



Ying Li International Real Estate Ltd
(Company Registration No: 199106356W)

Financial Statement Announcement for 3rd Quarter and Nine Months ended 30 September 2010

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.

The Board of Directors announces the unaudited results of the Group for the 3rd quarter and nine months ended 30 September 2010.

	Group					
	3rd Qtr	3rd Qtr	Increase /	Jan to Sep	Jan to Sep	Increase /
	2010	2009	(Decrease)	2010	2009	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	36,794	31,380	17.3%	62,119	93,654	(33.7%)
Cost of sales	(8,669)	(11,414)	(24.0%)	(16,942)	(48,226)	(64.9%)
Gross profit	28,125	19,966	40.9%	45,177	45,428	(0.6%)
Other income	14,638	286	n.m.	16,755	724	n.m.
Selling expenses	(1,772)	(1,202)	47.4%	(4,048)	(2,823)	43.4%
Administrative expenses - Normal recurring	(9,255)	(7,151)	29.4%	(29,500)	(22,558)	30.8%
Administrative expenses - CB related exp/forex	-	-	-	(5,008)	-	n.m.
Finance costs	(18,959)	(2,712)	599.1%	(45,192)	(8,710)	418.9%
Other operating expenses	-	(77)	n.m.	-	(100)	n.m.
Profit/(loss) before Income Tax	12,777	9,110	40.3%	(21,816)	11,961	n.m.
Taxation - Current	(4,844)	(3,752)	29.1%	(6,863)	(6,392)	7.4%
- Deferred	(1,341)	-	n.m.	55	-	n.m.
Profit/(loss) for the period	6,592	5,358	23.0%	(28,624)	5,569	(614.0%)
Foreign currency translation differences(at nil tax)	(4,079)	(1,888)	116.0%	(2,604)	(4,724)	(44.9%)
Total comprehensive income for the period	2,513	3,470	(27.6%)	(31,228)	845	n.m.
Profit attributable to:						
Owners of the parent	5,767	3,819	51.0%	(29,115)	4,572	(736.8%)
Non-Controlling Interest (NCI)	825	1,539	(46.4%)	491	997	(50.8%)
	6,592	5,358	23.0%	(28,624)	5,569	(614.0%)
Total comprehensive income attributable to:						
Owners of the parent	1,688	1,931	(12.6%)	(31,719)	(152)	n.m.
Non-Controlling Interest (NCI)	825	1,539	(46.4%)	491	997	(50.8%)
	2,513	3,470	(27.6%)	(31,228)	845	n.m.

n.m - not meaningful

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-Sep-10 RMB ('000)	31-Dec-09 RMB ('000)	30-Sep-10 RMB ('000)	31-Dec-09 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	18,307	15,803	137	169
Investment in subsidiaries	-	-	2,826,991	2,826,787
Investment properties	1,449,400	1,449,400	-	-
Total non-current assets	1,467,707	1,465,203	2,827,128	2,826,956
Current assets:				
Land for development	812,749	967,521	-	-
Development properties	1,686,561	577,545	933	-
Refundable deposit	-	173,671	-	146,071
Trade and other receivables	40,289	71,968	908	999
Amount due from subsidiaries	-	-	1,350,810	682,658
Cash at bank - restricted	17,616	21,885	-	-
Cash and cash equivalents	905,592	233,282	428,686	30,098
Total current assets	3,462,807	2,045,872	1,781,337	859,826
Total assets	4,930,514	3,511,075	4,608,465	3,686,782
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	3,527,574	3,527,574	3,527,574	3,527,574
Reverse acquisition reserve	(1,993,711)	(1,993,711)	-	-
Statutory common reserve	8,952	8,952	-	-
Convertible bonds equity reserve	49,444	-	49,444	-
Exchange fluctuation reserve	(11,259)	(8,654)	19,547	(4,793)
Retained profits	661,292	690,408	(65,795)	(6,591)
	2,242,292	2,224,569	3,530,770	3,516,190
Non-Controlling Interest	51,440	50,948	-	-
Total equity	2,293,732	2,275,517	3,530,770	3,516,190
Non-current liabilities:				
Deferred taxation	219,065	219,120	-	-
Bank borrowings - secured	659,695	415,860	-	-
Convertible bonds	952,126	-	952,126	-
Total non-current liabilities	1,830,886	634,980	952,126	-
Current liabilities:				
Trade and other payables	723,210	373,383	6,713	140,551
Amount due to a director - non interest bearing	-	11,886	-	-
Amount due to a director - interest bearing	-	30,041	-	30,041
Amount owing to subsidiaries	-	-	118,856	-
Borrowing - unsecured	-	21,700	-	-
Provision for taxation	71,673	80,178	-	-
Bank borrowings - secured	11,013	83,390	-	-
Total current liabilities	805,896	600,578	125,569	170,592
Total equity and liabilities	4,930,514	3,511,075	4,608,465	3,686,782

Notes to Statement of Financial Position

1) Cash at bank - restricted

This relates to money restricted by bank from withdrawals in case of default payment by customers.

2) Trade and other receivable comprises of:

	Group		Company	
	30-Sep-10 RMB ('000)	31-Dec-09 RMB ('000)	30-Sep-10 RMB ('000)	31-Dec-09 RMB ('000)
Trade receivables	8,390	20,276	-	-
Other receivables:				
- Rental deposits	519	497	520	497
- Prepayments	3,022	4,175	346	452
- Staff advances and allowances	178	157	-	-
- Advance to sub-contractors	22,916	41,505	-	-
- Advance to management agents	3,600	4,600	-	-
- Refundable deposits	905	21	-	-
- Others	759	737	42	50
	40,289	71,968	908	999

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

	Group			
	30-Sep-10		31-Dec-09	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Amount repayable in one year or less, or on demand	11,013	-	83,390	63,627
Amount repayable after one year	659,695	952,126	415,860	-
	670,708	952,126	499,250	63,627

Details of any collateral

Secured bank borrowings are generally secured by the legal mortgage of the Group's investment properties.

Secured bank borrowings have an weighted average effective interest rate of 7.72% (2009: 8.12%) per annum at the reporting date. Interest on bank borrowings with variable rate is re-priced every 12 months.

Current bank borrowings are repayable within 12 months from the balance sheet date and non-current bank borrowings are repayable between more than 1 year to 11 years from the balance sheet date.

Unsecured borrowing of RMB952,126,000 relates to S\$200,000,000 4% convertible bonds (the "Bonds") issued on the 3rd March 2010 to fund the acquisition of new development sites, possible strategic investments, joint ventures, offer acquisitions and strategic alliances when appropriate opportunities arise.

The Bonds matures on 3rd March 2015.

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.

	Group			
	3rd Qtr 2010	3rd Qtr 2009	Jan to Sep 2010	Jan to Sep 2009
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit/(loss) before taxation	12,777	9,110	(21,816)	11,961
Adjustments for:				
Depreciation of property, plant and equipment	406	221	1,111	810
Interest expense	18,960	3,108	45,192	9,546
Interest income	(1,129)	(5)	(1,698)	(14)
Loss on disposal of property, plant and equipment	0	67	78	67
Unrealised exchange loss/(gain)	46,736	(1,698)	39,286	(4,394)
Operating profit before working capital charges	77,750	10,803	62,153	17,976
Decrease/(increase) in land for development	(134,540)	(18,920)	732,934	(42,170)
(Increase)/decrease in development properties	(159,050)	(223)	(1,109,016)	20,704
(Increase)/decrease in trade and other receivables	44,773	(192,382)	205,216	(226,604)
Increase/(decrease) in trade and other payables	17,733	110,514	(203,973)	82,466
Cash used in operations	(153,334)	(90,208)	(312,686)	(147,628)
Interest paid	(11,917)	(7,402)	(28,132)	(21,671)
Interest received	1,129	5	1,698	14
Income tax paid	(262)	-	(15,368)	(212)
Net cash used in operating activities	(164,384)	(97,605)	(354,488)	(169,497)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(2,653)	(104)	(3,687)	(1,145)
Net cash used in investing activities	(2,653)	(104)	(3,687)	(1,145)
Cash flow from financing activities				
Bank balance subject to restriction	(6)	22,390	4,269	255
Repayment to a director	(11,776)	(5)	(41,927)	(11)
Proceed from issuance of convertible bonds	-	-	936,911	-
Payment of interest expense on convertible bonds	(19,706)	-	(19,706)	-
Proceeds from issuance of shares	-	165,085	-	165,085
Proceed from bank borrowings	150,000	-	250,000	58,493
Repayment of borrowings	(26,847)	(37,162)	(100,242)	(66,879)
Net cash generated from financing activities	91,665	150,308	1,029,305	156,943
Net increase / (decrease) in cash and cash equivalent	(75,372)	52,599	671,130	(13,699)
Effects of exchange rate changes on cash and cash equivalents	(1,198)	(435)	1,180	(671)
Cash and cash equivalent at beginning of period	982,162	15,448	233,282	81,982
Cash and cash equivalent at end of period	905,592	67,612	905,592	67,612

- 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 September 2010

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds equity reserve	Translation 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)
Balance at 1 January 2010	3,527,574	(1,993,711)	8,952	-	(8,654)	690,408	2,224,569	50,948	2,275,517
Total comprehensive income for the year	-	-	-	-	334	(13,496)	(13,162)	(247)	(13,409)
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	-	-	-	-
Equity components of convertible bonds	-	-	-	49,444	-	-	49,444	-	49,444
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 31 March 2010	3,527,574	(1,993,711)	8,952	49,444	(8,320)	676,912	2,260,851	50,701	2,311,552
Total comprehensive income for the year	-	-	-	-	1,140	(21,387)	(20,247)	(86)	(20,333)
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	-	-	-	-
Equity components of convertible bonds	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 30 June 2010	3,527,574	(1,993,711)	8,952	49,444	(7,180)	655,525	2,240,604	50,615	2,291,219
Total comprehensive income for the year	-	-	-	-	(4,079)	5,767	1,688	825	2,513
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-	-	-	-	-
Equity components of convertible bonds	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 30 September 2010	3,527,574	(1,993,711)	8,952	49,444	(11,259)	661,292	2,242,292	51,440	2,293,732
Balance at 1 January 2009	2,637,682	(1,993,711)	6,232	-	9,890	626,179	1,286,272	23,254	1,309,526
Total comprehensive income for the year	-	-	-	-	(177)	473	296	(459)	(163)
Adjustment from minority interest	-	-	-	-	-	134	134	(134)	-
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	60	-	-	-	-	-	60	-	60
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 31 March 2009	2,637,742	(1,993,711)	6,232	-	9,713	626,786	1,286,762	22,661	1,309,423
Total comprehensive income for the year	-	-	-	-	(2,658)	278	(2,380)	(81)	(2,461)
Adjustment from minority interest	-	-	-	-	-	(133)	(133)	133	-
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	380	-	-	-	-	-	380	-	380
Issue of shares	-	-	-	-	-	-	-	-	-
Balance at 30 June 2009	2,638,122	(1,993,711)	6,232	-	7,055	626,931	1,284,629	22,713	1,307,342
Total comprehensive income for the year	-	-	-	-	(1,889)	3,819	1,930	1,539	3,469
Adjustment from minority interest	-	-	-	-	-	1	1	(1)	-
Transfer to statutory common reserve	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	396	-	-	-	-	-	396	-	396
Issue of shares	165,085	-	-	-	-	-	165,085	-	165,085
Balance at 30 September 2009	2,803,603	(1,993,711)	6,232	-	5,166	630,751	1,452,041	24,251	1,476,292

Statement of Changes in Equity of the Company for the period ended 30 September 2010

Company	Capital contribution	Convertible bonds equity reserve	Translation reserve	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2010	3,527,574	-	(4,793)	(6,591)	3,516,190
Total comprehensive income for the year	-	-	(9,869)	(14,730)	(24,599)
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-
Equity components of convertible bonds	-	49,444	-	-	49,444
Issue of shares	-	-	-	-	-
Balance at 31 March 2010	3,527,574	49,444	(14,662)	(21,321)	3,541,035
Total comprehensive income for the year	-	-	(6,307)	(22,527)	(28,834)
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-
Equity components of convertible bonds	-	-	-	-	-
Issue of shares	-	-	-	-	-
Balance at 30 June 2010	3,527,574	49,444	(20,969)	(43,848)	3,512,201
Total comprehensive income for the year	-	-	40,516	(21,947)	18,569
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	-	-
Equity components of convertible bonds	-	-	-	-	-
Issue of shares	-	-	-	-	-
Balance at 30 September 2010	3,527,574	49,444	19,547	(65,795)	3,530,770
Balance at 1 January 2009	2,637,682	-	428	4,000	2,642,110
Total comprehensive income for the year	-	-	20	(2,431)	(2,411)
Adjustment from minority interest	-	-	-	-	-
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	60	-	-	-	60
Issue of shares	-	-	-	-	-
Balance at 31 March 2009	2,637,742	-	448	1,569	2,639,759
Total comprehensive income for the year	-	-	(2,592)	6,058	3,466
Adjustment from minority interest	-	-	-	-	-
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	380	-	-	-	380
Issue of shares	-	-	-	-	-
Balance at 30 June 2009	2,638,122	-	(2,144)	7,627	2,643,605
Total comprehensive income for the year	-	-	(1,835)	(4,746)	(6,581)
Adjustment from minority interest	-	-	-	-	-
Transfer to statutory common reserve	-	-	-	-	-
Equity-settled share-based payment transactions	396	-	-	-	396
Issue of shares	165,085	-	-	-	165,085
Balance at 30 September 2009	2,803,603	-	(3,979)	2,881	2,802,505

- 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 period 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 number of issued shares excluding treasury shares of the issuer, 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 was no change in the Company's issued share capital since the end of the previous period reported on.

The number of shares that may be issued on conversion of outstanding Bonds at the end of the period:

	As at 30 Sep 2010	As at 30 Sep 2009
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding Bonds at the end of the period	249,097,023	-

There has been no conversion of the Bonds since the date of issuance.

Except as disclosed above, the Company had no other outstanding convertibles as at 30 September 2010 and as at 30 September 2009.

- 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 the end of the immediately preceding year.**

The total number of issued shares (there being no treasury shares) as at 30 September 2010 and as at 31 December 2009 was 2,162,492,429.

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

The Company does not hold any treasury shares as at 30 September 2010 and 31 December 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 of the Company.

- 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 adopted 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 2009.

- 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			
	3rd Qtr 2010	3rd Qtr 2009	Jan to Sep 2010	Jan to Sep 2009
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.003	0.002	(0.013)	0.003
(ii) On a fully diluted basis (RMB per share)*	NA	0.002	NA	(0.003)
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,162,492	1,816,637	2,162,492	1,793,772
(ii) On a fully diluted basis ('000)	2,411,589	1,816,637	2,355,930	1,793,772

* Diluted earnings per ordinary share have not been computed as it is anti-dilutive.

Earnings 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 per ordinary share is calculated based on the same basis as earnings per share by applying the weighted average number of ordinary shares and adjusted to include the outstanding conversion of the convertible bonds deemed converted up to the respective reporting periods.

The following reflects the (loss)/profit and share data used in the basic and dilution earning per share computations:

	3rd Qtr 2010	3rd Qtr 2009	Jan to Sep 2010	Jan to Sep 2009
(Loss)/Profit attributable to equity holders of the parent	5,767	3,819	(29,115)	(4,572)
Less: Effect of dilutive potential ordinary shares				
- Interest on Convertible bonds	18,956	-	44,549	-
	<u>24,723</u>	<u>3,819</u>	<u>15,434</u>	<u>(4,572)</u>
Weighted average number of ordinary shares in issued	2,162,492	1,816,637	2,162,492	1,793,772
Add: Effect of dilutive potential ordinary shares				
- Convertible bonds	249,097	-	193,438	-
Number of ordinary shares used to calculate the diluted earning per share	<u>2,411,589</u>	<u>1,816,637</u>	<u>2,355,930</u>	<u>1,793,772</u>

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 Sep 2010	31 Dec 2009	30 Sep 2010	31 Dec 2009
Net Assets Value (RMB'000)	2,242,292	2,224,569	3,530,770	3,516,190
Based on existing issued share capital (RMB per share)	1.04	1.03	1.63	1.63
Net Assets Value has been computed based on the number of share issued (000')	2,162,492	2,162,492	2,162,492	2,162,492
Revised Net Assets Value (RMB'000) (Note 1)	4,243,126	4,225,403	3,530,770	3,516,190
Based on existing issued share capital (RMB per share)	1.96	1.95	1.63	1.63

Note 1:

Included in the revised calculation is the land revaluation of Sanyawan and land for development of RMB 186.4 million and RMB 1,814.4 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 of properties is project driven. Consequently, quarterly results may not be a good indication of the trend of profitability.

Revenue	Group					
	3rd Qtr 2010	3rd Qtr 2009	Increase / (Decrease)	Jan to Sep 2010	Jan to Sep 2009	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	25,701	20,398	26.0%	28,641	61,631	(53.5%)
Rental Income	11,093	10,982	1.0%	33,478	32,024	4.5%
	36,794	31,380	17.3%	62,119	93,654	(33.7%)

For the 3 months and 9 months ended 30 September 2010

Group Revenue for the three months ended 30 September 2010 increased by **17.3%** to RMB36.8 million as compared to the same period last year mainly due to higher revenue recorded by the Sale of Properties segment.

Sale of Properties for the three months ended 30 September 2010 increased by 26.0% to RMB25.7 million as compared to same period last year. The increase was mainly due to the sale of a unit in Future International with a GFA of 295.1 sqm achieved at an average selling price of RMB64,735 per sqm. Investors should note that this is a good price and above the average fair valuation price of RMB11,382 per sqm. Having said that, investors should also note that the average fair valuation price includes non-saleable areas and that the unit sold is small. There was no sale from Future International in 3Q09. Total GFA sold for the period under review was 1,363.4 sqm with an average selling price of RMB18,851 per sqm. Total GFA sold for the 3Q09 was 3,151.5 sqm with an average selling price of RMB6,472 per sqm.

Group Revenue for the nine months ended 30 September 2010 decreased by 33.7% to RMB62.1 million as compared to same period last year mainly due to lower revenue recorded by the Sale of Properties segment.

Sale of Properties for the nine months ended 30 September 2010 decreased by 53.5% to RMB28.6 million as compared to same period last year. The fall in revenue was mainly due to lower GFA of 1,844.9 sqm (YTD Sep 2009: 10,556.8 sqm) sold.

Rental Income rose by 1.0% to RMB11.1 million and 4.5% to RMB33.5 million for the three months and nine months ended 30 September 2010, respectively, as compared to same period last year mainly due to higher Rental Income from Future International.

Gross profit	Group					
	3rd Qtr 2010	3rd Qtr 2009		Jan to Sep 2010	Jan to Sep 2009	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	20,700	12,671	63.4%	22,088	22,793	-3.1%
Rental Income	7,425	7,295	1.8%	23,089	22,635	2.0%
	28,125	19,966	40.9%	45,177	45,428	-0.6%

During the current period under review, the Group's gross profit increased by 40.9% to RMB28.1 million as compared to same period last year. The higher gross profit achieved for the current period was mainly due to higher average selling price from the Sale of Properties segment despite lower GFA sold.

Gross profit and margin	Group							
	3rd Qtr 2010		3rd Qtr 2009		Jan to Sep 2010		Jan to Sep 2009	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	20,700	80.5%	12,671	62.1%	22,088	77.1%	22,793	37.0%
Rental Income	7,425	66.9%	7,295	66.4%	23,089	69.0%	22,635	70.7%
	28,125	76.4%	19,966	63.6%	45,177	72.7%	45,428	48.5%

The Group's gross profit margin improved by 12.8 percentage point to 76.4% during the period under review and was mainly due to higher gross profit margin contributed from the Sale of Property of Future International.

Other income

	Group			
	3rd Qtr 2010	3rd Qtr 2009	Jan to Sep 2010	Jan to Sep 2009
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Subletting fee	274	258	808	552
Consultancy income (Note 1)	10,000	-	10,000	-
Interest income	1,122	4	1,698	13
Advertisement income	-	-	-	100
Infrastructure subsidy from local government	1,960	-	2,960	-
Gain on disposal of property, plant and equipment	-	-	-	28
Others	1,282	24	1,289	31
	14,638	286	16,755	724

Note 1 - Consultancy income are services provided for six months period from Jul to Dec 2010. The amount recognised is attributable to the current period under review.

Selling expenses

Selling expenses increased by 47.4% to RMB1.8 million as compared to the same period last year mainly due to higher transaction cost for the sale of a unit in Future International, advertising and promotional expenses for the IFC project..

Administrative expenses

Administrative expenses increased by 29.4% to RMB9.3 million as compared to the same period last year mainly due to the higher stamp duties of RMB1.2 million and additional staff cost of RMB1.2 million.

Stamp duties expense was higher due to the inclusion of the following two items:

- stamp duties of RMB0.38 million paid due to the fair value gain in investment properties recognised in 2009; and
- payment of RMB0.65 million for the entire lease contract periods for four existing tenants with lease periods ranging from 5 to 26 years.

In the previous financial year, stamp duties on rental leases are usually paid on an annual basis. In 3Q10, the Chongqing Tax Bureau has required the Company to pay the stamp duties for the entire lease periods for our four existing tenants. The prepayment of the said stamp duties is non-refundable. For the higher staff cost, besides the annual adjustments, additional new staff were employed during the period under review.

Finance Cost

Finance cost increased by RMB16.2 million to RMB19.0 million as compared to the same period last year mainly due to the interest expense incurred from the convertible bond of RMB19.0 million.

Taxation

Current income tax expense increased by 29.1% to RMB4.8 million. This was due to the higher taxable profit generated from the Sale of Properties and the reversal of temporary timing difference expenses. Deferred tax expense incurred for the period under review was due to the reversal of temporary timing difference expenses such as the provision on contract discrepancies, depreciation expenses and utilization of tax losses brought forward from the previous quarters etc.

The effective tax rate of 48.4% was 23.4 percentage points higher than the statutory rate of 25% and was due to net loss incurred by the corporate office and subsidiaries incorporated in tax free countries of RMB11.0 million which is not available for carried forward to offset future taxable profit.

	Group					
	3rd Qtr 2010	3rd Qtr 2009	Increase / (Decrease)	Jan to Sep 2010	Jan to Sep 2009	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Owners of the parent	5,767	3,819	51.0%	(29,115)	4,572	n.m
Minority interests (MI)	825	1,539	(46.4%)	491	997	(50.8%)
	6,592	5,358	23.0%	(28,624)	5,569	n.m

n.m - not meaningful

Profit attributable to owners of the parent

The higher profit attributable to the Owner of the parent during the period under review was mainly due to the effect of higher revenue from Sale of Properties and consultancy income offset by the higher interest and tax expenses.

STATEMENT OF FINANCIAL POSITION

The Group's total assets increased by RMB1,419.4 million to RMB4,930.5 million during the period under review. The increased was mainly due to (i) proceeds from the issuance of convertible bond on 3 March 2010; (ii) acquisition of land parcel at Wu Yi Road; and (iii) payment of development cost for IFC project.

The Group's total liabilities increased by RMB1,401.2 million to RMB2,636.8 million during the period under review. The net increase was mainly due to the increase in the liability component of the convertible bond of RMB952.1 million, additional bank loan of RMB250.0 million and increased in trade and other payables of RMB349.8 million. This was offset by the repayment of secured and unsecured borrowings of RMB119.9 million and full repayment of RMB41.9 million owing to a director. The increase in trade and other payables were mainly due to (i) accrual of Wu Yi Road land parcel of RMB549.4 million; and (ii) payment of final amount of RMB182.4 million accrued for the Da Ping land parcel.

The Group's total equity increased by RMB18.2 million to RMB2,293.7 million mainly due to the allocation of equity component of the convertible bond, less exchange translation losses and net losses incurred for the nine months ended 30 September 2010.

STATEMENT OF CASH FLOW

The decrease in cash and bank balances of RMB76.6 million in 3Q10 was mainly due to the net cash used in operating activities and investing activities of RMB164.4 million and RMB2.7 million respectively and net cash of RMB91.7 million generated from financing activities.

The net cash used in operations was arose largely for the payment of Wu Yi Road land parcel of RMB147.4 million and the development cost of RMB159.1 million mainly for the IFC project.

For financing activities, the Group recorded a net bank inflow from the banks of RMB123.2 million during the period under review. The draw down of RMB150 million is for the construction of IFC.

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 last results announcement, until the development of IFC is completed, the Group's revenues and profits are expected to be muted.

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.

Chongqing's economy is expected to remain positive in 2011. In the latest GDP figures for the first 3 quarters of 2010 (Jan – Sep) released by Chongqing Statistics Bureau and NBS (National Bureau of Statistics), Chongqing GDP of RMB 563.2 billion was an increase of 17.1% as compared with the same period of 2009. Being 6.5 percentage points higher than the national level, the growth rate places Chongqing third in ranking at the national level and the fastest growing city in Western China.

In the same period, we saw the Chinese government taking further steps in addition to those implemented during the month of April 2010 to cool the residential property market by launching a series of new measures to curb rising real estate prices, including raising down payments for home purchases.

Some of the new policies announced in the month of September 2010 include:

- a. For first time home buyers, the minimum down payment requirement being raised to 30% (up from previous level of 20%) regardless of home size (up from a previous of 90m² or larger). Minimum down payment for second home buyers rose to 50% from 40% and strictly implementing the 1.1x PBoC interest rate for such buyers. Banks were also told to suspend extending loans to buyers buying their third home, as well as restricting non-resident home purchases in order to suppress speculative demand.
- b. Increase the supply of land for construction of affordable and ordinary residential housing and the implementation of tax incentives for the construction of public rental housing.
- c. Developers who had land idle for more than a year will be banned from bidding for new land slots and they will not be allowed to raise funds from the public either through the issuance of equity or debts. Banks are also not allowed to issue new loans to such developers or to extend existing loan facilities.

Given that we are primarily developers of commercial properties and our clients are primarily corporations, we believe that the policies are unlikely to have a significant negative impact in our segment of the market.

Barring any unforeseen circumstances and given the expected booking of a fair value revaluation gain of no less than RMB30 million, the Directors expect the Group to book a net profit after tax in FY2010. However, and as mentioned in our result announcement for 2Q2010, until the development of IFC is completed, the Group's revenue and profits are expected to be muted. IFC is expected to be physically completed in 4Q2011.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended for the period.

13 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 of the Company which may render the financial results of the Company for the financial period ended 30 September 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Chairman and CEO
12 November 2010

Xie Xin
Executive Director