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

Financial Statement Announcement for 3rd Quarter and nine months ended 30 September 2012

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

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

The Board of Directors announces the unaudited results of the Group for the 3rd quarter and nine months ended 30th September 2012.

	Group					
	3rd Qtr 2012	3rd Qtr 2011	Increase / (Decrease)	Jan to Sept 2012	Jan to Sept 2011	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**160,078**	**33,257**	381.3%	**426,430**	**102,447**	316.2%
Cost of sales	(105,646)	(25,350)	316.7%	(238,652)	(68,399)	248.9%
Gross profit	**54,432**	**7,907**	**588.4%**	**187,778**	**34,048**	**451.5%**
Other income	649	505	28.5%	10,086	5,007	101.4%
Selling expenses	(13,201)	(4,912)	168.8%	(31,205)	(12,156)	156.7%
Administrative expenses - Normal recurring	(10,510)	(12,222)	(14.0%)	(37,130)	(40,114)	(7.4%)
Administrative expenses - Non-recurring	-	-	-	(11,818)	-	n.m.
Administrative expenses - Land Appreciation Tax	-	-	-	-	(12,100)	n.m.
Administrative expenses - Share based payment expense	(7,575)	-	n.m.	(13,688)	-	n.m.
Finance costs	(5,101)	(3,785)	34.8%	(17,455)	(11,812)	47.8%
Profit/(Loss) before Income Tax	**18,694**	**(12,507)**	n.m.	**86,568**	**(37,127)**	**n.m.**
Taxation - Current	(12,295)	(874)	1,306.8%	(39,462)	(3,925)	905.4%
- Deferred	3,882	2,815	37.9%	7,491	7,619	(1.7%)
Profit/(Loss) for the period	**10,281**	**(10,566)**	n.m.	**54,597**	**(33,433)**	**n.m.**

	Group					
	3rd Qtr 2012	3rd Qtr 2011	Increase / (Decrease)	Jan to Sept 2012	Jan to Sept 2011	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit/(Loss) for the period	**10,281**	**(10,566)**	n.m.	**54,597**	**(33,433)**	**n.m.**
Foreign currency translation differences(at nil tax)	(18,395)	51,211	n.m.	(49,060)	37,534	n.m.
Total comprehensive income for the period	**(8,114)**	**40,645**	n.m.	**5,537**	**4,101**	**35.0%**
Profit/(Loss) attributable to:						
Owners of the parent	8,838	(10,366)	n.m.	53,978	(31,235)	n.m.
Non-Controlling Interest (NCI)	1,443	(200)	n.m.	619	(2,198)	n.m.
	10,281	**(10,566)**	**n.m.**	**54,597**	**(33,433)**	**n.m.**
Total comprehensive income attributable to:						
Owners of the parent	(9,557)	40,845	(123.4%)	4,918	6,299	(21.9%)
Non-Controlling Interest (NCI)	1,443	(200)	n.m.	619	(2,198)	n.m.
	(8,114)	**40,645**	**n.m.**	**5,537**	**4,101**	**35.0%**

n.m. - not meaningful

1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-12 RMB ('000)	31-Dec-11 RMB ('000)	30-Sep-12 RMB ('000)	31-Dec-11 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	9,472	9,755	62	49
Investment in subsidiaries	-	-	2,827,186	2,827,186
Investment properties	2,531,755	2,571,700	-	-
Prepayment	833	1,208		
Total non-current assets	**2,542,060**	**2,582,663**	**2,827,248**	**2,827,235**
Current assets:				
Land for development	7,418	7,418		
Development properties	3,161,150	2,830,149	129,033	72,584
Trade and other receivables	277,551	171,750	1,074	1,019
Amount due from subsidiaries	-	-	1,665,719	1,625,108
Cash and cash equivalents	484,433	342,845	3,012	25,775
Total current assets	**3,930,552**	**3,352,162**	**1,798,838**	**1,724,486**
Total assets	**6,472,612**	**5,934,825**	**4,626,086**	**4,551,721**
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	3,528,339	3,528,339	3,528,339	3,528,339
Reverse acquisition reserve	(1,993,711)	(1,993,711)	-	-
Statutory common reserve	13,139	13,139	-	-
Convertible bonds (equity component)	49,444	49,444	49,444	49,444
Share-based compensation reserve	13,819	-	13,819	-
Exchange fluctuation reserve	(14,452)	34,609	28,545	(12,484)
Retained profits	1,244,113	1,190,136	(145,535)	(109,514)
	2,840,691	**2,821,956**	**3,474,612**	**3,455,785**
Non-Controlling Interest	**55,666**	**55,048**	**-**	**-**
Total equity	**2,896,357**	**2,877,004**	**3,474,612**	**3,455,785**
Non-current liabilities:				
Deferred taxation	341,144	348,635	-	-
Other borrowings	12,666	19,477	-	-
Convertible bonds (liability component)	1,029,408	951,366	1,029,408	951,366
Total non-current liabilities	**1,383,218**	**1,319,478**	**1,029,408**	**951,366**
Current liabilities:				
Trade and other payables	897,398	664,164	3,084	3,196
Amount owing to subsidiaries	-	-	118,982	118,982
Provision for taxation	128,677	108,360	-	-
Borrowings	1,166,962	965,819	-	22,392
Total current liabilities	**2,193,037**	**1,738,343**	**122,066**	**144,570**
Total equity and liabilities	**6,472,612**	**5,934,825**	**4,626,086**	**4,551,721**

Notes to Statement of Financial Position

Trade and other receivables comprises of:

	Group		Company	
	30-Sep-12 RMB ('000)	31-Dec-11 RMB ('000)	30-Sep-12 RMB ('000)	31-Dec-11 RMB ('000)
Trade receivables	212,626	128,653	-	-
Other receivables:				
- Rental deposits	547	519	528	501
- Prepayments	39,341	4,095	258	244
- Staff advances and allowances	2,613	221	-	-
- Advance to sub-contractors	6,141	24,260	-	-
- Advance to management agents	3,600	3,600	-	-
- Advance to legal services	500	500	-	-
- Refundable deposits	7,376	8,322	-	-
- Reimbursement expenses	1,073	-	-	-
- Others	3,734	1,580	288	274
	277,551	171,750	1,074	1,019

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

	Group			
	30-Sep-12		31-Dec-11	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable in one year or less, or on demand	1,089,865	77,097	892,781	73,038
	1,089,865	77,097	892,781	73,038
Amount repayable after one year	-	1,042,074	-	970,843
	1,089,865	1,119,171	892,781	1,043,881

Details of any collateral

Secured borrowings are generally secured against the Companies' development properties under construction, completed development properties for sale, investment properties and cash deposits.

Current bank borrowings have repayment periods between 1 and 9 years from the balance sheet date. They are all classified under current liabilities, including those without a repayable-upon-demand clause in the loan agreement.

Included under unsecured borrowings is a S$200 million 4% convertible bonds (the "Bonds") issued on 3rd March 2010 amounting to RMB1,029.4 million. The purpose of the convertible bonds is for the acquisition of new development sites, making potential strategic investments and forming potential joint ventures. The Bonds will mature on 3rd March 2015.

Utilization of proceeds from the Bonds which had been previously announced as at 30 September 2012:

Description	SGD (mil)	SGD (mil)
Net proceeds		191.82
Repayment to Mr Fang Ming	4.58	
Payment of the outstanding consideration and the lease tax in respect of the acquisition of the Da Ping Project land bank	12.32	
Partial payment for the acquisition of the Wu Yi Road land parcel as announced	120.00	
Payment for initial cost for Lu Zu Temple project	6.00	
Payment for initial cost for Wei Yuan land parcel	10.11	
Working capital	1.00	
Total utilised		154.01
Balance to be utilised		37.81

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

	Group			
	3rd Qtr 2012	3rd Qtr 2011	Jan to Sept 2012	Jan to Sept 2011
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit/(Loss) before taxation	18,694	(12,507)	86,568	(37,127)
Adjustments for:				
Depreciation of property, plant and equipment	489	455	1,528	1,429
Interest expense	5,101	3,784	17,455	11,812
Interest income	(358)	(66)	(712)	(1,035)
Share based payment expense	7,575	-	13,687	-
Loss on disposal of property, plant and equipment	-	38	19	55
Properties, plant and equipment written off	-	-	-	116
Unrealised exchange loss	(2)	28,423	(55)	24,621
Operating profit/(loss) before working capital charges	31,499	20,127	118,490	(129)
Decrease in investment properties	25,279	-	39,945	-
Increase in development properties	(66,124)	(187,288)	(215,235)	(380,993)
(Increase)/decrease in trade and other receivables	(48,603)	(3,125)	(105,425)	12,671
Increase in trade and other payables	87,490	34,640	221,174	59,431
Cash generated from/(used in) operations	29,541	(135,646)	58,949	(309,020)
Interest paid	(17,981)	(7,506)	(55,586)	(35,443)
Interest received	358	66	712	1,035
Income tax paid	(2,428)	(844)	(19,145)	(13,980)
Net cash generated from/ (used in) operating activities	9,490	(143,930)	(15,070)	(357,408)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(1,019)	(365)	(1,208)	(575)
Investment in convertible bond	-	(23,484)	-	(23,484)
Property, plant and equipment written off	-	-	-	6,567
Net cash used in investing activities	(1,019)	(23,849)	(1,208)	(17,492)
Cash flow from financing activities				
Payment of interest expense on convertible bonds	(20,305)	(20,817)	(40,407)	(41,445)
Proceed from secured borrowings	266,358	22,646	409,116	96,646
Repayment of borrowings	(190,143)	(2,055)	(220,683)	(6,165)
Net cash generated from/(used in) financing activities	55,910	(226)	148,026	49,036
Net increase/(decrease) in cash and cash equivalent	64,381	(168,005)	131,748	(325,864)
Effects of exchange rate changes on cash and cash equivalents	2,506	(35,152)	9,840	(21,395)
Cash and cash equivalent at beginning of period	417,546	474,257	342,845	618,359
Cash and cash equivalent at end of period	484,433	271,100	484,433	271,100

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 2012

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds (equity component)	Share-based compensation reserve	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)	RMB ('000)
Balance at 1 January 2012	3,528,339	(1,993,711)	13,139	49,444	-	34,609	1,190,135	2,821,955	55,048	2,877,003
Total comprehensive income for the year	-	-	-	-	-	(28,018)	5,541	(22,477)	(1,924)	(24,401)
Balance at 31 March 2012	3,528,339	(1,993,711)	13,139	49,444	-	6,591	1,195,676	2,799,478	53,124	2,852,602
Total comprehensive income for the year	-	-	-	-	-	(2,650)	39,601	36,951	1,099	38,050
Share-based compensation	-	-	-	-	6,810	-	-	6,810	-	6,810
Balance at 30 June 2012	3,528,339	(1,993,711)	13,139	49,444	6,810	3,941	1,235,277	2,843,239	54,223	2,897,462
Total comprehensive income for the year	-	-	-	-	-	(18,393)	8,836	(9,557)	1,443	(8,114)
Share-based compensation	-	-	-	-	7,009	-	-	7,009	-	7,009
Balance at 30 September 2012	3,528,339	(1,993,711)	13,139	49,444	13,819	(14,452)	1,244,113	2,840,691	55,666	2,896,357
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
Total comprehensive income for the year	-	-	-	-	-	(5,108)	(16,674)	(21,782)	(1,672)	(23,454)
Balance at 30 June 2011	3,527,574	(1,993,711)	12,644	49,444	-	(26,495)	892,732	2,462,188	52,050	2,514,238
Total comprehensive income for the year	-	-	-	-		51,211	(10,366)	40,845	(200)	40,645
Balance at 30 September 2011	3,527,574	(1,993,711)	12,644	49,444		24,716	882,366	2,503,033	51,850	2,554,883

Statement of Changes in Equity of the Company for the period ended 30 September 2012

Company	Capital contribution	Convertible bonds (equity component)	Share-based compensation reserve	Translation reserve	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2012	3,528,339	49,444	-	(12,484)	(109,514)	3,455,785
Total comprehensive income for the year	-	-	-	23,995	(7,416)	16,579
Balance at 31 March 2012	3,528,339	49,444	-	11,511	(116,930)	3,472,364
Total comprehensive income for the year	-	-	-	2,225	(13,704)	(11,479)
Share-based compensation	-	-	6,810	-	-	6,810
Balance at 30 June 2012	3,528,339	49,444	6,810	13,736	(130,634)	3,467,695
Total comprehensive income for the year	-	-	-	14,809	(14,901)	(92)
Share-based compensation	-	-	7,009	-	-	7,009
Balance at 30 September 2012	3,528,339	49,444	13,819	28,545	(145,535)	3,474,612
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
Total comprehensive income for the year	-	-	-	7,293	(7,188)	105
Balance at 30 June 2011	3,527,574	49,444	-	45,428	(93,759)	3,528,687
Total comprehensive income for the year	-	-		(49,566)	(6,949)	(56,515)
Balance at 30 September 2011	3,527,574	49,444		(4,138)	(100,708)	3,472,172

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.

Convertible Bonds

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

	As at 30 September 2012	As at 30 September 2011
	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

No conversion of Bonds into Shares has taken place since the date of issuance.

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

As at 30 September 2012, the number of outstanding share options under the Ying Li ESOS was 30,281,257 (30 September 2011: Nil). Details of the options granted under the Ying Li ESOS on the un-issued ordinary shares of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 Apr 2012	Number of options granted	Options outstanding at 30 September 2012
2 Apr 2012	S$0.278	-	28,767,257	28,767,257
23 Apr 2012	S$0.263	-	1,514,000	1,514,000
		-	30,281,257	30,281,257

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

At the extraordinary general meeting of the Company held on 28 April 2010, the Company's shareholders approved the adoption of the Ying Li Performance Share Plan ("Ying Li PSP").

As at 30 September 2012, the number of conditional shares granted and outstanding under the Ying Li PSP was 45,421,886 (30 September 2011: Nil). Movements in the number of performance shares during the current quarter are as follows:

Date of grant	Balance at 1 Apr 2012 / date of grant	Granted	Balance at 30 September 2012
2 Apr 2012	-	43,150,886	43,150,886
23 Apr 2012	-	2,271,000	2,271,000
	-	45,421,886	45,421,886

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

The total number of issued shares as at 30 September 2012 was 2,162,946,974 (31 December 2011: 2,162,946,974).

The Company did not hold any treasury shares as at 30 September 2012 (31 December 2011: Nil).

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

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had adopted the same accounting policies and method of computation in the financial statements for the current financial period compared to the audited financial statements for the year ended 31 December 2011.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-
(a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	3rd Qtr 2012	3rd Qtr 2011	Jan to Sept 2012	Jan to Sept 2011
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.004	(0.005)	0.025	(0.010)
(ii) On a fully diluted basis (RMB per share)*	0.004	(0.005)	0.025	(0.010)
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,162,947	2,162,492	2,162,947	2,162,492
(ii) On a fully diluted basis ('000)	2,487,747	2,411,589	2,462,038	2,411,589

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

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

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

The following table indicates the profit / (loss) and share numbers used in the basic and dilution earning per share computations:

	3rd Qtr 2012 RMB ('000)	3rd Qtr 2011 RMB ('000)	Jan to Sept 2012 RMB ('000)	Jan to Sept 2011 RMB ('000)
Profit attributable to equity holders of the parent	8,838	(10,366)	53,978	(31,235)
Add: Effect of dilutive potential ordinary shares				
- Interest on Convertible bonds	3,272	3,768	11,805	11,795
- Share based payment expense	7,575	-	13,688	-
	19,685	(6,598)	79,471	(19,440)
Weighted average number of ordinary shares in issued	2,162,947	2,162,492	2,162,947	2,162,492
Add: Effect of dilutive potential ordinary shares				
- Convertible bonds	249,097	249,097	249,097	249,097
- Share based compensation reserve	75,703	-	75,703	-
Number of ordinary shares used to calculate the diluted earning per share	2,487,747	2,411,589	2,487,747	2,411,589

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 Sept 2012	31 Dec 2011	30 Sept 2012	31 Dec 2011
Net Assets Value (RMB'000)	2,840,691	2,821,956	3,474,612	3,455,785
Based on existing issued share capital (RMB per share)	1.31	1.30	1.61	1.60
Net Assets Value has been computed based on the number of share issued (000')	2,162,947	2,162,947	2,162,947	2,162,947

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

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

Revenue	Group					
	3rd Qtr 2012	3rd Qtr 2011	Increase / (Decrease)	Jan to Sept 2012	Jan to Sept 2011	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	136,813	22,082	519.6%	369,492	68,838	436.8%
Rental Income	23,265	11,175	108.2%	56,938	33,609	69.4%
	160,078	**33,257**	**381.3%**	**426,430**	**102,447**	**316.2%**

For the three months and nine months ended 30 September 2012

Revenue of the Group for the nine months ended 30 September 2012 increased by RMB324.0 million (316.2%) as compared with the same period last year. This was mainly due to higher revenue from both the Sale of Properties and Rental Income segments. As compared with the same period last year, revenue from the Sale of Properties for the Group increased by RMB300.7 million (436.8%) to RMB369.5 million, primarily from the recognition of the revenue from the sale of office units in the IFC project. No revenue from the sales of IFC units was booked in the corresponding period in 2011 as construction of the IFC had not been completed. Compared with the same period last year, Rental Income for the Group increased by RMB23.3million (69.4%) to RMB56.9 million which was mainly attributable to the leasing income from the completed IFC project.

Revenue of the Group for 3Q 2012 amounted to RMB160.1 million, an increase of RMB126.8 million (381.3%) as compared to 3Q 2011. The increase was the result of RMB114.7 million and RMB12.1 million increments from the Sale of Properties segment and Rental Income segment respectively. The increase in Sale of Properties was due to the sale of office units in the completed IFC project, retail unit the San Ya Wan project and the sale of an investment property during the quarter. The increase in the Rental Income segment was due to rental income from the lease of IFC project that was recognised in the quarter. With more and more tenants are gradually move out of the renovation period and/or rent free period, they gradually contributed to the increase in the rental income.

Gross profit	Group					
	3rd Qtr 2012	3rd Qtr 2011		Jan to Sept 2012	Jan to Sept 2011	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	35,933	624	5658.5%	143,572	10,905	1216.6%
Rental Income	18,499	7,283	154.0%	44,206	23,143	91.0%
	54,432	**7,907**	588.4%	**187,778**	**34,048**	**451.5%**

n.m. - not meaningful

In tandem with the increase in revenue, the Group's gross profit for 3Q 2012 increased by RMB46.5 million (588.4%) to RMB54.4 million as compared with the same period last year. For the nine months ended 30 September 2012, gross profit of the Group increased by RMB153.7 million (451.5%) as compared to previous year.

Gross profit from the Sale of Properties segment for 3Q 2012 and for the nine months ended 30 September 2012 increased by RMB35.3 million (5,658.5%) and RMB132.7 million (1,216.6%) to RMB35.9 million and RMB143.6 million respectively.

Gross profit from rental income for 3Q 2012 and nine months ended 30 September 2012 increased by RMB11.2 million (154.0%) and RMB21.1 million (91.0%) to RMB18.5 million and RMB44.2 million respectively.

Gross profit and margin	Group							
	3rd Qtr 2012		3rd Qtr 2011		Jan to Sept 2012		Jan to Sept 2011	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	35,933	26.3%	624	2.8%	143,572	38.9%	10,905	15.8%
Rental Income	18,499	79.5%	7,283	65.2%	44,206	77.6%	23,143	68.9%
	54,432	**34.0%**	**7,907**	**23.8%**	**187,778**	**44.0%**	**34,048**	**33.2%**

The Group's overall gross profit margin for 3Q 2012 and nine months ended 30 September 2012 increased by 7.6 percentage points and 10.8 percentage points respectively, supported by increase in the gross profit margin from both Sale of Properties and Rental Income segment. The gross profit margin for the Sale of Properties segment increased from 15.8% in 9M 2011 to 38.9% in 9M 2012. The increase was mainly due to recognition of profits from the sales of IFC units which have a higher profit margin. In 3Q 2012, even though there was a sales of Investment Properties which cost had been revalued to market value, the gross profit margin still increased from 2.8% in 3Q 2011 to 26.3% in 3Q 2012 due to sale of IFC office units which have a higher profit margin. No revenue from the sales of IFC office units were booked in the corresponding periods in 2011.

Gross profit margin from the Rental Income segment for 3Q 2012 increased by 14.3 percentage points compared to the same period in 2011. The gross profit margin for the Rental Income segment increased from 68.9% for the nine months ended 30 September 2011 to 77.6% for the nine months ended 30 September 2012. This was due to higher contribution margin from the IFC as the property is largely managed by internal team, and there is economy of scale benefit when more and more areas are being leased.

Other income

	Group			
	3rd Qtr 2012	3rd Qtr 2011	Jan to Sept 2012	Jan to Sept 2011
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	358	66	712	1,035
Infrastructure subsidy from local government	-	-	8,300	2,390
Others	291	439	1,074	1,582
	649	505	10,086	5,007

Selling expenses

During the quarter under review, Selling expenses was RMB8.3 million (168.8%) higher as compared to 3Q 2011. The increase was mainly due to sales and marketing costs incurred on the Ying Li International Plaza pre-sales activities in 3Q 2012, but not in 3Q 2011 as the Ying Li International Plaza pre-sales activities only started in late Dec 2011, higher marketing expenses for IFC retail mall and leasing expenses incurred on Yingli International Plaza which is slated to be launched in 4Q 2013.

Administrative expenses

During the quarter under review, administrative expenses (normal recurring) was RMB1.7 million (14%) lower compared with 3Q 2011. However, there was a share based payment expense amounting to RMB7 million incurred in 3Q 2012 that arose from the Employee Share Option Scheme and the Performance Share Plan granted on 2 Apr 2012 and 23 Apr 2012 respectively.

Finance costs

For the quarter under review, finance expenses was RMB1.3 million (34.8%) higher as compared to 3Q 2011. Interest expense directly attributable to projects would generally be capitalised as part of the project costs.

Taxation

	Group					
	3rd Qtr 2012	3rd Qtr 2011		Jan to Sept 2012	Jan to Sept 2011	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(12,295)	(874)	1,306.8%	(39,462)	(3,925)	905.4%
Deferred tax	3,882	2,815	37.9%	7,491	7,619	(1.7%)
	(8,413)	**1,941**	**n.m.**	**(31,971)**	**3,694**	**n.m.**

n.m. - not meaningful

During the quarter under review, current income tax expense increased by RMB11.4 million (1,306.8%) to RMB12.3 million as compared with 3Q 2011 mainly due to higher taxable profit generated from the Sale of Properties. Expenses arising from the share based payment were not tax deductible for the Group.

Profit/(Loss) attributable to owners of the parent

	Group					
	3rd Qtr 2012	3rd Qtr 2011	Increase / (Decrease)	Jan to Sept 2012	Jan to Sept 2011	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit/(Loss) attributable to:						
Owners of the parent	8,838	(10,366)	n.m.	53,978	(31,235)	n.m.
Non-Controlling Interest (NCI)	1,443	(200)	n.m.	619	(2,198)	n.m.
	10,281	**(10,566)**	**n.m.**	**54,597**	**(33,433)**	**n.m.**

Overall, net profit attributable to the Owners of the parent for the quarter under review increased by RMB19.2 million to RMB8.8 million in 3Q 2012. This is a reversal from the loss of RMB10.4 million recorded in 3Q 2011.

The foreign currency translation differences arise mainly from the SGD convertible bonds due to the weaker exchange rate between RMB and SGD for the quarter under review.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group increased by RMB537.8 million to RMB6,472.6 million during the period under review. The increase in assets was mainly due to: (i) Capitalisation of construction costs for the construction of Ying Li International Plaza and the Chongqing Financial Street Project, (ii) increase in trade and other receivables from the sale of IFC office units and retail units at the San Ya Wan project and advance payments relating to Ying Li International Plaza, and (iii) increase in cash balances by RMB141.6 million. These were off-set by: (i) the demolition of structure at San Ya Wan in anticipation of the change in allowable land usage; (ii) amortization of long term prepayment expense and depreciation charge and disposal of Investment Properties and (iii) sale of office units in the IFC.

The Group total liabilities increased by RMB518.4 million to RMB3,576.3 million during the period under review. The increase in liabilities was mainly due to: (i) increase in net borrowings for Ying Li International Plaza project; (ii) liability component of the convertible bonds and (iii) increase in trade and other payables, and provisions for taxation. Included in trade and other payables are the sales consideration received from the pre-sales of residential units at Ying Li International Plaza and LAT tax provision for IFC office unit sales.

The Group total equity increased by RMB19.4 million to RMB2,896.3 million during the period under review. The net increase was a combination of translation loss, share-based compensation reserve and profit achieved for the current quarter under review.

As at 30 September 2012, the Group's total borrowings amounted to RMB2,209 million with RMB185 million repayable within one year and RMB2,024 million repayable after one year.

STATEMENT OF CASH FLOW

The increased in cash and cash equivalent of RMB64.4 million for the quarter under review was mainly due to:
(i) net cash inflow of RMB9.5million from operating activities;
(ii) net cash outflow of RMB1.0 million from investing activities; and
(iii) net cash inflow of RMB55.9 million from financing activities.

The net cash generated from operating activities of RMB9.5 million include cash generated from operating profit of RMB56.8 million (i.e. include changes in Investment Properties), net increase in receivables and payables by RMB38.9 million, offset by (i) RMB66.1 million development costs incurred mainly on Ying Li International Plaza; (ii) net interest and income tax payment of RMB20.1 million.

Net cash used in investing activities of RMB1.0 million relates to the purchase of property, plant and equipment.

Net cash generated from financing activities of RMB55.9 million includes: (i) increase in borrowing by RMB106.4 million for the development cost of Ying Li International Plaza project; (ii) a RMB160 million borrowing to replace a similar amount of borrowing with China Construction Bank, offset by (iii) payment of convertible bonds interest of RMB20.3 million; and (iv) repayment of borrowings amounting to RMB190.1 million, including the RMB160 million repayment to China Construction Bank.

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

In line with the Group's announcement made on 13 August 2012 with respect to the 2Q 2012 results announcement, the Directors expect the Group to remain profitable in FY 2012.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Chongqing's economy continues its robust GDP growth in the first three quarters of 2012. Based on the latest figures released by the Chongqing Statistics Bureau and National Statistics Bureau, Chongqing achieved a nominal GDP of RMB 815.8billion, an increase of 13.8% year-on-year and 6.4 percentage points higher than the national average level of 7.4%. This strong growth rate places Chongqing as the second city with the highest GDP growth rate at the national level and the fastest growing city in Western China.

Chongqing's municipal government has unveiled plans to invest RMB 1.5 trillion in seven major industries over the next three years as part of Chongqing's "12th Five-year Plan". This industrial investment plan focuses on building seven "big manufacturing industries" clusters, including electronic information, automotive, equipment and parts manufacturing, oil refining, material and energy industries. This investment plan aims to produce more than RMB 3 trillion in total value of industrial output for Chongqing.

The Group remains optimistic on the outlook for Chongqing's commercial real estate sector. In the latest Savills Chongqing office sector report, Chongqing's Grade A office market recorded steady rental appreciation and take-up growth during the third quarter. Jones Lang LaSalle in its latest report noted that demand from the financial services industry were going strong and many existing tenants are looking out to upgrade their current office spaces. In particular, Grade A office space in Yuzhong district, where the Group's International Financial Centre project is located, continues to command the highest rental rate in Chongqing with a 3.2% increase quarter-on-quarter to RMB 107 per sq.m per month in average.

Chongqing's retail market remains robust as China continues its focus to promote domestic consumption. Based on the latest figures released by Chongqing Statistics Bureau, retail sales of consumer goods reached RMB 95.9 billion in 3Q 2012, with a 15.4% increase y-o-y. As pointed out in the latest CBRE report, international retailers continue their market penetration into China's western region. As both new and existing brands continue their search for retail spaces in good location, vacancy rates in retail malls decreased 0.6 percentage point to 4.0% with average ground floor rent increasing 0.2% quarter-on-quarter to RMB 24.2 per sq.m per day in 3Q 2012. The positive view is also concurred by Savills in their 2012 2nd Half Asian Cities Chongqing Retail report. The report pointed out that a growing number of domestic and international retailers are seeking expansion into second- and third-tier cities such as Chongqing. As a result, rents are expected to continue to rise in prime locations as new entrants look to secure flagship store locations and establish themselves in the local market.

Given that the Group focuses on development of commercial properties, particularly in Yuzhong district, the Group believes it will continue to benefit from these positive trends.

Barring any unforeseen circumstances, and taking into the consideration of the net profit achieved as of 3Q 2012 and the sales pipeline in discussion, the Directors expect the Group to remain profitable in 2012.

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

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 30 September 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Chairman and CEO
14 November 2012

Yang Xiao Yu
Executive Director