



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

**Financial Statement Announcement for Third Quarter 30 September 2009**

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

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

|  | <b>Group</b>  |                  |                          |               |                |                          |
|--|---------------|------------------|--------------------------|---------------|----------------|--------------------------|
|  | 3rd Qtr       | 3rd Qtr          | Increase /<br>(Decrease) | Jan to Sept   | Jan to Sept    | Increase /<br>(Decrease) |
|  | 2009          | 2008             |                          | 2009          | 2008           |                          |
|  | RMB ('000)    | RMB ('000)       | %                        | RMB ('000)    | RMB ('000)     | %                        |
| <b>Revenue</b>                                     | <b>31,380</b> | <b>18,044</b>    | 74%                      | 93,654        | 34,271         | 173%                     |
| Cost of sales                                      | (11,414)      | (6,376)          | 79%                      | (48,226)      | (11,621)       | 315%                     |
| <b>Gross profit</b>                                | <b>19,966</b> | <b>11,668</b>    | 71%                      | <b>45,428</b> | <b>22,650</b>  | 101%                     |
| Other income                                       | 286           | 6,459            | (96%)                    | 724           | 511,913        | (100%)                   |
| Selling expenses                                   | (1,202)       | (473)            | 154%                     | (2,823)       | (1,353)        | 109%                     |
| Administrative expenses                            | (7,151)       | (9,670)          | (26%)                    | (22,558)      | (12,609)       | 79%                      |
| Fair value gain on investment properties           | -             | -                | n.m                      | -             | 566            | (100%)                   |
| Finance costs                                      | (2,712)       | (209)            | n.m                      | (8,710)       | (246)          | n.m                      |
| Other operating expenses                           | (77)          | (109,889)        | (100%)                   | (100)         | (122,609)      | (100%)                   |
| Share of associates' result                        | -             | -                |                          |               | 4,374          |                          |
| <b>Profit / (loss) before Income Tax</b>           | <b>9,110</b>  | <b>(102,114)</b> | (109%)                   | <b>11,961</b> | <b>402,686</b> | (97%)                    |
| Taxation   | (3,752)       | (5,285)          | (29%)                    | (6,392)       | (8,255)        | (23%)                    |
| <b>Profit / (loss) for the period</b>              | <b>5,358</b>  | <b>(107,399)</b> | (105%)                   | <b>5,569</b>  | <b>394,431</b> | (99%)                    |
| Translation differences                            | (1,888)       | 993              | (290%)                   | (4,724)       | 11,652         | (141%)                   |
| <b>Total comprehensive income for the period</b>   | <b>3,470</b>  | <b>(106,406)</b> | (103%)                   | <b>845</b>    | <b>406,083</b> | (100%)                   |
| <b>Profit attributable to:</b>                     |               |                  |                          |               |                |                          |
| Owners of the parent (Note 1)                      | 3,819         | (107,399)        | (104%)                   | 4,572         | 394,431        | (99%)                    |
| Minority interests (MI) (Note 2)                   | 1,539         | -                | (100%)                   | 997           | -              | (100%)                   |
|  | <b>5,358</b>  | <b>(107,399)</b> | (105%)                   | <b>5,569</b>  | <b>394,431</b> | (99%)                    |
| <b>Total comprehensive income attributable to:</b> |               |                  |                          |               |                |                          |
| Owners of the parent (Note 1)                      | 1,931         | (106,406)        | (102%)                   | (152)         | 406,083        | (100%)                   |
| Minority interests (MI) (Note 2)                   | 1,539         | -                | (100%)                   | 997           | -              | (100%)                   |
|  | <b>3,470</b>  | <b>(106,406)</b> | (103%)                   | <b>845</b>    | <b>406,083</b> | (100%)                   |

n.m - not meaningful

Note:

Note 1 – Following the restructuring exercise in 2008, Chongqing Yingli became a subsidiary of the Group. However, the minority shareholders of Chongqing Yingli agreed to waive all rights to dividends and/or other distributions. As a consequent, no minority interest is arising from Chongqing Yingli at the Group level.

Note 2 – Minority interest arises from the 20% of Sanyawan not owned by the Group .

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-09<br>RMB ('000) | 31-Dec-08<br>RMB ('000) | 30-Sep-09<br>RMB ('000) | 31-Dec-08<br>RMB ('000) |
| <b>ASSETS</b>                        |                         |                         |                         |                         |
| <b>Non-current assets:</b>           |                         |                         |                         |                         |
| Property, plant and equipment        | 4,021                   | 3,749                   | 186                     | 16                      |
| Investment in subsidiaries           | -                       | -                       | 2,826,719               | 2,768,751               |
| Investment properties                | 1,279,949               | 1,279,949               | -                       | -                       |
| <b>Total non-current assets</b>      | <b>1,283,970</b>        | <b>1,283,698</b>        | <b>2,826,905</b>        | <b>2,768,767</b>        |
| <b>Current assets:</b>               |                         |                         |                         |                         |
| Land for development                 | 627,867                 | 572,736                 | -                       | -                       |
| Development properties               | 84,846                  | 105,550                 | -                       | -                       |
| Refundable tender deposit            | 171,211                 | -                       | 144,611                 | -                       |
| Trade and other receivables          | 79,492                  | 24,151                  | 1,909                   | 2,797                   |
| Cash at bank - restricted            | 17,904                  | 18,160                  | -                       | -                       |
| Cash and cash equivalents            | 67,612                  | 81,982                  | 34,683                  | 25,860                  |
| <b>Total current assets</b>          | <b>1,048,932</b>        | <b>802,579</b>          | <b>181,203</b>          | <b>28,657</b>           |
| <b>Total assets</b>                  | <b>2,332,902</b>        | <b>2,086,277</b>        | <b>3,008,108</b>        | <b>2,797,424</b>        |
| <b>EQUITY AND LIABILITIES</b>        |                         |                         |                         |                         |
| <b>Capital and reserves:</b>         |                         |                         |                         |                         |
| Capital contribution                 | 2,802,767               | 2,637,682               | 2,802,767               | 2,637,682               |
| Reverse acquisition reserve          | (2,423,874)             | (2,423,874)             | -                       | -                       |
| Other reserve                        | 430,163                 | 430,163                 | -                       | -                       |
| Statutory common reserve             | 6,232                   | 6,232                   | -                       | -                       |
| Share option reserve                 | 836                     | -                       | 836                     | -                       |
| Exchange fluctuation reserve         | 5,166                   | 9,890                   | (3,979)                 | 428                     |
| Retained profits                     | 630,751                 | 626,179                 | 2,881                   | 4,000                   |
|                                      | <b>1,452,041</b>        | <b>1,286,272</b>        | <b>2,802,505</b>        | <b>2,642,110</b>        |
| <b>Minority interests</b>            | <b>24,251</b>           | <b>23,254</b>           | -                       | -                       |
| <b>Total equity</b>                  | <b>1,476,292</b>        | <b>1,309,526</b>        | <b>2,802,505</b>        | <b>2,642,110</b>        |
| <b>Non-current liabilities:</b>      |                         |                         |                         |                         |
| Deferred taxation                    | 190,676                 | 190,676                 | -                       | -                       |
| Bank borrowings                      | 215,873                 | 269,250                 | -                       | -                       |
| <b>Total non-current liabilities</b> | <b>406,549</b>          | <b>459,926</b>          | -                       | -                       |
| <b>Current liabilities:</b>          |                         |                         |                         |                         |
| Trade and other payables             | 246,246                 | 208,131                 | 25,272                  | 155,314                 |
| Amount owing to a director           | 11,894                  | 11,905                  | -                       | -                       |
| Amount owing to a subsidiary         | -                       | -                       | 152,839                 | -                       |
| Provision for taxation               | 74,798                  | 68,619                  | -                       | -                       |
| Short term loan for tender deposit   | 43,961                  | -                       | -                       | -                       |
| Bank borrowings                      | 73,162                  | 28,170                  | 27,492                  | -                       |
| <b>Total current liabilities</b>     | <b>450,061</b>          | <b>316,825</b>          | <b>205,603</b>          | <b>155,314</b>          |
| <b>Total equity and liabilities</b>  | <b>2,332,902</b>        | <b>2,086,277</b>        | <b>3,008,108</b>        | <b>2,797,424</b>        |

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-09<br>RMB ('000) | 31-Dec-08<br>RMB ('000) | 30-Sep-09<br>RMB ('000) | 31-Dec-08<br>RMB ('000) |
| Trade receivables   | 11,437                  | 8,651                   | -                       | -                       |
| Othere receivables  |                         |                         |                         |                         |
| - Deposits  | 1,569                   | 1,766                   | 491                     | 484                     |
| - Prepayments   | 3,518                   | 114                     | 1,385                   | 114                     |
| - GST receivables   | 32                      | 782                     | 32                      | 782                     |
| - Advances to sub-contractors and management agents           | 60,714                  | 9,469                   | -                       | -                       |
| - Advances to staff   | 1,946                   | 1,124                   | -                       | -                       |
| - Distribution of net capital from Showy (Shanghai) Impex Ltd | -                       | 1,288                   | -                       | 1,288                   |
| - Others  | 276                     | 957                     | 1                       | 129                     |
|   | <b>79,492</b>           | <b>24,151</b>           | <b>1,909</b>            | <b>2,797</b>            |

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

|  | Group                 |                         |                       |                         |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
|  | 30-Sep-09             |                         | 31-Dec-08             |                         |
|  | Secured<br>RMB ('000) | Unsecured<br>RMB ('000) | Secured<br>RMB ('000) | Unsecured<br>RMB ('000) |
| Amount repayable in one year or less, or on demand | 73,162                | 44,000                  | 28,170                | -                       |
| Amount repayable after one year                    | 215,873               | -                       | 269,250               | -                       |
|  | <b>289,035</b>        | <b>44,000</b>           | <b>297,420</b>        | <b>-</b>                |

**Details of any collateral**

The bank loans are secured by: -

1. legal mortgage of the Group's investment properties;
2. A pledge of RMB12.4 million and SGD1 million fixed deposit place with a bank in China and Singapore respectively.
3. Deed of guarantee and indemnity executed by Fortune Court Holdings Limited and Newest Luck Holdings Limited (a director related company) collectively.
4. Pledge of the entire issued and paid up capital of Fortune Court Holdings Limited held by the Company.

Bank loans denominated in RMB and SGD have an effective interest rate ranging from 6.1% to 20.0%. As at the date of this announcement, the effective interest rate ranging from 6.1% to 9.5%. Interest rates are re-priced every 12 months.

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

On 15 October 2009, the Company has fully prepaid the S\$13 million loan obtained from OCBC.

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

|   | <b>Group</b>    |                 |                     |                     |
|---|-----------------|-----------------|---------------------|---------------------|
|   | 3rd Qtr<br>2009 | 3rd Qtr<br>2008 | Jan to Sept<br>2009 | Jan to Sept<br>2008 |
|   | RMB ('000)      | RMB ('000)      | RMB ('000)          | RMB ('000)          |
| <b>Operating activities</b>                                 |                 |                 |                     |                     |
| Profit/(loss) before taxation                               | 9,110           | (102,114)       | 11,961              | 402,686             |
| Adjustments for:  |                 |                 |                     |                     |
| Depreciation of property, plant and equipment               | 221             | 476             | 810                 | 708                 |
| Fair value gain on investment properties                    | -               | -               | -                   | (566)               |
| Negative goodwill   | -               | -               | -                   | (485,396)           |
| Interest expense  | 2,712           | 235             | 8,710               | 272                 |
| Interest income   | (5)             | (375)           | (14)                | (375)               |
| Share of associates's result                                | -               | -               | -                   | (4,374)             |
| Recognition of share option granted                         | 396             | -               | 836                 | -                   |
| Properties, plant and equipment written off                 | 67              | -               | 67                  | -                   |
| Impairment of associates                                    | -               | -               | -                   | 5,145               |
| Operating profit/(loss) before working capital charges      | 12,501          | (101,778)       | 22,370              | (81,900)            |
|   |                 |                 |                     |                     |
| (Increase)/decrease in development properties               | (223)           | (3,128)         | 20,704              | (6,783)             |
| Increase in land for development                            | (18,920)        | (52,457)        | (42,170)            | (154,176)           |
| Increase in trade and other receivables                     | (192,343)       | (36,221)        | (226,552)           | (19,118)            |
| Increase in trade and other payables                        | 110,228         | 19,939          | 82,065              | 16,335              |
| Cash used in operations                                     | (88,757)        | (173,645)       | (143,583)           | (245,642)           |
|   |                 |                 |                     |                     |
| Interest paid   | (7,402)         | (235)           | (21,671)            | (272)               |
| Interest received   | 5               | 375             | 14                  | 375                 |
| Income tax paid   | -               | (110)           | (212)               | (2,127)             |
| Net cash used in operating activities                       | (96,154)        | (173,615)       | (165,452)           | (247,666)           |
| <b>Cash flow from investing activities</b>                  |                 |                 |                     |                     |
| Acquisition of property, plant and equipment                | (104)           | (1,052)         | (1,145)             | (1,052)             |
| Acquisition of San Ya Wan                                   | -               | -               | -                   | (61,845)            |
| Acquisition of Chongqing Yingli                             | -               | -               | -                   | (59,316)            |
| Proceed from disposal of existing business to Showy Pte Ltd | -               | 22,107          | -                   | 22,107              |
| Net cash (used in) / generated from investing activities    | (104)           | 21,055          | (1,145)             | (100,106)           |
| <b>Cash flow from financing activities</b>                  |                 |                 |                     |                     |
| New capital issued  | 165,085         | 2,624,993       | 165,085             | 2,624,993           |
| Reverse acquisition reserve                                 | -               | (2,357,330)     | -                   | (2,378,631)         |
| Bank balance subject to restriction                         | 22,390          | (8,456)         | 255                 | (7,588)             |
| Proceed from bank loan                                      | -               | 292,177         | 58,493              | 278,462             |
| Repayment of bank loan                                      | (37,162)        | (388,837)       | (66,879)            | -                   |
| Net cash generated from financing activities                | 150,313         | 162,547         | 156,954             | 517,236             |
| Exchange translation adjustments                            | (1,892)         | 11,653          | (4,727)             | 11,653              |
| Net increase / (decrease) in cash and cash equivalent       | 52,163          | 21,640          | (14,370)            | 181,117             |
| Cash and cash equivalent at beginning of period             | 15,449          | 180,786         | 81,982              | 21,309              |
| Cash and cash equivalent at end of period                   | 67,612          | 202,426         | 67,612              | 202,426             |

- 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 2009**

| Group  | Capital contribution | Reverse acquisition reserve | Capital surplus | Common reserve | Share option reserve | Exchange fluctuation reserve | Retained profits | Total attributable to equity holders of the Parent | Minority Interest | Total       |
|--|----------------------|-----------------------------|-----------------|----------------|----------------------|------------------------------|------------------|--|-------------------|-------------|
|  | RMB ('000)           | RMB ('000)                  | RMB ('000)      | RMB ('000)     | RMB ('000)           | RMB ('000)                   | RMB ('000)       | RMB ('000)   | RMB ('000)        | RMB ('000)  |
| <b>Balance at January 1, 2009</b>                          | 2,637,682            | (2,423,874)                 | 430,163         | 6,232          | -                    | 9,890                        | 626,179          | 1,286,272  | 23,254            | 1,309,526   |
| Total comprehensive income for the period                  | -                    | -                           | -               | -              | -                    | (177)                        | 473              | 296  | (459)             | (163)       |
| Adjustment from minority interest                          | -                    | -                           | -               | -              | -                    | -                            | 134              | 134  | (134)             | -           |
| Recognition of share option granted                        | -                    | -                           | -               | -              | 60                   | -                            | -                | 60   | -                 | 60          |
| <b>Balance at March 31, 2009</b>                           | 2,637,682            | (2,423,874)                 | 430,163         | 6,232          | 60                   | 9,713                        | 626,786          | 1,286,762  | 22,661            | 1,309,423   |
| Total comprehensive income for the period                  | -                    | -                           | -               | -              | -                    | (2,658)                      | 278              | (2,380)  | (81)              | (2,461)     |
| Adjustment from minority interest                          | -                    | -                           | -               | -              | -                    | -                            | (133)            | (133)  | 133               | -           |
| Recognition of share option granted                        | -                    | -                           | -               | -              | 380                  | -                            | -                | 380  | -                 | 380         |
| <b>Balance at June 30, 2009</b>                            | 2,637,682            | (2,423,874)                 | 430,163         | 6,232          | 440                  | 7,055                        | 626,931          | 1,284,629  | 22,713            | 1,307,342   |
| Issue of shares  | 165,085              | -                           | -               | -              | -                    | -                            | -                | 165,085  | -                 | 165,085     |
| Total comprehensive income for the period                  | -                    | -                           | -               | -              | -                    | (1,889)                      | 3,819            | 1,930  | 1,539             | 3,469       |
| Adjustment from minority interest                          | -                    | -                           | -               | -              | -                    | -                            | 1                | 1  | (1)               | -           |
| Recognition of share option granted                        | -                    | -                           | -               | -              | 396                  | -                            | -                | 396  | -                 | 396         |
| <b>Balance at September 30, 2009</b>                       | 2,802,767            | (2,423,874)                 | 430,163         | 6,232          | 836                  | 5,166                        | 630,751          | 1,452,041  | 24,251            | 1,476,292   |
| <b>Balance at January 1, 2008</b>                          | 11                   | -                           | -               | 151            | -                    | (1)                          | 254,082          | 254,243  | -                 | 254,243     |
| Total comprehensive income for the period                  | -                    | -                           | -               | -              | -                    | (6,486)                      | 10,438           | 3,952  | -                 | 3,952       |
| <b>Balance as at March 31, 2008</b>                        | 11                   | -                           | -               | 151            | -                    | (6,487)                      | 264,520          | 258,195  | -                 | 258,195     |
| Total comprehensive income for the period                  | -                    | -                           | -               | 1              | -                    | 17,146                       | 491,391          | 508,538  | -                 | 508,538     |
| Minority interest arising from acquisition of subsidiaries | -                    | -                           | -               | -              | -                    | -                            | -                | -  | 91,946            | 91,946      |
| <b>Balance as at June 30, 2008</b>                         | 11                   | -                           | -               | 152            | -                    | 10,659                       | 755,911          | 766,733  | 91,946            | 858,679     |
| Issue of shares pursuant to the Acquisition                | 2,663,541            | -                           | -               | -              | -                    | -                            | -                | 2,663,541  | -                 | 2,663,541   |
| Reverse takeover expenses                                  | (26,174)             | -                           | -               | -              | -                    | -                            | -                | (26,174)   | -                 | (26,174)    |
| Adjustments due to reverse acquisition                     | -                    | (2,464,917)                 | -               | -              | -                    | -                            | -                | (2,464,917)  | (484)             | (2,465,401) |
| Conversion of loan stock to shares                         | 4                    | -                           | 460,686         | -              | -                    | -                            | -                | 460,690  | -                 | 460,690     |
| Total comprehensive income for the period                  | -                    | -                           | -               | -              | -                    | 993                          | (107,399)        | (106,406)  | -                 | (106,406)   |
| <b>Balance as at September 30, 2008</b>                    | 2,637,382            | (2,464,917)                 | 460,686         | 152            | -                    | 11,652                       | 648,512          | 1,293,467  | 91,462            | 1,384,929   |
| Issue of shares pursuant to the Acquisition                | 3,376                | -                           | -               | -              | -                    | -                            | -                | 3,376  | -                 | 3,376       |
| Share issue expense  | (2,377)              | -                           | -               | -              | -                    | -                            | -                | (2,377)  | -                 | (2,377)     |
| Adjustments due to reverse acquisition                     | (699)                | -                           | -               | -              | -                    | -                            | 20,739           | 20,040   | (66,337)          | (46,297)    |
| Adjustment to minority interest                            | -                    | -                           | -               | -              | -                    | -                            | -                | -  | -                 | -           |
| Transfer to common reserve                                 | -                    | -                           | -               | 6,080          | -                    | -                            | (6,080)          | -  | -                 | -           |
| Total comprehensive income for the period                  | -                    | 41,043                      | (30,523)        | -              | -                    | (1,762)                      | (36,992)         | (28,234)   | (1,871)           | (30,105)    |
| <b>Balance as at December 31, 2008</b>                     | 2,637,682            | (2,423,874)                 | 430,163         | 6,232          | -                    | 9,890                        | 626,179          | 1,286,272  | 23,254            | 1,309,526   |

## Statement of Changes in Equity of the Company for the period ended 30 September 2009

| Company                                     | Capital contribution | Share option reserve | Exchange fluctuation reserve | Retained profits | Total attributable to equity holders of the Parent | Total      |
|---|----------------------|----------------------|------------------------------|------------------|--|------------|
|   | RMB ('000)           | RMB ('000)           | RMB ('000)                   | RMB ('000)       | RMB ('000)   | RMB ('000) |
| <b>Balance at January 1, 2009</b>           | 2,637,682            | -                    | 428                          | 4,000            | 2,642,110  | 2,642,110  |
| Total comprehensive income for the period   | -                    | -                    | 20                           | (2,431)          | (2,411)  | (2,411)    |
| Recognition of share option granted         | -                    | 60                   | -                            | -                | 60   | 60         |
| <b>Balance at March 31, 2009</b>            | 2,637,682            | 60                   | 448                          | 1,569            | 2,639,759  | 2,639,759  |
| Total comprehensive income for the period   | -                    | -                    | (2,592)                      | 6,058            | 3,466  | 3,466      |
| Recognition of share option granted         | -                    | 380                  | -                            | -                | 380  | 380        |
| <b>Balance at June 30, 2009</b>             | 2,637,682            | 440                  | (2,144)                      | 7,627            | 2,643,605  | 2,643,605  |
| Issue of shares                             | 165,085              | -                    | -                            | -                | 165,085  | 165,085    |
| Total comprehensive income for the period   | -                    | -                    | (1,835)                      | (4,746)          | (6,581)  | (6,581)    |
| Recognition of share option granted         | -                    | 396                  | -                            | -                | 396  | 396        |
| <b>Balance at September 30, 2009</b>        | 2,802,767            | 836                  | (3,979)                      | 2,881            | 2,802,505  | 2,802,505  |
| <b>Balance at January 1, 2008</b>           | -                    | -                    | -                            | (1)              | (1)  | (1)        |
| Total comprehensive income for the period   | -                    | -                    | -                            | -                | -  | -          |
| <b>Balance as at March 31, 2008</b>         | -                    | -                    | -                            | (1)              | (1)  | (1)        |
| Total comprehensive income for the period   | -                    | -                    | -                            | 17,257           | 17,257   | 17,257     |
| <b>Balance as at June 30, 2008</b>          | -                    | -                    | -                            | 17,256           | 17,256   | 17,256     |
| Issue of shares pursuant to the Acquisition | 2,664,234            | -                    | -                            | -                | 2,664,234  | 2,664,234  |
| Share issue expense                         | (682)                | -                    | -                            | -                | (682)  | (682)      |
| Reverse takeover expenses                   | (26,174)             | -                    | -                            | -                | (26,174)   | (26,174)   |
| Total comprehensive income for the period   | 4                    | -                    | 378                          | (12,457)         | (12,075)   | (12,075)   |
| <b>Balance as at September 30, 2008</b>     | 2,637,382            | -                    | 378                          | 4,799            | 2,642,559  | 2,642,559  |
| Issue of shares pursuant to the Acquisition | 3,376                | -                    | -                            | -                | 3,376  | 3,376      |
| Adjustments due to reverse acquisition      | (3,076)              | -                    | -                            | -                | (3,076)  | (3,076)    |
| Total comprehensive income for the period   | -                    | -                    | 50                           | (799)            | (749)  | (749)      |
| <b>Balance as at December 31, 2008</b>      | 2,637,682            | -                    | 428                          | 4,000            | 2,642,110  | 2,642,110  |

- 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**

| <u>Share capital</u>   | <u>Number of shares</u><br><u>(in '000)</u> |
|--|---|
| Ordinary shares issued and fully paid                        |   |
| Balance as at 1 January 2009                                 | 1,782,149                                   |
| Issue of new shares:   |   |
| - arising from share placement                               | 107,143                                     |
| - upon exercise of share options granted on 26 February 2009 | 20,000                                      |
| Balance as at 30 September 2009                              | <u>1,909,292</u>                            |

As mentioned in our announcement released on 4 September 2009, our Company raised a total amount of S\$30 million by way of a placement of 107,143,000 new ordinary shares at S\$0.28 for each new ordinary share. The net proceeds of S\$28.7 million have been used as an initial refundable deposit for the acquisition of the 28,226 sqm land parcel located at the city centre of Chongqing as mentioned in paragraph 1(b)(i) above.

During the quarter under review, our Company issued a total of 20 million new shares at S\$0.279 per share to OCBC pursuant to the loan and option agreement dated 26 February 2009. On 15 October 2009, our Company has applied the total proceeds of S\$5.58 million to prepay the remaining outstanding amount of loan. Accordingly, there is no further outstanding amount owed by the Company to OCBC in respect of the loan.

- 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 2009 was 1,909,292,429. (31 December 2008: 1,782,149,429).

- 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 2009 and 30 September 2008.

- 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 2008 except for the adoption of the new and revised International Financial Reporting Standards ("IFRS") as disclosed in paragraph 5 below.

**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.**

In the current year, the Group and the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The adoption of these new/revised IFRS did not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

The following are the new/revised IFRS that are relevant to the Group and the Company:

IAS 1 : Presentation of Financial Statements (Revised)  
 IAS 23 : Borrowing Costs  
 IFRS 8 : Operating Segments

The new/revised IFRS do not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for IAS 1 (Revised). IAS 1 (Revised) changes the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

- (a) Based on the weighted average number of ordinary shares on issue; and  
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

|   | <b>Group</b>    |                 |             |             |
|---|-----------------|-----------------|-------------|-------------|
|   | 3rd Qtr<br>2009 | 3rd Qtr<br>2008 | YTD<br>2009 | YTD<br>2008 |
| <b><i>Earnings per ordinary share:</i></b>                                    |                 |                 |             |             |
| (i) Based on weighted average no. of ordinary shares in issue (RMB per share) | -               | (0.50)          | -           | 2.51        |
| (ii) On a fully diluted basis (RMB per share)                                 | -               | (0.50)          | -           | 2.51        |
| <b><i>Number of shares in issue:</i></b>                                      |                 |                 |             |             |
| (i) Based on weighted ave no. of ordinary shares in issue                     | 1,816,637       | 216,821         | 1,793,772   | 157,159     |
| (ii) On a fully diluted basis   | 1,816,637       | 216,821         | 1,793,772   | 157,159     |

Earnings per ordinary share is calculated on the Group profit for the financial periods attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the period under review.

Diluted earnings per ordinary share is calculated on the same basis as earnings per share by applying the weighted average number of ordinary shares and adjusted to include any outstanding share options deemed exercised up to the respective reporting periods. There is no dilution as the Company has no outstanding share options during the period under review.

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



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

|   | Group     |           | Company   |           |
|---|-----------|-----------|-----------|-----------|
|   | 30-Sep-09 | 31-Dec-08 | 30-Sep-09 | 31-Dec-08 |
| Net Assets Value attributable to shareholders (RMB'000)         | 1,452,041 | 1,286,272 | 2,802,505 | 2,642,110 |
| Based on existing issued share capital (RMB per share)          | 0.76      | 0.72      | 1.47      | 1.48      |
| Net Assets Value has been computed based on the share issued of | 1,909,292 | 1,782,149 | 1,909,292 | 1,782,149 |
| Revised Net Assets Value (RMB'000) (Note 1)                     | 3,391,286 | 3,225,517 | 2,802,505 | 2,642,110 |
| Based on existing issued share capital (RMB per share)          | 1.78      | 1.81      | 1.47      | 1.48      |

Note 1:

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

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
**(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 is project driven. Consequently, quarterly results may not be a good indication of the trend of profitability.

| Revenue            | Group           |                 |                          |                     |                     |                          |
|--------------------|-----------------|-----------------|--------------------------|---------------------|---------------------|--------------------------|
|                    | 3rd Qtr<br>2009 | 3rd Qtr<br>2008 | Increase /<br>(Decrease) | Jan to Sept<br>2009 | Jan to Sept<br>2008 | Increase /<br>(Decrease) |
|                    | RMB ('000)      | RMB ('000)      | %                        | RMB ('000)          | RMB ('000)          | %                        |
| Sale of properties | 20,398          | 6,846           | 198.0%                   | 61,631              | 12,778              | 382.3%                   |
| Rental income      | 10,982          | 11,198          | (1.9%)                   | 32,023              | 21,493              | 49.0%                    |
|                    | <u>31,380</u>   | <u>18,044</u>   | <u>73.9%</u>             | <u>93,654</u>       | <u>34,271</u>       | <u>173.3%</u>            |

For the 9 months ending 30 September 2009, Group Revenue at RMB93.7 million was RMB59.4 million or 173.3% higher than that of the corresponding period last year. The higher revenue was mainly due to the sale of properties, which increase from RMB12.8 million to RMB61.6 million or by 382.3%. Sale of properties came from sale of units in Future International and Sanyawan (Phase I). Rental income increased from RMB21.5 million to RMB32.0 million or by 49.0%. The 2008 rental income only includes rental income from April 2008.

For the 3 months ending 30 September 2009, Group Revenue at RMB31.4 million was RMB13.3 million or 73.9% higher than that of the corresponding period last year. The bulk of the Sale of properties revenue increase was due to sale of units of at Sanyawan (Phase I). Rental income fell by a modest of 1.9% primarily due to pre-booking of rent on units to be rented out in 2008, comprising about RMB0.7 million in 3Q08, an accounting policy which the Company no longer applies.

| Gross Profit       | Group           |                 |                          |                     |                     |                          |
|--------------------|-----------------|-----------------|--------------------------|---------------------|---------------------|--------------------------|
|                    | 3rd Qtr<br>2009 | 3rd Qtr<br>2008 | Increase /<br>(Decrease) | Jan to Sept<br>2009 | Jan to Sept<br>2008 | Increase /<br>(Decrease) |
|                    | RMB ('000)      | RMB ('000)      | %                        | RMB ('000)          | RMB ('000)          | %                        |
| Sale of properties | 12,671          | 1,030           | 1,130.2%                 | 22,793              | 2,232               | 921.2%                   |
| Rental income      | 7,295           | 10,638          | (31.4%)                  | 22,635              | 20,418              | 10.9%                    |
|                    | <u>19,966</u>   | <u>11,668</u>   | 71.1%                    | <u>45,428</u>       | <u>22,650</u>       | 100.6%                   |

| Gross Profit and Margin | Group           |       |                 |       |                     |       |                     |            |
|-------------------------|-----------------|-------|-----------------|-------|---------------------|-------|---------------------|------------|
|                         | 3rd Qtr<br>2009 |       | 3rd Qtr<br>2008 |       | Jan to Sept<br>2009 |       | Jan to Sept<br>2008 |            |
|                         | RMB ('000)      | %     | RMB ('000)      | %     | RMB ('000)          | %     | RMB ('000)          | RMB ('000) |
| Sale of properties      | 12,671          | 62.1% | 1,030           | 15.0% | 22,793              | 37.0% | 2,232               | 17.5%      |
| Rental income           | 7,295           | 66.4% | 10,638          | 95.0% | 22,635              | 70.7% | 20,418              | 95.0%      |
|                         | <u>19,966</u>   | 63.6% | <u>11,668</u>   | 64.7% | <u>45,428</u>       | 48.5% | <u>22,650</u>       | 66.1%      |

For the 9 months ending 30 September 2009, the Group recorded a gross profit of RMB45.4 million compared to RMB22.7 million, or a rise of 100.6%, from the previous corresponding period. For the 3 months ending 30 September 2009, the Group recorded a gross profit of RMB20.0 million compared to from RMB11.7 million, or a rise of 71.1%, from the previous corresponding period. The increase in both the 9 month and the 3 month gross profit was primarily due to the sale of properties of Sanyawan (Phase I) in 3Q09 and Future International in 1H09. The reason for the decline gross profit for rental income of 31.4% is primarily due to the previously mentioned omission of certain direct expenses, amounting to around RMB2.06 million in 3Q08 which was accounted only in 4Q08 and the change in method of the way the property duty or tax was calculated. Previously and in 2008, it was calculated based on 1.2% of property cost but was change to 12% of rental income with effect from 1 January 2009. The impact was RMB1.0 million higher in property duty payable in 3Q09 when compared with the same period last year.

For the 9 months ending 30 September 2009, the Group recorded a gross profit margin of 48.5% as compared to 66.1% from the previous corresponding period. For the 3 months ending 30 September 2009, the Group recorded a gross profit margin of 63.6% as compared to 64.7% from the previous corresponding period. The reason for the decline in gross profit margin is primarily due to the previously mentioned omission of certain direct expenses and the change in the way property duties are computed.

### Other income

Other income for the 9 months ending 30 September 2009 was RMB 0.7 million as compared to RMB511.9 million. Other income for the 9 months ending 30 September 2009 relates mainly to rental earned from subletting office space in Singapore. On the other hand, other income for the 9 months ending 30 September 2008 relates mainly to negative goodwill (being about RMB485.4 million of the RMB511.8 million) and the relevant portion of a one year (for 2008) consultancy fee.

Other income for the 3 months ending 30 September 2009 was RMB0.3 million as compared to RMB6.5 million. Other income in 3Q09 mainly comprise rental earned from subletting office space in Singapore. Other income in 3Q08 relates mainly to the receipts of relevant portion of the one year (for 2008) consultancy fee.

### Selling expenses

Selling expenses for the 9 months ending 30 September 2009 was RMB2.8 million as compared to RMB1.4 million. Selling expenses for the 3 months ending 30 September 2009 was RMB1.2 million as compared to RMB0.5 million. Selling expenses in both periods rose primarily due to the sharp increase in sale of properties relating to Sanyawan (Phase I).

Selling expense margin (being selling expenses divided by sale of properties) for the 9 months ending 30 September 2009 was 4.6% as compared 10.6%. Selling expense margins for the 3 months ending 30 September 2009 was 5.9% as compared to 6.9%. Selling expense margins for the 9 months ending 30 September 2009 was lower because the sales of units in Future International in 1H09 attract lower selling commission payable.

**Administrative expenses**

Administrative expenses comprises staff cost, depreciation, directors' fee and remuneration, office rental and professional fees and other administrative expenses.

Administrative expenses for the 9 months ending 30 September 2009 was RMB22.8 million as compared to RMB12.6 million. The significant increase was due to three factors: administrative expenses in 2008 commenced in April 2008 after the acquisition of Chongqing Yingli as a subsidiary; expenses relating to Sanyawan commenced in 4Q08; and additional expenses relating to additional corporate governance and control measures commenced 1Q09.

Administrative expenses for the 3 months ending 30 September 2009 were RMB7.3 million as compared to RMB9.7 million. The decline was primarily due to most of the professional fees relating to the reverse take-over being booked in 3Q08.

**Finance costs**

Finance expenses comprise interest expense only.

Finance expenses for the 9 months ending 30 September 2009 was RMB8.7 million as compared to RMB0.2 million. The significant increase was due to three factors: the loan from OCBC taken out in February 2009, the expensing of loan interest on Sanyawan (Phase I) and the interest on the bridging loan for the previously announced property tender.

Finance expenses for the 3 months ending 30 September 2009 was RMB2.7 million as compared to RMB0.2 million. The significant increase was due to three factors: the loan from OCBC taken out in February 2009 and the interest on the previously announced bridging loan for the property tender.

As announced on the 15 October 2009, the Company has pre-paid the OCBC loan.

**Other operating expenses**

Other operating expenses incurred in 3Q09 comprise a loss on disposal of fixed assets and a charitable donation.

In 3Q08, the other operating expenses relate mainly to goodwill, arising from the acquisition of Fortune Court Group, being written off.

**Income tax**

Income tax expense for 3Q09 was lower as compared to 3Q08. In 3Q08 the Company earned consultancy fee income which attracts a high rate income tax. In 3Q09 the tax payable arose mainly from the sale of units at Sanyawan (Phase I). As a result the income tax expense for the 9 months ending 2009 was correspondingly lower than for the 9 months ending 2008.

**Profit attributable to owners of the parent**

|                                | <b>Group</b>    |                  |                          |                     |                     |                          |
|--------------------------------|-----------------|------------------|--------------------------|---------------------|---------------------|--------------------------|
|                                | 3rd Qtr<br>2009 | 3rd Qtr<br>2008  | Increase /<br>(Decrease) | Jan to Sept<br>2009 | Jan to Sept<br>2008 | Increase /<br>(Decrease) |
|                                | RMB ('000)      | RMB ('000)       | %                        | RMB ('000)          | RMB ('000)          | %                        |
| <b>Profit attributable to:</b> |                 |                  |                          |                     |                     |                          |
| Owners of the parent           | 3,819           | (107,399)        | (104%)                   | 4,572               | 394,431             | (99%)                    |
| Minority interests (MI)        | 1,539           | -                | (100%)                   | 997                 | -                   | (100%)                   |
|                                | <b>5,358</b>    | <b>(107,399)</b> | <b>(105%)</b>            | <b>5,569</b>        | <b>394,431</b>      | <b>(99%)</b>             |

For the 9 months ending 30 September 2009, profit attributable to owners of the parent decreased by RMB388.8 million to RMB5.6 million from RMB394.4 million from the previous corresponding period. The profit in 2008 was largely due to the recognition of a one-off negative goodwill of RMB485.4 million, a one-year consultancy fee income of RMB25.0 million, partially offset by RMB109.4 million of goodwill written off.

## STATEMENT OF FINANCIAL POSITION

For the 9 months ending 30 September 2009, Group total assets increased by RMB246.6 million or 11.8% to RMB2,332.9 million. The increase was due to development cost of RMB55.1 million incurred mainly for the IFC project. In addition, a refundable tender deposit of RMB171.2 million was used for the tender of a new parcel of land located at Daping. Trade and other receivables rose sharply due to advance prepayment of RMB60.7 million for construction materials required for our IFC development. The decrease in the development properties of RMB20.7 million was due to sale of properties.

For the 9 months ending 30 September 2009, Group total liabilities increased by RMB79.9 million from RMB776.7 million to RMB856.6 million. The increase was due to a bridging loan of RMB44.0 million obtained as part of the deposit required for the tender of a new parcel of land located at Daping. An amount of RMB50.0 million was obtained from other creditors as a reserve in the event that the Company sought to tender for alternative land parcels. The Company has since repaid this amount.

During the period under review, the share capital increase by RMB165.1 million from RMB2,637.7 million to RMB2,802.8 million. This is due to our Company issued a total of 127.3 million new shares through a share placement and option shares.

Share option reserve was created in 2009. RMB0.8 million was accrued monthly since February this year. It was the fair value cost allocated to the 20 million share option granted to OCBC in February 2009. As at 30 September 2009, the option was fully exercised and the Company stops the accrual in the same period.

For the 9 months ending 30 September 2009, exchange fluctuation reserve decrease by RMB4.7 million. This was due to the translation of the foreign currency entities into RMB.

## STATEMENT OF CASH FLOW

For the 9 months ending 30 September 2009, cash and bank balances decreased by RMB14.4 million from RMB82.0 million to RMB67.6 million. It was mainly due to net cash used in operating activities.

During the period under review, RMB42.2 million development cost was incurred in association with the IFC project. In addition, RMB171.2 million refundable tender deposit was used for the tender of land parcel in Daping. RMB60.7 million was paid as advances to subcontractors to buy material for the IFC project. RMB21.7 million was used to finance interest cost.

On the other hand, RMB44.0 million was obtained as a bridging loan to fund the tender of land at Daping and another RMB50.0 million borrowed from other creditors to act as reserve money for alternative tender.

Net cash generating from finance activities was due to the issuance of a total of 127.1 million new shares with an aggregate net amount of S\$34.3 million or RMB165.1 million in September 2009.

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

In our 2Q09 Results Announcement, the Directors noted that it expected the Chongqing economy to continue to grow strongly in 2009 but that until the International Financial Centre ("IFC") project is complete, revenues and profits were expected to be muted. However, barring any unforeseen circumstances, the Directors expected the Group to remain profitable.

The Chongqing economy has continued to grow and, if anything, has surprised on the upside.

Whilst there has been a good sale of units at Sanyawan, the Group's revenues and profits will not surge until after the completion of IFC. The progress of IFC is satisfactory being that it is on schedule and is expected to be completed at around first half of 2011.

The Group announced profits in 3Q09.

### 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.

Growth in Chongqing's GDP continued to remain strong in 3Q09. Official forecast is now for Chongqing's GDP to exceed 14.5% or well above the national forecast average of 8% in 2009. The city government has announced that it will be spending over the next three years some RMB2 trillion in the following manners:

- i) RMB1 trillion on industrial development;
- ii) RMB600 billion on city urban renewal;
- iii) RMB300 billion on transportation and related infrastructure; and
- iv) RMB100 billion on forestry and greenery.

A large part of the RMB600 million is expected to be used to develop Chongqing city centre and in particular the Yuzhong District which we have significant exposure to.

As announced on 25 September 2009, our Group has successfully secured a prime integrated development site of 28,266 sqm of land in the Daping area, Yuzhong District for RMB851.64 million. Together with the basement area, the site can yield a total GFA of about 370,000 sqm. With this acquisition of prime land parcel, our total land bank in the prime CBD areas of Chongqing will total over 1 million sqm. Our Company expects this development, comprising of high-end residential units and house top-end retailers, to be fully completed by June 2013 and commencement of the pre-sales of the residential units to be as early as in 2010.

As mentioned in our results announcement for 1H09, until the development of IFC is completed, the Group's revenues and profits are expected to be muted. But, and barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2009.

## **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 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the third quarter and nine months period ended 30 September 2009 financial results to be false or misleading.

ON BEHALF OF THE DIRECTORS

Fang Ming  
Chairman and CEO

Xu Li  
Director

**BY ORDER OF THE BOARD**  
**26 October 2009**