



**Ying Li International Real Estate Ltd** (Formerly known as Showy International Ltd)  
(Company Registration No: 199106356W)

**Financial Statement Announcement for Second Quarter and Half Year ending 30 June 2009**

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

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

	<b>Group</b>					
	2nd Qtr	2nd Qtr	Increase /	Jan to June	Jan to June	Increase /
	2009	2008	(Decrease)	2009	2008	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
					<b>Note 1</b>	
<b>Revenue</b>	<b>34,443</b>	<b>16,227</b>	112%	62,275	<b>16,227</b>	284%
Cost of sales	(21,065)	(5,244)	302%	(36,813)	(5,244)	602%
<b>Gross profit</b>	<b>13,378</b>	<b>10,983</b>	22%	<b>25,462</b>	<b>10,983</b>	132%
Other income	296	499,389	(100%)	438	509,827	(100%)
Selling expenses	(1,280)	(881)	45%	(1,621)	(881)	84%
Administrative expenses	(6,808)	(2,939)	132%	(15,408)	(2,939)	424%
Fair value gain on investment properties	-	566	(100%)	-	566	(100%)
Finance costs	(3,581)	(37)	n.m	(5,998)	(37)	n.m
Other operating expenses	-	(12,720)	(100%)	(23)	(12,720)	(100%)
<b>Profit before Income Tax</b>	<b>2,005</b>	<b>494,361</b>	(100%)	<b>2,850</b>	<b>504,799</b>	(99%)
Taxation	(1,808)	(2,970)	(39%)	(2,640)	(2,970)	(11%)
<b>Profit for the period</b>	<b>197</b>	<b>491,391</b>	(100%)	<b>210</b>	<b>501,829</b>	(100%)
Translation differences	(2,659)	17,146	(116%)	(2,835)	10,659	(127%)
<b>Total comprehensive income for the period</b>	<b>(2,462)</b>	<b>508,537</b>	(101%)	<b>(2,625)</b>	<b>512,488</b>	(101%)
<b>Profit attributable to:</b>						
Owners of the parent (Note 2)	278	491,391	(100%)	751	501,829	(100%)
Minority interests (MI) (Note 3)	(81)	-	(100%)	(541)	-	(100%)
	<b>197</b>	<b>491,391</b>	(100%)	<b>210</b>	<b>501,829</b>	(100%)
<b>Total comprehensive income attributable to:</b>						
Owners of the parent (Note 2)	(2,381)	508,537	(101%)	(2,084)	512,488	(100%)
Minority interests (MI) (Note 3)	(81)	-	(100%)	(541)	-	(100%)
	<b>(2,462)</b>	<b>508,537</b>	(101%)	<b>(2,625)</b>	<b>512,488</b>	(101%)

n.m - not meaningful

Note:

*Note 1* - Chongqing Yingli became a subsidiary on the 12 Mar 2008. Prior to that date, it was an associated company.

*Note 2* - Following the restructuring exercise in 2008, the minority shareholders of Chongqing Yingli has agreed to waive all its rights to dividends and/or other distributions (whether in the form of cash or as distributions in specie save for bonus shares) declared by the Company out of its retained earnings or profits in any particular financial year to its shareholders. Therefore, no minority interest is recognised at the group level.

*Note 3* - The minority interest for the period arises due to share of loss for the Sanyawan. San Ya Wan became a subsidiary of Chongqing Yingli on 14 May 08. Subsequently, Chongqing Yingli increased its shareholding in San Ya Wan from 69% to 80% on 4 December 2008.

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

	Group		Company	
	30-Jun-09 RMB ('000)	31-Dec-08 RMB ('000)	30-Jun-09 RMB ('000)	31-Dec-08 RMB ('000)
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	4,201	3,749	200	16
Investment in subsidiaries	-	-	2,826,719	2,768,751
Investment properties	1,279,949	1,279,949	-	-
<b>Total non-current assets</b>	<b>1,284,150</b>	<b>1,283,698</b>	<b>2,826,919</b>	<b>2,768,767</b>
<b>Current assets:</b>				
Land for development	604,257	572,736	-	-
Development properties	84,623	105,550	-	-
Trade and other receivables	58,360	24,151	3,140	2,797
Cash at bank - restricted	40,295	18,160	-	-
Cash and cash equivalents	15,448	81,982	6,370	25,860
<b>Total current assets</b>	<b>802,983</b>	<b>802,579</b>	<b>9,510</b>	<b>28,657</b>
<b>Total assets</b>	<b>2,087,133</b>	<b>2,086,277</b>	<b>2,836,429</b>	<b>2,797,424</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves:</b>				
Capital contribution	2,637,682	2,637,682	2,637,682	2,637,682
Reverse acquisition reserve	(2,423,874)	(2,423,874)	-	-
Other reserve	430,163	430,163	-	-
Statutory common reserve	6,232	6,232	-	-
Share option reserve	440	-	440	-
Exchange fluctuation reserve	7,055	9,890	(2,144)	428
Retained profits	626,931	626,179	7,627	4,000
	<b>1,284,629</b>	<b>1,286,272</b>	<b>2,643,605</b>	<b>2,642,110</b>
<b>Minority interests</b>	<b>22,713</b>	<b>23,254</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>1,307,342</b>	<b>1,309,526</b>	<b>2,643,605</b>	<b>2,642,110</b>
<b>Non-current liabilities:</b>				
Deferred taxation	190,676	190,676	-	-
Bank borrowings	241,165	269,250	-	-
<b>Total non-current liabilities</b>	<b>431,841</b>	<b>459,926</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade and other payables	179,973	208,131	23,584	155,314
Amount owing to a director	11,900	11,905	-	-
Amount owing to a subsidiary	-	-	129,879	-
Provision for taxation	71,046	68,619	-	-
Bank borrowings	85,031	28,170	39,361	-
<b>Total current liabilities</b>	<b>347,950</b>	<b>316,825</b>	<b>192,824</b>	<b>155,314</b>
<b>Total equity and liabilities</b>	<b>2,087,133</b>	<b>2,086,277</b>	<b>2,836,429</b>	<b>2,797,424</b>

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

	<b>Group</b>			
	30-Jun-09		31-Dec-08	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Amount repayable in one year or less, or on demand	85,031	-	28,170	-
Amount repayable after one year	241,165	-	269,250	-
	<u>326,196</u>	<u>-</u>	<u>297,420</u>	<u>-</u>

**Details of any collateral**

The bank loans are secured by legal mortgage of the Group's investment properties.

Bank loans have an effective interest rate ranging from 6.1% to 18.0%.

Interest rates are repriced every 12 months.

Current bank loans are repayable within 12 months and non-current bank loans are repayable in 1 to 13 years.

Bank borrowings are denominated in RMB and SGD.

A pledge of RMB12.4 million and SGD1 million fixed deposit place with a bank in China and Singapore respectively.

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

	<b>Group</b>			
	2nd Qtr 2009	2nd Qtr 2008	June 2009	June 2008
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
<b>Operating activities</b>	2,005	494,361	2,850	504,799
Profit before taxation				
Adjustments for:				
Depreciation of property, plant and equipment	357	232	589	232
Fair value gain on investment properties	-	(566)	-	(566)
Negative goodwill	-	(485,396)	-	(485,396)
Interest expense	3,581	37	5,998	37
Interest income	(9)	216	(9)	-
Recognition of share option granted	380	-	440	-
Operating profit before working capital charges	6,314	8,885	9,868	19,107
Decrease/ (increase) in development properties	10,200	(3,655)	20,927	(3,655)
Increase in land for development	(11,796)	(101,719)	(23,250)	(101,719)
(Increase)/ decrease in trade and other receivables	(24,946)	29,793	(34,209)	17,103
Increase/ (decrease) in trade and other payables	24,472	(322,125)	(28,163)	(3,604)
Cash generated from / (use in) operations	4,243	(388,821)	(54,827)	(72,768)
Interest paid	(7,641)	(37)	(14,269)	(37)
Interest received	9	(216)	9	-
Income tax paid	-	(2,017)	(212)	(2,017)
Net cash used in operating activities	(3,389)	(391,091)	(69,299)	(74,822)
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	(746)	-	(1,041)	-
Acquisition of San Ya Wan	-	(61,845)	-	(61,845)
Acquisition of Chongqing Yingli	-	149,411	-	(59,316)
Net cash (used in) / generated from investing activities	(746)	87,566	(1,041)	(121,161)
<b>Cash flow from financing activities</b>				
Bank balance subject to restriction	(31,928)	868	(22,135)	868
Proceed from bank loan	-	462,109	58,493	462,109
Repayment of bank loan	(24,426)	(81,842)	(29,717)	(107,517)
Net cash (used in) / generated from financing activities	(56,354)	381,135	6,641	355,460
Exchange translation adjustments	(2,659)	6,486	(2,835)	(1)
Net (decrease) / increase in cash and cash equivalent	(63,148)	84,096	(66,534)	159,477
Cash and cash equivalent at beginning of period	78,596	96,690	81,982	21,309
Cash and cash equivalent at end of period	15,448	180,786	15,448	180,786

- 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 period ended 30 June 2009**

Group	Capital contribution	Reverse acquisition reserve	Capital surplus	Common reserve	Share option reserve	Exchange fluctuation reserve	Retained profits	Total attributable to equity holders of the Parent	Minority Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at January 1, 2009	2,637,682	(2,423,874)	430,163	6,232	-	9,890	626,179	1,286,272	23,254	1,309,526
Total comprehensive income for the period	-	-	-	-	-	(177)	473	296	(459)	(163)
Adjustment from minority interest	-	-	-	-	-	-	134	134	(134)	-
Recognition of share option granted	-	-	-	-	60	-	-	60	-	60
Balance at March 31, 2009	2,637,682	(2,423,874)	430,163	6,232	60	9,713	626,786	1,286,762	22,661	1,309,423
Total comprehensive income for the period	-	-	-	-	-	(2,658)	278	(2,380)	(81)	(2,461)
Adjustment from minority interest	-	-	-	-	-	-	(133)	(133)	133	-
Recognition of share option granted	-	-	-	-	380	-	-	380	-	380
Balance at June 30, 2009	2,637,682	(2,423,874)	430,163	6,232	440	7,055	626,931	1,284,629	22,713	1,307,342

**Statement of Changes in Equity of the Company for the period ended 30 June 2009**

Company	Capital contribution	Reverse acquisition reserve	Capital surplus	Common reserve	Share option reserve	Exchange fluctuation reserve	Retained profits	Total attributable to equity holders of the Parent	Minority Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at January 1, 2009	2,637,682	-	-	-	-	428	4,000	2,642,110	-	2,642,110
Total comprehensive income for the period	-	-	-	-	-	20	(2,431)	(2,411)	-	(2,411)
Recognition of share option granted	-	-	-	-	60	-	-	60	-	60
Balance at March 31, 2009	2,637,682	-	-	-	60	448	1,569	2,639,759	-	2,639,759
Total comprehensive income for the period	-	-	-	-	380	-	-	380	-	380
Recognition of share option granted	-	-	-	-	-	(2,592)	6,058	3,466	-	3,466
Balance at June 30, 2009	2,637,682	-	-	-	440	(2,144)	7,627	2,643,605	-	2,643,605

- 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**

There is no change in the Company's share capital since 31 December 2008.

Pursuant to the Loan and Option Agreement signed with OCBC Bank (the "Lender") for an aggregate amount of S\$13 million (the "Loan") as mentioned in our announcement dated 26 February 2009, an option has been granted to the Lender to subscribe 20,000,000 new shares in the Company at an exercise price of S\$0.279 per share. This Option is exercisable immediately from the date of disbursement of the Loan up until 12 months after the date of repayment or 31 December 2010, whichever is later.

The Option has not been exercised in whole or in part as at 30 June 2009.

The Company does not have any treasury shares as at 30 June 2009.

- 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 year ended 31 December 2008 except for the adoption of the new and revised International Financial Reporting Standards ("IFRS").

- 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.**

During the financial year, the Group and the Company adopted the amendments to IAS 1 (revised) Presentation of Financial Statements and IAS 23 (revised) Borrowing Cost, which took effect from financial year beginning from 1 January 2009.

IAS 1 (revised) – requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Components of comprehensive income are presented in a separate Statement of Comprehensive Income. The "Balance Sheets and Cash Flow Statements" have been re-titled to "Statement of Financial Position" and "Statement of Cash Flows" respectively.

These changes in accounting policies are now assessed to have no material impact to the results or the opening balances of the accumulated profits of the Group and the Company for the financial year ending 31 December 2009.

- 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).**

	<b>Group</b>			
	2nd Qtr	2nd Qtr	YTD	YTD
	2009	2008	2009	2008
<b>Earnings per ordinary share:</b>				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	-	3.87	-	3.95
(ii) On a fully diluted basis (RMB per share)	-	3.87	-	3.95
<b>Number of shares in issue:</b>				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	1,782,149	127,000	1,782,149	127,000
(ii) On a fully diluted basis ('000)	1,783,697	127,000	1,782,997	127,000

Earnings per ordinary share is calculated on the Group profit for the financial periods 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 per ordinary share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares during the financial period under review.

No adjustment is made to the profit for the quarter and the period ended 30 June 2009.

- 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.**

	<b>Group</b>		<b>Company</b>	
	30-Jun-09	31-Dec-08	30-Jun-09	31-Dec-08
Net Assets Value (RMB'000)	1,284,629	1,286,272	2,643,605	2,642,110
Based on existing issued share capital (RMB per share)	0.72	0.72	1.48	1.48
Net Assets Value has been computed based on the share issued of ('000)	1,782,149	1,782,149	1,782,149	1,782,149
Revised Net Assets Value (RMB'000) (Note 1)	3,223,874	3,225,517	2,643,605	2,642,110
Based on existing issued share capital (RMB per share)	1.81	1.81	1.48	1.48

**Note 1:**

Included in the revised calculation is the land revaluation of Chongqing SanYaWan and land for development of RMB 217.4 million and RMB 1,721.8 million respectively used for the purpose of Net Assets Value (NAV) calculation.

- 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:-**
- 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**
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### STATEMENT OF COMPREHENSIVE INCOME

In our industry, the recognition of sales is project driven. Consequently, quarterly results are not a good indication of the trend of profitability.

Revenue	Group					
	2nd Qtr 2009	2nd Qtr 2008	Increase / (Decrease)	Jan to June 2009	Jan to June 2008	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of properties	24,016	5,932	305%	41,233	5,932	595%
Rental income	10,427	10,295	1%	21,042	10,295	104%
	<u>34,443</u>	<u>16,227</u>	112%	<u>62,275</u>	<u>16,227</u>	284%

For the three months ended 30 June 2009, our Group Revenue grew by 112% to RMB34.4 million compared to 2Q08.

The higher revenue was mainly due to contributions from the sale of properties, an increase of 305% from the previous corresponding period. In 2Q09 this revenue was generated from the sale of Future International – RMB18.5 million and Sanyawan (Phase I) – RMB5.5 million. Construction of Sanyawan (Phase I) was substantially completed only in the last quarter of 2008. Sale of properties in 2Q08 relates to Bashu Cambridge.

Rental income in 2Q09 remained stable as expected. The largest part of this income relates to a long term contract with New World Department Store China Ltd. This contract has an annual 3% escalation clause and is applied in October every year.

For the 6 months period ended 30 June 2009, our Group Revenue up 284% to RMB62.3 million. The apparent sharp rise in Revenue was due to the low 1H08 base. Group Revenue of RMB16.2 million in 1H08 only captured part of Chongqing's revenue as Chongqing Yingli was acquired only in March 2008.

Gross profit and margin	Group							
	2nd Qtr 2009		2nd Qtr 2008		Jan to June 2009		Jan to June 2008	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	RMB ('000)
Sale of properties	5,446	22.7%	1,203	20.3%	10,121	24.5%	1,203	20.3%
Rental income	7,932	76.1%	9,780	95.0%	15,341	72.9%	9,780	95.0%
	<u>13,378</u>		<u>10,983</u>		<u>25,462</u>		<u>10,983</u>	

Gross profit in 2Q09 and 1H09 improved by 21.8% and 131.8% to RMB13.3 million and RMB25.5 million respectively.

In 2Q09, gross profit margin for sale of properties improved modestly by 2.4 percentage point to 22.7%. As explained in our 1Q09 results announcement, the low gross margin on sale of properties was due to a condition arising from the purchase of Sanyawan Phase I, which required us to resell part of the development back to the original owners. Gross profit margin arising from rental income declined from an exceptional 95% to 76.1%. The exceptional margin of 95.0% in 2Q08 was due to an adjustment in the immediate aftermath of the asset injection of direct expenses totaling RMB1.83 million but which was only recorded in Q408. If the adjustment had occurred in 2Q08, rental income margin would have been 77.2%.

#### Other income

Other income of RMB499.1 million in 2Q08 relates mainly to the negative goodwill of RMB485.4 million, a non-recurring item.

#### Selling expenses

In 2Q09, the increase in selling expenses of RMB0.4 million relates to expenses incurred in the selling of Sanyawan (Phase I) which was substantially completed only in the last quarter of 2008.



**Administrative expenses**

The increase in administrative expenses in 2Q09 against that of 2Q08 was mainly due to maiden expenses such as directors' remuneration, staff costs, office rental and professional fees incurred by the listed entity after the completion of the Reverse Take Over exercise in September 2008 and the recognition of the additional four months' expenses of Sanyawan which was acquired in May 2008.

**Finance costs**

Finance costs of RMB3.6 million was mainly due to the interest expenses of RMB2.2 million arising from the S\$ loan obtained in March 2009 by the listed entity for the purpose of the development of International Financial Centre ("IFC") as well as an amount of RMB1.4 million incurred on the completed Sanyawan (Phase I) project. In accordance with IAS 23 (revised) *Borrowing Cost*, capitalisation of finance costs incurred for the financing of the development of properties ceased immediately upon substantial completion in the construction of the property.

**Other operating expenses**

Other operating expenses incurred in 2Q08 relates to the charitable donation of RMB7.3 million for the rebuilding of a school which was destroyed by the Sichuan earthquake and the amount of RMB5.2 million being our investment in an associated company written off.

**Income tax**

Income tax expense for 2Q09 was lower compared to 2Q08 due to the absence of consultancy fee income in the current period.

**Profit attributable to owners of the parent**

	<b>Group</b>					
	2nd Qtr	2nd Qtr	Increase /	Jan to June	Jan to June	Increase /
	2009	2008	(Decrease)	2009	2008	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
<b>Profit attributable to:</b>						
Owners of the parent (Note 2)	278	491,391	(100%)	751	501,829	(100%)
Minority interests (MI) (Note 3)	(81)	-	(100%)	(541)	-	(100%)
	<b>197</b>	<b>491,391</b>	<b>(100%)</b>	<b>210</b>	<b>501,829</b>	<b>(100%)</b>

In addition to the non-recurrence of negative goodwill of RMB485.4 million recognised in the previous corresponding period and coupled with the higher administrative expenses and finance costs incurred in 2Q09, profit attributable to shareholders declined from RMB501.8 million in 1H08 to RMB0.75 million in 1H09.

**STATEMENT OF FINANCIAL POSITION**

There have been no significant changes with respect to the Group's Financial Position as at 30 June 2009 as compared to 31 December 2008.

Group's total assets increased by RMB0.8 million from RMB2,086.3 million as at 31 December 2008 to RMB2,087.1 million as at 30 June 2009 mainly due to the development cost for the IFC project.

Group's total liabilities increased by RMB3.1 million from RMB776.7 million as at 31 December 2008 to RMB779.8 million as at 30 June 2009 due to the additional borrowings of RMB58.5 million (S\$13 million) obtained for financing the IFC project offset by the loan repayment of RMB29.7 million, increase of RMB2.4 million in tax provision and a corresponding decrease in trade and other payables of RMB28.1 million.

**STATEMENT OF CASH FLOW**

The decrease in cash and bank balances of RMB63.1 million in 2Q09 was mainly due to the net cash used in operating activities and financing activities of RMB3.4 million and RMB56.3 million respectively.

Net cash used in operating activities relate to the payment of interest expense and changes in working capital while the cash pledge of RMB31.9 million for the additional bank loan obtained and the loan repayment of RMB24.4 million resulted in the net cash used in financing activities.

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

As mentioned in our FY2008 result announcement released on 28 February 2009, there has been no major change in our revenue contribution.

The major contribution of the Company in FY2009 will be from rental income of the investment properties and the revenue from sale of the existing developed properties.

The progress of the International Financial Centre ("IFC") project is on schedule and is expected to be completed at around first half of 2011. As for the extension of Phase 1 of Sanyawan, it is expected to be completed in 4Q09.

**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 injection of the RMB 4 trillion stimulus package by the Chinese government and the reduction of the bank reserve requirement ratio, China achieved a GDP growth of 7.9% in 2Q09 which was better than the economist's forecast of 7.5%.

Chongqing's GDP growth in 1H09 is 12.6%.

Recent announcement of the Chinese government's plan to form China's 4<sup>th</sup> economic region- 西三角经济圈 which comprises of Chongqing, Chengdu and Xian and the establishment of China's 3<sup>rd</sup> new economic zone - 两江新区 in Chongqing is expected to bring positive results to the economy of Chongqing. In the longer term, the proposed establishment of a new railway that will link Chongqing into that of the EU's must also be positive.

The property industry in Chongqing saw traded volume, but not prices, decline significantly. This now appears to have reversed. The total gross floor area (GFA) transacted in 1H09 was approximately 90% of the total GFA transacted in 2008. In addition, transactions in land parcels also doubled the transacted land area of 2.38 million sq m achieved in 1H08.

Further, the Chongqing government's intention to inject approximately RMB32 billion to support the demolition of old buildings with a total GFA of 4 million sq m should provide us, a Company with strong track record in undertaking urban renewal projects, an opportunity to benefit from this exercise.

Having said this, until the IFC is completed, revenues and thus profits are expected to be muted. But, and barring any unforeseen circumstances, the Directors expect the Company to remain profitable in FY 2009.

**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 has been 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(4) 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 second quarter and six months period ended 30 June 2009 financial results to be false or misleading.

ON BEHALF OF THE DIRECTORS

Fang Ming  
Chairman and CEO

Xu Li  
Director

**BY ORDER OF THE BOARD**  
**13 August 2009**