



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

Full Year Financial Statement And Dividend Announcement for the year ended 31 December 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 4th quarter and twelve months ended 31st December 2010.

	Group					
	4td Qtr	4td Qtr	Increase /	Jan to Dec	Jan to Dec	Increase /
	2010	2009	(Decrease)	2010	2009	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	35,743	38,505	(7.2%)	97,862	132,159	(26.0%)
Cost of sales	(16,069)	(9,853)	63.1%	(33,011)	(58,079)	(43.2%)
Gross profit	19,674	28,652	(31.3%)	64,851	74,080	(12.5%)
Other income	(6,871)	673	(1,121.0%)	9,884	1,397	607.5%
Selling expenses	(1,267)	(2,786)	(54.5%)	(5,315)	(5,607)	(5.2%)
Administrative expenses - Normal recurring	(9,036)	(14,745)	(38.7%)	(38,536)	(36,568)	5.4%
Administrative expenses - CB related exp/forex	-	-	-	(5,008)	-	n.m.
Fair value gain on investment properties	355,058	113,776	212.1%	355,058	113,776	212.1%
Finance costs	(11,959)	(2,673)	347.4%	(57,150)	(12,219)	367.7%
Profit before Income Tax	345,599	122,897	181.2%	323,784	134,859	140.1%
Taxation - Current	1,519	(5,379)	n.m.	(5,344)	(11,771)	(54.6%)
- Deferred	(88,513)	(28,444)	211.2%	(88,458)	(28,444)	211.0%
Profit for the period	258,605	89,074	190.3%	229,982	94,644	143.0%
Foreign currency translation differences(at nil tax)	(1,560)	(13,820)	(88.7%)	(4,164)	(18,544)	(77.5%)
Total comprehensive income for the period	257,045	75,254	241.6%	225,818	76,100	196.7%
Profit attributable to:						
Owners of the parent	255,997	62,377	310.4%	226,883	66,949	238.9%
Non-Controlling Interest (NCI)	2,608	26,697	(90.2%)	3,099	27,695	(88.8%)
	258,605	89,074	190.3%	229,982	94,644	143.0%
Total comprehensive income attributable to:						
Owners of the parent	254,437	48,557	424.0%	222,719	48,405	360.1%
Non-Controlling Interest (NCI)	2,608	26,697	(90.2%)	3,099	27,695	(88.8%)
	257,045	75,254	241.6%	225,818	76,100	196.7%

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	
	31-Dec-10 RMB ('000)	31-Dec-09 RMB ('000)	31-Dec-10 RMB ('000)	31-Dec-09 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	18,502	15,803	117	169
Investment in subsidiaries	-	-	2,826,991	2,826,787
Investment properties	2,243,571	1,449,400	-	-
Prepayment	1,708	-	-	-
Total non-current assets	2,263,781	1,465,203	2,827,108	2,826,956
Current assets:				
Land for development	7,418	967,521	-	-
Development properties	2,271,277	577,545	9,375	-
Refundable deposit	-	173,671	-	146,071
Trade and other receivables	59,897	71,968	864	999
Amount due from subsidiaries	-	-	1,529,504	682,658
Amount due from shareholder	4	-	4	-
Cash at bank - restricted	22,209	21,885	-	-
Cash and cash equivalents	596,150	233,282	259,585	30,098
Total current assets	2,956,955	2,045,872	1,799,332	859,826
Total assets	5,220,736	3,511,075	4,626,440	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	12,643	8,952	-	-
Convertible bonds (equity component)	49,444	-	49,444	-
Exchange fluctuation reserve	(12,819)	(8,654)	25,626	(4,793)
Retained profits	913,598	690,408	(79,633)	(6,591)
	2,496,729	2,224,569	3,523,011	3,516,190
Non-Controlling Interest	54,048	50,948	-	-
Total equity	2,550,777	2,275,517	3,523,011	3,516,190
Non-current liabilities:				
Deferred taxation	307,579	219,120	-	-
Bank borrowings - secured	610,640	415,860	-	-
Convertible bonds (liability component)	979,594	-	979,594	-
Total non-current liabilities	1,897,813	634,980	979,594	-
Current liabilities:				
Trade and other payables	646,852	373,383	4,979	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	70,074	80,178	-	-
Bank borrowings - secured	55,220	83,390	-	-
Total current liabilities	772,146	600,578	123,835	170,592
Total equity and liabilities	5,220,736	3,511,075	4,626,440	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	
	31-Dec-10 RMB ('000)	31-Dec-09 RMB ('000)	31-Dec-10 RMB ('000)	31-Dec-09 RMB ('000)
Trade receivables	18,259	20,276	-	-
Other receivables:				
- Rental deposits	548	497	527	497
- Prepayments	2,168	4,175	306	452
- Staff advances and allowances	40	157	-	-
- Advance to sub-contractors	31,674	41,505	-	-
- Advance to management agents	3,600	4,600	-	-
- Advance to legal services	500			
- Refundable deposits	-	21	-	-
- Others	3,108	737	31	50
	<u>59,897</u>	<u>71,968</u>	<u>864</u>	<u>999</u>

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

	Group			
	31-Dec-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	55,220	-	83,390	63,627
Amount repayable after one year	610,640	979,594	415,860	-
	<u>665,860</u>	<u>979,594</u>	<u>499,250</u>	<u>63,627</u>

Details of any collateral

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

Secured bank borrowings have a weighted average effective interest rate of 7.73% (2009: 7.94%) 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 RMB979,594,000 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			
	4td Qtr 2010	4td Qtr 2009	Jan to Dec 2010	Jan to Dec 2009
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit before taxation	345,599	122,897	323,784	134,859
Adjustments for:				
Depreciation of property, plant and equipment	497	308	1,608	1,118
Fair value gain on investment properties	(355,058)	(113,776)	(355,058)	(113,776)
Interest expense	11,958	2,673	57,150	12,220
Interest income	(1,026)	(5)	(2,724)	(19)
Gain/(Loss) on disposal of property, plant and equipment	(76)	(212)	2	(212)
Properties, plant and equipment written off	77	(67)	78	-
Unrealised exchange loss	(1,888)	4,395	37,396	-
Operating profit before working capital charges	83	16,213	62,236	34,190
Increase in land for development	(733,100)	(627,370)	(166)	(669,540)
Decrease/(Increase) in development properties	412,784	(102,297)	(696,232)	(54,951)
(Increase)/decrease in trade and other receivables	(21,044)	5,707	184,172	(220,897)
Increase/(decrease) in trade and other payables	50,313	(99,773)	(153,660)	(17,307)
Cash generated used in operations	(290,964)	(807,520)	(603,650)	(928,505)
Interest paid	(12,237)	(16,348)	(40,369)	(38,019)
Interest received	1,026	5	2,724	19
Income tax paid	(79)	-	(15,447)	(212)
Net cash used in operating activities	(302,254)	(823,863)	(656,742)	(966,717)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(736)	(1,832)	(4,423)	(2,977)
Proceed from disposal of property, plant and equipment	43	800	43	800
Net cash used in investing activities	(693)	(1,032)	(4,380)	(2,177)
Cash flow from financing activities				
New capital issued	-	723,965	-	889,050
Bank balance subject to restriction	(4,593)	(3,980)	(324)	(3,725)
Repayment to a director	-	-	(41,927)	-
Proceed from issuance of convertible bonds	-	-	936,911	-
Payment of interest expense on convertible bonds	(181)	-	(19,887)	-
Proceeds from unsecured loan	-	51,733	-	51,721
Proceed from secured loan	-	250,001	250,000	308,494
Repayment of borrowings	(4,848)	(32,466)	(105,090)	(106,664)
Net cash (used in) / generated from financing activities	(9,622)	989,253	1,019,683	1,138,876
Net (decrease) / increase in cash and cash equivalent	(312,569)	164,358	358,561	169,982
Effects of exchange rate changes on cash and cash equivalents	3,127	1,312	4,307	(18,682)
Cash and cash equivalent at beginning of period	905,592	67,612	233,282	81,982
Cash and cash equivalent at end of period	596,150	233,282	596,150	233,282

- 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 31 December 2010

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds (equity component)	Translation reserve	Retained profits	Total attributable to equity holders of the Parent	Non-Controlling 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)
Equity components of convertible bonds	-	-	-	49,444	-	-	49,444	-	49,444
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)
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
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
Total comprehensive income for the year	-	-	-	-	(1,560)	255,997	254,437	2,608	257,045
Transfer to statutory common reserve	-	-	3,691	-	-	(3,691)	-	-	-
Balance at 31 December 2010	3,527,574	(1,993,711)	12,643	49,444	(12,819)	913,598	2,496,729	54,048	2,550,777
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)	-
Equity-settled share-based payment transactions	60	-	-	-	-	-	60	-	60
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	-
Equity-settled share-based payment transactions	380	-	-	-	-	-	380	-	380
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)	-
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
Total comprehensive income for the year	-	-	-	-	(13,820)	62,377	48,557	26,697	75,254
Transfer to statutory common reserve	-	-	2,720	-	-	(2,720)	-	-	-
Equity-settled share-based payment transactions	6	-	-	-	-	-	6	-	6
Issue of shares	723,965	-	-	-	-	-	723,965	-	723,965
Balance at 31 December 2009	3,527,574	(1,993,711)	8,952	-	(8,654)	690,408	2,224,569	50,948	2,275,517

Statement of Changes in Equity of the Company for the period ended 31 December 2010

Company	Capital contribution	Convertible bonds (equity component)	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)
Equity component of convertible bonds	-	49,444	-	-	49,444
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)
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
Balance at 30 September 2010	3,527,574	49,444	19,547	(65,795)	3,530,770
Total comprehensive income for the year	-	-	6,079	(13,838)	(7,759)
Balance at 31 December 2010	3,527,574	49,444	25,626	(79,633)	3,523,011
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)
Equity-settled share-based payment transactions	60	-	-	-	60
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
Equity-settled share-based payment transactions	380	-	-	-	380
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)
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
Total comprehensive income for the year	-	-	(814)	(9,472)	(10,286)
Equity-settled share-based payment transactions	6	-	-	-	6
Issue of shares	723,965	-	-	-	723,965
Balance at 31 December 2009	3,527,574	-	(4,793)	(6,591)	3,516,190

- 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**

Ordinary shares issued and fully paid	<u>No. of shares ('000)</u>	<u>RMB ('000)</u>
Balance as at 1 Jan 2010	2,162,492	3,527,574
Issue of new shares:	-	-
Balance as at 31 December 2010	<u>2,162,492</u>	<u>3,527,574</u>

- 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 31 December 2010 was 2,162,492,429. (31 December 2009: 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 31 December 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.

- 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			
	4th Qtr 2010	4th Qtr 2009	Jan to Dec 2010	Jan to Dec 2009
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.118	0.031	0.105	0.036
(ii) On a fully diluted basis (RMB per share)*	0.114	0.031	NA	0.036
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,162,492	2,008,371	2,162,492	1,847,862
(ii) On a fully diluted basis ('000)	2,411,589	2,008,371	2,369,960	1,847,862

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

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.

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

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

	Group		Company	
	31 Dec 2010	31 Dec 2009	31 Dec 2010	31 Dec 2009
Net Assets Value (RMB'000)	2,496,729	2,224,569	3,523,011	3,516,190
Based on existing issued share capital (RMB per share)	1.15	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

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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					
	4th Qtr 2010	4th Qtr 2009	Increase / (Decrease)	Jan to Dec 2010	Jan to Dec 2009	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	2,541	26,887	(90.5%)	31,182	88,518	(64.8%)
Rental Income	12,214	11,618	5.1%	45,692	43,641	4.7%
Consultancy Income	20,988	-	n.m	20,988	-	n.m
	<u>35,743</u>	<u>38,505</u>	<u>(7.2%)</u>	<u>97,862</u>	<u>132,159</u>	<u>(26.0%)</u>

n.m - not meaningful

For the three months and twelve months ended 31 December 2010

Group Revenue for the three months and twelve months ended 31 December 2010 decreased by 7.2% to RMB35.7 million and 26.0% to RMB97.9 million, respectively, as compared to the same period last year mainly due to lower revenue recorded by the Sale of Properties segment.

Sale of Properties for the three months ended 31 December 2010 decreased by 90.5% to RMB2.5 million as compared to same period last year. The decline was due to (i) the absence of sale from Future International due to the fact that previous sales were very strong and the stock of properties left for sale is small and (ii) lower sales from Phase 1 of Sanyawan due to a change in the marketing strategy discussed below.

Sale of Properties for the twelve months ended 31 December 2010 decreased by 64.8% to RMB31.2 million as compared to same period last year. The fall in revenue was mainly due to lower sale from Future International and Phase 1 of Sanyawan.

Rental Income increased by 5.1% to RMB12.2 million for the three months ended 31 December 2010 as compared to same period last year mainly due to higher Rental Income from Sanyawan. However, part of the Rental Income amounting to RMB1.49 million were generated from short term leases and adhoc or walk-in tenants.

Rental Income increased by 4.7% to RMB45.7 million for the twelve months ended 31 December 2010 as compared to same period last year mainly due to an increase in the rental rate of two main tenants at Future International.

Consultancy Income is project base and can be ad hoc in nature.

Gross profit	Group					
	4th Qtr 2010	4th Qtr 2009		Jan to Dec 2010	Jan to Dec 2009	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	(9,366)	20,528	n.m	12,722	43,321	-70.6%
Rental Income	8,052	8,124	-0.9%	31,141	30,759	1.2%
Consultancy Income	20,988	-	n.m	20,988	-	n.m
	<u>19,674</u>	<u>28,652</u>	<u>-31.3%</u>	<u>64,851</u>	<u>74,080</u>	<u>-12.5%</u>

n.m - not meaningful

During the current period under review, the Group's gross profit decreased by 31.3% to RMB19.7 million as compared to the same period last year. The decreased mainly come from the Sale of Properties segment and was due to (i) the reversal of the sale of four units sold in 2009 to a property agent from Phase 1 of Sanyawan (resulting in negative revenue in 4Q10). The 4 units have been resold at about the same price but because the paperwork was not completed by 31 December 2010, these sales will only be recorded in FY2011. The reason for the re-purchase is discussed below; and (ii) conformity with FRS. Investment Properties were previously not, prior to 4Q10, fair valued on an interim reporting basis. In 3Q10, the retail unit at Future International, classified as Investment Properties, was sold and charged to cost of sales at the development cost as opposed to its fair value cost. In 4Q10, the unit's fair value gain at the disposal date in 3Q10 was assessed to be RMB8.8 million. As it had not been recorded in 3Q10, the amount was recorded in cost of sales in 4Q10.

The property agent acquired the four units were for investment purpose. In mid June 2010, the announcement of the Liangjiang New Area project (两江新区) altered the whole planning and development of the area. Sanyawan is part of the area. One of the changes could be multi storey developments in the area. As a result, management now believes that it can maximize return by shrinking the seafood wholesale market and seeking to renegotiate the development plot ratio for the remaining land. However, and in the short term such shrinkage affects the price of seafood retail units in Sanyawan. Rather than argue (such shrinkage is not mentioned in the sales contract) the point and because there was another buyer for the 4 units, management decided to allow the agent to rescind the sale. The Company took back the 4 units and then resold them. However as the paperwork was not complete by 31 December 2010, the resale could not be booked as revenue in FY2010.

The Group's gross profit for the twelve months ended 31 December 2010 decreased by 12.5% to RMB64.9 million as compared to same period last year. The lower gross profit achieved for the current period was mainly due to the lower sale from the Sale of Properties segment and the allocation of additional fair value cost to cost of sale as explained above.

Gross profit and margin	Group							
	4th Qtr 2010		4th Qtr 2009		Jan to Dec 2010		Jan to Dec 2009	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	(9,366)	-368.6%	20,528	76.3%	12,722	40.8%	43,321	48.9%
Rental Income	8,052	65.9%	8,124	69.9%	31,141	68.2%	30,759	70.5%
Consultancy Income	20,988	100.0%	-	n.m	20,988	100.0%	-	n.m
	<u>19,674</u>	<u>55.0%</u>	<u>28,652</u>	<u>74.4%</u>	<u>64,851</u>	<u>66.3%</u>	<u>74,080</u>	<u>56.1%</u>

n.m - not meaningful

The Group's gross profit margin decrease by 19.4 percentage point during the period under review and was mainly due to the (i) gross loss from the Sale of Property segment; and (ii) the allocation of additional fair value cost to cost of sale.

The increase of the gross profit margin by 10.2 percentage point to 66.3% for the twelve months ended 31 December 2010 mainly due to Consultancy Income.

Other income

	Group			
	4th Qtr 2010	4th Qtr 2009	Jan to Dec 2010	Jan to Dec 2009
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Subletting fee	279	264,677	1,087	816
Consultancy income	(10,000)	-	-	-
Interest income	1,027	4,966	2,724	19
Advertisement income	148	100,000	148	200
Infrastructure subsidy from local government	800	-	3,760	-
Gain on disposal of property, plant and equipment	-	184,358	-	212
Short term rental income	367	-	1,650	-
Others	508	119,367	516	150
	<u>(6,871)</u>	<u>673,368</u>	<u>9,885</u>	<u>1,397</u>

The negative Consultancy income was due to a reclassification to Revenue and as required by the auditors during 4Q10.

Selling expenses

Selling expenses for the three months ended 31 December 2010 decreased by 54.5% to RMB1.3 million as compared to the same period last year mainly due to the decrease in promotional expenses for Sanyawan.

Selling expenses for the twelve months ended 31 December 2010 decreased by 5.2% to RMB5.3 million as compared to the same period last year mainly due to net decrease in the promotional expenses. The saving of promotional expenses for Sanyawan was offset by the increase in promotional expenses incurred for IFC.

Administrative expenses

Administrative expenses for the three months ended 31 December 2010 decreased by 38.7% or RMB5.7 million to RMB9.0 million as compared to the same period last year mainly due to (i) lower travelling expense of RMB2.1 million; (ii) lower GST expenses of RMB2.8 million mainly related to share placement exercise which cannot be capitalised and was not claimable; (iii) lower utilities expenses of RMB0.9 million; and (iv) lower miscellaneous expenses of RMB0.7 million. Further the one-off share option cost of RMB0.8 million incurred in 2009 which did not recur in 2010.

Normal recurring administrative expenses for the twelve months ended 31 December 2010 increased by 5.4% or RMB2.0 million to RMB38.5 million as compared to the same period last year mainly due to higher:

- stamp duties expense of RMB1.8 million;
- provision for contract discrepancies of RMB2.3 million;
- additional staff cost of RMB2.6 million due to annual adjustments, additional new staff employed and higher bonus provision;
- office rental, donation and legal & professional fee of RMB2.2 million; and
- miscellaneous expense of RMB0.9 million.

offset by lower:

- travelling expense of RMB2.6 million;
- GST expense of RMB3.2 million; and
- utilities expense of RMB1.2 million.

and the absence of share option cost of RMB0.8 million.

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

- stamp duty of RMB0.4 million paid for the fair value gain in investment properties recognised in 2009;
- payment of RMB0.6 million for the entire lease contract periods for four existing tenants with lease periods ranging from 5 to 26 years; and
- stamp duty of RMB0.8 million incurred for the acquisition of the Da Ping land parcel.

In the previous financial year, stamp duty on rental leases were usually paid on an annual basis. In 3Q10, the Chongqing Tax Bureau required the Company to pay the stamp duty for the entire lease periods for our four existing tenants. The prepayment of the said stamp duties is non-refundable.

Fair value gain on investment properties

Fair value gain for the three months and twelve months ended 31 December 2010 increased by 212.1% or RMB241.3 million to RMB355.1 million mainly due to the inclusion of commercial podium of IFC. The strong fair value of IFC was offset by sales and changes in the discount rate used by the valuer for select properties.

Finance costs

Finance cost for the three months and twelve months ended 31 December 2010 increased by 347.4% or RMB9.3 million to RMB12.0 million and 367.7% or RMB44.9 million to RMB57.2 million, respectively, as compared to the same period last year mainly due to the interest expense incurred from the convertible bond.

Taxation

	Group					
	4th Qtr	4th Qtr	%	Jan to Dec	Jan to Dec	%
	2010	2009		2010	2009	
	RMB ('000)	RMB ('000)		RMB ('000)	RMB ('000)	
Income tax	1,519	(5,379)	n.m	(5,344)	(11,771)	-54.6%
Deferred tax	(88,513)	(28,444)	211.2%	(88,458)	(28,444)	211.0%
	(86,994)	(33,823)	157.2%	(93,802)	(40,215)	133.3%

n.m - not meaningful

Current Income tax expense for the three months and twelve ended 31 December 2010 decreased by RMB6.9 million and RMB6.4 million, respectively, mainly due to lower taxable income generated from the Sale of Properties.

Deferred tax expense for the three months and twelve ended 31 December 2010 increased by 211.2% or RMB60.1 million to RMB88.5 million and 211.0% or RMB60.0 million to RMB88.5 million, respectively, mainly due to higher fair value gain.

The effective tax rate of 25.2% and 29.0%, respectively, for the three months and twelve ended 31 December 2010 was 0.2 and 4.0 percentage points higher than the statutory rate of 25.0% mainly due to net loss incurred by the corporate office and subsidiaries incorporated in tax free countries which is not available for carried forward to offset future taxable profit.

Profit attributable to owners of the parent

	Group					
	4th Qtr	4th Qtr	Increase /	Jan to Dec	Jan to Dec	Increase /
	2010	2009	(Decrease)	2010	2009	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Owners of the parent	255,997	62,377	310.4%	226,883	66,949	238.9%
Non-Controlling Interest (NCI)	2,608	26,697	(90.2%)	3,099	27,695	(88.8%)
	258,605	89,074	190.3%	229,982	94,644	143.0%

Profit attributable to the Owners of the parent increased by 310.4% to RMB256.0 million and 238.9% to RMB226.9 million for the three months and twelve months ended 31 December 2010 mainly due to the higher fair value gain and consultancy income offset by the decreased in Sale of Properties and higher interest incurred from the convertible bond.

STATEMENT OF FINANCIAL POSITION

The Group's total assets increased by RMB1,709.7 million to RMB5,220.7 million during the period under review. The increased was mainly due to (i) fair value gain recognised; (ii) proceeds from the issuance of convertible bond on 3 March 2010; (iii) acquisition of land parcel at Wu Yi Road; and (iv) payment of development cost for IFC project.

The Group's total liabilities increased by RMB1,434.4 million to RMB2,670.0 million during the period under review. The net increase was mainly due to the increase in the liability component of the convertible bond of RMB979.6 million, additional bank loan of RMB250.0 million, income and deferred tax liabilities of RMB78.4 million and increased in trade and other payables of RMB273.4 million. This was offset by the repayment of secured and unsecured borrowings of RMB105.1 million and full repayment of RMB41.9 million owing to a director.

The Group's total equity increased by RMB275.3 million to RMB2,550.8 million mainly due to the allocation of the equity component of the convertible bond and net profit for the twelve months ended 31 December 2010.

STATEMENT OF CASH FLOW

The decrease in cash and cash equivalent of RMB312.6 million for the period under review was mainly due to:

- (i) cash used in operating activities of RMB302.3 million;
- (ii) cash used in investing activities of RMB0.7 million; and
- (iii) cash used financing activities of RMB9.6 million.

The net cash used in operations arose largely due to the payment of Wu Yi Road land parcel of RMB306.4 million.

For the twelve months ended 31 December 2010, cash and cash equivalent increased by RMB358.6 million as follows:

- (i) cash used in operating activities of RMB656.7 million;
- (ii) cash use in investing activities of RMB4.4 million; and
- (iii) cash generated from financing activities of RMB1,019.7 million.

The net cash used in operating activities arose largely to the payment of Wu Yi Road land parcel of RMB306.4 million, final payment of Da Ping land parcel of RMB182.4 million, payment of interest and income tax of RMB53.1 million and payment of trade and other expense of RMB361.2 million, offset by the refund of tender deposit of RMB173.7 million and collection from the trade and other debtors of RMB72.7 million.

Cash generated from the financing activities largely came from a bank loan of RMB250.0 million, proceeds from the issuance of convertible bond of RMB936.9 million offset by the repayment of bank loans of RMB105.1 million, interest expense on convertible bond of RMB19.9 million, utilization of restricted cash of RMB0.3 million and full repayment of RMB41.9 million owing to a director.

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 previous result announcement, until the development of IFC is completed, the Group's revenue and operating profits are expected to be muted. IFC is expected to be physically completed in 4Q2011.

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.

In the latest GDP figures released by Chongqing Statistics Bureau and NSB (National Statistics Bureau), Chongqing's 2010 full year GDP was RMB 780 billion, an increase of 17% as compared to 2009. This strong growth rate places Chongqing second in ranking at the national level and the fastest growing city in Western China.

China continues to further implement a series of residential property market cooling measures. One measure was to increase the minimum down payment for second home purchases from the current 50% to 60% with the interest rates for second-home mortgages set at no less than 1.1x of PBoC interest rate. The Chinese government has urged local government to be responsible for the healthy growth of residential property markets and to boost land supply for residential property developments.

Another measure introduced by the government was the trial property tax in Shanghai and Chongqing. Shanghai property tax would apply to all newly-purchased second or subsequent residential properties with the tax rate ranging from 0.4% - 0.6%.

Chongqing property tax would apply to all detached villas as well as new high-end apartments valued at more than 2 times the average price of new homes in the city. It would also be levied on second homes newly purchased by buyers who do not hold Chongqing hukou (户口) or are not employed by a Chongqing company, or having no investment in the city. The tax rate would be 0.5% if the home value is between 2 to 3 times the average prices of new homes in the city. The tax rate will increase to 1.0% if the home value is higher than 3 times but lower than 4 times. The tax rate would be at 1.2% if the home value is higher than 4 times the average price.

Given that the Group is focused on development of commercial properties and our clients are primarily corporations, the Group believes that the new measures are unlikely to have any significant direct negative impact in our segment of the market.

Barring any unforeseen circumstances, the Group expects to remain profitable in 2011.

11 Dividend

- (a) Current Financial Period Reported On**
Any dividend declared for the current financial period reported on?

No dividend was 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 If no dividend has been declared or recommended, a statement to that effect

Not applicable.

Part 2 - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business segments

31 December 2010	Property <u>Rental</u>	Property <u>Development</u>	<u>Others</u>	<u>Total</u>
REVENUE				
External revenues	45,692	31,182	20,988	97,862
Inter-segment revenues	-	-	-	-
Total revenue	<u>45,692</u>	<u>31,182</u>	<u>20,988</u>	<u>97,862</u>
RESULTS				
Segment result	22,379	14,492	-	36,871
Unallocated corporate expenses	-	-	(74,859)	<u>(74,859)</u>
Operating profit				(37,988)
Interest expense	-	-	(382)	(382)
Interest income	-	9	2,716	2,725
Government grant	(1,001)	-	3,760	2,759
Management fees	-	-	1,650	1,650
Others			8	8
Fair value gain on investment property	355,058	-	-	355,058
Income taxes	(94,051)	1,767	(1,560)	<u>(93,847)</u>
Profit before taxation				<u><u>229,983</u></u>
ASSETS				
Segment assets	2,165,619	2,406,602	-	4,572,221
Unallocated assets	-	-	648,515	<u>648,515</u>
Consolidated total assets				<u><u>5,220,736</u></u>
LIABILITIES				
Segment liabilities	28,365	1,263,066	-	1,291,431
Income tax	-	(2,190)	72,264	70,074
Deferred tax	88,765	-	218,814	307,579
Unallocated liabilities	-	-	1,000,872	<u>1,000,872</u>
Consolidated total liabilities				<u><u>2,669,956</u></u>
OTHER INFORMATION				
Capital expenditure	-	-	4,423	4,423
Depreciation	-	-	1,608	1,608

31 December 2009	Property <u>Rental</u>	Property <u>Development</u>	<u>Others</u>	<u>Total</u>
REVENUE				
External revenues	43,641	88,518	-	132,159
Inter-segment revenues	-	-	-	-
Total revenue	<u>43,641</u>	<u>88,518</u>	-	<u>132,159</u>
RESULTS				
Segment result	30,759	21,177	-	51,936
Unallocated corporate expenses	-	-	(19,493)	<u>(19,493)</u>
Operating profit				32,443
Interest expense			(11,377)	(11,377)
Interest income		8	10	18
Government grant			-	-
Management fees			-	-
Fair value loss on investment property	113,776	-	-	113,776
	(36,643)	(3,710)	137	<u>(40,216)</u>
Profit before taxation	144,535	21,185	(30,860)	<u>94,644</u>
ASSETS				
Segment assets	1,463,007	1,773,928	-	3,236,935
Unallocated assets			274,140	<u>274,140</u>
Consolidated total assets				<u>3,511,075</u>
LIABILITIES				
Segment liabilities	25,710	855,412	2,165	883,287
Unallocated liabilities			352,271	<u>352,271</u>
Consolidated total liabilities				<u>1,235,558</u>
OTHER INFORMATION				
Capital expenditure			2,977	2,977
Depreciation			1,118	1,118

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

- 15 Breakdown of sales as follows:-

	<u>Group</u>		Increase/ (Decrease)
	<u>2010</u>	<u>2009</u>	
(a) Sales reported for first half year	25,325	62,275	-59.3%
(b) Operating profit after tax before deducting minority interest reported for first half year	(35,216)	210	n.m
(c) Sales reported for second half year	72,537	69,884	3.8%
(d) Operating profit after tax before deducting minority interest reported for second half year	265,198	94,434	180.8%

n.m - not meaningful

- 16 Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Nil.

BY ORDER OF THE BOARD

Fang Ming
Chairman and CEO
25 February 2011

Xie Xin
Executive Director