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

Financial Statement Announcement for 1st Quarter ended 31 March 2011

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 2011.

	Group					
	1st Qtr 2011	1st Qtr 2010	Increase / (Decrease)	Jan to Mar 2011	Jan to Mar 2010	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**30,060**	**11,597**	159.2%	30,060	11,597	159.2%
Cost of sales	(14,232)	(3,617)	293.5%	(14,232)	(3,617)	293.5%
Gross profit	**15,828**	**7,980**	98.3%	**15,828**	**7,980**	98.3%
Other income	1,048	1,358	(22.8%)	1,048	1,358	(22.8%)
Selling expenses	(2,761)	(1,321)	109.0%	(2,761)	(1,321)	109.0%
Administrative expenses - Normal recurring	(13,230)	(9,313)	42.1%	(13,230)	(9,313)	42.1%
Administrative expenses - CB related exp/forex	-	(5,008)	n.m.	-	(5,008)	n.m.
Finance costs	(4,170)	(6,991)	(40.4%)	(4,170)	(6,991)	(40.4%)
Loss before Income Tax	**(3,285)**	**(13,295)**	(75.3%)	**(3,285)**	**(13,295)**	(75.3%)
Taxation - Current	(2,468)	(958)	157.6%	(2,468)	(958)	157.6%
- Deferred	1,232	510	141.6%	1,232	510	141.6%
Loss for the period	**(4,521)**	**(13,743)**	(67.1%)	**(4,521)**	**(13,743)**	(67.1%)
Foreign currency translation differences(at nil tax)	(8,569)	334	n.m.	(8,569)	334	n.m.
Total comprehensive income for the period	**(13,090)**	**(13,409)**	(2.4%)	**(13,090)**	**(13,409)**	(2.4%)
Loss attributable to:						
Owners of the parent	(4,195)	(13,496)	(68.9%)	(4,195)	(13,496)	(68.9%)
Non-Controlling Interest (NCI)	(326)	(247)	32.0%	(326)	(247)	32.0%
	(4,521)	**(13,743)**	(67.1%)	**(4,521)**	**(13,743)**	(67.1%)
Total comprehensive income attributable to:						
Owners of the parent	(12,764)	(13,162)	(3.0%)	(12,764)	(13,162)	(3.0%)
Non-Controlling Interest (NCI)	(326)	(247)	32.0%	(326)	(247)	32.0%
	(13,090)	**(13,409)**	(2.4%)	**(13,090)**	**(13,409)**	(2.4%)

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-11 RMB ('000)	31-Dec-10 RMB ('000)	31-Mar-11 RMB ('000)	31-Dec-10 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	11,311	18,502	97	117
Investment in subsidiaries	-	-	2,826,991	2,826,991
Investment properties	2,235,951	2,243,571	-	-
Prepayment	1,583	1,708	-	-
Total non-current assets	**2,248,845**	**2,263,781**	**2,827,088**	**2,827,108**
Current assets:				
Land for development	7,418	7,418	-	-
Development properties	2,375,188	2,271,277	26,454	-
Trade and other receivables	36,542	59,897	1,086	864
Amount due from subsidiaries	-	-	1,553,137	1,538,878
Amount due from shareholder	-	4	-	4
Cash at bank - restricted	22,220	22,209	-	-
Cash and cash equivalents	486,348	596,150	241,326	259,585
Total current assets	**2,927,716**	**2,956,955**	**1,822,003**	**1,799,331**
Total assets	**5,176,561**	**5,220,736**	**4,649,091**	**4,626,439**
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	3,527,574	3,527,574	3,527,574	3,527,574
Reverse acquisition reserve	(1,993,711)	(1,993,711)	-	-
Statutory common reserve	12,644	12,644	-	-
Convertible bonds (equity component)	49,444	49,444	49,444	49,444
Exchange flunctuation reserve	(21,387)	(12,818)	38,135	25,626
Retained profits	909,406	913,601	(86,571)	(79,634)
	2,483,970	**2,496,734**	**3,528,582**	**3,523,010**
Non-Controlling Interest	**53,722**	**54,048**	**-**	**-**
Total equity	**2,537,692**	**2,550,782**	**3,528,582**	**3,523,010**
Non-current liabilities:				
Deferred taxation	306,346	307,579	-	-
Convertible bonds (liability component)	995,075	979,594	995,075	979,594
Total non-current liabilities	**1,301,421**	**1,287,173**	**995,075**	**979,594**
Current liabilities:				
Trade and other payables	527,125	646,847	6,580	123,835
Amount owing to subsidiaries	-	-	118,854	-
Provision for taxation	72,518	70,074	-	-
Bank borrowings - secured	737,805	665,860	-	-
Total current liabilities	**1,337,448**	**1,382,781**	**125,434**	**123,835**
Total equity and liabilities	**5,176,561**	**5,220,736**	**4,649,091**	**4,626,439**

Notes to Statement of Financial Position

1) Cash at bank - restricted

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

2) Trade and other receivable comprises of:

	Group		Company	
	31-Mar-11 RMB ('000)	31-Dec-10 RMB ('000)	31-Mar-11 RMB ('000)	31-Dec-10 RMB ('000)
Trade receivables	562	18,259	-	-
Other receivables:				
- Rental deposits	553	548	534	527
- Prepayments	2,971	2,167	525	306
- Staff advances and allowances	534	40	-	-
- Advance to sub-contractors	24,545	31,674	-	-
- Advance to management agents	3,600	3,600	-	-
- Advance to legal services	500	500	-	-
- Others	3,277	3,109	27	31
	36,542	59,897	1,086	864

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

	Group			
	31-Mar-11		31-Dec-10	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Amount repayable in one year or less, or on demand	737,805	-	665,860	-
Amount repayable after one year	-	995,075	-	979,594
	737,805	995,075	665,860	979,594

Details of any collateral

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

Secured bank borrowings have a weighted average effective interest rate of 8.03% (2010: 7.73%) per annum at the reporting date. Interest on bank borrowings with variable rate is re-priced every 12 months.

Current bank borrowings are repayable within 12 months from the balance sheet date and non-current bank borrowings are repayable between more than 1 year to 10 years from the balance sheet date.

Unsecured borrowing of RMB995.1 million relates to S$200 million 4% convertible bonds (the “Bonds”) issued on the 3rd March 2010 to fund the acquisition of new development sites, possible strategic investments, joint ventures, offer acquisitions and strategic alliances when appropriate opportunities arise.

The Bonds matures on 3rd March 2015.

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

	Group			
	1st Qtr 2011	1st Qtr 2010	Jan to Mar 2011	Jan to Mar 2010
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Loss before taxation	(3,285)	(13,295)	(3,285)	(13,295)
Adjustments for:				
Depreciation of property, plant and equipment	509	338	509	338
Interest expense	4,170	6,991	4,170	6,991
Interest income	(388)	(84)	(388)	(84)
Loss on disposal of property, plant and equipment	116	-	116	-
Unrealised exchange loss	(2,193)	(1,610)	(2,193)	(1,610)
Operating loss before working capital charges	(1,071)	(7,660)	(1,071)	(7,660)
Decrease in land for development	-	859,838	-	859,838
(Increase) in development properties	(11,120)	(895,238)	(63,720)	(895,238)
Decrease in trade and other receivables	6,597	193,664	6,597	193,664
(Decrease) in trade and other payables	(155,500)	(41,096)	(102,901)	(41,096)
Cash (used in) / generated from used in operations	(161,094)	109,508	(161,095)	109,508
Interest paid	(15,636)	(8,579)	(15,636)	(8,579)
Interest received	388	84	388	84
Income tax paid	(25)	-	(25)	-
Net cash (used in) / generated from operating activities	(176,367)	101,013	(176,368)	101,013
Cash flow from investing activities				
Acquisition of property, plant and equipment	-	(625)	-	(625)
Proceed from disposal of property, plant and equipment	6,567	-	6,567	-
Net cash generated from / (used in) investing activities	6,567	(625)	6,567	(625)
Cash flow from financing activities				
Bank balance subject to restriction	(11)	4,282	(11)	4,282
Repayment to a director	-	(29,203)	-	(29,203)
Proceed from issuance of convertible bonds	-	936,911	-	936,911
Payment of interest expense on convertible bonds	(20,628)	-	(20,628)	-
Proceed from secured loan	74,000	-	74,000	-
Repayment of borrowings	(2,055)	(69,047)	(2,055)	(69,047)
Net cash generated from financing activities	51,306	842,943	51,306	842,943
Net (decrease) / increase in cash and cash equivalent	(118,494)	943,331	(118,495)	943,331
Effects of exchange rate changes on cash and cash equivalents	8,692	2,639	8,692	2,639
Cash and cash equivalent at beginning of period	596,150	233,282	596,150	233,282
Cash and cash equivalent at end of period	486,348	1,179,252	486,347	1,179,252

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 2011

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds (equity component)	Translation reserve	Retained profits	Total attributable to equity holders of the Parent	Non-Controlling Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2011	3,527,574	(1,993,711)	12,644	49,444	(12,818)	913,601	2,496,734	54,048	2,550,782
Total comprehensive income for the year	-	-	-	-	(8,569)	(4,195)	(12,764)	(326)	(13,090)
Balance at 31 March 2011	3,527,574	(1,993,711)	12,644	49,444	(21,387)	909,406	2,483,970	53,722	2,537,692
Balance at 1 January 2010	3,527,574	(1,993,711)	8,952	-	(8,654)	690,408	2,224,569	50,948	2,275,517
Total comprehensive income for the year	-	-	-	-	334	(13,496)	(13,162)	(247)	(13,409)
Equity component of convertible bonds	-	-	-	49,444	-	-	49,444	-	49,444
Balance at 31 March 2010	3,527,574	(1,993,711)	8,952	49,444	(8,320)	676,912	2,260,851	50,701	2,311,552

Statement of Changes in Equity of the Company for the period ended 31 March 2011

Company	Capital contribution	Convertible bonds (equity component)	Translation reserve	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2011	3,527,574	49,444	25,626	(79,634)	3,523,010
Total comprehensive income for the year	-	-	12,509	(6,937)	5,572
Balance at 31 March 2011	3,527,574	49,444	38,135	(86,571)	3,528,582
Balance at 1 January 2010	3,527,574	-	(4,793)	(6,591)	3,516,190
Total comprehensive income for the year	-	-	(9,869)	(14,730)	(24,599)
Equity component of convertible bonds	-	49,444	-	-	49,444
Balance at 31 March 2010	3,527,574	49,444	(14,662)	(21,321)	3,541,035

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

There was no change in the Company's issued share capital since the end of the previous period reported on.

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

	As at 31 Mar 2011	As at 31 Mar 2010
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding Bonds at the end of the period	249,097,023	249,097,023

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

Except as disclosed above, the Company had no other outstanding convertibles as at 31 March 2011 and as at 31 March 2010.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares (there being no treasury shares) as at 31 March 2011 was 2,162,492,429. (31 December 2010: 2,162,492,429).

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

The Company does not hold any treasury shares as at 31 March 2011 and 31 December 2010.

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 2010.

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 2011	1st Qtr 2010	Jan to Mar 2011	Jan to Mar 2010
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	(0.002)	(0.006)	(0.002)	(0.006)
(ii) On a fully diluted basis (RMB per share)*	(0.002)	(0.006)	(0.002)	(0.006)
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,162,492	2,162,492	2,162,492	2,162,492
(ii) On a fully diluted basis ('000)	2,411,589	2,242,757	2,411,589	2,242,757

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

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

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

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

	1st Qtr 2011	1st Qtr 2010	Jan to Mar 2011	Jan to Mar 2011
Loss attributable to equity holders of the parent	(4,195)	(13,496)	(4,195)	(13,496)
Less: Effect of dilutive potential ordinary shares				
- Interest on Convertible bonds	4,170	6,354	4,170	6,354
	(25)	(7,142)	(25)	(7,142)
Weighted average number of ordinary shares in issued	2,162,492	2,162,492	2,162,492	2,162,492
Add: Effect of dilutive potential ordinary shares				
- Convertible bonds	249,097	80,265	249,097	80,265
Number of ordinary shares used to calculate the diluted earning per share	2,411,589	2,242,757	2,411,589	2,242,757

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 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
Net Assets Value (RMB'000)	2,483,970	2,496,734	3,528,582	3,523,010
Based on existing issued share capital (RMB per share)	1.15	1.15	1.63	1.63
Net Assets Value has been computed based on the number of share issued (000')	2,162,492	2,162,492	2,162,492	2,162,492

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

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

Revenue	Group					
	1st Qtr 2011	1st Qtr 2010	Increase / (Decrease)	Jan to Mar 2011	Jan to Mar 2010	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	18,869	382	4,839.5%	18,869	382	4,839.8%
Rental Income	11,191	11,215	(0.2%)	11,191	11,215	(0.2%)
	30,060	**11,597**	**159.2%**	**30,060**	**11,597**	**159.2%**

For the three months and quarter ended 31 March 2011

Group Revenue for the three months and quarter ended 31 March 2011 increased by 159.2% to RMB30.1 million as compared to the same period last year mainly due to higher revenue recorded by the Sale of Properties segment.

Sale of Properties for the three months and quarter ended 31 March 2011 increased by 4,839.5% to RMB18.9 million as compared to same period last year mainly due to the sale of an office unit from Future International and the sale of a few units from Phase 1 of Sanyawan.

Rental Income remains the same for the three months and quarter ended 31 March 2011 as compared to same period last year.

Gross profit	Group					
	1st Qtr 2011	1st Qtr 2010		Jan to Mar 2011	Jan to Mar 2010	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	8,043	243	3209.9%	8,043	243	3209.9%
Rental Income	7,785	7,737	0.6%	7,785	7,737	0.6%
	15,828	**7,980**	**98.3%**	**15,828**	**7,980**	**98.3%**

The Group's gross profit increased by 98.3% to RMB15.8 million as compared to the same period last year was contributed mainly from the Sale of Properties segment. The increased in gross profit from the Sale of Properties segment was mainly came from the sale of an office unit from Future International.

Gross profit and margin	Group							
	1st Qtr 2011		1st Qtr 2010		Jan to Mar 2011		Jan to Mar 2010	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	8,043	42.6%	243	63.6%	8,043	42.6%	243	63.6%
Rental Income	7,785	69.6%	7,737	69.0%	7,785	69.6%	7,737	69.0%
	15,828	**52.7%**	**7,980**	**68.8%**	**15,828**	**52.7%**	**7,980**	**68.8%**

The Group's gross profit margin decreased by 16.1 percentage point during the period under review was mainly due to the lower margin derived from the sale of an office unit from Future International. As the said office unit was classified as investment properties previously, the cost of sale is calculated base on fair value valuation. The fair value valuation amount was provided by our external valuer.

Other income

	Group			
	1st Qtr 2011	1st Qtr 2010	Jan to Mar 2011	Jan to Mar 2010
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Subletting fee	282	265	282	265
Interest income	388	88	388	88
Advertisement income	80	-	80	-
Infrastructure subsidy from local government	-	1,000	-	1,000
Short term rental income	288	-	288	-
Others	10	5	10	5
	1,048	1,358	1,048	1,358

Selling expenses

Selling expenses for the three months and quarter ended 31 March 2011 increased by 109.0% to RMB2.8 million as compared to the same period last year was mainly due to the increase in advertising and promotional expenses incurred for IFC.

Administrative expenses – Normal recurring

Normal recurring administrative expenses for the three months and quarter ended 31 March 2011 increased by 42.1% to RMB13.2 million as compared to the same period last year was mainly due to the (i) accrual of donation of RMB1.0 million as part of the RMB10 million "Green Action Yangtze River in Chongqing" initiative ("绿化长江重庆行动") by the China's National Afforestation Committee, State Forestry Administration, China Green Foundation, and the Chongqing Municipal People's Government. The RMB10 million is to be donated in a spread of three years from 2011 to 2013; and (ii) payment of RMB2.9 million of land use tax ("土地使用税") incurred for the period from 2006 to Apr 2009 which was not recorded previously in Sanyawan' book.

Finance costs

Finance cost for the three months and quarter ended 31 March 2011 decreased by 40.4% to RMB4.2 million as compared to the same period last year mainly due to lower interest expense incurred from the convertible bonds. Interest expense would be capitalised as part of projects cost when funds are utilised.

Taxation

	Group					
	1st Qtr 2011	1st Qtr 2010		Jan to Mar 2011	Jan to Mar 2010	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(2,468)	(958)	157.6%	(2,468)	(958)	157.6%
Deferred tax	1,232	510	141.6%	1,232	510	141.6%
	(1,236)	(448)	175.9%	(1,236)	(448)	175.9%

Current Income tax expense for the three months and quarter ended 31 March 2011 increased by 157.6% to RMB2.5 million mainly due to higher taxable income generated from the Sale of Properties.

Deferred tax income for the three months and quarter ended 31 March 2011 increased by 141.6% to RMB1.2 million mainly due to the reversal of fair value gain previously recognised as a results of the disposal of an investment property.

Loss attributable to owners of the parent

	Group					
	1st Qtr 2011	1st Qtr 2010	Increase / (Decrease)	Jan to Mar 2011	Jan to Mar 2010	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Loss attributable to:						
Owners of the parent	(4,195)	(13,496)	(68.9%)	(4,195)	(13,496)	(68.9%)
Minority interests (MI)	(326)	(247)	32.0%	(326)	(247)	32.0%
	(4,521)	**(13,743)**	**(67.1%)**	**(4,521)**	**(13,743)**	**(67.1%)**

Loss attributable to the Owners of the parent decreased by 68.9% to RMB4.2 million for the three months and quarter ended 31 March 2011 mainly due to (i) higher gross profit contributed from the sale of an office unit from Future International; (ii) the absence of non-recurring admin expenses incurred; and (iii) lower interest expense from the convertible bonds.

STATEMENT OF FINANCIAL POSITION

The Group's total assets decreased by RMB44.2 million to RMB5,176.6 million during the period under review. The decreased was mainly due to (i) the disposal of an investment properties office unit from Future International amounting to RMB8.5 million and; (ii) the disposal of an office unit for own use with a net book value of RMB6.6 million; (iii) collection of RMB6.5 million from debtors; (iv) amount of RMB16.7 million trade debt offsetting against trade creditor balance as agreed by the same creditor; (v) cash used of RMB109.8 million; (vi) increase in development cost by RMB103.9 million for IFC, Qipaifang & Wu Yi Road projects.

The Group's total liabilities decreased by RMB29.5 million to RMB2,640.5 million during the period under review. The net decrease was mainly due to the reduction in trade and other payables of RMB120.2 million, offset by (i) an increase in the liability component of the convertible bonds of RMB15.5 million; (ii) an increase in new bank loan of RMB74.0 million; and (iii) an increase in tax provision of RMB1.2 million.

The Group's total equity decreased by RMB14.6 million to RMB2,536.1 million mainly due to the net loss incurred for the period under review.

STATEMENT OF CASH FLOW

The decrease in cash and cash equivalent of RMB118.5 million for the period under review was mainly due to:
(i) cash used in operating activities of (RMB176.4) million;
(ii) cash generated from investing activities of RMB6.6 million; and
(iii) cash generated from financing activities of RMB51.3 million.

The net cash used in operating activities arose mainly from the (i) partial payment of Wu Yi Road land parcel of RMB154.0 million; (ii) payment of interest expense of RMB15.6 million; (iii) payment of project cost of RMB11.1 million; (iv) RMB2.3 million was used for working capital; and (iv) offset by collection from trade and other debtors of RMB6.6 million.

Cash generated from the investing activities came from the sale proceed of disposing an office unit for own use.

Net cash generated from the financing activities was due to new bank loan of RMB74.0 million obtained, offset by the payment of interest expense of RMB20.6 million as well as repayment of bank loan of RMB2.1 million.

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

As mentioned in our previous result announcement, until the development of IFC is completed, the Group's revenue and operating profits are expected to be muted. IFC is expected to be physically completed in 4Q2011. Revenue and operating profit is to be expected in FY2012.

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 for the 1st quarter of 2011. In the latest GDP figures released by Chongqing Statistics Bureau and NSB (National Statistics Bureau), Chongqing's 1Q 2011 GDP was RMB 206.1 billion, an increase of 16.3% year on year. This strong growth rate places Chongqing third in ranking at the national level and the 2nd fastest growing city in Western China.

The Western China commercial property markets continued its strong growth momentum from last quarter. Quoting from the latest CBRE Property report "Office, retail and industrial sectors were underpinned by strong demand from both corporate expansion and the growing affluence of the local people, hence showed a strong sign of flight to quality as well as rising rents and prices." With the further establishment of the Liangjiang New Area and the favorable "Go West" policies, we continue to see numerous Fortune 500 companies as well as both domestic and international financial institutions such as ANZ, Citibank and Deutsche Bank setting up branches in Chongqing, should create a strong appetite for prime office spaces, thereby pushing both sales prices and rental rates higher.

Chongqing Commerce Commission announced that total retail sales of the consumer goods in Chongqing for 1Q 2011 reached RMB 83.33 billion, an increase of 17.8% compared with the same period in 2010. This robust growth ranks Chongqing 2nd in China, trailing Tianjin by only 0.1 percentage point with 17.9%. The volume of the wholesale and retail enterprises has strengthened significantly, increasing by an significant 41.8% to RMB 156.62 billion.

Since the beginning of 2011, the People's Bank of China (PBOC) has increased the required reserve ratio of the country's lender 4 times, with the latest being 50 basis points on April 21. The latest move would require China's financial institutions to lock up a record high of 20.5 percent of their deposits as reserves. PBOC has also raised the benchmark interest rates twice in 2011 with the latest one-year loan interest rate reaching 6.31 percent. These measures are put in place to curb the high inflation rate and discourage residential property speculation.

Given that the Group is focused on development of commercial properties and our clients are primarily corporations, the Group believes that these trends will have significant beneficial impact to our segment of the market despite further credit tightening by PBOC.

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

11 Dividend

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

No dividend was declared or recommended.

(b) Corresponding Period of the Immediately Preceding Financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend has been declared or recommended

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended for the period.

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 31 March 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Chairman and CEO
12 May 2011

Xie Xin
Executive Director