



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

Financial Statement Announcement for 1st Quarter ended 31st March 2015

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 1st quarter and three months ended 31st March 2015.

	Group					
	1st Qtr	1st Qtr	Increase /	Jan to Mar	Jan to Mar	Increase /
	2015	2014	(Decrease)	2015	2014	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	100,234	279,702	(64.2%)	100,234	279,702	(64.2%)
Cost of sales	(45,066)	(171,126)	(73.7%)	(45,066)	(171,126)	(73.7%)
Gross profit	55,168	108,576	(49.2%)	55,168	108,576	(49.2%)
Other income	14,918	1,007	1,381.4%	14,918	1,007	1,381.4%
Selling expenses	(14,178)	(13,421)	5.6%	(14,178)	(13,421)	5.6%
Administrative expenses - Normal recurring	(30,344)	(16,236)	86.9%	(30,343)	(16,236)	86.9%
Administrative expenses - Share based payment expense	(2,911)	(4,001)	(27.2%)	(2,911)	(4,001)	(27.2%)
Finance costs	(22,020)	(22,969)	(4.1%)	(22,020)	(22,969)	(4.1%)
(Loss)/profit before Income Tax	633	52,956	n.m.	633	52,956	n.m.
Taxation - Current	9,109	(19,382)	n.m.	9,109	(19,382)	n.m.
- Deferred	(10,747)	(122)	8,709.0%	(10,747)	(122)	8,709.0%
(Loss)/profit for the period	(1,005)	33,452	n.m.	(1,005)	33,452	n.m.
Foreign currency translation differences(at nil tax)	1,955	(33,887)	n.m.	1,955	(33,887)	n.m.
Total comprehensive income for the period	950	(435)	n.m.	950	(435)	n.m.
(Loss)/profit attributable to:						
Ordinary shareholders of the company	(455)	33,676	n.m.	(455)	33,676	n.m.
Non-Controlling Interest (NCI)	(550)	(224)	145.5%	(550)	(224)	145.5%
	(1,005)	33,452	n.m.	(1,005)	33,452	n.m.
Total comprehensive income attributable to:						
Ordinary shareholders of the company	1,500	(211)	n.m.	1,500	(211)	n.m.
Non-Controlling Interest (NCI)	(550)	(224)	n.m.	(550)	(224)	n.m.
	950	(435)	n.m.	950	(435)	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	
	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	59,831	60,052	716	40
Investment in subsidiaries	-	-	2,827,257	2,827,257
Investment properties	3,968,355	3,968,486	-	-
Available for sale financial assets	500,000	500,000	-	-
Prepayment	389	-	-	-
Total non-current assets	4,528,575	4,528,538	2,827,973	2,827,297
Current assets:				
Development properties	3,915,423	3,701,852	167,320	150,311
Trade and other receivables	685,016	319,109	14,376	7,577
Amount due from subsidiaries	-	-	2,497,441	2,328,846
Cash and cash equivalents	1,543,951	965,136	54,198	26,407
Total current assets	6,144,390	4,986,097	2,733,335	2,513,141
Total assets	10,672,965	9,514,635	5,561,308	5,340,438
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve	(1,993,711)	(1,993,711)	-	-
Statutory common reserve	68,444	68,444	-	-
Perpetual convertible security	878,970	878,970	878,970	878,970
Share-based compensation reserve	22,617	19,705	22,617	19,705
Exchange fluctuation reserve	30,497	28,543	(148,324)	(73,770)
Retained profits	1,969,827	1,970,280	(313,646)	(301,997)
	5,005,016	5,000,603	4,467,989	4,551,280
Non-Controlling Interest	54,014	54,564	-	-
Total equity	5,059,030	5,055,167	4,467,989	4,551,280
Non-current liabilities:				
Deferred taxation	566,730	499,618	-	-
Borrowings-secured	1,058,750	1,058,750	-	-
Total non-current liabilities	1,625,480	1,558,368	-	-
Current liabilities:				
Trade and other payables	608,410	654,566	10,257	9,279
Amount owing to subsidiaries	-	-	721,127	722,127
Provision for taxation	89,040	160,792	-	-
Borrowings-secured	3,291,005	2,085,742	361,935	57,752
Total current liabilities	3,988,455	2,901,100	1,093,319	789,158
Total equity and liabilities	10,672,965	9,514,635	5,561,308	5,340,438

Notes to the Statement of Financial Position

Trade and other receivables comprise of the following:

	Group		Company	
	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)
Trade receivables	51,563	56,418	-	-
Other receivables:				
- Deposit for land acquisition	7,418	7,418	-	-
- Deposit for land tender	383,000	-	-	-
- Rental deposits	836	869	817	851
- Prepayments	125,741	94,473	-	859
- Staff advances and allowances	2,397	1,541	-	-
- Advance to sub-contractors	48,368	72,532	-	-
- Advance to management agents	9,600	9,600	-	-
- Advance to legal services	12,470	5,940	12,470	5,482
- Refundable deposits	28,489	24,828	-	-
- Reimbursement expenses	757	508	-	-
- Others	14,377	44,982	1,089	385
Total receivables	685,016	319,109	14,376	7,577

Trade and other payables comprise of the following:

	Group		Company	
	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)	31-Mar-15 RMB ('000)	31-Dec-14 RMB ('000)
Trade payables	390,939	325,983	-	-
Other payables:				
- Accrued expenses	31,724	49,529	10,257	9,279
- Advances from customers	157,460	150,052	-	-
- Rental and option deposits	15,214	127,314	-	-
- Others	13,073	1,688	-	-
Total payables	608,410	654,566	10,257	9,279

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

	Group			
	31-Mar-15		31-Dec-14	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable in one year or less, or on demand	3,291,005	-	2,085,742	-
	3,291,005	-	2,085,742	-
Amount repayable after one year	1,058,750	-	1,058,750	-
	4,349,755	-	3,144,492	-

Details of any collateral

Secured borrowings refer to borrowings secured against the subsidiaries' development properties under construction, completed development properties for sale, investment properties and cash deposits.

In accordance with IAS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties. As such, current bank borrowings have repayment periods between 1 and 4 years from the balance sheet date.

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			
	1st Qtr 2015 RMB ('000)	1st Qtr 2014 RMB ('000)	Jan to Mar 2015 RMB ('000)	Jan to Mar 2014 RMB ('000)
Operating activities				
Profit before taxation	635	52,956	635	52,956
Adjustments for:				
Depreciation of property, plant and equipment	1,186	528	1,186	528
Amortisation of other non-current assets	107	591	107	591
Interest expense	22,020	22,969	22,020	22,969
Interest income	(14,626)	(562)	(14,626)	(562)
Share based payment expense	2,912	4,001	2,912	4,001
(Gain)/loss on disposal of property, plant and equipment	(66)	(6)	(66)	(6)
Unrealised exchange loss	1	(2)	1	(2)
Operating profit before working capital changes	12,169	80,475	12,169	80,475
Increase in development properties	(214,409)	(13,975)	(214,409)	(13,975)
Increase in trade and other receivables	(366,272)	(47,317)	(366,272)	(47,317)
Decrease in trade and other payables	(53,447)	(80,972)	(53,447)	(80,972)
Cash used in operations	(621,959)	(61,789)	(621,959)	(61,789)
Interest paid	(41,684)	(55,265)	(41,684)	(55,265)
Interest received	14,626	562	14,626	562
Income tax paid	9,276	(2,007)	9,276	(2,007)
Net cash used in operating activities	(639,741)	(118,499)	(639,741)	(118,499)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(901)	(19)	(901)	(19)
Proceed from disposal of PPE	-	6	-	6
Net cash used in investing activities	(901)	(13)	(901)	(13)
Cash flow from financing activities				
Bank balance subject to restriction	(245,974)	(32,180)	(245,974)	(32,180)
Proceed from loans and borrowings	1,877,936	194,560	1,877,936	194,560
Repayment of borrowings	(672,242)	(101,481)	(672,242)	(101,481)
Net cash generated from financing activities	959,720	60,899	959,720	60,899
Net increase/(decrease) in cash and cash equivalent	319,078	(57,613)	319,078	(57,613)
Effects of exchange rate changes on cash and cash equivalents	13,764	15,447	13,764	15,447
Cash and cash equivalent at beginning of period	198,807	184,786	198,807	184,786
Cash and cash equivalent at end of period	531,649	142,620	531,649	142,620

- 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 March 2015

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds (equity component)	Share-based compensation reserve	Perpetual convertible security	Translation reserve	Retained profits	Total attributable to Ordinary shareholders of the Company	Non-Controlling Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2015	4,028,372	(1,993,711)	68,444	-	19,705	878,970	28,543	1,971,700	5,002,023	54,564	5,056,587
Total comprehensive income for the year	-	-	-	-	-	-	1,954	(455)	1,499	(550)	949
Perpetual convertible security interest	-	-	-	-	-	-	-	(1,418)	(1,418)	-	(1,418)
Equity-settled share-based payment transact	-	-	-	-	2,912	-	-	-	2,912	-	2,912
Balance at 31 March 2015	4,028,372	(1,993,711)	68,444	-	22,617	878,970	30,497	1,969,827	5,005,016	54,014	5,059,030
Balance at 1 January 2014	3,536,776	(1,993,711)	68,444	-	18,526	-	49,117	1,717,678	3,396,830	54,969	3,451,799
Total comprehensive income for the year	-	-	-	-	-	-	(33,887)	33,676	(211)	(224)	(435)
Equity-settled share-based payment transact	442	-	-	-	3,559	-	-	-	4,001	-	4,001
Balance at 31 March 2014	3,537,218	(1,993,711)	68,444	-	22,085	-	15,230	1,751,354	3,400,620	54,745	3,455,365

Statement of Changes in Equity of the Company for the period ended 31 March 2015

Company	Capital contribution	Convertible bonds (equity component)	Share-based compensation reserve	Translation reserve	Perpetual convertible security	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2015	4,028,372	-	19,705	(73,770)	878,970	(301,997)	4,551,280
Total comprehensive income for the year	-	-	-	(74,554)	-	(11,649)	(86,203)
Perpetual convertible security interest	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	2,912	-	-	-	2,912
Balance at 31 March 2015	4,028,372	-	22,617	(148,324)	878,970	(313,646)	4,467,989
Balance at 1 January 2014	3,536,776	-	18,526	(19,375)	-	(201,987)	3,333,940
Total comprehensive income for the year	-	-	-	18,386	-	(20,219)	(1,833)
Equity-settled share-based payment transactions	442	-	3,560	-	-	-	4,002
Balance at 31 March 2014	3,537,218	-	22,086	(989)	-	(222,206)	3,336,109

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Share Options - Ying Li Employee Share Option Scheme ("Ying Li ESOS")

As at 31 March 2015, the number of outstanding share options granted under the Ying Li ESOS was 13,323,480 (31 March 2014: 16,186,627). Further details of the options granted under the Ying Li ESOS are as follows:

Date of grant of options	Exercise price per share	Number of options granted	Options outstanding at 31 December 2013	Number of Options Lapsed	Number of Options Exercised	Options outstanding at 31 December 2014
2 Apr 2012	S\$0.278	14,746,765	14,746,765	4,209,101	-	10,537,664
23 Apr 2012	S\$0.263	1,514,000	1,514,000	-	-	1,514,000
14 Mar 2013	S\$0.360	1,081,040	1,081,040	1,081,040	-	-
31 Mar 2013	S\$0.371	1,847,163	1,847,163	575,347	-	1,271,816
29 Sep 2013	S\$0.370	910,000	910,000	910,000	-	-
Total:		20,098,968	20,098,968	6,775,488	-	13,323,480

Performance Shares - Ying Li Performance Share Plan ("Ying Li PSP")

As at 31 March 2015, the number of outstanding share awards granted (but not yet vested) under the Ying Li PSP was 10,469,329 (31 March 2014: 19,817,917). Further details of the share awards granted under the Ying Li PSP are as follows:

Date of grant	Granted	Balance at 31 December 2013	Vested on 15 March 2014	Vested on 3 April 2014	Vested on 18 December 2014	Number of Performance Shares Lapsed	Balance at 31 December 2014
2 Apr 2012	22,120,148	16,590,029	-	5,058,866	454,220	3,173,859	7,903,084
23 Apr 2012	2,271,000	1,703,226	-	567,774	-	-	1,135,452
14 Mar 2013	1,081,040	1,081,040	250,000	-	-	831,040	-
31 Mar 2013	2,770,744	2,770,744	-	664,297	-	675,654	1,430,793
29 Sep 2013	1,360,000	1,360,000	-	-	-	1,360,000	-
Total	29,602,932	23,505,039	250,000	6,290,937	454,220	6,040,553	10,469,329

- 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 as at 31 March 2015 was 2,557,040,024 (31 March 2014: 2,169,294,867).

The Company did not hold any treasury shares as at 31 March 2015 (31 December 2013: Nil).

- 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.**

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's 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 had adopted the same accounting policies and method of computation in the financial statements for the current financial year compared to the audited financial statements for the year ended 31 December 2014.

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			
	1st Qtr 2015	1st Qtr 2014	Jan to Mar 2015	Jan to Mar 2014
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	(0.002)	0.016	(0.002)	0.016
(ii) On a fully diluted basis (RMB per share)	(0.002)	0.017	(0.002)	0.016
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,556,655	2,169,045	2,284,614	2,169,045
(ii) On a fully diluted basis ('000)	2,619,719	2,238,603	2,347,678	2,238,603

Earnings per ordinary share equals to the Group's profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary shares issued during the period under review.

Diluted earnings per ordinary share is calculated based on the similar basis as the earnings per share, except that the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options granted under the Ying Li ESOS and conditional shares granted under the Ying Li PSP.

The following table indicates the profit and share numbers used in the basic and fully diluted basis for earning per share computations:

	1st Qtr 2015 RMB ('000)	1st Qtr 2014 RMB ('000)	Jan to Mar 2015 RMB ('000)	Jan to Mar 2014 RMB ('000)
Profit attributable to equity holders of the parent	(455)	33,676	(455)	33,676
Add: Effect of dilutive potential ordinary shares				
- Share based payment expense	2,912	4,001	2,912	4,001
	<u>2,457</u>	<u>37,677</u>	<u>2,457</u>	<u>37,677</u>
Weighted average number of ordinary shares in issued	2,556,655	2,169,045	2,284,614	2,169,045
Add: Effect of dilutive potential ordinary shares				
- Share based compensation reserve	63,064	69,558	63,063	69,558
Number of ordinary shares used to calculate the diluted earning per share	<u>2,619,719</u>	<u>2,238,603</u>	<u>2,347,678</u>	<u>2,238,603</u>

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

	Group		Company	
	31-Mar-15	31 Dec 2014	31-Mar-15	31 Dec 2014
Net Assets Value (RMB'000)	5,004,850	5,000,603	4,467,989	5,000,603
Based on existing issued share capital (RMB per share)	1.96	2.31	1.75	2.31
Net Assets Value has been computed based on the number of share issued (000')	2,557,040	2,169,045	2,557,040	2,169,045

- 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

Due to the nature of the industry that the Company operates in, recognition of revenue from the sale of properties is driven by project hand-over. Consequently, quarterly results may not be a good indication of profitability trend.

For the three months and quarter ended 31 March 2015

Revenue

	Group					
	1st Qtr 2015	1st Qtr 2014	Increase / (Decrease)	Jan to Mar 2015	Jan to Mar 2014	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	49,144	245,708	(80.0%)	49,144	245,708	(80.0%)
Rental Income	51,090	33,994	50.3%	51,090	33,994	50.3%
	100,234	279,702	(64.2%)	100,234	279,702	(64.2%)

Revenue of the Group for 1QFY2015 decreased by RMB179.5 million (64.2%) to RMB100.2 million as compared with 1QFY2014. The decrease was mainly due to lower revenue being recognized from the Sale of Properties during the quarter as most of the completed units from the Ying Li International Plaza project were handed over in FY2014. Our profile of property sales accounted for is in line with industry being an initial surge, a more constant stream and as the number of unit available for sale declines, sales start tapering off.

Rental income increased by RMB17.1 million (50.3%) in 1QFY2015 to RMB51.1 million as compared to the same period last year. The increase is mainly due to increased rental contribution due to more space being leased out from the Investment Properties held by the Group compared to the same period last year.

Gross profit

	Group					
	1st Qtr 2015	1st Qtr 2014		Jan to Mar 2015	Jan to Mar 2014	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	11,048	80,656	(86.3%)	11,048	80,656	(86.3%)
Rental Income	44,120	27,920	58.0%	44,120	27,920	58.0%
	55,168	108,576	(49.2%)	55,168	108,576	(49.2%)

Gross profit of the Group for 1QFY2015 decreased by RMB53.4 million (49.2%) to RMB55.2 million as compared to the same period last year which is in line with the decrease in revenue.

Gross profit margin

	Group							
	1st Qtr 2015		1st Qtr 2014		Jan to Mar 2015		Jan to Mar 2014	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	11,048	22.5%	80,656	32.8%	11,048	22.5%	80,656	32.8%
Rental Income	44,120	86.4%	27,920	82.1%	44,120	86.4%	27,920	82.1%
	55,168	55.0%	108,576	38.8%	55,168	55.0%	108,576	38.8%

n.m. - not meaningful

The Group's gross profit margin for 1QFY2015 increased by 16.2 percentage points to 55.0%. Gross profit margin from Sale of Properties rose as the units that were handed over in 4QFY2014 mainly comprised office units that tend to have a higher profit margin as compared to the residential units that were handed over in FY2013.

Other income

	Group			
	1st Qtr 2015	1st Qtr 2014	Jan to Mar 2015	Jan to Mar 2014
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	14,626	562	14,626	562
Government grant	23	-	23	-
Others	269	445	269	445
	14,918	1,007	14,918	1,007

The year-on-year increase in Other Income was mainly due to interest income received from deposits placed with financial institutions as collaterals for loans taken out by the Group.

Selling expenses

Selling expenses increased by RMB0.8 million in 1QFY2015 to RMB14.2 million (5.6%) as compared to 1Q2014. This was mainly due to higher utilities expenses incurred by the Ying Li International Plaza mall.

Administrative expenses

During the quarter under review, Administrative expenses - Normal recurring were RMB30.3 million or RMB14.1 million (86.9%) higher compared to 1QFY2014. The increase was due to an increase in foreign exchange losses amounting to RMB22.5 million that was mainly attributable to foreign exchange losses that arose from adverse movements in the USD-SGD rate for a USD denominated loan drawn down in 2014.

Finance costs

For the quarter under review, finance costs were RMB22.0 million or RMB0.9 million lower as compared to 1QFY2014. The lower interest expense was mainly due to the repayment of a loan bearing higher interest rate during the year. Interest expense directly attributable to projects would generally be capitalised as part of the project costs.

Taxation

	Group					
	1st Qtr 2015	1st Qtr 2014		Jan to Mar 2015	Jan to Mar 2014	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	9,109	(19,382)	n.m.	9,109	(34,072)	n.m.
Deferred tax	(10,747)	(122)	8,709.0%	(10,747)	(53,053)	(79.7%)
	(1,638)	(19,504)	(91.6%)	(1,638)	(87,125)	(98.1%)

n.m. - not meaningful

During the quarter under review, current income tax expense decreased by RMB17.9 million to RMB1.6 million as compared with 1Q2014 mainly due to lower taxable profits generated from the sale of properties in 1Q2015.

Profit attributable to ordinary shareholders of the Company

	Group					
	1st Qtr 2015	1st Qtr 2014	Increase / (Decrease)	Jan to Mar 2015	Jan to Mar 2014	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
(Loss)/profit attributable to:						
Ordinary shareholders of the Company	(455)	33,676	n.m.	(455)	33,676	n.m.
Non-Controlling Interest (NCI)	(550)	(224)	145.5%	(550)	(224)	145.5%
	(1,005)	33,452	n.m.	(1,005)	33,452	n.m.

n.m. - not meaningful

Overall, net profit attributable to the ordinary shareholders of the Company for the quarter under review decreased by RMB34.4 million to RMB1.0 million in 1Q2015.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group increased by RMB1,158.3 million to RMB10,673.0 million during the period under review. The increase in assets was attributable to i) an increase in development properties as progress is being made on both the Ying Li Chongqing Financial Street and San Ya Wan Phase 2 projects; b) an increase in deposits placed with government agencies for land tenders amounting to RMB383.0 million; and iii) an increase in cash and cash equivalents of RMB578.8 million.

The Group's total liabilities increased by RMB1,154.6 million to RMB5,614.1 million during the period under review. The increase in liabilities was mainly due to an increase in borrowings of the Group of RMB1,205.3 million to fund the development of the development projects.

The Group's total equity decreased by RMB3.7 million to RMB5,058.9 million during the period under review. The net decrease was due loss achieved during 1QFY2015.

STATEMENT OF CASH FLOW

The increase in cash and cash equivalent of RMB1,331.4 million for the quarter under review was mainly due to:

- i) net cash outflow of RMB639.7 million from operating activities;
- ii) net cash outflow of RMB0.9 million from investing activities; and
- iii) net cash inflow of RMB959.7 million from financing activities.

The net cash used in operating activities of RMB639.7 million include cash generated from the operating profit of RMB12.2 million. This was offset by in i) a decrease receivables and payables of RMB419.7 million mainly arising from deposits paid for a land tender; ii) development costs amounting to RMB214.4 million incurred mainly on the ongoing construction of San Ya Wan Phase 2, the Ying Li Financial Street project and the Jiangjin International Electrical and Hardware Centre; and iii) interest and income tax payment of RMB194.3 million.

Net cash generated from financing activities of RMB959.7 million includes: (i) increase in borrowing by RMB1,877.9 million to fund the construction of the Group's ongoing projects; and ii) repayment of borrowings amounting to RMB672.2 million.

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

The results announced are in line with the previous comments by the Board of Directors.

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.

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.

On 15 April 2015, the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics saw Chongqing's economy achieved a nominal GDP of RMB330.67 billion, an increase of 10.7% year-on-year, for the first quarter. Disposal income per capita increased 10.0% year-on-year to RMB5,824. During the quarter, employment remains stable, with 14.61 million jobs created.

Chongqing Office Market

In 1Q2015, the World Financial Centre ("WFC") in Yuzhong District came on stream. With the completion of WFC, Chongqing's Grade A office market stock increased to 769,917 sqm from 695,917 sqm. Stimulated by the new supply, the Chongqing office leasing market became more active, with the first quarter's net absorption rose 30.7% to 18,197 sqm. The availability ratio increased to 42.4%, from 37.5% due to the launching of WFC.

As for leasing demand, flight to quality and new business expansion were the factors driving new office leasing transactions. Meanwhile, following Shanghai's lead, Chongqing begun to assume the character of being a secondary financial centre within the larger Yangtze River region, with leasing demands stems mainly from the finance and investment sectors. Consulting, legal services and training firms were also active during the first quarter.

In 1Q2015, new supply aggravated completion between landlords drove overall rents to increase to RMB99.9 per sqm, up 5.2%. Average city's rent were push higher as a result of the significant increase rental in Yuzhong of 6.8% to RMB102.7 per sqm. Next quarter, with the completion of three new grade A office project entering the market, there will be a massive influx of new supply which will inevitably intensify competition in the market. Over the short mid-term period, the overall availability ratio will spike up and rent will come under downward pressure.

(Source: DTZ 1Q2015)

Chongqing Retail Market

Driven by new retailer openings and robust consumption during the festive season, average overall rent increased 0.2% to RMB727 per sqm per month, while the availability ratio decreased 0.41% to 11.42%. Overall, Chongqing prime retail rent is expected to go up steadily as the city's tertiary sector continues to expand.

(Source: DTZ 1Q2015)

1Q2015 was a quieter quarter with only one department store newly launched which brought 100,000 sqm retail space in the market. Lifestyle retailers remained active in seeking new space, marking the rapidest expansions in Tier II cities. Lifestyle consumption will remain the dominant theme as more operators are under pressure to introduce such tenants in order to enhance the in-store shopping experience. Department stores are facing mounting challenges due to out-of-date specification and stereotyping operation. Leveraging the national strategy of One Belt One Road, cross-border e-commerce remains popular while the brick-and-mortar stores will expand further in core business centres.

(Source: CBRE 1Q2015)

Chongqing Residential Market

A comprehensive package of new policies for the housing market were announced in 1Q2015. In February and early March, the PBOC cut RRR and interest rates in the face of increasing headwinds towards China GDP growth. New policy easing measures were subsequently announced by central governments. Measures such as the lowering of down payment ratio to 40% for second home buyers is expected to boost transaction volumes, as more home purchases are more likely to rely on mortgages. In addition, business tax exemption for second home sales has been relaxed as well. In 1Q2015, home sales and new units for presale came down to over 30% quarter-on-quarter due to seasonal factors. The market sentiment is expected to improve on the back of these measures. Down-payment ratio cut for both first and second home buyers will play a vital role in boosting home sales and alter the expectation of buyers. Meanwhile, the new tax measure will also contribute to the rise of second home transaction in a short term.

(Source: CBRE 1Q2015)

Given that the Group focuses on development of integrated properties in Chongqing, particularly in the Yuzhong district, the Group believes it will continue to benefit from the strong fundamentals and rapid urbanisation of Chongqing.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2015.

11 Dividend

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

No dividend was declared or recommended. As previously explained, the Company is currently in its growth phase and thus has need for and can generate significant returns on the cash it retains. However, the Company is committed to start paying dividends once such a situation changes.

(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/recommended, a statement to that effect.

No dividend has been declared or recommended for the period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for IPTs.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
15 May 2015

Yang Xiao Yu
Executive Director