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

Financial Statement Announcement for 1st Quarter ended 31 March 2013

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 2013.

	Group					
	1st Qtr 2013	1st Qtr 2012	Increase / (Decrease)	Jan to Mar 2013	Jan to Mar 2012	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**103,534**	**121,220**	**(14.6%)**	**103,534**	**121,220**	(14.6%)
Cost of sales	(42,842)	(70,509)	(39.2%)	(42,842)	(70,509)	(39.2%)
Gross profit	**60,692**	**50,711**	**19.7%**	**60,692**	**50,711**	**19.7%**
Other income	640	562	13.9%	640	562	13.9%
Selling expenses	(8,223)	(9,899)	(16.9%)	(8,223)	(9,899)	(16.9%)
Administrative expenses - Normal recurring	(15,179)	(12,806)	18.5%	(15,179)	(12,806)	18.5%
Administrative expenses - Non-recurring	-	(11,818)	n.m.	-	(11,818)	n.m.
Administrative expenses - Share based payment expense	(6,910)	-	n.m.	(6,910)	-	n.m.
Finance costs	(20,894)	(8,022)	160.5%	(20,894)	(8,022)	160.5%
Profit before Income Tax	**10,126**	**8,728**	**16.0%**	**10,126**	**8,728**	**16.0%**
Taxation - Current	(4,815)	(9,558)	(49.6%)	(4,815)	(9,558)	(49.6%)
- Deferred	2,261	4,447	(49.2%)	2,261	4,447	(49.2%)
Profit for the period	**7,572**	**3,617**	**109.3%**	**7,572**	**3,617**	**109.3%**
Foreign currency translation differences(at nil tax)	(12,687)	(28,018)	(54.7%)	(12,687)	(28,018)	(54.7%)
Total comprehensive income for the period	**(5,115)**	**(24,401)**	**(79.0%)**	**(5,115)**	**(24,401)**	**(79.0%)**
Profit/(Loss) attributable to:						
Owners of the parent	7,707	5,540	39.1%	7,707	5,540	39.1%
Non-Controlling Interest (NCI)	(135)	(1,923)	(93.0%)	(135)	(1,923)	(93.0%)
	7,572	**3,617**	**109.3%**	**7,572**	**3,617**	**109.3%**
Total comprehensive income attributable to:						
Owners of the parent	(4,980)	(22,478)	(77.8%)	(4,980)	(22,478)	(77.8%)
Non-Controlling Interest (NCI)	(135)	(1,923)	(93.0%)	(135)	(1,923)	(93.0%)
	(5,115)	**(24,401)**	**(79.0%)**	**(5,115)**	**(24,401)**	**(79.0%)**

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	
	31-Mar-13 RMB ('000)	31-Dec-12 RMB ('000)	31-Mar-13 RMB ('000)	31-Dec-12 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	9,021	9,549	47	55
Investment in subsidiaries	-	-	2,827,257	2,827,186
Investment properties	3,146,131	3,115,951	-	-
Prepayment	583	708	-	-
Total non-current assets	**3,155,735**	**3,126,208**	**2,827,304**	**2,827,241**
Current assets:				
Land for development	7,418	7,418	-	-
Development properties	3,227,923	3,055,431	160,314	149,207
Trade and other receivables	520,662	427,088	15,833	8,834
Amount due from subsidiaries	-	-	1,605,414	1,637,288
Cash and cash equivalents	740,835	758,974	30,108	17,412
Total current assets	**4,496,838**	**4,248,911**	**1,811,669**	**1,812,741**
Total assets	**7,652,573**	**7,375,119**	**4,638,973**	**4,639,982**
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	13,138	13,138	-	-
Convertible bonds (equity component)	-	49,444	-	49,444
Share-based compensation reserve	27,638	20,728	27,638	20,728
Exchange flunctuation reserve	5,314	(7,373)	9,776	22,861
Retained profits	1,575,027	1,567,320	(167,333)	(156,671)
	3,155,745	**3,177,885**	**3,398,420**	**3,464,701**
Non-Controlling Interest	**55,338**	**55,473**	**-**	**-**
Total equity	**3,211,083**	**3,233,358**	**3,398,420**	**3,464,701**
Non-current liabilities:				
Deferred taxation	428,280	430,541	-	-
Convertible bonds (liability component)	-	1,044,199	-	1,044,199
Total non-current liabilities	**428,280**	**1,474,740**	**-**	**1,044,199**
Current liabilities:				
Trade and other payables	1,529,975	1,052,790	16,269	3,862
Amount owing to subsidiaries	-	-	721,864	118,982
Provision for taxation	154,183	136,213	-	-
Other borrowings - unsecured	-	8,238	-	8,238
Borrowings-secured	2,329,052	1,469,780	502,420	-
Total current liabilities	**4,013,210**	**2,667,021**	**1,240,553**	**131,082**
Total equity and liabilities	**7,652,573**	**7,375,119**	**4,638,973**	**4,639,982**

Notes to Statement of Financial Position

Trade and other receivables comprise of the following:

	Group		Company	
	31-Mar-13 RMB ('000)	31-Dec-12 RMB ('000)	31-Mar-13 RMB ('000)	31-Dec-12 RMB ('000)
Trade receivables	288,976	261,783	-	-
Other receivables:				
- Rental deposits	535	543	517	524
- Prepayments	103,950	67,838	430	65
- Staff advances and allowances	1,493	477	-	-
- Advance to sub-contractors	29,800	5,674	-	-
- Advance to management agents	3,600	3,600	-	-
- Advance to legal services	15,139	8,152	14,639	7,652
- Refundable deposits	75,267	76,418	-	-
- Reimbursement expenses	393	924	-	-
- Others	1,509	1,679	247	593
	520,662	427,088	15,833	8,834

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

	Group			
	31-Mar-13		31-Dec-12	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable in one year or less, or on demand	2,329,052	-	1,469,780	8,238
	2,329,052	-	1,469,780	8,238
Amount repayable after one year	-	-	-	1,044,199
	2,329,052	-	1,469,780	1,052,437

Details of any collateral

Secured borrowings are generally secured against the subsidiaries' 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. This is consistent with IAS 1 Presentation of Financial Statements whereby an entity is required to classify a liability as current when it expects to settle the liability in its normal operating cycle even if the operating cycle is beyond twelve months and even if the entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Included under unsecured borrowings was an S$200 million 4% convertible bonds (the “Bonds”) issued on 3rd March 2010 amounting to RMB1,044.2 million. The purpose of the convertible bonds was for the acquisition of new development sites, making potential strategic investments and forming potential joint ventures.

On 3 March 2013, the Company had, at the option of the Bondholders, redeemed all of the outstanding Convertible Bonds in accordance with the subscription agreement.

Utilization of proceeds from the Bonds which had been previously announced up to 31 March 2013:

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			
	1st Qtr 2013	1st Qtr 2012	Jan to Mar 2013	Jan to Mar 2012
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit before taxation	10,126	8,728	10,126	8,728
Adjustments for:				
Depreciation of property, plant and equipment	534	522	534	522
Amortisation of other non-current assets	823	-	823	-
Fair value gain on investment properties	-	-	-	-
Interest expense	20,894	8,022	20,894	8,022
Interest income	(369)	(133)	(369)	(133)
Share based payment expense	6,910	-	6,910	-
Unrealised exchange loss	1	(2)	1	(2)
Operating profit before working capital charges	38,919	17,137	38,919	17,137
Increase in investment properties	-	10,286	-	10,286
Increase in development properties	(149,500)	(44,870)	(149,500)	(44,870)
Increase in trade and other receivables	(124,452)	(24,708)	(124,452)	(24,708)
Increase / (Decrease) in trade and other payables	459,519	(17,641)	459,519	(17,641)
Cash used in operations	224,486	(59,796)	224,486	(59,796)
Interest paid	(26,218)	(17,063)	(26,218)	(17,063)
Interest received	369	133	369	133
Income tax paid	13,155	(5,381)	13,155	(5,381)
Net cash used in operating activities	211,792	(82,107)	211,792	(82,107)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(7)	(135)	(7)	(135)
Net cash used in investing activities	(7)	(135)	(7)	(135)
Cash flow from financing activities				
Payment of interest expense on convertible bonds	(49,444)	(20,102)	(49,444)	(20,102)
Proceed from loans and borrowings	894,812	66,481	894,812	66,481
Repayment of loan from a shareholder	(8,298)	-	(8,298)	-
Repayment of borrowings	(1,078,299)	(28,120)	(1,078,299)	(28,120)
Net cash generated from financing activities	(241,229)	18,259	(241,229)	18,259
Net decrease in cash and cash equivalent	(29,444)	(63,983)	(29,444)	(63,983)
Effects of exchange rate changes on cash and cash equivalents	11,305	6,211	11,305	6,211
Cash and cash equivalent at beginning of period	758,974	342,845	758,974	342,845
Cash and cash equivalent at end of period	740,835	285,073	740,835	285,073

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 2013

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 2013	3,528,339	(1,993,711)	13,138	49,444	20,728	(7,373)	1,567,320	3,177,885	55,473	3,233,358
Total comprehensive income for the year	-	-	-	-	-	12,687	7,707	20,394	(135)	20,259
Equity-settled share-based payment transact	-	-	-	-	6,910	-	-	6,910	-	6,910
Equity component of convertible bonds	-	-	-	(49,444)	-	-	-	(49,444)	-	(49,444)
Balance at 31 March 2013	3,528,339	(1,993,711)	13,138	-	27,638	5,314	1,575,027	3,155,745	55,338	3,211,083
Balance at 1 January 2012	3,528,339	(1,993,711)	13,138	49,444	-	34,609	1,190,136	2,821,955	55,048	2,877,003
Total comprehensive income for the year	-	-	-	-	-	12,687	7,708	20,395	(135)	20,260
Balance at 31 March 2012	3,528,339	(1,993,711)	13,138	49,444	-	47,296	1,197,844	2,842,350	54,913	2,897,263

Statement of Changes in Equity of the Company for the period ended 31 March 2013

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 2013	3,528,339	49,444	20,728	22,861	(156,671)	3,464,701
Total comprehensive income for the year	-	-	-	(13,085)	(10,662)	(23,747)
Equity-settled share-based payment transactions	-	-	6,910	-	-	6,910
Equity component of convertible bonds	-	(49,444)		-	-	(49,444)
Balance at 31 March 2013	3,528,339	-	27,638	9,776	(167,333)	3,398,420
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

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 31 March 2013	As at 31 December 2012
	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

No conversion of Bonds into Shares has taken place since the date of issuance. The Exercise Price of the Convertible Bonds is S$0.8029 per Share.

On 3 March 2013, the Company had, at the option of the Bondholders, redeemed all of the outstanding Convertible Bonds in accordance with the subscription agreement.

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

As at 31 December 2012, the number of outstanding share options under the Ying Li ESOS was 30,281,257 (31 December 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 31 March 2013
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 31 December 2012, the number of conditional shares granted and outstanding under the Ying Li PSP was 45,421,886 (31 December 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 31 March 2013
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 31 March 2013 was 2,162,946,974 (31 December 2012: 2,162,946,974).

The Company did not hold any treasury shares as at 31 March 2012 (31 December 2012: 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 2012.

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 2013	1st Qtr 2012	Jan to Mar 2013	Jan to Mar 2012
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.004	0.003	0.004	0.003
(ii) On a fully diluted basis (RMB per share)	0.004	0.003	0.004	0.003
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,162,947	2,162,947	2,162,947	2,162,947
(ii) On a fully diluted basis ('000)	2,214,251	2,412,044	2,214,251	2,412,044

* 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 two categories of dilutive potential ordinary shares: share options granted under the Ying Li ESOS and conditional shares granted under the Ying Li PSP.

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

	1st Qtr 2013 RMB ('000)	1st Qtr 2012 RMB ('000)	Jan to Mar 2013 RMB ('000)	Jan to Mar 2012 RMB ('000)
Profit attributable to equity holders of the parent	7,707	8,922	7,707	8,922
Add: Effect of dilutive potential ordinary shares				
- Interest on Convertible bonds	-	4,244	-	4,244
- Share based payment expense	6,910	-	6,910	-
	14,617	13,166	14,617	13,166
Weighted average number of ordinary shares in issued	2,162,947	2,162,947	2,162,947	2,162,947
Add: Effect of dilutive potential ordinary shares				
- Convertible bonds	-	249,097	-	249,097
- Share based compensation	51,304	-	51,304	-
Number of ordinary shares used to calculate the diluted earning per share	2,214,251	2,412,044	2,214,251	2,412,044

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 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
Net Assets Value (RMB'000)	3,155,745	3,177,885	3,398,420	3,464,701
Based on existing issued share capital (RMB per share)	1.46	1.47	1.57	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 the sale of properties is driven by project hand-over. Consequently, quarterly results may not be a good indication of profitability trend.

Revenue	Group					
	1st Qtr 2013	1st Qtr 2012	Increase / (Decrease)	Jan to Mar 2013	Jan to Mar 2012	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	76,727	107,615	(28.7%)	76,727	107,615	(28.7%)
Rental Income	26,807	13,605	97.0%	26,807	13,605	97.0%
	103,534	**121,220**	**(14.6%)**	**103,534**	**121,220**	**(14.6%)**

For the three months and quarter ended 31 March 2013

Revenue of the Group for 1Q2013 decreased by RMB17.7 million (14.6%) to RMB103.5 million as compared with the same period last year. The decrease was mainly attributable to lower revenue from the Sale of Properties segment. This is mainly due to fewer properties being available for sale as the bulk of our completed projects were sold in prior periods. The profile of booked property sales being experienced is common with an initial surge, a more constant streaming and as the number of unit available declines, sales start tapering off. In addition, we were unable to recognise revenue from the sales of the Ying Li International Plaza project as the project has not been completed. Rental income for the Group increased by RMB13.2 million (97%) to RMB26.8 million. The increase is mainly attributable to increased leasing income due to more shops commencing operations in the IFC mall and more IFC office space being leased out as compared with the same period in 2012.

Gross profit	Group					
	1st Qtr 2013	1st Qtr 2012		Jan to Mar 2013	Jan to Mar 2012	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	38,666	40,771	(5.2%)	38,666	40,771	(5.2%)
Rental Income	22,026	9,940	121.6%	22,026	9,940	121.6%
	60,692	**50,711**	19.7%	**60,692**	**50,711**	**19.7%**

On the other hand, the gross profit of the Group for 1Q2013 increased by RMB10.0 million (19.7%) to RMB60.7 million as compared with the same period last year which was due to:

a. A decline in gross profit from the Sale of Properties segment for 1Q2013 by RMB2.1 million (5.2%) to RMB38.7 million due to reasons mentioned earlier under the Revenue section.

b. A rise in gross profit from rental income for 1Q2013 by RMB12.1 million (121.6%) to RMB22.0 million which was mainly due to contribution from the IFC mall.

Gross profit and margin	Group							
	1st Qtr 2013		1st Qtr 2012		Jan to Mar 2013		Jan to Mar 2012	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	38,666	50.4%	40,771	37.9%	38,666	50.4%	40,771	37.9%
Rental Income	22,026	82.2%	9,940	73.1%	22,026	82.2%	9,940	73.1%
	60,692	**58.6%**	**50,711**	**41.8%**	**60,692**	**58.6%**	**50,711**	**41.8%**

The Group's overall gross profit margin for the three months ended 31 March 2013 increased by 16.8 percentage points to 58.6%. Gross profit margin rose mainly due to gross profit from rental comprising a higher percentage of total gross profit and gross profit margin of rental is naturally higher. The gross profit margin was further boosted by an increase in the gross profit margin from the Sale of Properties segment by 12.5 percentage points due to the mix of properties sold as well as the write back of overprovision for Land Value Added Tax. In addition, gross profit margin from the Rental Income segment for 1Q2013 increased by 9.1% as compared to the same period in 2012 due to increase in the area of IFC space being rented out which has a higher margin.

Other income

	Group			
	1st Qtr 2013	1st Qtr 2012	Jan to Mar 2013	Jan to Mar 2012
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Subletting fee	227	268	227	268
Interest income	372	133	372	133
Advertisement income	-	82	-	82
Short term rental income	-	74	-	74
Others	41	5	41	5
	640	562	640	562

Selling expenses

During the quarter under review, selling expenses were RMB1.7 million (16.9%) lower than 1Q2012. This was mainly due to the absence of the initial operating expenses as the operations of the mall stabilised. These included expenses such as renovation, utilities and staff costs that was associated with the opening of the IFC mall (in late 2011).

Administrative expenses

During the quarter under review, administrative expenses (normal recurring) were RMB2.4 million (18.5%) higher compared with 1Q2012 which was mainly due to higher staff costs due to the increase in headcount that was required for the mall operations.

The non-recurring administrative expense of RMB11.8 million in 1Q2012 was due to charges incurred on the demolition of the existing structures at San Ya Wan in anticipation of the change in allowable land usage.

Finance costs

For the quarter under review, finance expenses were RMB12.9 million higher as compared to 1Q2012. The higher interest expense was due to the accounting treatment for interest. Prior to the IFC project being completed, most of the interest expense was capitalized. Now that the construction of the IFC is completed, all the interest associated with the construction of IFC is expensed off in profit & loss.

Taxation

	Group					
	1st Qtr 2013	1st Qtr 2012		Jan to Mar 2013	Jan to Mar 2012	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(4,815)	(9,558)	(49.6%)	(4,815)	(9,558)	(49.6%)
Deferred tax	2,261	4,447	(49.2%)	2,261	4,447	(49.2%)
	(2,554)	**(5,111)**	**(50.0%)**	**(2,554)**	**(5,111)**	**(50.0%)**

During the quarter under review, current income tax expense decreased by RMB 2.6 million (50.0%) to RMB 2.5 million as compared with 1Q2012 mainly due to higher taxable profit generated from the sale of properties in 1Q2012.

Profit/(Loss) attributable to owners of the parent

	Group					
	1st Qtr 2013	1st Qtr 2012	Increase / (Decrease)	Jan to Mar 2013	Jan to Mar 2012	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Owners of the parent	7,707	5,540	39.1%	7,707	5,540	39.1%
Non-Controlling Interest (NCI)	(135)	(1,923)	(93.0%)	(135)	(1,923)	(93.0%)
	7,572	**3,617**	**109.3%**	**7,572**	**3,617**	**109.3%**

Overall, net profit attributable to the Owners of the parent for the quarter under review increased by RMB4 million to RMB7.6 million in 1Q2013.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group increased by RMB277.5 million to RMB7,652.6 million during the period under review. The increase in assets was mainly due to: (i) capitalisation of construction costs incurred on the Ying Li International Plaza and Chongqing Financial Street projects, (ii) increase in trade and other receivables from the sale of IFC office units and the Ying Li International Plaza residential units. These were off-set by: (i) amortization of long term prepayment expense, depreciation charge and the sale of office units in the IFC.

The Group's total liabilities increased by RMB299.7 million to RMB4,441.5 million during the period under review. The increase in liabilities was mainly due to: (i) draw down of borrowings for Ying Li International Plaza construction cost; (ii) increase in trade and other payables due to advance payments received from the pre-sales of residential units at Ying Li International Plaza and (iii) increase in provisions for taxation arising from provisions for Land Appreciation Tax ("LAT") for IFC office unit sales.

Included under current liabilities are bank borrowings that have repayment periods between 1 and 9 years from the balance sheet date. These loans are classified as current liabilities, including those loans without a repayable-upon-demand clause in the loan agreement. This is consistent with IAS 1 Presentation of Financial Statements whereby an entity is required to classify a liability as current when it expects to settle the liability in its normal operating cycle even if the operating cycle is beyond twelve months and even if the entity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group's total equity decreased by RMB22.3 million to RMB3,211.1 million during the period under review. The net decrease was due to the removal of the convertible bond equity reserve due to the redemption of the bond in March 2013. This was off-set by profits achieved for the current quarter under review and increases in the share based compensation reserve.

STATEMENT OF CASH FLOW

The decrease in cash and cash equivalent of RMB29.4 million in 1QFY2013 as compared to the balance as at 31 December 2012 was mainly due to:

(i) net cash outflow of RMB7.0 million from investing activities;
(ii) net cash outflow of RMB241.2 million from financing activities; and
(iii) despite a net cash inflow of RMB211.8 million from operating activities.

The net cash inflow from operating activities of RMB211.8 million included cash generated from operating profits of RMB38.9 million, net increase in receivables and payables by RMB335.1 million which was mainly due to payments received from the pre-sales of residential units at Ying Li International Plaza. This was off-set by (i) RMB149.5 million development costs incurred mainly on Ying Li International Plaza; and (ii) interest and income tax payments amounting to RMB12.7 million.

Net cash used in investing activities of RMB7.0 million relates to the purchase of property, plant and equipment.

Net cash outflow from financing activities of RMB241.2 million includes: (i) repayment of borrowings amounting to RMB1,086.6 million and interest payments on borrowings amounting to RMB49.4 million; (ii) off-set by increase in borrowings by RMB894.8 million mainly for the development of the Ying Li International Plaza project and refinancing of the convertible bond.

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

The first quarter 2013 results were in line with the Group’s announcement made on 26 February 2013 with respect to the 4Q2012 results announcement.

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 first quarter of 2013.

According to the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics, Chongqing achieved a nominal GDP of RMB272.6 billion, an increase of 12.5% year-on-year ("y-o-y") and 4.8 percentage points higher than the national average level of 7.7%. Foreign Direct Investment accelerated 20.6% y-o-y to US$2.1 billion. Total retail sales achieved a 13.3% increase y-o-y to RMB110.2 billion.

Chongqing Office Market
Chongqing's office market remained stable in 1Q 2013. Upgrading demand, mostly from domestic companies and the expansion of MNCs were the key contributors to the quarterly absorption, driving down market vacancy by 1.1 percentage points to 27.0%. During the quarter, most strata-titled office owners, who represents the dominant force of the Chongqing office market, adopted a positive view of the market outlook and became more aggressive in their asking rents. As a result, overall office rental rate increased by 1% to RMB 92.7 psm per month.
(Source: CBRE 1Q 2013)

Average rental rates in the Yuzhong district remained stable at RMB98.43 psm per month. Prices in the office sales market which was affected by the large amount of future supply, have stabilised after last year’s fast growth. In 2Q2013, the supply of available office space in Chongqing is expected to drop slightly and rental rates are expected to remain stable.
(Source: DTZ 1Q 2013)

Chongqing Retail Mall Market
Two new decentralized projects arrived on the market, adding approximately 316,000 sqm to the overall supply. Although average market retail rent was down 4.9% q-o-q to RMB23.2 psm per day, rental rates in the decentralized areas remained flat on a like-for-like basis. The overall vacancy rate was down 1.5 percentage points to 5.1%. Leasing demand mainly came from new entrants and the expansion of existing fast moving fashion brands.
(Source: CBRE 1Q 2013)

Luxury brands will enhance their presence in core submarket like Jiefangbei. Retailers will actively expand in emerging submarkets with good public transport linkage to capitalise on the increased population catchment area. New supply in the remainder of 2013 is forecast

to be close to 600,000sqm with around 300,000sqm of new supply each to be delivered in traditional and emerging submarket respectively. This may lead to an increase in the vacancy rates of retail space. However, as retailers actively expand in Chongqing, net absorption is expected to remain strong.
(Source: Jones Lang LaSalle 1Q 2013)

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

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2013.

11 Dividend

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

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

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

No dividend has been declared or recommended

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period.

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

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 31 March 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
14 May 2013

Yang Xiao Yu
Executive Director