolidation			
- profit/(losses)	-	397	n.m.
Total comprehensive income for the period	(7,114)	36,479	n.m.

n.m Not meaningful

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

	Group		Company	
	31-Mar-13 RMB'000	31-Dec-12 RMB'000	31-Mar-13 RMB'000	31-Dec-12 RMB'000
ASSETS				
Non-current				
Intangible assets	80,017	24	80,017	24
Investment Properties	2,071	-	-	-
Plant and equipment	2,670	38	32	38
Goodwill on acquisition of YLG/WT	22,964	-	-	-
Long Term Receivables	100,000	-	100,000	-
	207,721	62	180,049	62
Investments				
Investments in YESS/West	-	-	31,545	-
	-	-	31,545	-
Total Non-Current Assets	207,721	62	211,594	62
Current				
Assets held for sale	-	147,975	-	28,839
Trade and other receivables	4,604	2,576	3,238	2,576
Cash and cash equivalents	57,652	66,241	54,907	66,241
	62,256	216,792	58,145	97,656
Total assets	269,978	216,854	269,739	97,718
Equity				
Capital and Reserves:				
Share capital	407,932	407,932	407,932	407,932
Warrants reserve	2,298	2,920	2,298	2,920
Capital reduction reserve	79,151	79,151	79,151	79,151
Statutory common reserve	-	2,198	-	-
Share option reserve	1,017	4,132	1,017	4,132
Foreign currency translation reserve	23,907	25,925	31,371	26,760
Accumulated losses	(405,885)	(417,719)	(433,497)	(428,639)
Equity attributable to equity holders of the Company	108,420	104,539	88,272	92,256
Non-Controlling Interests	-	13,013	-	-
Total equity	108,420	117,552	88,272	92,256
Liabilities				
Current				
Trade and other payables	66,362	5,462	64,636	5,462
Provision for taxation	335	-	-	-
Borrowings	10,005	-	10,005	-
Deferred Income	84,638	-	106,826	-
Liabilities held for sale	-	93,840	-	-
Total current Liabilities	161,340	99,302	181,467	5,462
Liabilities				
Long Term				
Term Loan	178	-	-	-
Deferred Taxation	40	-	-	-
Total Long Term Liabilities	218	-	-	-
Total Liabilities	161,558	99,302	181,467	5,462
Total equity and liabilities	269,978	216,854	269,739	97,718

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group		Group	
	31-Mar-13		31-Dec-12	
	Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Amount repayable in one year or less, or on demand				
Bank overdraft (Included in Liabilities held for sale)	-	-	42,747	-
	-	-	42,747	-

Details of any collateral

The bank overdraft facility in the Company's subsidiary is secured by:

- 1) a corporate guarantee from the Company; and
- 2) a charge over the cash deposits of the Company.

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	
	Quarter Ended	Quarter Ended
	31/3/2013	31/3/2012
	RMB'000	RMB'000
Cash flows from operating activities		
Profit/(Loss) before income tax	(7,114)	36,082
Adjustments for:		
Goodwill write off for Yess/West	-	(37,015)
Equity settled share-based payments	-	201
Amortisation of intangible asset	6	13
Depreciation of plant & equipment	1,322	10
Depreciation of Investment properties	11	-
Exchange Differences	1,766	-
Interest income	(1,027)	(26)
Operating loss before working capital changes	(5,036)	(735)
Trade and other receivables	(2,258)	(1,063)
Trade and other payables	3,707	94
Cash generated from/(used in) operations	(3,587)	(1,704)
Income tax paid	-	-
Net cash generated from/(used in) operating activities	(3,587)	(1,704)
Cash flows from investing activities		
Interest received	-	26
Purchase of plant and equipment	-	(7)
Acquisition of a subsidiary (net of cash acquired)	(5,002)	4,438
Net cash generated from investing activities	(5,002)	4,457
Cash flows from financing activities		
Proceeds from bank overdraft	-	43,396
Bank deposit pledged	-	(48,624)
Net cash (used in)/ generated from financing activities	-	(5,228)
Net (decrease)/increase in cash and cash equivalents	(8,589)	(2,475)
Cash and cash equivalents at beginning of period	66,241	77,320
Exchange differences on translation of cash and cash equivalents at beginning of period	-	88
Cash and cash equivalents at end of period	<u>57,652</u>	<u>74,933</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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the quarter ended March 31, 2013 - Group

	Share capital & warrants reserve	Capital reduction reserve	Statutory common reserve	Share option reserve	Warrant reserve	Foreign currency translation reserve	Accumulated losses	Total equity attributable to equity holders of the Company	Non Controlling Interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Q1FY13										
Balance at January 1, 2013	407,932	79,151	2,198	4,132	2,920	25,925	(417,719)	104,539	13,013	117,552
Net Profit/(Loss) for the period	-	-	-	-	-	-	(7,114)	(7,114)	-	(7,114)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- reclassification adjustments on disposal of FCTR to profit and loss on disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Translation of foreign currency	-	-	-	-	-	(2,018)	-	(2,018)	-	(2,018)
- Adjustment of valuation of employee's share Option	-	-	-	(3,115)	-	-	3,115	-	-	-
- Adjustment of valuation of warrants	-	-	-	-	(622)	-	622	-	-	-
Disposal of subsidiary	-	-	(2,198)	-	-	-	15,211	13,013	(13,013)	-
Balance at March 31, 2013	407,932	79,151	-	1,017	2,298	23,907	(405,885)	108,420	-	108,420
Balance at January 1, 2012	409,589	79,151	2,198	2,967	-	21,881	(367,591)	148,195	13,039	161,234
Equity-settled share-based payment transactions	-	-	-	201	-	-	-	201	-	201
Translation of foreign currency	-	-	-	-	-	397	-	397	-	397
Total comprehensive income for the year	-	-	-	-	-	-	36,092	36,092	(10)	36,082
Balance at March 31, 2012	409,589	79,151	2,198	3,168	-	22,278	(331,499)	184,885	13,029	197,914

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 period of the immediately preceding financial year.

Statement of Changes in Equity for the quarter ended March 31, 2013 - Company

	Share capital & warrants reserve RMB'000	Capital reduction reserve RMB'000	Share option reserve RMB'000	Warrant reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total equity attributable to equity holders of the Company RMB'000
Q1FY13							
Balance at January 1, 2013	407,932	79,151	4,132	2,920	26,760	(428,639)	92,256
Adjustment valuation of employee's share options	-	-	-	(622)	-	-	(622)
Issue of ordinary shares arising from - exercise of warrants	-	-	(3,115)	-	-	3,737	622
Issue of warrants	-	-	-	-	-	-	-
Translation of foreign currency	-	-	-	-	4,611	(4,611)	-
Total comprehensive income for the year	-	-	-	-	-	(3,984)	(3,984)
Balance at March 31, 2013	407,932	79,151	1,017	2,298	31,371	(433,497)	88,272
Balance at January 1, 2012	409,589	79,151	2,967	-	26,760	(380,230)	138,237
Equity-settled share-based payment transactions	-	-	201	-	-	-	201
Translation of foreign currency	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(462)	(462)
Balance at March 31, 2012	409,589	79,151	3,168	-	26,760	(380,692)	137,976

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 or cash or as consideration for acquisition or for any other purpose since the end of the 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.

Share capital	Number of shares
Ordinary shares issued and fully paid	
Balance as at 31 March 2013	4,707,935,029

There were no changes to share capital during the quarter ended 31 March 2013.

As at 31 March 2013, options to subscribe for ordinary shares in our Company that remained outstanding are as follows:

	As at 31 March 2013 No. of shares	As at 31 March 2012 No. of shares
Share options granted on 29 September 2009 (exercisable on and after 29 September 2010)	-	3,000,000
Share options granted on 25 May 2010 (exercisable on and after 25 May 2011)	10,000,000	15,000,000
Share options granted on 25 May 2010 (exercisable on and after 25 May 2012)	3,000,000	33,000,000
Share options granted on 30 August 2012 (exercisable on and after 30 August 2013)	175,000,000	-
	<u>188,000,000</u>	<u>51,000,000</u>

In November 2012 the Company had announced that 253,818,894 warrants which have not been exercised by the Exercised Date had been expired, and these Warrants are now invalid.

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

The Company's total number of issued shares (excluding treasury shares) as at 31 March 2013 is 4,707,935,029 (31 December 2012: 4,707,935,029).

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

Not Applicable. The Company does not hold any treasury shares.

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).

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 Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with the audited financial statements for the financial year ended 31 December 2012.

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 share of the group for the current financial period reported on and the corresponding period 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).

	Group	
	Quarter Ended 31/3/2013	Quarter Ended 31/3/2012
Profit/(Loss) per ordinary share:		
(i) Based on weighted average no. of ordinary shares in issue (fen)	(0.16)	0.82
(ii) On a fully diluted basis (fen)	(0.14)	0.72
Number of shares in issue:		
(i) Based on weighted average no. of ordinary shares in issue (in million)	4,457	4,409
(ii) On a fully diluted basis (in million)	5,101	4,912

Earnings/ (loss) per ordinary share is calculated based on the Group's profit/(loss) for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

Diluted earnings/ (loss) per ordinary share is calculated based on the same basis as earnings/ (loss) per share by adjusting the weighted average number of ordinary shares to include the outstanding warrants and options deemed converted up to the respective reporting periods.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group		Company	
	31-Mar-13	31-Dec-12	31-Mar-13	31-Dec-12
Net Asset Value (RMB '000)	108,420	104,539	88,272	92,256
Based on existing issued share capital (fen per share)	2.30	2.22	1.87	1.96
Net Asset Value has been computed based on the share capital of (in million of shares)	4,708	4,708	4,708	4,708

- 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 period 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 period reported on.

INCOME STATEMENT

The Group completed both the acquisition of Yess Le Green Pte. Ltd. and West Themes Pte. Ltd. (respectively, "YLG" and "WT") as well as the divestment of the Group's previous titanium dioxide in February 2013. The Group will recognise approximately RMB84.6 million as deferred income from the disposal (the "Disposal") of the titanium dioxide business pending full year audit for FY2013 at year end closing. With the completion of the acquisition of YLG and WT, the Group had begun consolidating the results of both wholly-owned subsidiaries commencing from the date of completion, with an operating revenue of RMB0.4 million, contributed from the student hostel operations and rental income. However, total comprehensive loss of approximately RMB7.1 million was recorded for the first quarter of FY2013, mainly due to administrative expenses of RMB6.8 million, largely attributable to the expenses from the acquisition of YLG and WT, and corporate office expenses. Amortisation of intangible assets decreased from RMB0.013 to RMB0.006 due to the computer software that was mostly written off in FY 2012.

Other Income comprised of interest income derived from the long term receivables of RMB1.0 million from Trechance Holdings Limited offset by foreign exchange losses of RMB0.83 million. Distribution expenses mainly relate to travel allowances paid to staff of YLG and WT. The Group also recorded depreciation of approximately RMB1.3 million from its previous subsidiaries that were disposed of. Administrative expenses increased from approximately RMB4.2 million to RMB6.8 million mainly due to higher corporate office expenses and professional and other fees incurred in relation to the acquisition of YLG and WT. Finance cost of approximately RMB0.1 million was in relation to the interest payable on the bonds issued to the vendor of YLG and WT.

BALANCE SHEET

Total assets increased from approximately RMB216.9 million to approximately RMB270.0 million, mainly due to an increase in non-current assets from RMB0.062 million to approximately RMB207.7 million, comprising mostly intangible assets of RMB 80 million which is the Group's 25% economic interest in the land located in KaiYang County, Guizhou Province, a long-term receivable of RMB100 million which is the loan to Trechance Holdings Limited, and goodwill arising from the acquisition of YLG and WT of RMB 23.0 million. This was offset by a decrease in assets held for sale from RMB148.0 million to nil on the Disposal, (the "Disposal").

The Group's investment assets increased by RMB2.0 million as a result of properties held for investment by WT. Plant and equipment increased from RMB0.038 to RMB2.7 million also as a result of the acquisition of YLG and WT. The Group also recorded an increase of goodwill of approximately RMB23.0 million from the acquisition of YLG and WT. Trade and other receivables increased from RMB2.6 million to RMB4.6 million as a result of the rental deposits held by YLG and WT.

Total liabilities increased from approximately RMB99.3 to RMB161.5 million mainly due to the increase in deferred income (pursuant to the Disposal) of RMB84.6 million, and trade and other payables of RMB66.4 million, comprising an amount of RMB16.5 million owing to the Vendor for the acquisition of YLG and WT and a bank loan of approximately RMB42.5 million related to disposal of the Group's subsidiaries. Borrowings increased to approximately RMB10.0 million, which are the bonds issued to the vendor of YLG and WT. These are offset by the decrease in liabilities held for sale from RMB93.8 million to nil (pursuant to the Disposal).

The Group had a negative working capital of approximately RMB99.0 million mainly due to the deferred income (pursuant to the Disposal) of RMB84.6 million and bonds of RMB10.0 million issued to the vendor of YLG and WT.

The term loan of RMB0.18 million is a long-term bank loan to YLG.

CASH FLOW

The Group recorded net outflow of cash of RMB3.6 million that was mainly used in relation to corporate office expenses and expenses incurred by YLG and WT. The net cash generated from investing activities of RMB5 million was used for the acquisition of YLG and WT.

- 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 period and the next 12 months.

With the completion of the acquisition of YLG and WT in February 2013, the Group has wholly-owned subsidiaries operating in the real estate sector in Singapore. The Group intends to leverage on the management of YLG and WT to further expand its footprint in this sector in Singapore as well as regionally and is looking at further asset enhancement projects.

The Company is also currently focusing on the acquisition of Trechance Holdings Limited and working with the relevant parties on entering into definitive agreements as well as the preparatory work in relation thereto. The Company will make all relevant announcements as and when there are material developments on the acquisition as required by the relevant listing rules.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial year

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

No dividend was declared or recommended.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial results for the quarter ended 31 March 2013 to be false or misleading.

13 If the group has obtained a 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.

The Group has not obtained a general mandate from shareholders for Interested Party Transactions.

ON BEHALF OF THE DIRECTORS

IN MANY SING CHARLIE
Executive Chairman

PENG WEILE LEO
Executive Director

BY ORDER OF THE BOARD
15-May-2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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