

SHENZHEN SPECIAL ECONOMIC ZONE REAL ESTATE & PROPERTIES (GROUP) CO., LTD.

THE THIRD QUARTERLY REPORT 2012

I. Important Notes

The Board of Directors, the Supervisory Committee and the directors, supervisors and senior management of Shenzhen Special Economic Zone Real Estate & Properties (Group) Co., Ltd. (hereinafter referred to as “the Company”) hereby guarantee that this report does not contain any false information, misleading statements or material omissions, and accept, individually and collectively, the responsibility for the factuality, accuracy and completeness of this report.

All directors attended the board session for reviewing this report.

Zhou Jianguo, Person-in-charge of the Company, Chen Maozheng, Person-in-charge of the accounting work, and Tang Xiaoping, Person-in-charge of the accounting organ hereby confirm the factuality and completeness of the Financial Report in this quarterly report.

II. Company Profile

(I) Major accounting data and financial indexes

Any retrospective adjustment in previous financial statements?

Yes No Inapplicable

| | 30 Sept. 2012 | 31 Dec. 2011 | Increase/decrease (%) | |
|---|------------------|---------------------------|-----------------------|---------------------------|
| Total assets (RMB Yuan) | 3,495,348,805.51 | 3,236,127,046.06 | 8.01% | |
| Owners' equity attributable to shareholders of the Company (RMB Yuan) | 1,591,794,557.67 | 1,528,596,536.13 | 4.13% | |
| Share capital (share) | 1,011,660,000.00 | 1,011,660,000.00 | 0% | |
| Net assets per share attributable to shareholders of the Company (RMB Yuan/share) | 1.5734 | 1.511 | 4.13% | |
| | Jul.-Sept. 2012 | YoY increase/decrease (%) | Jan.-Sept. 2012 | YoY increase/decrease (%) |
| Gross operating revenues (RMB Yuan) | 260,092,023.21 | 7.42% | 707,456,226.28 | -11.13% |
| Net profit attributable to shareholders of the Company (RMB Yuan) | 23,328,496.44 | 4.16% | 63,412,594.53 | -26.86% |
| Net cash flow from operating activities (RMB Yuan) | -- | -- | -194,934,163.92 | -331.46% |
| Net cash flow per share from operating activities (RMB Yuan/share) | -- | -- | -0.1927 | -331.46% |
| Basic EPS (RMB Yuan/share) | 0.02 | 4.16% | 0.0627 | -26.86% |
| Diluted EPS (RMB Yuan/share) | 0.02 | 4.16% | 0.0627 | -26.86% |
| Weighted average ROE (%) | 1.48% | 0.01% | 4.06% | 1.83% |
| Weighted average ROE after deducting non-recurring gains | 1.48% | 0.01% | 4.07% | 1.76% |

| | | | | |
|----------------|--|--|--|--|
| and losses (%) | | | | |
|----------------|--|--|--|--|

Items of non-recurring gains and losses

√Applicable □Inapplicable

| Item | Amount during Jan.-Sept. 2012 (RMB Yuan) | Notes |
|---|--|------------------------------------|
| Gains and losses on disposal of non-current assets | 5,516.57 | Disposal of fixed assets |
| Tax rebate, reduction or exemption due to un-authorized approval or the lack of formal approval documents | | |
| Government grants recognized in the current year, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards | | |
| Capital occupation fees received from non-financial enterprises that are included in current gains and losses | | |
| Gains generated when the investment costs of the Company's acquiring subsidiaries, associates and joint ventures are less than the fair value of identifiable net assets in the investees attributable to the Company in the acquisition of the investments | | |
| Exchange gains and losses of non-monetary assets | | |
| Gains and losses through entrusting others to invest or manage assets | | |
| Various asset impairment provisions due to acts of God such as natural disasters | | |
| Gains and losses on debt restructuring | | |
| Enterprise reorganization expenses, such as expenses on employee settlement and integration | | |
| Gains and losses on the parts exceeding the fair value when prices of transactions become unfair | | |
| Net current gains and losses from the period-begin to the combination date of subsidiaries due to business combinations under the same control | | |
| Gains and losses on contingent matters which are irrelevant to the normal operation of the Company | | |
| Gains and losses on fair value changes of transactional financial assets and liabilities, and investment gains on disposal of transactional financial assets and liabilities and available-for-sale financial assets, except for the effective hedging business related to the Company's normal operation | | |
| Reversal of impairment provisions for accounts receivable which are separately tested for impairment signs | | |
| Gains and losses on entrustment loans from external parties | | |
| Gains and losses on fair value changes of investing properties for which the fair value method is adopted for subsequent measurement | | |
| Current gain and loss effect due to a just-for-once adjustment to current gains and losses according to requirements of taxation and accounting laws and regulations | | |
| Custodian fee income from entrusted operations with the Company | | |
| Other non-operating incomes and expenses besides the items above | -94,705.60 | Compensation and donation expenses |
| Other gain and loss items that meet the definition of non-recurring gains and losses | | |

| | | |
|----------------------------|------------|----|
| Minority interests effects | | |
| Income tax effects | 18,489.51 | |
| | | |
| Total | -70,699.52 | -- |

“Other gain and loss items that meet the definition of non-recurring gains and losses” & non-recurring gain and loss items recognized as recurring gain and loss items according to the natures and characteristics of the Company’s normal business

| Item | Involved amount (RMB Yuan) | Notes |
|------|----------------------------|-------|
| | | |

(II) Total number of shareholders and top 10 shareholders at the period-end

| Total number of shareholders | | | |
|---|--|------------------------------------|-------------|
| Particulars about shares held by the top ten shareholders holding tradable shares | | | |
| Name of shareholder | Number of tradable shares held at period-end | Type and number of shares | |
| | | Type | Number |
| SHENZHEN INVESTMENT HOLDINGS CO., LTD | 642,884,262 | RMB ordinary shares | 642,884,262 |
| JING JIANJUN | 1,750,000 | RMB ordinary shares | 1,750,000 |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | 1,559,050 | Domestically listed foreign shares | 1,559,050 |
| WANG ZHONGMING | 1,095,808 | Domestically listed foreign shares | 1,095,808 |
| WU HAOYUAN | 1,092,100 | Domestically listed foreign shares | 1,092,100 |
| XUE HAOYUAN | 894,956 | RMB ordinary shares | 894,956 |
| PENG QIONGHUI | 890,399 | RMB ordinary shares | 890,399 |
| YANG MIANWA | 826,574 | RMB ordinary shares | 826,574 |
| AGRICULTURAL BANK OF CHINA—CHINA SOUTHERN CHINA SECURITIES 500 INDEX FUND (LOF) | 823,159 | RMB ordinary shares | 823,159 |
| XU TAIYING | 780,000 | RMB ordinary shares | 780,000 |
| Particulars about shareholders | | | |

III. Significant Events

(I) Significant changes in major accounting data, financial highlights and reasons for these changes

√Applicable □Inapplicable

Unit: RMB Yuan

| Items | Closing amount | Opening amount at the year-begin | Increase/decrease (%) | Reasons for changes |
|-----------------------|----------------|----------------------------------|-----------------------|---|
| Prepayments | 75,766,197.79 | 44,871,783.45 | 68.85% | More prepayments for construction |
| Short-term borrowings | 26,000,000.00 | 20,000,000.00 | 30.00% | The subsidiary Shenzhen Zhentong Engineering Co., Ltd. secured more short-term borrowings from banks. |

| | | | | |
|--|------------------------|------------------------|------------------------------|---|
| Payroll payable | 24,413,088.40 | 36,389,941.35 | -32.91% | Salaries for last year were paid. |
| Taxes and fares payable | -3,117,666.96 | 2,969,643.65 | -204.98% | The corporate income tax for last year was paid, the business tax and surtax on the house payments received in advance were prepaid, and land VAT was prepaid according to the pre-levy rate. |
| Long-term borrowings | 667,755,176.29 | 299,621,374.64 | 122.87% | The Company secured new long-term borrowings from Shenzhen Rural Commercial Bank, the Bank of East Asia, Huaxia Bank, China Construction Bank and Industrial and Commercial Bank of China. |
| | Jan.-Sept. 2012 | Jan.-Sept. 2011 | Increase/decrease (%) | Reasons for changes |
| Selling expenses | 8,943,293.19 | 6,776,433.17 | 31.98% | More expenses on project promotion |
| Non-operating income | 76,292.34 | 1,183,641.61 | -93.55% | Default fine income on house payments receivable decreased over the same period of last year. |
| Other comprehensive income | -306,532.84 | 3,437,912.05 | -108.92% | Translation difference of foreign-currency statements decreased due to changes of exchange rates. |
| Cash paid for goods and services | 662,848,364.31 | 488,929,051.18 | 35.57% | The SPG Chuanqi Mountain project and the SPG Shanglin Garden project of the Company both started construction within this year. As a result, payments for construction increased over the same period of last year. |
| Net cash flows from operating activities | -194,934,163.92 | 84,217,559.08 | -331.46% | |
| Net cash flows from financing activities | 223,764,962.08 | -128,566,830.10 | 274.05% | New bank borrowings |

(II) Progress of significant events and its influence, as well as the analysis and explanation on solutions

1. About non-standard audit opinion

Applicable Inapplicable

2. The Company offers capital to the controlling shareholder or its related parties or provides external guarantees in violation of the prescribed procedures.

Applicable Inapplicable

3. Signing and execution of significant contracts concerning routine operation

Applicable Inapplicable

4. Others

Applicable Inapplicable

(III) Commitments of the Company or shareholders with an over 5% shareholding made in or carried down into the reporting period

Applicable Inapplicable

(IV) Predict the 2012 annual operating results

Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next reporting period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

(V) Other significant events that need to be explained

1. Securities investment

Applicable Inapplicable

2. Investments in derivatives

Applicable Inapplicable

3. Derivative investments held at the period-end

Applicable Inapplicable

4. Researches, visits and interviews received in the reporting period

| Time of reception | Place of reception | Way of reception | Visitor type | Visitor | Main discussion and materials provided by the Company |
|-------------------|--------------------|------------------|--------------|---------------------|--|
| 19 Jul. 2012 | Company Office | By phone | Individual | Individual investor | Inquiring about the Company's operating situation in the first half year of 2012, with no written materials being provided by the Company |
| 31 Aug. 2012 | Company Office | By phone | Individual | Individual investor | Exchanging opinions on relevant information disclosed in the semi-annual report 2012, with no written materials being provided by the Company |
| 5 Sept. 2012 | Company Office | By phone | Individual | Individual investor | Inquiring about data in the semi-annual report 2012 and progress of investment projects, with no written materials being provided by the Company |

| | | | | | |
|---------------|----------------|----------|------------|---------------------|--|
| 28 Sept. 2012 | Company Office | By phone | Individual | Individual investor | Inquiring about the progress of the Company's SPG Chuanqi Mountain project and its presale time, with no written materials being provided by the Company |
|---------------|----------------|----------|------------|---------------------|--|

5. Corporate bonds issued

Any corporate bonds issued?

Yes No

IV. Appendix

(I) Financial statements

Consolidated statements or not?

Yes No Inapplicable

The currency unit for data of the financial statements below is RMB Yuan unless otherwise specified.

1. Consolidated balance sheet

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Balance as at 30 Sept. 2012 | Balance as at 30 Jun. 2012 |
|---|-----------------------------|----------------------------|
| Current Assets: | | |
| Monetary funds | 358,510,188.43 | 333,469,243.72 |
| Settlement reserves | | |
| Intra-group lendings | | |
| Transactional financial assets | | |
| Notes receivable | | |
| Accounts receivable | 21,120,065.26 | 19,139,800.22 |
| Accounts paid in advance | 75,766,197.79 | 44,871,783.45 |
| Premiums receivable | | |
| Reinsurance premiums receivable | | |
| Receivable reinsurance contract reserves | | |
| Interest receivable | | 341,000.00 |
| Dividend receivable | | |
| Other accounts receivable | 56,081,589.71 | 46,087,935.04 |
| Financial assets purchased under agreements to resell | | |
| Inventories | 2,341,818,988.65 | 2,132,760,206.58 |
| Non-current assets due within 1 year | | |
| Other current assets | | |
| Total current assets | 2,853,297,029.84 | 2,576,669,969.01 |
| Non-current assets: | | |
| Loans by mandate and advances granted | | |

| | | |
|--|------------------|------------------|
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |
| Long-term accounts receivable | | |
| Long-term equity investment | 63,346,188.26 | 63,346,188.26 |
| Investing property | 492,921,435.47 | 508,001,693.51 |
| Fixed assets | 58,974,013.16 | 60,918,611.65 |
| Construction in progress | | |
| Engineering materials | | |
| Disposal of fixed assets | | |
| Production biological assets | | |
| Oil-gas assets | | |
| Intangible assets | 5,964,501.74 | 6,196,086.71 |
| R&D expense | | |
| Goodwill | | |
| Long-term deferred expenses | 442,404.21 | 591,264.09 |
| Deferred income tax assets | 20,403,232.83 | 20,403,232.83 |
| Other non-current assets | | |
| Total of non-current assets | 642,051,775.67 | 659,457,077.05 |
| Total assets | 3,495,348,805.51 | 3,236,127,046.06 |
| Current liabilities: | | |
| Short-term borrowings | 26,000,000.00 | 20,000,000.00 |
| Borrowings from Central Bank | | |
| Customer bank deposits and due to banks and other financial institutions | | |
| Intra-group borrowings | | |
| Transactional financial liabilities | | |
| Notes payable | | |
| Accounts payable | 83,657,768.14 | 109,202,474.18 |
| Accounts received in advance | 216,424,062.34 | 258,976,095.57 |
| Financial assets sold for repurchase | | |
| Handling charges and commissions payable | | |
| Employee's compensation payable | 24,413,088.40 | 36,389,941.35 |
| Tax payable | -3,117,666.96 | 2,969,643.65 |
| Interest payable | 16,535,277.94 | 16,535,277.94 |
| Dividend payable | | |
| Other accounts payable | 390,908,207.38 | 384,721,231.13 |
| Reinsurance premiums payable | | |
| Insurance contract reserves | | |
| Payables for acting trading of securities | | |
| Payables for acting underwriting of securities | | |
| Non-current liabilities due within 1 year | 598,162,578.73 | 697,095,738.47 |
| Other current liabilities | | |
| Total current liabilities | 1,352,983,315.97 | 1,525,890,402.29 |
| Non-current liabilities: | | |
| Long-term borrowings | 667,755,176.29 | 299,621,374.64 |

| | | |
|---|------------------|------------------|
| Bonds payable | | |
| Long-term payables | 11,128,032.45 | 10,308,648.22 |
| Specific payables | | |
| Estimated liabilities | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 678,883,208.74 | 309,930,022.86 |
| Total liabilities | 2,031,866,524.71 | 1,835,820,425.15 |
| Owners' equity (or shareholders' equity) | | |
| Paid-up capital (or share capital) | 1,011,660,000.00 | 1,011,660,000.00 |
| Capital reserves | 978,244,858.10 | 978,244,858.10 |
| Less: Treasury stock | | |
| Specific reserves | | |
| Surplus reserves | 4,974,391.15 | 4,974,391.15 |
| Provisions for general risks | | |
| Retained profits | -412,556,354.36 | -475,968,948.89 |
| Foreign exchange difference | 9,471,662.78 | 9,686,235.77 |
| Total equity attributable to owners of the Company | 1,591,794,557.67 | 1,528,596,536.13 |
| Minority interests | -128,312,276.87 | -128,289,915.22 |
| Total owners' (or shareholders') equity | 1,463,482,280.80 | 1,400,306,620.91 |
| Total liabilities and owners' (or shareholders') equity | 3,495,348,805.51 | 3,236,127,046.06 |

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

2. Balance sheet of the Company

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Balance as at 30 Sept. 2012 | Balance as at 30 Jun. 2012 |
|--------------------------------------|-----------------------------|----------------------------|
| Current Assets: | | |
| Monetary funds | 190,775,810.22 | 153,281,158.51 |
| Transactional financial assets | | |
| Notes receivable | | |
| Accounts receivable | 4,467,266.68 | 4,484,384.86 |
| Accounts paid in advance | 3,860,435.00 | 1,664,400.00 |
| Interest receivable | | 341,000.00 |
| Dividend receivable | | |
| Other accounts receivable | 370,628,734.73 | 305,330,386.21 |
| Inventories | 1,725,786,632.70 | 1,522,326,774.87 |
| Non-current assets due within 1 year | | |
| Other current assets | | |
| Total current assets | 2,295,518,879.33 | 1,987,428,104.45 |
| Non-current assets: | | |
| Available-for-sale financial assets | | |
| Held-to-maturity investments | | |

| | | |
|---|------------------|------------------|
| Long-term accounts receivable | | |
| Long-term equity investment | 286,516,902.86 | 286,516,902.86 |
| Investing property | 431,058,493.65 | 444,953,535.87 |
| Fixed assets | 34,494,490.55 | 36,367,166.98 |
| Construction in progress | | |
| Engineering materials | | |
| Disposal of fixed assets | | |
| Production biological assets | | |
| Oil-gas assets | | |
| Intangible assets | 351,966.74 | 426,066.71 |
| R&D expense | | |
| Goodwill | | |
| Long-term deferred expenses | 203,588.70 | 245,986.35 |
| Deferred income tax assets | 6,814.20 | 6,814.20 |
| Other non-current assets | | |
| Total of non-current assets | 752,632,256.70 | 768,516,472.97 |
| Total assets | 3,048,151,136.03 | 2,755,944,577.42 |
| Current liabilities: | | |
| Short-term borrowings | | |
| Transactional financial liabilities | | |
| Notes payable | | |
| Accounts payable | 26,178,616.31 | 18,844,767.78 |
| Accounts received in advance | 8,177,610.30 | 12,627,059.60 |
| Employee's compensation payable | 6,577,593.31 | 10,393,956.41 |
| Tax payable | 2,350,912.84 | 1,636,872.67 |
| Interest payable | 16,535,277.94 | 16,535,277.94 |
| Dividend payable | | |
| Other accounts payable | 604,346,332.71 | 625,106,207.82 |
| Non-current liabilities due within 1 year | 598,162,578.73 | 557,095,738.47 |
| Other current liabilities | | |
| Total current liabilities | 1,262,328,922.14 | 1,242,239,880.69 |
| Non-current liabilities: | | |
| Long-term borrowings | 567,755,176.29 | 299,621,374.64 |
| Bonds payable | | |
| Long-term payables | | |
| Specific payables | | |
| Estimated liabilities | | |
| Deferred income tax liabilities | | |
| Other non-current liabilities | | |
| Total non-current liabilities | 567,755,176.29 | 299,621,374.64 |
| Total liabilities | 1,830,084,098.43 | 1,541,861,255.33 |
| Owners' equity (or shareholders' equity) | | |
| Paid-up capital (or share capital) | 1,011,660,000.00 | 1,011,660,000.00 |
| Capital reserves | 978,244,858.10 | 978,244,858.10 |
| Less: Treasury stock | | |
| Specific reserves | | |

| | | |
|---|------------------|------------------|
| Surplus reserves | | |
| Provisions for general risks | | |
| Retained profits | -771,837,820.50 | -775,821,536.01 |
| Foreign exchange difference | | |
| Total owners' (or shareholders') equity | 1,218,067,037.60 | 1,214,083,322.09 |
| Total liabilities and owners' (or shareholders') equity | 3,048,151,136.03 | 2,755,944,577.42 |

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

3. Consolidated income statement for the reporting period

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jul.-Sept. 2012 | Jul.-Sept. 2011 |
|--|-----------------|-----------------|
| I. Total operating revenues | 260,092,023.21 | 242,120,819.58 |
| Including: Sales income | 260,092,023.21 | 242,120,819.58 |
| Interest income | | |
| Premium income | | |
| Handling charge and commission income | | |
| II. Total operating cost | 229,692,873.52 | 211,653,234.88 |
| Including: Cost of sales | 198,307,415.26 | 159,563,211.24 |
| Interest expenses | | |
| Handling charge and commission expenses | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount withdrawn for the insurance contract reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium | | |
| Taxes and associate charges | 13,766,085.08 | 35,790,611.07 |
| Selling and distribution expenses | 2,686,916.96 | 2,552,854.55 |
| Administrative expenses | 13,902,482.50 | 14,791,327.12 |
| Financial expenses | 1,029,973.72 | -1,044,769.10 |
| Asset impairment loss | | |
| Add: Gain/(loss) from change in fair value ("-" means loss) | 0.00 | -5,485.30 |
| Gain/(loss) from investment ("-" means loss) | 0.00 | 30,596.18 |
| Including: share of profits in associates and joint ventures | | |
| Foreign exchange gains ("-" means loss) | | |
| III. Business profit ("-" means loss) | 30,399,149.69 | 30,492,695.58 |
| Add: non-operating income | 13,330.50 | 45,620.60 |
| Less: non-operating expense | 116,923.10 | 6,508.90 |
| Including: loss from non-current | 12,306.83 | 38,244.79 |

| | | |
|--|---------------|---------------|
| asset disposal | | |
| IV. Total profit (“-” means loss) | 30,295,557.09 | 30,531,807.28 |
| Less: Income tax expense | 6,921,279.56 | 8,085,616.39 |
| V. Net profit (“-” means loss) | 23,374,277.53 | 22,446,190.89 |
| Including: Net profit achieved by combined parties before the combinations | 0.00 | 0.00 |
| Attributable to owners of the Company | 23,328,496.44 | 22,396,801.90 |
| Minority shareholders’ income | 45,781.09 | 49,388.99 |
| VI. Earnings per share | -- | -- |
| (I) Basic earnings per share | 0.02 | 0.0221 |
| (II) Diluted earnings per share | 0.02 | 0.0221 |
| VII. Other comprehensive incomes | -230,313.25 | 1,494,654.45 |
| VIII. Total comprehensive incomes | 23,143,964.28 | 23,940,845.34 |
| Attributable to owners of the Company | 23,159,028.66 | 23,421,386.10 |
| Attributable to minority shareholders | -15,064.38 | 519,459.24 |

Where business mergers under the same control occurred in this reporting period, the net profit achieved by the merged parties before the business mergers was RMB 0.

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

4. Income statement of the Company for the reporting period

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jul.-Sept. 2012 | Jul.-Sept. 2011 |
|--|-----------------|-----------------|
| I. Total sales | 17,438,099.54 | 13,207,661.04 |
| Less: cost of sales | 5,676,010.54 | 6,411,718.51 |
| Business taxes and surcharges | 2,832,560.68 | 2,578,112.02 |
| Distribution expenses | 1,407,623.71 | 99,776.46 |
| Administrative expenses | 6,442,126.39 | 6,512,902.70 |
| Financial costs | -701,658.21 | -1,508,327.07 |
| Impairment loss | | |
| Add: gain/(loss) from change in fair value (“-” means loss) | 0.00 | -5,485.30 |
| Gain/(loss) from investment (“-” means loss) | 0.00 | 5,383.40 |
| Including: income from investment on associates and joint ventures | | |
| II. Business profit (“-” means loss) | 1,781,436.43 | -886,623.48 |
| Add: non-business income | | 0.00 |
| Less: non-business expense | 15,000.00 | 2,000.00 |
| Including: loss from non-current asset disposal | | |
| III. Total profit (“-” means loss) | 1,766,436.43 | -888,623.48 |
| Less: income tax expense | | |
| IV. Net profit (“-” means loss) | 1,766,436.43 | -888,623.48 |
| V. Earnings per share | -- | -- |

| | | |
|---------------------------------|--------------|-------------|
| (I) Basic earnings per share | | |
| (II) Diluted earnings per share | | |
| VI. Other comprehensive income | | |
| VII. Total comprehensive income | 1,766,436.43 | -888,623.48 |

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

5. Consolidated income statement from 1 Jan. 2012 to 30 Sept. 2012

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jan.-Sept. 2012 | Jan.-Sept. 2011 |
|--|-----------------|-----------------|
| I. Total operating revenues | 707,456,226.28 | 796,040,623.55 |
| Including: Sales income | 707,456,226.28 | 796,040,623.55 |
| Interest income | | |
| Premium income | | |
| Handling charge and commission income | | |
| II. Total operating cost | | |
| Including: Cost of sales | 508,790,024.38 | 541,262,724.67 |
| Interest expenses | | |
| Handling charge and commission expenses | | |
| Surrenders | | |
| Net claims paid | | |
| Net amount withdrawn for the insurance contract reserve | | |
| Expenditure on policy dividends | | |
| Reinsurance premium | | |
| Taxes and associate charges | 58,482,168.79 | 85,109,084.35 |
| Selling and distribution expenses | 8,943,293.19 | 6,776,433.17 |
| Administrative expenses | 43,165,905.68 | 45,968,506.87 |
| Financial expenses | 4,449,829.73 | 4,665,784.98 |
| Asset impairment loss | | |
| Add: Gain/(loss) from change in fair value ("-" means loss) | 0.00 | 19,993.75 |
| Gain/(loss) from investment ("-" means loss) | 50,000.00 | 91,195.41 |
| Including: share of profits in associates and joint ventures | | |
| Foreign exchange gains ("-" means loss) | | |
| III. Business profit ("-" means loss) | 83,675,004.51 | 112,369,278.67 |
| Add: non-operating income | 76,292.34 | 1,183,641.61 |
| Less: non-operating expense | 165,481.37 | 190,122.49 |
| Including: loss from non-current asset disposal | 21,482.63 | 38,244.79 |
| IV. Total profit ("-" means loss) | 83,585,815.48 | 113,362,797.79 |
| Less: Income tax expense | 20,103,622.75 | 26,634,173.30 |

| | | |
|--|---------------|---------------|
| V. Net profit (“-” means loss) | 63,482,192.73 | 86,728,624.49 |
| Including: Net profit achieved by combined parties before the combinations | 0.00 | 0.00 |
| Attributable to owners of the Company | 63,412,594.53 | 86,697,661.76 |
| Minority shareholders’ income | 69,598.20 | 30,962.73 |
| VI. Earnings per share | -- | -- |
| (I) Basic earnings per share | 0.0627 | 0.0857 |
| (II) Diluted earnings per share | 0.0627 | 0.0857 |
| VII. Other comprehensive incomes | -306,532.84 | 3,437,912.05 |
| VIII. Total comprehensive incomes | 63,175,659.89 | 90,166,536.54 |
| Attributable to owners of the Company | 63,198,021.54 | 89,082,526.28 |
| Attributable to minority shareholders | -22,361.65 | 1,084,010.26 |

Where business mergers under the same control occurred from 1 Jan. 2012 to 30 Sept. 2012, the net profit achieved by the merged parties before the business mergers was RMB 0.

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

6. Income statement of the Company from 1 Jan. 2012 to 30 Sept. 2012

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jan.-Sept. 2012 | Jan.-Sept. 2011 |
|--|-----------------|-----------------|
| I. Total sales | 52,617,000.78 | 69,381,098.13 |
| Less: cost of sales | 18,749,040.41 | 31,881,465.03 |
| Business taxes and surcharges | 8,340,361.92 | 11,878,802.00 |
| Distribution expenses | 3,591,038.63 | 299,784.94 |
| Administrative expenses | 20,034,755.36 | 19,972,067.63 |
| Financial costs | -2,066,680.05 | 2,641,559.92 |
| Impairment loss | | |
| Add: gain/(loss) from change in fair value (“-” means loss) | 0.00 | 19,993.75 |
| Gain/(loss) from investment (“-” means loss) | 0.00 | -34,017.37 |
| Including: income from investment on associates and joint ventures | | |
| II. Business profit (“-” means loss) | 3,968,484.51 | 2,693,394.99 |
| Add: non-business income | 30,231.00 | 995,716.90 |
| Less: non-business expense | 15,000.00 | 30,910.00 |
| Including: loss from non-current asset disposal | | |
| III. Total profit (“-” means loss) | 3,983,715.51 | 3,658,201.89 |
| Less: income tax expense | | |
| IV. Net profit (“-” means loss) | 3,983,715.51 | 3,658,201.89 |
| V. Earnings per share | -- | -- |
| (I) Basic earnings per share | | |
| (II) Diluted earnings per share | | |
| VI. Other comprehensive income | | |
| VII. Total comprehensive income | 3,983,715.51 | 3,658,201.89 |

Legal representative: Zhou Jianguo
 Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

7. Consolidated cash flow statement from 1 Jan. 2012 to 30 Sept. 2012

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jan.-Sept. 2012 | Jan.-Sept. 2011 |
|---|-----------------|-----------------|
| I. Cash flows from operating activities: | | |
| Cash received from sale of commodities and rendering of service | 654,720,138.94 | 800,275,647.46 |
| Net increase of deposits from customers and dues from banks | | |
| Net increase of loans from the central bank | | |
| Net increase of funds borrowed from other financial institutions | | |
| Cash received from premium of original insurance contracts | | |
| Net cash received from reinsurance business | | |
| Net increase of deposits of policy holders and investment fund | | |
| Net increase of disposal of tradable financial assets | | |
| Cash received from interest, handling charges and commissions | | |
| Net increase of intra-group borrowings | | |
| Net increase of funds in repurchase business | | |
| Tax refunds received | | |
| Other cash received relating to operating activities | 61,616,695.25 | 54,674,542.89 |
| Subtotal of cash inflows from operating activities | 716,336,834.19 | 854,950,190.35 |
| Cash paid for goods and services | 662,848,364.31 | 488,929,051.18 |
| Net increase of customer lendings and advances | | |
| Net increase of funds deposited in the central bank and amount due from banks | | |
| Cash for paying claims of the original insurance contracts | | |
| Cash for paying interest, handling charges and commissions | | |
| Cash for paying policy dividends | | |
| Cash paid to and for employees | 79,966,576.87 | 90,372,640.81 |
| Various taxes paid | 88,014,987.65 | 89,254,865.36 |
| Other cash payment relating to operating activities | 80,441,069.28 | 102,176,073.92 |
| Subtotal of cash outflows from operating activities | 911,270,998.11 | 770,732,631.27 |
| Net cash flows from operating activities | -194,934,163.92 | 84,217,559.08 |
| II. Cash flows from investing activities: | | |

| | | |
|---|----------------|-----------------|
| Cash received from withdrawal of investments | | |
| Cash received from return on investments | 0.00 | 175,000.00 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 16,500.00 | 46,960.00 |
| Net cash received from disposal of subsidiaries or other business units | | |
| Other cash received relating to investing activities | | |
| Subtotal of cash inflows from investing activities | 16,500.00 | 221,960.00 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 4,163,753.00 | 4,427,565.95 |
| Cash paid for investment | | |
| Net increase of pledged loans | | |
| Net cash paid to acquire subsidiaries and other business units | | |
| Other cash payments relating to investing activities | | |
| Subtotal of cash outflows from investing activities | 4,163,753.00 | 4,427,565.95 |
| Net cash flows from investing activities | -4,147,253.00 | -4,205,605.95 |
| III. Cash Flows from Financing Activities: | | |
| Cash received from capital contributions | | |
| Including: Cash received from minority shareholder investments by subsidiaries | | |
| Cash received from borrowings | 576,000,000.00 | 20,000,000.00 |
| Cash received from issuance of bonds | | |
| Other cash received relating to financing activities | | |
| Subtotal of cash inflows from financing activities | 576,000,000.00 | 20,000,000.00 |
| Repayment of borrowings | 301,272,355.34 | 95,320,066.50 |
| Cash paid for interest expenses and distribution of dividends or profit | 50,962,682.58 | 51,246,252.40 |
| Including: dividends or profit paid by subsidiaries to minority shareholders | | |
| Other cash payments relating to financing activities | | 2,000,511.20 |
| Sub-total of cash outflows from financing activities | 352,235,037.92 | 148,566,830.10 |
| Net cash flows from financing activities | 223,764,962.08 | -128,566,830.10 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | 357,399.55 | -1,665,865.53 |
| V. Net increase in cash and cash equivalents | 25,040,944.71 | -50,220,742.50 |
| Add: Opening balance of cash and cash equivalents | 324,967,185.86 | 379,720,636.21 |
| VI. Closing balance of cash and cash equivalents | 350,008,130.57 | 329,499,893.71 |

Legal representative: Zhou Jianguo
 Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

8. Cash flow statement of the Company from 1 Jan. 2012 to 30 Sept. 2012

Prepared by: Shenzhen Special Economic Zone Real & Properties (Group) Co., Ltd.

Unit: RMB Yuan

| Item | Jan.-Sept. 2012 | Jan.-Sept. 2011 |
|---|-----------------|-----------------|
| I. Cash flows from operating activities: | | |
| Cash received from sale of commodities and rendering of service | 48,007,162.14 | 78,831,144.03 |
| Tax refunds received | | |
| Other cash received relating to operating activities | 305,701,687.85 | 123,249,787.25 |
| Subtotal of cash inflows from operating activities | 353,708,849.99 | 202,080,931.28 |
| Cash paid for goods and services | 215,887,260.25 | 65,684,509.66 |
| Cash paid to and for employees | 24,035,928.18 | 28,498,782.65 |
| Various taxes paid | 11,340,345.22 | 17,367,581.97 |
| Other cash payment relating to operating activities | 328,004,129.50 | 54,723,251.39 |
| Subtotal of cash outflows from operating activities | 579,267,663.15 | 166,274,125.67 |
| Net cash flows from operating activities | -225,558,813.16 | 35,806,805.61 |
| II. Cash flows from investing activities: | | |
| Cash received from retraction of investments | | |
| Cash received from return on investments | 0.00 | 75,000.00 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| Net cash received from disposal of subsidiaries or other business units | | |
| Other cash received relating to investing activities | | |
| Subtotal of cash inflows from investing activities | 0.00 | 75,000.00 |
| Cash paid to acquire fixed assets, intangible assets and other long-term assets | 448,597.00 | 766,849.77 |
| Cash paid for investment | | |
| Net cash paid to acquire subsidiaries and other business units | | |
| Other cash payments relating to investing activities | | |
| Subtotal of cash outflows from investing activities | 448,597.00 | 766,849.77 |
| Net cash flows from investing activities | -448,597.00 | -691,849.77 |
| III. Cash Flows from Financing Activities: | | |
| Cash received from capital contributions | | |
| Cash received from borrowings | | |
| Cash received from issuance of bonds | 450,000,000.00 | 0.00 |

| | | |
|--|----------------|----------------|
| Other cash received relating to financing activities | 0.00 | 0.00 |
| Subtotal of cash inflows from financing activities | 450,000,000.00 | 0.00 |
| Repayment of borrowings | 141,272,355.34 | 20,520,066.50 |
| Cash paid for interest expenses and distribution of dividends or profit | 45,225,318.69 | 38,717,621.21 |
| Other cash payments relating to financing activities | 0.00 | 2,000,511.20 |
| Sub-total of cash outflows from financing activities | 186,497,674.03 | 61,238,198.91 |
| Net cash flows from financing activities | 263,502,325.97 | -61,238,198.91 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | -264.10 | -616.01 |
| V. Net increase in cash and cash equivalents | 37,494,651.71 | -26,123,859.08 |
| Add: Opening balance of cash and cash equivalents | 144,779,100.65 | 191,108,590.15 |
| VI. Closing balance of cash and cash equivalents | 182,273,752.36 | 164,984,731.07 |

Legal representative: Zhou Jianguo
Chief of the accounting division: Tang Xiaoping

Person-in-charge of the accounting work: Wei Hanping

(II) Audit report

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|-------------------------|--|
| Auditor's opinion | |
| Summary of audit report | |