英利国际置业
YING LI INTERNATIONAL
REAL ESTATE LIMITED

Beijing

Chongqing

Singapore

A NEW ERA OF TRANSFORMATIONAL GROWTH

Annual Report 2014

CORPORATE PROFILE

Ying Li International Real Estate Limited ("Ying Li" and together with its subsidiaries, the "Group") is a premier Chongqing-based property developer, principally engaged in the development, sale, rental, management and long-term ownership of high quality commercial and residential properties in the prime locations of Chongqing.

Established in 1993, Ying Li has a strong reputation for innovative design and urban renewal, having transformed areas of an old city into high-value urban integrated commercial developments of office space and shopping malls. In the process, it has successfully modernised the landscape of Chongqing's main business districts, with several landmark commercial buildings such as New York New York, Zou Rong Plaza, Future International and Ying Li International Financial Centre which are occupied by prestigious companies.

Ying Li is a recognised brand for outstanding design, premium quality, eco-friendly features and rich user-experience in commercial property developments, and is well-positioned to capitalise on the strong market growth in Chongqing as well as other regions of China. With the coming in of China Everbright Limited as our strategic partner and shareholder, Ying Li will stand in a much stronger position to achieve long term sustainable growth.

Over the years, Ying Li has won numerous industry awards and accolades including "Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category)" and Chongqing's "Top 50 Real Estate Development Enterprises Award" for 2001, 2003, 2005, 2007, 2009, 2011 and 2013. The Group's strong track record and reputation has given us an advantage in securing land in prime locations, for building premier commercial and residential developments.

Ying Li is listed on the Mainboard of the Singapore Exchange ("SGX-ST") under the stock code 5DM.

Commercial

Retail

Residential

CONTENTS


Chongqing
Beijing

YEAR IN REVIEW

JANUARY

MARCH

- Signing of agreement with the Consulate General of Netherlands on the setting up of the Netherlands Consulate in Ying Li International Financial Centre

APRIL

- Shareholders approved all resolutions at the Annual General Meeting

MAY

- Signed MOU with Shuangfu New Area Executive Management Committee for investment to develop an integrated hardware and electrical centre in Jiangjin

JUNE

- Completion and handover of Tower 2 in Ying Li International Plaza

DECEMBER

- Together with CEL, jointly invest and participate in a mixed-use development project in the central area of the Beijing Tongzhou District; the first foray by the Group into 1st-tier cities

OCTOBER

- Issuance of S$185 million perpetual subordinated convertible callable securities to Everbright Hero Mauritius Ltd
- Launch of San Ya Wan Phase 2 residential units for sale
- Opening of the Consulate of Netherlands in Ying Li International Financial Centre

SEPTEMBER

- Completion and handover of Tower 1 in Ying Li International Plaza
- Set up a strategic partnership with CEL with the issuance of 381 million shares to Everbright Hero Ltd ("Everbright"), a nominee of Everbright Hero Holdings Ltd
- Appointment of Mr. Pan Ying, representative of CEL, as Non-Executive Deputy Chairman
- Appointment of Mr. Ai Yu, representative of CEL, as Non-Executive and Non-Independent Director
- Set up Finance and Investment Committee within the group

JULY

- Media briefing on the joint cooperation of Ying Li and China Everbright Limited ("CEL")

RESULTS AT A GLANCE

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

- Due to conversion of IFC office units for own use
- Mainly due to revaluation gains and transfer of IFC Office Units from Development Properties due to change in use
- Indirect investment in a project in Tongzhou, Beijing
- Incremental developmental costs of San Ya Wan Phase 2 and Chongqing Financial Street Project
- Increase due to security deposits paid to main contractors and refundable deposits for land tender
- Subscription of 381,000,000 shares by China Everbright Limited
- Deferred tax provisions on revaluation gains on investment properties
- Due to additional drawdown of long term loans
- Decrease in payables due to handover of completed units in the the Ying Li International Plaza project
- Due to higher profits avhieved for FY2014
- Drawdown of loans to fund project development costs

	31-Dec-14 RMB'000	31-Dec-13 RMB'000	Variances RMB'000	Variances %
ASSETS				
Non-current assets:				
Property, plant and equipment	60,052	8,748	51,304	586.5%
Investment properties	3,968,486	3,837,685	130,801	3.4%
Available-for-sale financial asset	500,000	-	500,000	-
Deferred tax assets	26,910	14,953	11,957	79.96%
Prepayment	-	208	(208)	-
Total non-current assets	**4,555,448**	**3,861,594**	693,854	18.0%
Current assets:				
Development properties	3,701,851	3,241,927	459,924	14.2%
Trade and other receivables	319,109	177,245	141,864	80.0%
Cash and cash equivalents	965,136	727,132	238,004	32.7%
Total current assets	**4,986,096**	**4,146,304**	839,792	20.3%
Total assets	**9,514,544**	**8,007,898**	1,533,646	19.2%
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	4,028,372	3,536,777	491,595	13.9%
Perpetual Subordinated Convertible Callable Securities	878,970	-	878,970	-
Other reserves	(1,877,020)	(1,857,625)	(19,395)	1.0%
Retained profits	1,970,281	1,717,678	252,603	14.7%
Non-Controlling Interest	54,564	54,969	(405)	-0.7%
Total equity	**5,055,167**	**3,451,799**	1,603,368	46.5%
Non-current liabilities:				
Deferred tax liabilities	526,527	498,546	27,981	5.6%
Borrowings	1,058,750	814,375	244,375	30.0%
Other liabilities	113,130	51,987	61,143	117.6%
Total non-current liabilities	**1,698,407**	**1,364,908**	333,499	24.4%
Current liabilities:				
Trade and other payables	541,436	1,107,094	(565,658)	-51.1%
Current tax liabilities	160,792	95,641	65,151	68.1%
Borrowings	2,085,742	1,988,456	97,286	4.9%
Total current liabilities	**2,787,970**	**3,191,191**	(403,221)	-12.6%
Total equity & liabilities	**9,541,544**	**8,007,898**	1,533,646	19.2%

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31

Revenue increased:

- Higher revenue mainly driven by revenue recognition from the handover of completed units in Ying Li International Plaza project
- Higher rental income due to increased contribution from IFC Mall upon completion of restructuring of tenant mix and full year contribution of rental income from Ying Li International Plaza mall

Gross profit increased:

- Mainly attributable to the different mix of properties sold which was partially offset by and higher contribution margin from rental income

Selling expenses decreased:

- Mainly due to operating expenses (e.g. property management fees, utility expense) from the full year operation of Ying Li International Plaza Mall

Administrative expenses decreased:

- Foreign exchange losses from adverse movements in the USD-SGD rate for a USD denominated loan drawn down in 2013
- Increase in property management fees of owner-occupied IFC office units

Fair value gain decreased:

- Bulk of the fair value gains arose from the valuation of the Ying Li International Plaza mall, for which fair value gains had been progressively recognized during construction

Finance expenses increased:

- Due to accounting treatment for interest, interest directly attributable to the ongoing construction projects had been capitalised.

Income tax expense decreased:

- Mainly due to increase in taxable profit from the sales of Ying Li International Plaza units

Decline in Profit attributable to ordinary shareholders of the Company:

- Mainly due to the higher revenue from the hanover of completed units, lower fair value gain, and more interest expense being capitalized due to increase in number of ongoing projects.

	31-Dec-14 RMB'000	31-Dec-13 RMB'000	Change %
Revenue	1,030,491	638,823	61.3%
Cost of sales	(552,494)	(387,540)	42.6%
Gross profit	**477,997**	**251,283**	90.2%
Other income	15,580	7,075	120.2%
Selling expenses	(56,228)	(37,989)	48.0%
Administrative expenses	(128,236)	(96,658)	32.7%
Fair value gain on investment properties	115,425	259,592	-55.5%
Finance costs	(68,494)	(91,018)	-24.7%
Profit before tax	**356,044**	**292,285**	21.8%
Income tax expense	(102,423)	(87,125)	17.6%
Profit/(loss) for the period	**253,621**	**205,160**	23.6%
Profit attributable to:			
Owners of the parent	254,026	205,664	23.5%
Minority interests	(405)	(504)	-19.8%
	253,621	**205,160**	23.6%

CHAIRMAN'S STATEMENT

Fang Ming
Executive Chairman & Group CEO

Dear Shareholders,

On behalf of the Board, I am pleased to present Ying Li International Real Estate Limited's ("Ying Li" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2014 ("FY2014").

Record Performance

Ying Li had an exceptional year with its revenue surpassing the RMB1 billion mark in FY2014, thus achieving a growth of 61.3% over the previous year. The increase was mainly driven by contributions from our twin core businesses – property development and leasing of our portfolio of investment properties. In particular, revenue recognition from the handover of completed units at the Ying Li International Plaza project and full year contribution of rental income from Ying Li International Plaza retail mall bolstered the Group's good performance. With higher profit margin from residential units handed over and higher rental income from the International Financial Centre mall following the restructuring of tenant mix, the Group's gross profit margin also improved. For the full-year, net profit attributable to shareholders improved by 23.6% to RMB253.6 million.

A Challenging and Significant Year

Macroeconomic Conditions

Amidst the climate of economic uncertainty and various austerity measures imposed on the real estate sector in the People's Republic of China ("China"), the total investment in real estate development in 2014 was RMB9.5 trillion, a 10.5% year-on-year nominal increase, the slowest in five years; and newly started property construction activities decreased by 10.7% in 2014[1]. Despite lower GDP growth of 7.4% in 2014[2], the real estate market continued to see demand for well-located property developments.

Our strategic partnership with China Everbright

During the year, Ying Li formed a strategic partnership with China Everbright Limited ("CEL"). Listed on the Hong Kong Stock Exchange, CEL is an asset management enterprise of financial conglomerate China Everbright Group; that has a diversified financial services that doggedly pursue a strategy of "Macro Asset Management" with specific focuses being placed on fund management and investment businesses; namely primary market investment, secondary market investment and structured financing.

(1) Source: National Bureau of Statistics of China – National Real Estate Development and Sales in 2014 http://www.stats.gov.cn/english/PressRelease/201501/t20150121_672106.html

(2) Source: National Bureau of Statistics of China – China's Economy Realized a New Normal of Stable Growth in 2014 http://www.stats.gov.cn/english PressRelease/201501/t20150120_671038.html

With our growth strategies in mind, and the strategic partnership with CEL in place, Ying Li remains committed to become the premier developer of choice in China to deliver **sustainable shareholder value to investors**

In September 2014, CEL's indirect wholly-owned subsidiary, Everbright Hero Holdings Limited ("Everbright"), acquired a 14.9% stake in Ying Li via a placement of 381 million new shares. Subsequently in October 2014, Everbright subscribed to S$185 million of Perpetual Subordinated Convertible Callable Securities. The partnership marked a significant milestone for the Group and paves the way for more growth opportunities. This partnership with CEL has brought great benefits to the Group. Our balance sheet has improved significantly. The Group's net debt to equity ratio has been lowered to 43% for FY2014 compared to 60% in FY2013, and its total debt to total asset ratio was lowered to 33%. As we move forward in this partnership, the Group would benefit from CEL's business network and tap on its ability to access a broader spectrum of financial solutions that are suitable to the Group's specific needs and enable Ying Li to achieve transformational growth.

I would like to take this opportunity to welcome to our Board, Mr. Pan Ying and Mr. Ai Yu, representatives of CEL, who bring with them a wealth of experience in property investment and management as well as financial advisory.

Our expansion beyond Chongqing

Our collaboration with CEL took off quickly and in December 2014, we jointly undertook a RMB7.2 billion mixed-use development project, with an investment of RMB559 million, in the central area of Beijing Tongzhou District. This was a ground breaking milestone for Ying Li as it is the Group's maiden foray beyond its traditional Chongqing market into high-growth, tier-1 cities in China. The Beijing Tongzhou project is a key project in the development of Beijing and is incorporated in the central government's 12th Five-Year Plan 2011-2015. With an aggregate GFA of approximately 750,000 square metres, the project's premium residential units are strategically located in the Tongzhou New City Canal Core Area at the interchange station of two Beijing subway lines and is only 16 km away from the Beijing Capital International Airport. The excellent location of this project will enable it to benefit from the integration of the Beijing and Tianjin metropolises with the Hebei province.

Formation of Finance and Investment Committee

With CEL onboard, the Group has formed a Finance and Investment Committee ("FIC") to provide guidance and supervision of the Group's property projects investment, corporate and project finance, accounting and investor relations matters. The overall objective of the FIC is to tap on the expertise and experience of its members to oversee investment-related matters of the Group by improving cost efficiencies, financing efficiencies, ensuring optimal utilization of resources, overseeing matters relating to investor relations, and maximizing investment returns. It is a positive step towards enhancing corporate governance.

Looking Ahead

The property sector remains as one of the main contributors to China's economy, accounting for 15% of its GDP. In order to stimulate the economy, the Chinese government has begun loosening the cooling measures previously implemented. While construction activities and property prices remain low, we are starting to see an increase in sales volume which suggests that the worst is over. Property sales hit 189.3 million square metres in December, reaching the highest level for 2014.

In September 2014, China's central bank lowered downpayment requirements and mortgage rates for second home buyers. Meanwhile, China announced an interest rate cut in November 2014, the first time since 2012. Subsequently, the government announced a second interest rate cut in February 2015. In March 2015, the required down payment for second homes was lowered to 40 percent from 60 percent. Such stimulative measures will no doubt have a positive impact on the housing market.

Whilst the current situation of the property sector may seem fragile, many may not realise that the long-term demand for property in China is strongly supported by two key drivers: urbanization and income growth. China continues to undergo rapid urbanization, and this trend still has a long way to go. Currently, approximately 53% of the population lives in cities in China. Meanwhile, 80% of the population in the U.S. and South Korea live in cities, and over 90% in Japan. While levels of urbanization vary across developed countries, it seems unlikely China has reached its urbanization limit. Assuming China's urbanization rate eventually gets to 70% or higher, this means that an additional 17% of the population, or 230 million people, will require housing. Thus, it is clear that there is a long-term demand for China real estate.

Secondly, the urban household disposable income continue to be on a rise, increasing to RMB28,844 per capita in 2014. This will help support investment properties, in particular the retail mall rental portion. As part of the Group's growth strategy and risk management measure, we will continue to develop more mixed-use development projects, which will usually include retail mall development, and retain the units as investment properties to fully capture the market.

The Chinese economy is undergoing structural reforms to transform into an economy based on higher value-add and greater contribution from domestic consumption instead of exports and investment. Among other priorities, China's 12th Five-Year Plan 2011-2015 targets the development of the inland regions of West China.

While expanding into other first and leading second tier cities, the Group continues to view Chongqing as an excellent city to support its growth for many years to come.

While China as a whole is expected to slow its GDP growth to 7%, Chongqing is expected to continue to outpace the national GDP and grow at a rate of 10.9% year-on-year. The residential and office property market in Chongqing shows resilience and steady growth. Its Grade A offices outperformed the overall market with good absorption rates in 2014. Average Grade A office rental yielded a 2.7% increase year-on-year to RMB95.6 per square metre per month. Future supply in Chongqing is expected to reach 3 million square metres, a significant portion of which is likely to be in the Yuzhong and Jiangbei districts. With the reduction of interest rate and lower down payments, the average residential price from January to November of 2014 was RMB7,510 per square metre, an increase of 3.7% year-on-year.

Construction of two large projects, San Ya Wan Phase 2 and Ying Li Financial Street, are progressing well. San Ya Wan Phase 2 is a residential project with GFA of approximately 307,000 square metres, located in a residential / commercial centre in the Liangjiang New Area, about 15 minutes' drive from the Yuzhong CBD and Jiangbei International Airport. Pre-sales for this project commenced in late 2014, and revenue contribution can be expected when units are handed over to buyers in phases between 2015 and 2016. The Ying Li Financial Street project comprises a high-end office-cum-retail development with GFA of approximately 297,000 square metres, strategically located on the much anticipated Chongqing Financial Street in Chongqing's core Jiefangbei CBD. Pre-sales of the office units is expected to commence in 2015 with completion in two phases in 2017 and 2019.

Although Ying Li plans to expand beyond its traditional Chongqing market into other Tier-1 and leading Tier 2 cities, Chongqing will still account for many of its development projects. Chongqing is a fast-growing municipality with a population base of 30 million, with many areas yet to be developed to support the rapid urbanization. Among tier-2 cities, Chongqing has one of the fastest rate of growth; and Ying Li's excellent track record and brand-name will provide many opportunities for the urban redevelopment of prime old city centre sites as well as specialized commercial

CHAIRMAN'S STATEMENT

developments such as our Chongqing Financial Street and International Hardware and Electrical Centre.

With our growth strategies in mind, and the strategic partnership with CEL in place, Ying Li remains committed to become the premier developer of choice in China to deliver sustainable shareholder value to investors.

Acknowledgments

I would like to thank our shareholders, customers and business partners for their unwavering support throughout the years. The hard work and commitment of the management team and employees must also be acknowledged. My appreciation also goes out to our Directors for their guidance in navigating Ying Li through these challenging times. On behalf of the Board of Directors, I would like to thank Mr. Tan Kim Seng, who will be retiring from the Board and not seeking re-election at our Annual General Meeting to be held on 28 April 2015, for his invaluable contributions throughout his appointment.

Although 2015 will be a challenging year, I am confident that Ying Li will be able to ride through the challenges with the continued support from all stakeholders.

Yours sincerely,

Fang Ming
Executive Chairman & Group CEO


YINGLI

董事局主席致辞

尊敬的各位股东：

本人在此代表我们的董事会，欣然呈报英利国际置业股份有限公司(下称"英利"，并连同其附属公司，总称为"集团")截至2014年12月31日("2014年度")的年度报告。

业绩表现

2014年对英利而言是辉煌的一年，在这一年，集团收入超过了人民币10亿元，比去年增长61.3%。集团收入增长主要来自我们的两个核心业务——房地产开发及投资性物业组合的租金收入。特别是英利国际广场项目交付带来的收入确认，以及英利国际广场商场的全年租金收入为集团的良好表现提供了支撑。由于住宅物业的交付，以及对英利国际金融中心商场的租户进行调改之后带来了租金收入增加，集团的毛利润率比去年更高。从全年来看，归属于股东的净利润提高了23.6%，达到人民币2.536亿元。

充满挑战和具有重大意义的一年

宏观经济

面对不确定的经济环境和中央出台的针对房地产行业的各种紧缩措施，2014年中国房地产开发投资总额为人民币9.5万亿元，同比增长10.5%，为五年来最慢；2014年新开工面积下降10.7%[1]。尽管2014年的GDP增速较低，为7.4%，但市场仍然对地段好的房地产项目有需求。

与中国光大控股有限公司建立长期战略合作伙伴关系

2014年，英利与中国金融企业–中国光大控股有限公司（中国光大控股）成功牵手合作，建立起长期战略合作伙伴关系。中国光大控股是一家多元化的资产管理公司，隶属于央企—中国光大集团，并已在香港上市。秉承"大资产管理"策略，中国光大控股主要从事资产管理和投资等业务，涵盖一级市场投资、二级市场投资和结构化融资。

2014年9月，通过配售3.81亿只新股，中国光大控股的间接全资子公司—Everbright Hero Holdings Limited ("Everbright") 获得英利14.9%的股权。随后在2014年10月，Everbright认购了英利新加坡币1.85亿元的永久次级可转换可赎回证券。本次合作是集团的一个重要里程碑，为今后的提档升级铺平了道路。本次合作还为集团带来了极大的好处，随着双方合作的不断深入，集团将得益于中国光大控股广泛的国内外金融网络，并定制融资方案，从而为企业实现转型发展提供支持。

借此机会，我对中国光大控股的代表潘颖先生和艾渝先生加入我们的董事局，表示最诚挚的欢迎！他们均拥有深厚的房地产投资管理和金融顾问经验，将为董事会作出卓越贡献。

在重庆以外的城市拓展业务

我们与中国光大控股的合作快速推进。2014年12月，我们联合开发一个总投资达人民币72亿元的位于北京通州区核心地段的综合性项目，集团向该项目投资人民币5.59亿元。这是一个具有开创性意义的里程碑事件，标志着集团首次尝试跨出传统的重庆市场，布局到其他中国一级发达城市。北京通州项目是政府为扩大内需所特批的绿色通道项目，是一个核心项目，纳入中央政府 "十二五"规划（2011–2015）。总建筑面积约750,000平方米，项目的高级住宅部分位于通州新城运河核心区，处于两条地铁线路的交汇点，距北京首都国际机场只有16公里。项目的绝佳位置使其受益于京、津冀一体化带来的优势。

成立财务投资委员会

随着中国光大控股的加盟，集团成立了财务投资委员会（简称"FIC"），为集团的项目投资、公司及项目的融资、会计和投资者关系等方面的工作提供指导和监督。FIC的总体目标是借助其成员的专业知识和经验，改善本公司的成本和融资效率，确保资源的最佳利用，监督投资者关系的事项，并最大限度地提高投资回报率。成立FIC是提升公司治理水平的一项积极举措。

未来打算与展望

房地产行业仍然是中国经济的一个主要支柱产业，占中国GDP的15%。为了刺激经济增长，中国政府已开始放松之前采取的楼市调控措施。虽然房地产开工面积和价格仍然很低，但我们已经看到销量增加，这表明最困难的时期已经过去了。去年12月，全国房地产销售面积达到1.893亿平方米，为2014年的最高水平。

(1) 来源：中国国家统计局—2014年国内房地产开发及销售
http://www.stats.gov.cn/english/PressRelease/201501/t20150121_672106.html

(2) 来源：中国国家统计局—2014年中国经济实现稳定增长新常态
http://www.stats.gov.cn/english/PressRelease/201501/t20150120_671038.html

2014年9月，中国央行下调了二套房购房者的首付款和抵押贷款利率。与此同时，在2014年11月，继2012年7月后两年多来，央行首次降息。随后，在2015年2月，央行宣布第二次降息。2015年3月，央行、住建部、银监会联合发布文件，对于居民自住和改善性第二套住房，房贷首付款从不低于60%调整为不低于40%。毫无疑问，这些利好将会有力提振房地产市场。

当前的房地产行业虽然看起来比较脆弱，然而，很多人可能没有意识到长期以来中国对房屋的需求是由两个关键因素进行支撑的：城镇化水平和收入增长。中国继续经历快速的城镇化，并且这一趋势仍将继续保持。目前，中国大约有53%的人口居住在城市里面。与此同时，美国和韩国有80%的人口住在城市，而日本则超过90%。虽然发达国家的城镇化水平不同，但显然中国的城镇化水平还没有达到极限。假设中国的城镇化率最终达到70%或更高，这意味着额外的17%的人口，即2.3亿人需要住房。因此，中国房地产很明显有一个长期的刚性需求。

其次，城镇居民家庭可支配收入持续增加，2014年城镇居民人均可支配收入增加到人民币28,844元。这将有助于投资性物业，尤其是零售商场的租赁。作为集团发展战略和风险管理的一部分，我们将继续开发更多综合性项目，通常会包括零售购物中心，并保留部分作为投资性物业。

中国经济正在经历结构性改革，转变成以更高的增值空间为基础，并且由主要依靠投资、出口转变为主要依靠国内消费。2011-2015年中国“十二五”规划旨在发展中国西部的内陆地区。

在拓展到中国其他主要的一二线城市的同时，集团仍然认为在未来数年里，重庆是支撑集团发展的重要城市。中国预计将放缓GDP增长速度至7%，而重庆将继续超过全国GDP增速，同比增长10.9%。重庆的住宅和写字楼市场显示出弹性和稳定增长。其甲级写字楼的表现优于整体市场，2014年的甲级写字楼吸纳率表现良好。甲级写字楼平均租金收益率同比增长2.7%，至人民币95.6元/月/平方米。重庆未来甲级写字楼供应量预计将达到300万平方米，主要集中在渝中区、江北区。随着降息和下调首付款，从2014年1月到11月的平均住宅价格是人民币7510元/平方米，同比增长3.7%。

集团旗下两大在建项目—“三亚湾二期项目”和“英利·金融街项目”进展顺利。“三亚湾二期”是一个住宅项目，建筑面积约307,000平方米，位于两江新区的住宅/商业核心地段，距离重庆市核心商圈和重庆江北国际机场均约15分钟车程。该项目在2014年底已启动预售，在2015年至2016年期间逐步交付给购房者，届时收入将予以确认。总建筑面积约297,000平方米的“英利·金融街项目”座落于备受瞩目的重庆解放碑核心商圈——五一路金融街，将建成集高端写字楼及商业为一体的综合性项目。写字楼的预售预计从2015年开始，并在2017年和2019年分两个阶段完工。

虽然英利计划拓展到其他领先的一二级城市，集团大多数开发项目还是位于重庆。重庆是一个快速发展的直辖市，拥有3000万人口，为配合快速发展的城镇化，重庆有许多领域仍然有待开发。在二级城市里面，重庆的增长速度最快；而英利优秀的业绩记录和品牌将会带来更多的旧城改造以及开发商业项目的机会，比如正在打造的“英利·金融街项目”和“英利国际五金机电城项目”。

今后，我们将秉持自身的发展战略，并进一步深入发展与中国光大控股的战略合作，英利将继续致力于成为中国领先的开发企业，为股东、投资者持续创造价值。

致谢

最后，我在此衷心地感谢各位股东、客户和业务合作伙伴长久以来的坚定支持。感谢公司管理团队和员工们的辛勤工作和奉献。同时，感谢各位董事在公司面临困难时给予宝贵的指导。本人在此代表董事会向即将在来届股东会退休的陈金成先生致谢，感谢他在任期内对公司所做出的贡献。

尽管2015年充满了挑战，本人坚信，在诸位股东的支持下，英利能够度过所有的挑战！

方明
执行董事长兼集团总裁

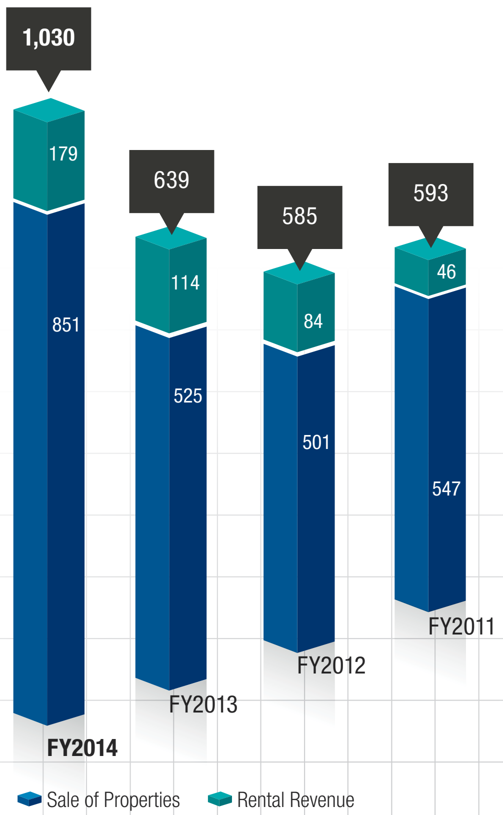
FOCUSING ON

Chongqing

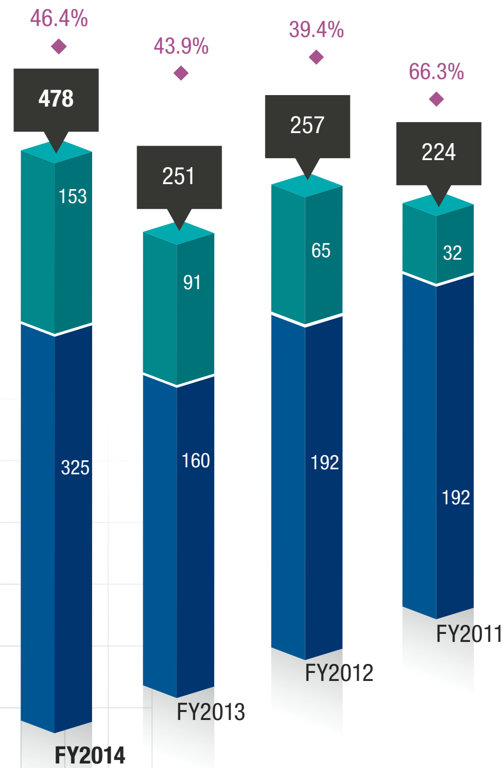
HIGH-GROWTH CITIES

FINANCIAL REVIEW

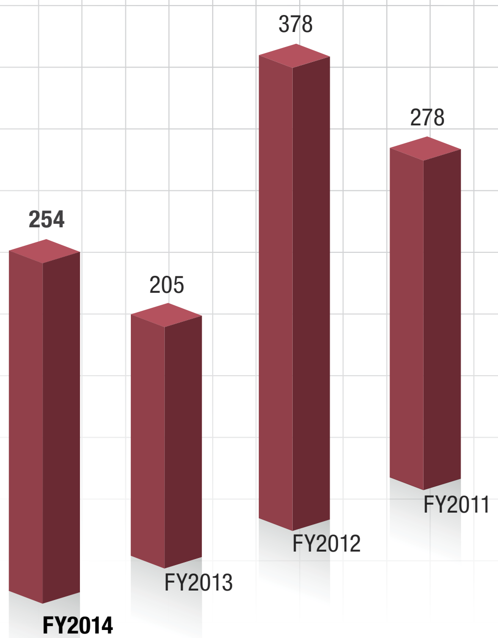
Revenue (RMB million)



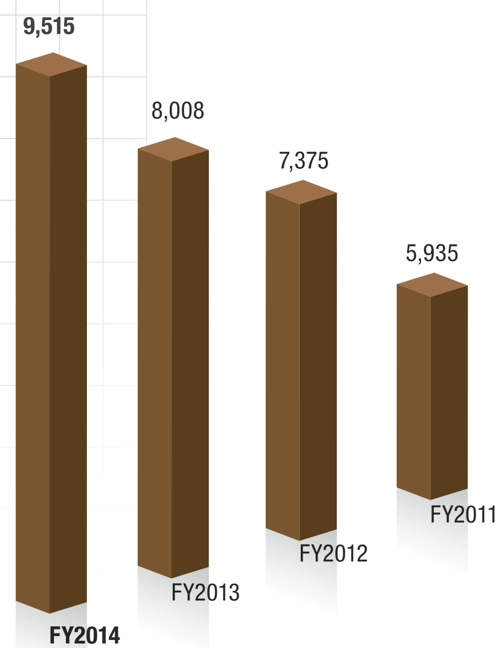
Gross Profit (RMB million) & Gross Profit Margin (%)



Net Profit after Tax (RMB million)



Total Assets (RMB million)



FINANCIAL DETAILS

The Group's revenue for FY2014 increased by RMB391.7 million to RMB1.0 billion. This was an increase of 61.3% and was mainly driven by the handover of the completed units at the Ying Li International Plaza project and the full year contribution of rental income from the Ying Li International Plaza retail mall.

Gross profit increased by RMB226.7 million in FY2014 to RMB478.0 million due to revenue recognition from the partial handover of the remaining office and residential units in the Ying Li International Plaza project, increase in rental income from IFC mall following the restructuring of tenant mix, and full year contribution from the Ying Li International Plaza retail mall. Coupled with the sale of properties in the last quarter that mainly comprised office units that have a higher profit margin, overall gross profit margin for FY2014 was 46.4% compared with 39.3% in FY2013.

Selling expenses increased to RMB56.2 million in FY2014, from RMB38.0 million due to the increase in property management fees and utility expenses incurred from the full year operation of the Ying Li International Plaza retail mall.

For FY2014, administrative expenses was RMB128.2 million as compared to RMB65.5 million in FY2013. The increase was due to an increase in foreign exchange losses that was mainly attributable to adverse movements in the USD-SGD rate for a USD denominated loan drawn down in FY2013. As a percentage of revenue, administrative expense increased from 10.2% in FY2013 to 12.4% in FY2014.

Overall, net profit attributable to the shareholders for FY2014 increased by RMB48.4 million to RMB254.0 million. Earnings per share increased from 9.5 RMB cents in FY2013 to 11.1 RMB cents in FY2014.

Financial Position

The Group's financial position remained healthy as total assets increased by RMB1,506.0 million to RMB9,514.6 million as at 31 December 2014. The increase in assets was attributable to the increase in development properties as progress is being made on both the Ying Li Financial Street and San Ya Wan Phase 2 projects; increase in available-for-sale investment of RMB500 million from the investment in Shanghai Zhao Li Partnership (which will in turn invest in the Beijing Tongzhou Project) and increase in cash and cash equivalents of RMB238.0 million.

Total liabilities decreased to RMB4,486.4 million as at 31 December 2014. The decrease in liabilities was mainly due to a decrease in advances from customers as completed units in Ying Li International Plaza project were handed over. This decrease was partially offset by the increase in borrowings to fund development projects.

Net assets attributable to shareholders was RMB5,000.6 million as at 31 December 2014, from RMB3,396.8 million as at 31 December 2013. The net increase was largely due to the issuance of new shares and perpetual subordinated convertible callable securities as well as profit achieved during the year. As at 31 December 2014. The current ratio was 2.06 times and debt-to-equity ratio was 0.6 times. Net asset value increased from RMB1.57 per share to RMB1.96 per share.

Cash Flow

The Group's net cash used in operating activities increased to RMB928.8 million in FY2014 from RMB271.6 million in FY2013, mainly due to increases in development properties and trade and other receivables, as well as a decrease in trade and other payables. Net cash used in investing activities mainly comprise an investment in available-for-sale securities of RMB500 million, arising from the investment in Beijing Tongzhou Project. Net cash generated from financing activities of RMB1,459.9 million includes net increase in borrowings mainly for the development cost of the Ying Li Financial Street project; and proceeds from the issuance of the perpetual subordinated convertible callable securities to Everbright Hero Mauritius Limited. As a result, cash and cash equivalents increased to RMB198.8 million as at 31 December 2014, from RMB184.8 million as at the end of FY2013.

OPERATIONS REVIEW

Building A Stronger Presence

The Group's efforts to grow its twin core businesses – property development and leasing of its investment properties, have yielded good results in 2014. During the year, we completed the handover of Ying Li International Plaza. Revenue from the sales of units in Ying Li International Plaza as well as rental income from the investment properties portfolio helped the Group achieve another year of revenue growth. Ying Li remains committed to grow its earnings and assets beyond Chongqing and into high-growth cities, to achieve a more diversified earnings base and portfolio mix.

Ying Li's strategic partnership with China Everbright Limited ("CEL") opens the door to greater opportunities for the Group. The Group will be able to selectively participate in market consolidation opportunities and to undertake acquisitions and development of prime projects in China's first and leading second-tier cities. CEL will also bring to the Group access to bespoke financial solutions that cater to the Group's funding needs.

The Group's financial position strengthened with the subscription of 381 million shares (approximately S$99 million) and S$185 million Perpetual Subordinated Callable Securities by CEL's indirect wholly-owned subsidiary, Everbright Hero Mauritius Ltd, in 2014. At the same time, a Finance and Investment Committee ("FIC") led by our Chairman, Mr. Fang Ming and our Non-Executive and Non Independent Director, Mr. Ai Yu, was formed. The constitution of the Financial and Investment Committee shall also include the Chief Financial Officer (or its equivalent) of the Group with a view to providing guidance and supervision to the Group on investment matters.

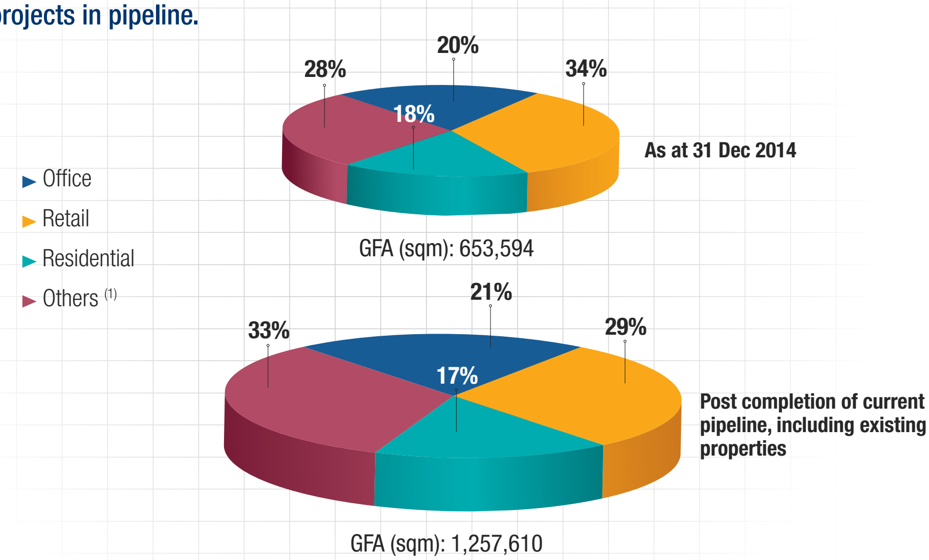
The Group's strategic partnership with CEL took a step further with its inaugural investment outside of Chongqing city with its RMB559 million investment in Shanghai Zhao Li Partnership (which will in turn invest in the Beijing Tongzhou Project).

Maintaining A Diversified Portfolio

To maintain its competitiveness as the premier developer of choice, the Group strives to achieve diversified property development and investment properties portfolios to be more resilient to the cyclical changes in the economy. Ying Li develops different types of properties – residential, retail and office, in prime locations to cater to the demand and requirements of its customers. The Group retained part of its prime property development projects, particularly those developments with office and retail space in prime locations, as investment properties with the view to generate returns from recurring rental income and long-term capital appreciation.

Comparing between 31 December 2014 and 31 December 2013, the value of our development properties increased by 14.0% to RMB3.7 billion. Investment properties increased by 3.4% in value to RMB4.0 billion. Overall total asset base increased by 18.9% to RMB9.5 billion. As at 31 December 2014, properties held for investment constituted 52% of the total value of Ying Li's property assets. Recurring rental income from holdings of investment properties forms the sustainable earnings base.

Proportion of GFA by different types of investment properties current at 31 December 2014 compared to post completion of projects in pipeline.



(1) Others are mainly carparks

The Group's current pipeline of projects extend to the year 2019, and consist of three major projects in various stages of development: (i) San Ya Wan Phase 2, (ii) Ying Li Financial Street, and (iii) Beijing Tongzhou.

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2014

YING LI INTERNATIONAL PLAZA

Status: Completed handover in FY2014

Key Statistics (Sqm)	
Land Area	**28,226**
Total Gross Floor Area:	**409,141**
• Residential/SOHO	116,445
• Office	78,695
• Retail Mall	100,524
• Car Park/Others	113,477

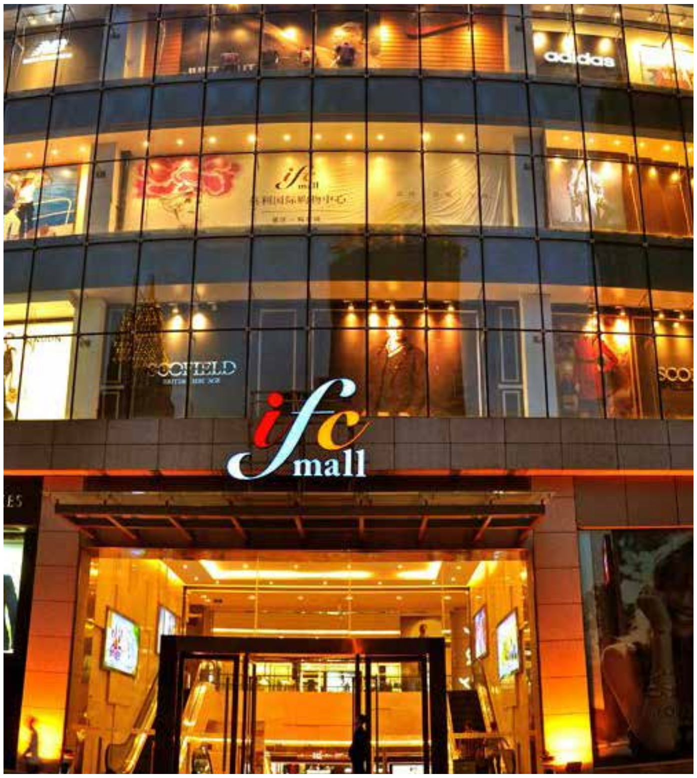
Located right in the centre of Daping, the most densely populated area in Yuzhong district, the mall is at the intersection of two major roads and is accessible by the public transport network. The 9-storey family and lifestyle themed mall offers diverse and vibrant choices of retail, F&B, lifestyle and entertainment outlets, and also has quality residential apartments, SOHO and Grade A offices. This development would benefit from a large catchment of 400,000 population as well as working professionals in the upcoming Yuzhong District Headquarters Economic Zone.

INTERNATIONAL FINANCIAL CENTRE ("IFC")

Status: Achieved occupancy rate of more than 95%

Key Statistics (Sqm)		
	GFA (sqm)	**Occupancy**
• Office	89,971	95.2%
• Retail Mall	49,873	97.0%

Strategically located in the heart of the Jiefangbei area, Ying Li International Financial Centre ("IFC") is an integrated development with a shopping mall and Grade A office building. The Office building is occupied with diversified and high quality office tenant base including Samsung, DBS, OCBC, Deloitte, CBRE and Qatar Airlines, while the Retail Mall tenants include H&M, Crocs, Lotte Mart, Samsonite and Samsung. As at 31 December 2014, 95% of office space allocated for sale was sold and the project achieved 95.2% occupancy rate, while the retail mall achieved 97% occupancy.



SAN YA WAN PHASE 2

Status: 12 blocks of residential townhouses have achieved structural completion with four blocks having completed facade construction. The first batch of presales commenced in October 2014. Handover will be in phases in FY2015 and FY2016.

Project Description	
Type	Residential
Land Area (approximate)	73,300 sqm
Total GFA (approximate)	307,000 sqm
Expected Handover	2015 / 2016

This project is strategically located in Yubei district, Chongqing, with close proximity to Lianglu Cuntan Bonded Port, Western China's only dual functional tax-free bonded port, the Jiangbei International and Domestic Airport as well as the core Central Business District ("CBD"). Guided by the Singapore city planning concept, San Ya Wan's design is aimed at creating a garden-like residential community with a focus on the development of quality apartments well-supported by life-style amenities. San Ya Wan is targeted at the emerging middle-class clientele pursuing a higher quality of city living standard.

YING LI FINANCIAL STREET PROJECT

Status: Construction of tower block reached 12th storey of 44. Construction of retail podium reached 9th storey of 9. Pre-sales expected to commence in FY2015.

Project Description	
Type	Commercial (Office, Retail)
Land Area	17,000 sqm
Total GFA	297,000 sqm
Expected Handover	2017 / 2019 (two phases)

Chongqing Municipal Government has earmarked RMB15 billion to develop Chongqing Financial Street ("CQFS") into the “Wall Street” of Western China. CQFS comprises seven land parcels for mixed-use development with office, retail and hotel components. Ying Li secured two prime plots.

Strategically located along Chongqing Financial Street in Yuzhong Jiefangbei CBD. Ying Li’s Financial Street Project is the largest project land plot closest to the Jiefangbei Pedestrian Street with exposure to main roads. Completion of project is expected to be in phases from 2017.

OPERATIONS REVIEW

BEIJING TONGZHOU

Status: New project announced on 31 December 2014

Project Description	
Type	Mixed residential, office, retaill
Land Area	57,166 sqm
Total GFA (approximate)	750,000 sqm
Expected kick-start of project	Phase 1 (Residential) 2014
	Phase 2 & 3 (Office and Retail) 2015
Expected presale	2Q2015

Beijing Tongzhou is known as the Eastern gateway to Beijing, and is key focal area of development for Beijing in the future. Downtown Tongzhou is earmarked to be redeveloped into a CBD district with an emphasis on consumer retail.

The entire district covers an area of 906 sqm and has a population of 1.18 million. Tongzhou has good educational facilities and is well served by several hospitals. It has close proximity to Beijing's CBD and the Beijing Capital International Airport.

Beijing Tongzhou Project has been incorporated in the central government's 12th Five-Year Plan. First project in Beijing that combines the mass rapid transit, round island underground tunnel, underground retail in one single location. The project will comprise of super high-rise premium residential units, office buildings and retail malls.

Forthcoming project:
Ying Li International Hardware and Electrical Mall

On 14 January 2015, Ying Li signed a Memorandum of Understanding ("MOU") with Shuangfu New Area Administrative Committee and Chongqing Hardware & Electrical Industry Association Alliance ("CHEIAA") to develop a new mixed-development property in Jiangjin District with a one-stop hardware and electrical appliances hub, the Ying Li International Hardware and Electrical Centre.

The project involves the development of a built-to-order wholesale centre, high-end retail shops, hotels, residential and a logistics distribution centre. The planned total GFA of the project is approximately 1.6 million sqm and the initial investment of the project is estimated to be around RMB1.8 billion.

The strategic alliance with CHEIAA which consists of nine (9) trade associations, allows the Group to tap on the network for sales. More than 900 prospective buyers representing a sellable GFA of 500,000 sqm have registered interest in the project.

This project will be constructed in three (3) phases. Phase I will occupy approximately 200,000 sqm of the total land area, while Phases II and III will share the remaining 467,000 sqm. The construction of the project is expected to be completed in two to three years' time.

OPERATIONS REVIEW

Property Sector Outlook For Chongqing

Chongqing remains a key market for Ying Li, and due to our long track record of achievements, we retain a strong first-mover advantage in this market. Chongqing as a directly-controlled municipality of the central goverment of the People's Republic of China is one of its fastest growing cities.

According to the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics, Chongqing's economy achieved a nominal GDP of RMB1,426.5 billion in 2014, an increase of 10.9% over the previous year, and 3.5 percentage points higher than the national average level of 7.4%.

Chongqing Office Market

In 2014, Chongqing's market for office properties was resilient. Net absorption of new office properties improved, average vacancy rates was a low 35% despite a constant supply of new properties, and rental rates increased by 2.7% to reach RMB 95.6 per sqm. However, future supply in Chongqing is expected to reach 3 million sqm by 2018, with most of the new supply concentrated in Yuzhong and Jiangbei District. The leasing market is expected to be more competitive and the Group has been sensitive to changes in market conditions and optimize the timing of project completions as well as leasing sales program to ensure that there is at least an economically viable number of tenants at profitable rental levels for the opening of the development.

Chongqing Retail Mall Market

The retail mall market in Chongqing remains challenging, with the total stock of Chongqing's premium retail mall market increasing by 882,293 sqm to reach 3,220,837 sqm in 2014 which is a significant increase of 34%. Although net absorption rates improved from 487,643 sqm in the previous year to 824,105 sqm, it was driven mainly by rapid expansion of lifestyle retailers and multi brand stores who need to take an early position in Chongqing for their future plans. The overall vacancy rate was a low 11.8% and average rental rate declined by 6.8% to RMB444 per sqm per month. Despite an oversupply of commercial retail space, Chongqing's urban renewal program will continue to create new commercial hubs in districts outside the CBD and add to the retail space supply. Ying Li will leverage on the prime locations of its developments, its brand name and the ability to enhance the overall shopping experience of customers to differentiate itself from the competition.

Chongqing Residential Market

The relaxation of mortgage lending requirements and interest rate cuts led to a new wave of demand in the residential market in the last three months of 2014. Both supply and demand increased as policies were relaxed. The average residential price from January to November 2014 was RMB7,510 (US$1,221) per sqm, an increase of 3.7% year-on-year. Yuzhong District saw a large rise of 30.6% year-on-year to RMB12,002 (US$1,952) per sqm, evidence that in general, prices of properties in prime locations will always be the first to benefit from any upturn in the market. However, while demand for premium residential properties in Chongqing remains strong, the current high level of inventory and lingering uncertainty for China's real estate market will in the short term, put a cap on any significant rise in prices.

Keeping A Steadfast Approach

Looking ahead, Ying Li will continue to focus on selecting prime locations for property development projects in high-growth cities as well as attracting and retaining creditable tenants, and managing its lease profile, while improving operational and capital efficiencies. The Group is committed to build a sustainable growing earnings base for its shareholders.

OUR PEOPLE

The Group's greatest assets are not in its land and buildings, nor in its financial resources, but in its human capital. The Group's track record of consistent growth would not have been possible without the talents of its employees at all levels from top management to ground level operations and administrative staff.

Improved Human Resource System

In July 2014, we engaged Towers Watson, a reputed international human resource management system consultancy, to undertake a study. We have asked Towers Watson to make recommendations for the improvement of our human resource system that would not only enable us to more effectively manage our talent pool and optimise the use of human resources, but also anticipate future requirements. Their report encompassed the areas of organisational structure, employee benefits, alignment of organizational goals with that of the individual, career development, talent management, performance appraisal, and planning for future human capital requirements.

Long term sustainable growth and value creation depends on the Group being able to attract and retain the best talent. Attracting and retaining talent in turn depends on having a merit-based human resource management system with objective performance appraisal that ties in with equitable rewards and a clear career development path.

We have put in place an effective human resource management system with the focus on skills training and development for all staff, to ensure that they have the improvement in their skills set to support the Group's growth. The Group has a comprehensive suite of in-house and external training programs for its employees to enhance skills set relevant to the area of their employment.

An effective human resource management system must be able to align the Group's goals with the goals of the individual employee. Our human resource management system employs a top-down approach to goal-setting, with the articulation of the company's objectives permeating down to align with the key performance indicators (KPI) for the individual according to his employment position and role in the Group.

Caring for Employees

While ensuring that all our employees are able to realise their fullest potential, we have at the same time, worked hard to ensure that they have a conducive and healthy working environment, and a good work-life balance. In this regard, we have organised a series of recreational, social and cultural activities that help to improve physical and mental well-being, as well as foster team spirit and a caring attitude for their colleagues.

Effective human resource management is integral to the Group's growth and we will ensure that our human resource management system is always up to par so that employees will be able to contribute effectively.

CARING FOR THE COMMUNITY AND THE ENVIRONMENT

As a Group we acknowledge our responsibility to the environment and to the local communities in which we work and with which we do business. The Group is actively involved in activities that reflect its philosophy of contributing back to what it has gained from society and the environment.

Engaging the Community

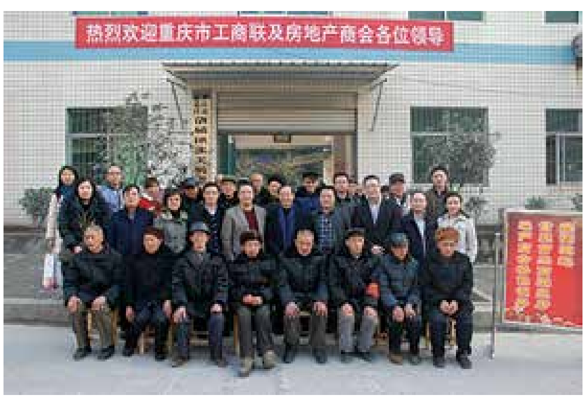
In Ying Li, employees are encouraged to be active and socially responsible by participating in charity programmes for the less privileged in society, contributing their time and effort for natural disaster assistance programmes, educational assistance programs and environmental enhancement initiatives.

Charity begins at home, so to speak. At Ying Li, we not only reach out to the less fortunate, but we also reach out to our staff, by visiting sick family members of the staff, organizing communal sports activities and training events and ensuring that all staff know that the company cares for their welfare. During the peak of the summer season in 2014, we donated supplies to workers who worked in the open and under the hot sun. Throughout the year, we also organized other activities to break down barriers amongst staff, thereby strengthening the corporate culture and cohesiveness. These activities include participation in Yuzhong Day and in the Kangtian Cup Sports Event.

Our top management and Chairman also actively participates in the various community engagement programmes. Our Chairman, who also chairs the Real Estate Chamber of Commerce in Chongqing, is instrumental in garnering more support for the needy. He leads by example to encourage contribution of time, money and work by the more fortunate for the less fortunate.

In our care for the less fortunate elderly and school children in the community, we have initiated various programmes to renovate nursing homes and educational institutions so that they may have a more conducive living and learning environment.

Month	Community Engagement Initiatives
July	Donated RMB20,000 towards the reconstruction of a primary school in Wuxi County, Chongqing
September	Heeding the call of the government, Ying Li's staff actively participated in a blood donation drive
December	Mr. Fang Ming, our Chairman, led a group of real estate developers in raising RMB100,000 for the comprehensive repair and maintenance of an old folks' nursing home in Shangluoqi Town, district of Yubei.



Protecting the Environment

The Group is committed to balancing commercial viability with our responsibility to protect the environment. We strive to integrate environmentally friendly design and features in our property developments. We aim to leave as small a carbon footprint as possible in our work. Therefore, we try to procure construction materials that meet energy-saving and low carbon emission standards and ensure that our construction activities do not damage the environment.

We cannot conduct our business isolated from the community and the environment that supports our business activities. The Group believes that this is a necessity for organizations that want to have long term sustainable growth.

AWARDS AND ACCOLADES

Chairman Fang Ming - Chongqing Outstanding Private Entrepreneur
方明董事长荣获“重庆市优秀民营企业家”称号

By Chongqing Municipal Government
重庆市人民政府

2012 – 2013 Top 50 Chongqing Private Enterprise
2012-2013年度重庆市民营企业五十强

By Chongqing Municipal Government
重庆市人民政府

2012 – 2013 Trustworthy Credit Enterprise
2012-2013年守合同重信用企业

By State Administration for Industry & Commerce of PRC
国家工商行政管理总局

2013 Trustworthy Credit Enterprise of Chongqing
重庆市**2013**年守合同重信用单位

By Chongqing Administration for Industry & Commerce
重庆市工商行政管理局

Trustworthy Real Estate Enterprise of China
中国房地产诚信企业

By the National Union of Real Estate Chamber of Commerce
全国房地产商会联盟

Famous Real Estate Enterprise of China
中国房地产名牌企业

By the National Union of Real Estate Chamber of Commerce
全国房地产商会联盟

PROJECTS AT A GLANCE

Minsheng Mansion

- First skyscraper in Yuzhong district
- Completion Date: Dec 1997
- GFA: 63,342sqm

Southland Garden

- Chongqing's first high-end residential project
- Completion Date: Dec 2004
- GFA: 57,009sqm

Future International

- First landmark skyscraper in Guanyinqiao CBD
- Completion Date: Dec 2006
- GFA: 136,370sqm

2000 2005 2007

1997 2004 2006

Zou Rong Plaza

- Chongqing's first financial industry focused project
- Completion Date: Dec 2000
- GFA: 102,502sqm

New York New York

- Received one of China's highest architectural accolades
- Completion Date: Mar 2005
- GFA: 41,337sqm

Bashu Cambridge

- One of first enterprise educational institution partnerships
- Completion Date: Feb 2007
- GFA: 43,086sqm

San Yan Wan Phase 1 and 1A

- Largest integrated seafood wholesale center in western PRC
- Completion Date: Apr 2009
- GFA: 72,000sqm

Ying Li International Plaza

- Landmark integrated project in the heart of Yuzhong's bustling Da Ping area
- Completion Date: 2013/2014
- GFA: 409,141sqm

Ying Li Financial Street Project

- Development of integrated Grade A office and retail mall
- Expected Completion Date: 2017/19 in 2 phases
- GFA: approx 297,000sqm

2009

2011

2014

2015

Ying Li International Financial Centre

- Highest skyscraper and landmark property in Chongqing and Southwest China upon completion
- Completion Date: Dec 2011
- GFA: 177,327sqm

San Ya Wan Phase 2

- Development of quality apartments
- Expected Completion Date: 2015/16
- GFA: approx 307,000sqm

INVESTMENT PROPERTIES PORTFOLIO

AS AT DECEMBER 31 2014

1 Minsheng Mansion

Address
No. 181 Minsheng Road, Yuzhong Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

Gross Floor Area (sqm)
9,175

Gross Rented Area (sqm)
8,310

Land Use Right Expiry
Commercial - Sep 2033
Residential - Sep 2043

Market Valuation (RMB)
53,391,000

Completion Date
Dec 1997

2 Zou Rong Plaza

Address
Nos. 141 to 155 Zourong Road, Yuzhong District, Chongqing

Usage
Retail, Office and Car Park

Gross Floor Area (sqm)
6,806

Gross Rented Area (sqm)
6,637

Land Use Right Expiry
Commercial - Jan 2046

Market Valuation (RMB)
36,077,000

Completion Date
Dec 2000

3 Southland Garden

Address
Nos. 46 to 52 Cangbai Road, Yuzhong District, Chongqing

Usage
Office, Retail and Car Park

Gross Floor Area (sqm)
13,243

Gross Rented Area (sqm)
11,195

Land Use Right Expiry
Commercial - Nov 2042
Residential - Nov 2052

Market Valuation (RMB)
78,298,000

Completion Date
Dec 2004

4 New York New York

Address
No. 108 Bayi Road, Yuzhong District, Chongqing

Usage
Car Park

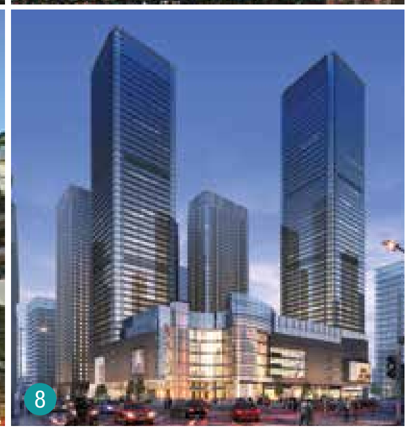
Gross Floor Area (sqm)
277

Gross Rented Area (sqm)
277

Land Use Right Expiry
Commercial - Jan 2042

Market Valuation (RMB)
6,463,000

Completion Date
Mar 2005



5 Future International

Address
No. 6 Guanyinqiao Pedestrian Street, Jiangbei District, Chongqing

Usage
Retail and Car Park

Gross Floor Area (sqm)
82,227

Gross Rented Area (sqm)
81,593

Land Use Right Expiry
Commercial - Mar 2045

Market Valuation (RMB)
962,964,000

Completion Date
Dec 2006

6 Bashu Cambridge

Address
No. 8 Bashu Road, Yuzhong District, Chongqing

Usage
Retail and Car Park

Gross Floor Area (sqm)
7,070

Gross Rented Area (sqm)
6,938

Land Use Right Expiry
Commercial - Sep 2044
Residential - Sept 2054

Market Valuation (RMB)
17,912,000

Completion Date
Feb 2007

7 Ying Li IFC

Address
No. 28 Minquan Road, Yuzhong District, Chongqing

Usage
Office and Retail

Gross Floor Area (sqm)
72,552

Gross Rented Area (sqm)
70,131

Land Use Right Expiry
Commercial - Dec 2044

Market Valuation (RMB)
1,441,060,000

Completion Date
Dec 2011

8 Ying Li International Plaza

Address
No. 19 Zheng Jie Road, Yuzhong District, Chongqing

Usage
Retail

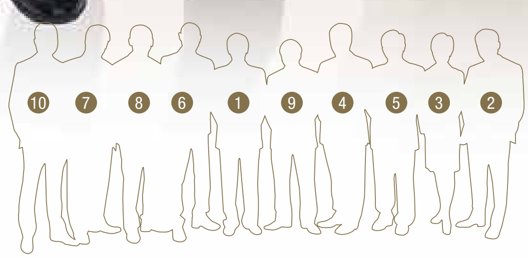
Gross Floor Area (sqm)
98,565

Gross Rented Area (sqm)
75,233

Land Use Right Expiry
Commercial - Jul 2050
Residential - Jul 2060

Market Valuation (RMB)
1,372,000,000

Completion Date
Dec 2013



1. Mr. Fang Ming | 2. Mr. Pan Ying | 3. Ms. Yang Xiao Yu | 4. Mr. Christopher Chong Meng Tak | 5. Mr. Tan Sek Khee | 6. Mr. Ho Sheng | 7. Mr. Xiao Zu Xiu | 8. He Zhaoju @ Danny Ho | 9. Mr. Tan Kim Seng | 10. Mr. Ai Yu

BOARD OF DIRECTORS

1 MR. FANG MING
Executive Chairman and Group Chief Executive Officer

Mr. Fang Ming is the Executive Chairman and Group Chief Executive Officer. He is also the President and General Manager of Chongqing Yingli Real Estate Development Co., Ltd. Mr. Fang is responsible for the overall management since its inception in 1993. He also oversees the Audit & Supervision Department. With more than 20 years of experience in the property sector, Mr. Fang has been instrumental in introducing international designs and quality standards into the real estate sector in Chongqing, gaining recognition from both city and state governments. Under his leadership, the Group has developed a number of award winning buildings in Chongqing's core central business district and established good long-term relationships with the local government authorities and business partners. The Group successfully established a long-term strategic cooperative partnership with China Everbright Limited - one of China's most influential financial enterprises in 2014.

Prior to establishing Chongqing Yingli, Mr. Fang held a senior position in Chongqing Yunji Company. Mr. Fang is also a member of the Chongqing Committee of Chinese People's Political Consultative Conference ("CPPCC"), Vice President of Chongqing General Chamber of Commerce, President of the Real Estate Chamber of the Chongqing Federation of Industry and Commerce, and the Vice President of the Yuzhong District Federation of Industry and Commerce.

Mr. Fang graduated from Chongqing Broadcasting University School of Management and has a MBA from the Chongqing Technology and Business University.

2 MR. PAN YING
Non-Executive Deputy Chairman

Mr. Pan was appointed to the Board in September 2014. He has more than 17 years of experience in private equity and investment. Mr. Pan is a member of the Management Decision Committee of China Everbright Limited ("CEL") and is responsible for the real estate fund, institutional sales and financing business of CEL.

Prior to joining CEL, he worked for the Foreign Exchange Reserve Department of China's State Administration of Foreign Exchange ("SAFE"), and established SAFE Investment Company, Ltd., a wholly-owned subsidiary of the People's Bank of China which had assets under management of more than HKD20 billion, based in Hong Kong.

Mr. Pan joined Seagate Global Advisory Group, an asset management company in Los Angeles in 1998. In 2004, he co-founded SeaBright China Special Opportunities Fund ("SeaBright"), where he acted as CEO, with CEL. At SeaBright, he set up two funds that focused on investment opportunities in China, which invested more than USD150 million.

Mr. Pan holds a Bachelor of Arts in Economics from the Management School of Xi'an Jiaotong University in China.

3 MS. YANG XIAO YU
Executive Director

Ms. Yang Xiao Yu is an Executive Director of the Group, and the Deputy General Manager of Chongqing Yingli. She oversees the Human Resources Department, Administration Department and Information Management Department. Prior to joining the Group, Ms. Yang held various positions, including Deputy Editor of Chongqing Municipal Committee Magazine ("Dang Dai Dang Yuan"), Standing Director of Chongqing Publication Institution, Director and President of Chongqing Dang Hong Cultural Communication Company and Director of the Chongqing Municipal Government Office for Economic Cooperation.

Ms. Yang has obtained the Senior Economist certification from Chongqing Municipal Personnel Bureau, a college degree in Chinese and Economic Management, a Bachelor degree in Law and a postgraduate in Psychology from Southwest Normal University in 1998.

4 MR. CHRISTOPHER CHONG MENG TAK
Lead Independent Director

Mr. Christopher Chong was first appointed to the Board in 2007 and is the Lead Independent Director. He brings to the Group significant experience in corporate strategy, capital markets, securities law and corporate governance. Mr. Chong is a founding partner of ACH Investments Pte Ltd, a corporate advisory firm. Prior to this, and for some 12 years, he was with the Hongkong Bank Group where he held the position of CEO of HSBC Securities (Singapore), Executive Director of Kay Hian James Capel (now known as UOB Kay Hian) and was a multi award-winning analyst. Prior to joining the Hongkong Bank

Group, Mr. Chong trained with Ernst & Young, London. Mr. Chong is a director of four other public companies listed on the Stock Exchanges of Australia and Singapore.

Mr. Chong is a Member of the Institute of Chartered Accountants of Scotland. He is also a Fellow of the Hong Kong Institute of Certified Public Accountants; the Australian Institute of CPAs; the Singapore Institute of Directors; and the Australian Institute of Company Directors. Mr. Chong is also a Senior Stockbroker of the Securities & Derivatives Industry Association. He has a Bachelor of Science in Economics (1st Hon) degree from the University College of Wales and a MBA from the London Business School.

5 MR. TAN SEK KHEE

Independent Director

Mr. Tan Sek Khee is an Independent Director of the Group. He is currently an Independent Director of SGX-listed Europtronic Group Ltd and ASL Marine Holdings Limited as well. Mr. Tan is also currently an Executive Director of several private companies in Singapore, Indonesia, Thailand and China. Mr. Tan brings to the Group extensive experience in general management, business development, marketing, procurement and logistics. He has more than 30 years of corporate and business experience in Singapore, Indonesia, Thailand and China.

Mr. Tan graduated with a Bachelor Degree of Commerce from Nanyang University in 1979. He is also a registered member of Singapore Institute of Directors.

6 MR. HO SHENG

Independent Director

Mr. Ho Sheng has more than 25 years' experience in the financial services industry. He was Senior Vice President of Investments at Citigroup Global Markets. Prior to joining Citigroup, Mr. Ho was a shareholder, Executive Director and Board Member of the stockbroking unit of UBS Warburg. Mr. Ho has extensive experience in market cycles and exposure to regional equity markets. He is currently the Lead Independent Director of SGX-listed Cordlife Group Limited.

Mr. Ho holds a Master of Applied Finance degree from Macquarie University, Sydney. He is a Senior Associate of the Financial Services Institute of Australasia and an Associate of the Institute of Chartered Secretaries and Administrators (UK).

7 MR. XIAO ZU XIU

Independent Director

Mr. Xiao Zu Xiu is an Independent Director of the Group. He has been the Chairman of the Chinese Nation Cultural Promotion Association since 1995. He was also Chairman of the Chongqing Veteran's Sports Association from 1997 to 2003 and the Chairman of the Association of Researching the System of the People's Congress from 2003 to 2009. He has been serving successively as the Vice Chairman and the Chairman of the Committee for Care of the Next Generation since 2004. Mr. Xiao has also been the Director-General of Chongqing Education Development Foundation since 2010. Mr. Xiao was elected as a representative to the Chongqing Municipal People's Congress and chosen as the Vice Chairman of the Chongqing Municipal People's Congress Standing Committee in 1997. Prior to that, he was elected as Executive Deputy Mayor of Chongqing in 1993, mainly overseeing the financial, taxation, auditing, educational and monitoring aspects. Mr. Xiao was with the Agricultural Economy Department of Southwest Agricultural University for 23 years before he was appointed as Director of the Committee for Peasants and Workers in 1985, a post he held till 1988.

Mr. Xiao studied Agricultural Economics in the Southwest College of Agriculture and the Beijing Agricultural University and graduated in 1960 and 1963 respectively.

8 MR. HE ZHAO JU @ DANNY HO

Non-Executive Non-Independent Director

Mr. He Zhao Ju @ Danny Ho is a Non-Executive Independent Director of the Group. He is a Senior Partner of Zana Capital. Prior to joining Zana Capital, he was the Vice-President of the GIC Special Investments from 2000 to 2006, and was working in corporate finance and advisory roles for four years before that.

Mr. He started his career as an Investment Analyst at Brierley Investments. He is a Chartered Financial Analyst and a member of the Association for Investment Management and Research. He graduated from Otago University, New Zealand with a Bachelor of Commerce (double majors in Finance and Economics) in 1994.

BOARD OF DIRECTORS

9 MR. TAN KIM SENG

Non-Executive Non-Independent Director

Mr. Tan Kim Seng has been appointed as Non-Executive Director of the Group since April 2013. Mr. Tan is currently the Chairman and Managing Director of Kim Seng Holdings Pte. Ltd. He has more than 30 years of experience in corporate strategies and business management. He was the founder and former Chairman of KS Energy Ltd from 1974 till mid- 2006. He has been instrumental in spearheading the growth of KS Energy Group from an industrial hardware business into an integrated business group specializing in rig refurbishment, oil and gas equipment, hydraulic equipment, related spares and instrumentation.

Mr. Tan is currently the Patron of Hong Kah North Citizen's Consultative Committee as well as a Council Member of the Singapore Chinese Chamber of Commerce & Industry (the "SCCCI"). He is also currently the Chairman of the International Affairs Committee in the SCCCI and a member of Nanyang Technological University Board of Trustees. He graduated from the Nanyang University with a Bachelor of Science (Mathematics) in 1974.

10 MR. AI YU

Non-Executive Non-Independent Director

Mr. Ai Yu was appointed to our Board in September 2014. Mr. Ai is a Managing Director of EBA Investments (Advisory) Limited ("EBA Investments"), a real estate private equity firm and a subsidiary of China Everbright Limited. Mr. Ai is responsible for deal sourcing, execution and has closed multi-billion US dollar transactions. Prior to joining EBA Investments in 2008, Mr. Ai worked in JP Morgan's Hong Kong office in Real Estate Investment Banking. Before that, he worked in JP Morgan's New York Investment Banking team.

Mr. Ai received his Master of Science in Finance from Washington University in St. Louis and graduated with a Bachelor of Arts in Economics from Simon Fraser University.

KEY MANAGEMENT

MR. LUI PANG HUNG

Group Chief Operating Officer

Mr. Lui joined the Group on 25 August 2014 as the Group Chief Operating Officer. Mr. Lui has worked in Singapore and China for several years and held senior management positions in various industries. He has a deep understanding of the cultural and business practices in China and will be a key member of the team to bring the Group to a higher level of excellence.

Mr. Lui holds a Bachelor of Laws (Hons) degree from the National University of Singapore and has more than 10 years of practice experience as a lawyer before moving on to corporate positions in Singapore and China.

MR. CAI MINGYI

Group Financial Controller

Mr. Cai Mingyi is the Group Financial Controller. He oversees the Group's financial functions in relation to accounting, internal controls, financial and management reporting, tax, treasury, financial analysis, M&A support and risk management. In addition, he is also responsible for liaising with external parties in respect of the Group's financial matters. Prior to joining the Group, Mr. Cai was a manager with the advisory practice of an international Big Four accounting firm. Mr. Cai holds a Bachelor of Accountancy Degree and a Bachelor of Business Management Degree from the Singapore Management University. He is a member of the Institute of Singapore Chartered Accountants.

MR. HOU BAO JUN

Standing Deputy General Manager

Mr. Hou Bao Jun is the Standing Deputy General Manager of Chongqing Yingli and a Senior Engineer. Mr. Hou oversees the Operation Management Department and Development Department. He is responsible for the works of the Operation Management Department, matters regarding land acquisitions, initial project development management and liaising with the government and relevant authorities. Prior to joining the Group, he held senior positions in the Chongqing Fire Safety Department. Mr. Hou holds a Bachelor degree in Fire Control Automation from the Chinese People's Armed Police Force Institute of Technology and a postgraduate degree from Chongqing Municipal Administration School of Law.

MR. GUO SHI QU

Chief Engineer

Mr. Guo Shiqu is the Chief Engineer of Chongqing Yingli and a qualified Senior Engineer. He is responsible for the technical management works on the research & development of our projects. He has more than 30 years of experience in architecture design. Prior to joining the Group, he held senior positions including Senior Architect, Chief Architect and Director at Kunming Investigation and Design Institute of the National Department of Energy. He was as the Chief Engineer in Shenzhen Airport Real Estate Development Co., Ltd and Chongqing Jinke Real Estate Development Co., Ltd. as well as the Design Director and Chief Architect in Chongqing Zhongyu Real Estate Development Co., Ltd. Mr. Guo holds a Bachelor degree in architecture from Chongqing Construction Engineering College.

MR. YANG FANG HENG

Deputy General Manager

Mr. Yang Fang Heng is the Deputy General Manager in charge of the Bidding & Purchasing Department and Cost Management Department. He is overall responsible for the works of cost control, bidding and purchasing. He joined the Group since its inception and has participated in the development of various projects of the Company such as New York New York and Future International with more than 20 years of experience in real estate project development and management. Prior to joining the Group, Mr. Yang was the General Manager of the Nan'an Department Store.

KEY MANAGEMENT

MS. DAI LING

Deputy General Manager

Ms. Dai Ling is the Deputy General Manager of Chongqing Yingli and a qualified accountant. Ms. Dai joined the Group since its inception and oversees the Company's Finance Department and Corporate Finance Department. She is in charge of the development, supervision and maintenance of the accounting system and policies as well as the financial management and corporate tax planning. Ms. Dai has over 30 years of experience in finance and accounting with 20 years' experience in real estate financial management, and has established good relationship with the main banks. Prior to joining the Group, she was the Chief Accountant in Nan'an Department Store and Nan'an District Federation of Industry and Commerce. Ms. Dai graduated with an accounting certification from Chongqing Business College.

MR. LI JING HUAN

Deputy General Manager

Mr. Li Jing Huan is the Deputy General Manager for Business Development and a Senior Engineer. Mr. Li has an extensive experience in the research and development of real estate projects. He is also well-versed with various government policies and has established good relationships with the local government authorities. Prior to joining the Group, he was a lecturer at Staff University of Ministry of Weapons Industry, Manager of Beibei Three Gorges Store, the Head and Representative of many foreign companies in Shenzhen as well as the Deputy General Manager of Chongqing Sinosteel Investment Group. Mr. Li holds a Bachelor degree in Engineering from Chongqing Architectural Engineering College.

MR. WANG ZE MIN

Deputy General Manager

Mr. Wang Ze Min is the Deputy General Manager and a Senior Engineer with more than 20 years of experience in the construction industry. He joined the Group in 1997 and is in charge of the Research & Design Department and the engineering, construction, quality control and safety aspects of the Group's properties. Prior to joining the Group, Mr. Wang was the project manager of Chongqing South Group Corporation Ltd, the Director of the Construction Department of Shanghai San Jiu Property Co., Ltd., and the Manager of Chongqing Kuixinglou Stock Co., Ltd. Mr. Wang holds a Bachelor degree in Mining from the Central South University.

MR. ZHANG GUANG WEI

Deputy General Manager

Mr. Zhang Guang Wei is the Deputy General Manager in charge of marketing and sales operations for the Group. He holds a Real Estate Broker license with more than 17 years of real estate marketing experience, particularly in product positioning, sales strategy formulation and execution. Mr. Zhang oversees the marketing management as well as the sales, leasing and promotions for the Group's projects. Prior to joining the Group, he was an Assistant Sales Manager in Chongqing Jinshan Real Estate Development Co., Ltd, and a Marketing Director in Dun'an Real Estate Development Co., Ltd. Mr. Zhang graduated with a Bachelor degree in Real Estate Management from Chongqing Broadcasting University.

CORPORATE STRUCTURE

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

199106356W

BOARD OF DIRECTORS

Fang Ming
(Executive Chairman and Group Chief Executive Officer)

Pan Ying
(Non-Executive and Non-Independent Deputy Chairman)

Yang Xiao Yu
(Executive Director)

Christopher Chong Meng Tak
(Lead Independent Director)

Ho Sheng
(Independent Director)

Tan Sek Khee
(Independent Director)

Xiao Zu Xiu
(Independent Director)

Ai Yu
(Non-Executive and Non-Independent Director)

He Zhao Ju @ Danny Ho
(Non-Executive and Non-Independent Director)

Tan Kim Seng
(Non-Executive and Non-Independent Director)

AUDIT COMMITTEE

Christopher Chong Meng Tak
(Chairman)

Tan Sek Khee

He Zhao Ju @ Danny Ho

RISK COMMITTEE

Ho Sheng
(Chairman)

Tan Sek Khee

He Zhao Ju @ Danny Ho

NOMINATING COMMITTEE

Christopher Chong Meng Tak
(Chairman)

Ho Sheng

Xiao Zu Xiu

REMUNERATION COMMITTEE

Tan Sek Khee
(Chairman)

Tan Kim Seng

Xiao Zu Xiu

COMPANY SECRETARY

Cai Mingyi

REGISTERED OFFICE

12 Marina Boulevard #18-05
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6334 9052
Fax: (65) 6334 9058
Email address: ir@yingligj.com

SHARE REGISTRAR

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

AUDITORS

Foo Kon Tan LLP
Certified Public Accountants
47 Hill Street, #05-01
Singapore Chinese Chamber of Commerce & Industry Building
Singapore 179365

AUDIT PARTNER-IN-CHARGE

Toh Kim Teck, CPA

Appointed from the financial year ended 31 December 2014

PRINCIPAL BANKERS

China Construction Bank
Huaxia Bank
Jin Cheng Bank
Shanghai Pudong Development Bank
Standard Chartered Bank
Xiamen Bank

FINANCIAL CONTENTS

The Board of Directors (the "Board") is committed to ensuring that the highest standards of corporate governance are practiced throughout Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

Although the Code of Corporate Governance 2012 (the "2012 Code") is not mandatory, however listed companies are required under the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual to disclose their corporate governance practices and give explanations for deviations from the 2012 Code in their annual reports.

This report describes the Group's corporate governance practices and structures that were put in place during the financial year ended 31 December 2014, with specific reference to the principles and guidelines of the 2012 Code, and where applicable, the SGX-ST Listing Manual, the Singapore Companies Act and the Audit Committee Guidance Committee Guidebook, focusing on areas such as internal controls, risk management, financial reporting, internal and external audits.

BOARD MATTERS

The Board of Directors as at the date of this Annual Report comprises the following:

Mr. Fang Ming (Executive Chairman and Group Chief Executive Officer)
Mr. Pan Ying (Non-Executive and Non-Independent Deputy Chairman) (1)
Ms. Yang Xiao Yu (Executive Director)
Mr. Christopher Chong Meng Tak (Lead Independent Director)
Mr. Tan Sek Khee (Independent Director)
Mr. Xiao Zu Xiu (Independent Director)
Mr. Ho Sheng (Independent Director) (2)
Mr. He Zhao Ju @ Danny Ho (Non-Executive and Non-Independent Director)
Mr. Tan Kim Seng (Non-Executive and Non-Independent Director) (3)
Mr. Ai Yu (Non-Executive and Non-Independent Director) (4)

Note:

(1) Mr. Pan Ying was appointed as the Non-Executive and Non-Independent Deputy Chairman on 23 September 2014.

(2) Mr. Ho Sheng was re-designated from a Non-Executive and Non-Independent Director to an Independent Director upon his re-election as a Director of the Company at the Company's AGM held on 28 April 2014.

(3) Mr. Tan Kim Seng, who is retiring pursuant to Article 106 of the Articles of Association of the Company at the forthcoming Annual General Meeting, will not be seeking re-election. With his retirement, he will also step down as a member of the Remuneration Committee.

(4) Mr. Ai Yu was appointed as a Non-Executive and Non-Independent Director on 23 September 2014.

Principle 1: Board's Conduct of Its Affairs

The Board is responsible for setting the Group's strategic direction, executing these strategies and strengthening the robustness of the Group.

The principal duties and responsibilities of the Board include:

- Approving the Company's overall long-term strategies and financial objectives;
- Monitoring the implementation of such strategies and the business performance and results of the Group;
- Approving the appointment of Directors and other key management personnel;
- Establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and internal controls to safeguard shareholders' interests and the Group's assets; and
- Approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding and investment proposals, issuance of shares, dividends and proposals relating to shareholder returns, the Group's quarterly, half yearly and full year results and material interested person transactions.

The Company has put in place a set of guidelines and clear directions to the management on matters reserved for the Board's decision and approval, and such matters are set out as follows:

- Matters involving a conflict of interest for a substantial shareholder of Director;
- Annual capital expenditure budget or any unbudgeted capital expenditure exceeding 10% of the budgeted capital expenditure;
- Corporate governance policies;
- All new projects or additional investments;
- Disposal of assets or investments with net book value or fair value exceeding S$5 million;
- Pledging of assets or investments for financing purposes;
- Write-off of bad debts of more than S$5 million; and
- Provision of corporate guarantees or letters of comfort.

The Board objectively makes decisions in the interests of the Group and has delegated specific responsibilities to four Board Committees, namely, the Audit Committee ("AC"), the Risk Committee, the Nominating Committee ("NC) and the Remuneration Committee ("RC"). Information on each of the four Board Committees is set out below. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board. The effectiveness of each Board Committee is also constantly monitored by the Board.

CORPORATE GOVERNANCE

During the financial year under review, the Board conducted regular and scheduled meetings. Ad-hoc meetings were convened where circumstances required as such. The Company's Articles of Association allows board meetings to be conducted by way of telephone conference or other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors' physical presence at the meeting. The Board and Board Committees may also make decisions through circulating resolutions.

The number of meetings of the Board and Board Committees held in the financial year ended 31 December 2014, as well as the attendance of every Board member at these meetings are disclosed in the following table:

	BOARD OF DIRECTORS ("BOD")			AUDIT COMMITTEE ("AC")			BOARD RISK COMMITTEE [1] ("BRC")			REMUNERATION COMMITTEE ("RC")			NOMINATING COMMITTEE ("NC")		
	Position	No. of meetings		Position	No. of meetings		Position	No. of meetings		Position	No. of meetings		Position	No. of meetings	
		held	attended		held	attended		held	attended		held	attended		held	attended
Fang Ming	C	8	8	–	–	–	–	–	–	–	–	–	–	–	–
Pan Ying	M	5	4 [2]	–	–	–	–	–	–	–	–	–	–	–	–
Yang Xiao Yu	M	8	8	–	–	–	–	–	–	–	–	–	–	–	–
Christopher Chong Meng Tak	M	8	8	C	5	5	–	–	–	–	–	–	C	3	3
Tan Sek Khee	M	8	6	M	5	5	M	–	–	C	2	2	–	–	–
Xiao Zu Xiu	M	8	8	–	–	–	–	–	–	M	2	2	M	3	3
He Zhao Ju @ Danny Ho	M	8	8	M	5	5	M	–	–	–	–	–	–	–	–
Ho Sheng	M	8	8	–	–	–	C	–	–	–	–	–	M	3	3
Tan Kim Seng	M	8	8	–	–	–	–	–	–	M	2	2	–	–	–
Ai Yu	M	5	5 [2]	–	–	–	–	–	–	–	–	–	–	–	–

C denotes Chairman
M denotes Member

Notes:

(1) The formation of the Board Risk Committee ("BRC"), comprising Mr. Ho Sheng as Chairman and Mr. Tan Sek Khee and Mr. He Zhao Ju @ Danny Ho as members, was approved by the Board in May 2014. BRC meetings were held in FY2014 in conjunction with the Audit Committee to ensure clarity of scope of work and to avoid duplication. The BRC held its own separate meeting in FY2015.

(2) The attendances of Mr. Pan Ying (Deputy Non-Executive and Non-Independent Chairman) and Mr. Ai Yu (Non-Executive and Non-Independent Director) were recorded for Board meetings held since their appointments on 23 September 2014.

A formal letter is provided to each Director upon his appointment, setting out his or her duties and obligations. The Director will then undergo an orientation program and familiarize himself or herself with the business activities of the Group, its strategic direction and corporate governance practices. Directors will also be invited to meet the management in order to have a better understanding of the business and operations of the Group.

In order to keep themselves abreast of new laws, regulations, changing commercial risks and accounting standards, all existing and new Directors will be informed of and encouraged to attend relevant courses, conferences and seminars conducted by the Singapore Institute of Directors, the SGX-ST, business and financial consultants, and external professionals on a regular basis at the Company's expense. All Directors are encouraged to undergo at least three hours of training every year. During the year under review, the Directors attended seminars on updates relating to best practice guidance on the role of Directors, industry-related trends and developments, and legal and regulatory requirements.

Principle 2: Board Composition and Guidance

The Board currently comprises ten members of whom two are Executive Directors and eight are Non-Executive Directors of whom four are independent. Accordingly, pursuant to Guideline 2.1 of the 2012 Code, at least one-third of the Board is made up of Independent Directors.

Mr. Tan Kim Seng who is subject to retirement pursuant to Article 106 of the Articles of Association of the Company at the forthcoming AGM, will not be seeking re-election. In view of Mr. Tan's retirement, the Board size will be reduced to 9 members, comprising two Executive Directors and seven Non-Executive Directors, whom four are independent.

The Board is cognizant of the need to comply, with Guideline 2.2 of the 2012 Code which provides that where, *inter alia*, the Chairman is also the CEO, the Independent Directors should make up at least half of the Board, by its Annual General Meeting in 2018.

In determining the independence of each Director, the Board, taking into account the views of the NC, evaluates whether a Director is independent in character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment. All Directors are required to disclose to the Board any such relationships or appointments, as and when they arise, which would affect their independence, as defined in the 2012 Code. Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm his independence based on the guidelines set out in the 2012 Code.

None of the Directors have served on the Board for a period exceeding nine years from the date of his first appointment. As and when a Director serves for a period exceeding nine years, the Board will perform a particularly rigorous review to assess his or her independence, and will also take into account the need for progressive refreshing of the Board.

The Board reviews the size of the Board on an annual basis, and is of the view that the current size of the Board is appropriate for the current scope and nature of the Group's operations. No individual or small group of individuals dominates the Board's decision-making process as both the Independent Directors and the Non-Executive and Non-Independent Directors make up more than two-thirds of the Board.

The Board is satisfied that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed based on his or her strength, experience and stature. They are expected to bring a valuable range of experience and expertise, and contribute to the development of the Group's strategy and business performance. Together, the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender (1 female Director) and knowledge of the Company. They also bring with themselves a wide range of core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the directors' background allows for the useful exchange of ideas and views.

Key information regarding the Directors is given in the "Board of Directors" section of this annual report.

Principle 3: Executive Chairman and Chief Executive Officer

The principal duties and responsibilities of the Executive Chairman include:

- Lead the Board to ensure its effectiveness on all aspects of its roles;
- Scheduling meetings for the Board to discharge its duties;
- Promote a culture of openness and debate at the Board;
- Coordinating activities of the Independent Directors and Non-Executive Directors;
- Exercising control over quality, quantity and timeliness of the flow of information between the management and the Board;
- Encourage constructive relations within the Board and between the Board and Management;
- Ensure effective communication with shareholders; and
- Assisting in ensuring compliance with the Company's guidelines on corporate governance.

The Group Chief Executive Officer ("Group CEO") is responsible for the overall daily operations, management, sales and marketing functions of the Group.

Mr. Fang Ming serves concurrently as Executive Chairman and Group CEO and accordingly, the roles and responsibilities of both the Executive Chairman and Group CEO are vested in Mr. Fang Ming. The Board is of the opinion that there is a sufficiently strong independent element in the Board, in view that all resolutions of the Board are passed collectively after due consideration and that no single individual exercised any concentration of power or influence.

In accordance with Guideline 3.3 of the 2012 Code, the Group appointed Mr. Christopher Chong Meng Tak as the Lead Independent Director. As the Lead Independent Director, he leads and co-ordinates the activities of the Non-Executive Directors of the Group and aids the Independent and Non-Executive Directors to: (i) constructively challenge the management; (ii) assist the management in developing goals and objectives; and (iii) review and monitor the management's performance. Led by the Lead Independent Director, the Independent Directors will meet periodically without the presence of the other Directors and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

Shareholders with concerns are invited to contact the Lead Independent Director, Mr. Christopher Chong Meng Tak, directly when contact through normal channels via the Executive Chairman and Group CEO, Group Financial Controller or Investor Relations has failed to provide a satisfactory resolution, or when such contact is inappropriate.

Principle 4: Board Membership

The NC comprises three Directors, all of whom are Independent Directors. The NC is chaired by Mr. Christopher Chong Meng Tak, the Lead Independent Director, and has Mr. Xiao Zu Xiu and Mr. Ho Sheng as its members. The NC Chairman is not associated in any way with the 10% shareholders of the Company.

The principal duties and responsibilities of the NC include:

- To review Board succession plans for directors, in particular, the Chairman and CEO;
- Assisting the Board in maximizing shareholders value;
- To develop a process for board performance evaluation and assessing annually the effectiveness of the Board as a whole and the contribution and performance of each individual Directors;
- Identifying new candidates and reviewing all nominations for the appointment, re-appointment or re-election of Directors;
- To review of training and professional development programs for the Board; and
- Determining annually, and as and when circumstances require, whether or not a Director is independent pursuant to the guidelines set out in the 2012 Code, and by such amendments made thereto from time to time.

When appointing new Directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfillment of every requirement. The NC will seek candidates from a wide pool of individuals not limited to persons known to the Directors directly, and is empowered to engage professional search firms to aid in this process. Short-listed candidates will be invited to meet the Independent Directors separately and may also be invited to meet the Board as a whole to discuss the duties of a Director. This is to ensure that there are no misunderstandings or a mismatch of expectations. The new Directors will be briefed by the management, the AC Chairman and the NC Chairman, and are also provided with opportunities to speak to the external auditors, the internal auditors and the Company's legal advisers. The new Directors are also flown to Chongqing for meetings with the staff, site visits and to inspect the Company's projects, and to meet with the Company's property consultants.

In accordance with the Share Subscription Agreement dated 30 June 2014 between the Company and Everbright Hero Holdings Limited in relation to the Share Subscription (and as defined in the Company's Circular dated 18 August 2014), Mr. Pan Ying and Mr. Ai Yu were nominated by the Subscriber and appointed as Non-Executive and Non-Independent Deputy Chairman and Non-Executive and Non-Independent Director of the Company with effect from 23 September 2014 respectively. Both of them do not have prior experience as directors of a listed company in Singapore. To familiarise themselves with the roles and responsibilities as a director of a listed company, they will be attending a training course on listed company director essentials conducted jointly by the Singapore Institute of Directors and Singapore Exchange. In addition, Mr. Pan and Mr. Ai have also been invited to attend and participate in all Board meetings as well as attended the Board Committees' meetings by invitation to familiarise themselves with the workings of the Board and Board Committees in FY2014.

Each year, the NC reviews and affirms the independence of the Company's Independent Directors. Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm their independence. This form is based on guidelines provided in the 2012 Code and requires each Independent Director to assess whether they consider themselves independent despite being involved in any relationships which may interfere or be reasonably perceived to interfere with their exercise of independent judgment in carrying out their duties as an Independent Director of the Company. Among the items included in the form are as follows:

- Relationships with the Company, its related corporations, its 10% shareholders or its officers;
- Employment received from the Company or any of its related corporations, for the current financial year or any of the past three financial years;
- Immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations whose remuneration is determined by the RC;
- Significant compensation for the provision of services (other than compensation for board service) received by the Director or an immediate family member, from the Company or any of its related corporations, in the current financial year or the financial year immediately preceding it;
- Shareholdings, partnerships, offices or directorships (including those held by immediate family members) in an organization to which the Company or its subsidiaries made, or from which the Company or its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current financial year or the financial year immediately preceding it;
- 10% shareholdings in the Company held by the Director or an immediate family member; and
- Directly associated with a 10% shareholder of the Company, in the current financial year or the financial year immediately preceding it.

The NC will then review the form completed by each Independent Director to determine whether the Director is independent.

The NC determines if a Director is able to and has been adequately carrying out his duties as Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The NC notes the requirement under the 2012 Code for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report. No maximum number of listed company board representations has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, in assessing each Director's ability to discharge his or her duties adequately, the Board will also take into account contributions by Directors during Board and Board Committee meetings, and their attendance at such meetings, in addition to each of their principal commitments.

Directorships or chairmanships held by the Company's Directors in other listed companies are as follows:

Name of Director	Date of first appointment / last re-election	Directorships in other listed companies (1)	
		Current	Past 3 Years
Fang Ming (Executive Chairman and Group CEO)	26 September 2008 / 29 April 2013	Nil	Nil
Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	23 September 2014	Nil	Nil
Yang Xiao Yu (Executive Director)	31 May 2011 / 28 April 2014	Nil	Nil
Christopher Chong Meng Tak (Lead Independent Director)	19 December 2007 (4) / 29 April 2013	– ASL Marine Holdings Ltd – GLG Corp Ltd (2) – Koon Holdings Limited (3)	– Koda Ltd – Lorenzo International Limited
Tan Sek Khee (Independent Director)	29 April 2013	– ASL Marine Holdings Ltd – Europtronic Group Ltd	Nil
Xiao Zu Xiu (Independent Director)	26 September 2008 / 28 April 2014	Nil	Nil
He Zhao Ju @ Danny Ho (Non-Executive and Non-Independent Director)	26 September 2008 / 28 April 2014	Nil	Nil
Ho Sheng (Independent Director)	28 April 2014	Cordlife Group Ltd	Nil
Tan Kim Seng (Non-Executive and Non-Independent Director)	29 April 2013	Nil	Nil
Ai Yu (Non-Executive and Non-Independent Director)	23 September 2014	Nil	Nil

Notes:

(1) The principal commitment of each Director is set out in the "Board of Directors" section of this annual report.

(2) Listed on the Australian Stock Exchange.

(3) Listed on both the Singapore and Australian Stock Exchange.

(4) Prior to 26 September 2008 and the RTO, the Company was previously known as Showy International Limited.

Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee and Mr. Ho Sheng hold concurrent directorships in other listed companies for the financial year ended 31 December 2014.

The NC is satisfied that Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee and Mr. Ho Sheng can and have been able to, devote sufficient time and attention to the affairs of the Group and adequately discharge their duties.

The Board recognises the contributions of its Independent Directors who over time, have developed deep insights into the Group's businesses and operations, and who are therefore able to provide valuable contributions to the Group. The Board, with the concurrence of the NC, having considered the Confirmation of Independence forms submitted by Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee, Mr. Ho Sheng and Mr. Xiao Zu Xiu concluded that they are independent and free from any relationships outlined in the 2012 Code. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

In accordance with the Company's Articles of Association, all Directors are required to retire from office at least once every three years and submit themselves for re-election at the next Annual General Meeting ("AGM"). A new Director appointed in between annual general meetings must also submit himself for re-election at the AGM following his appointment. The retiring Directors are eligible to offer themselves for re-election.

Pursuant to Section 153(6) of the Companies Act, Cap. 50, a person of or over the age of 70 years may, by an ordinary resolution passed at an annual general meeting of a Company, be appointed or re-appointed as a director of the company to hold office, or be authorised to continue in office as a director of the company, until the next annual general meeting of the company. Such re-appointment will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Cap. 50 as repealed when the Companies (Amendment) Act 2014 comes into force. A person of or over the age of 70 years will then be subject to retirement by rotation under the Company's Articles of Association.

The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Mr. Fang Ming, Mr. Christopher Chong Meng Tak and Mr. Tan Sek Khee who will be retiring pursuant to Article 106 at the forthcoming AGM. Mr. Tan Kim Seng, who is retiring pursuant to Article 106, will not be seeking re-election due to other personal commitments. Accordingly, Mr. Tan Kim Seng will be retiring as a Non-Executive and Non-Independent Director of the Company at the forthcoming AGM. Following his retirement, he will also cease to be a member of the Remuneration Committee.

The NC had also recommended to the Board the re-election of the two Directors who were appointed during the year, namely, Mr. Pan Ying and Mr. Ai Yu who will be retiring pursuant to Article 90, as well as the re-appointment of Mr. Xiao Zu Xiu pursuant to Section 153(6) of the Companies Act, Cap. 50, at the forthcoming AGM.

Save for Mr. Tan Kim Seng, all Directors retiring by rotation or subject to re-appointment have consented to continue in office and the Board had accepted the recommendation of the NC and accordingly, the above Directors will be offering themselves for re-election/ re-appointment.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his re-election/re-appointment, if any, as Director.

The information on each Director's academic and professional qualifications, shareholdings in the company and its related corporations, relationships (if any), directorships and chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments is presented in the "Board of Directors" and "Directors' Report" section of this annual report.

Principle 5: Board Performance

The Board has implemented a process for assessing its effectiveness as a whole and for assessing the contribution by each Director to the effectiveness of the Board. Currently, the Board does not assess the performance of each Director or at the Board Committees' level. The evaluation of the Board's performance is conducted by means of an evaluation questionnaire completed by each Director on the Board, which is then collated and analyzed. The results of the Board's performance evaluation will be reviewed by the NC and circulated to the Board for consideration thereafter. To-date, no external facilitator has been used.

When performing such appraisal, the NC and the Board will also take into consideration comparisons with peers in the real estate development industry and appropriate recommendations to further enhance the effectiveness of the Board will be implemented. The Board also considers the following key performance criteria:

- Board size and composition;
- Board information;
- Board processes;
- Board accountability;
- Performance benchmark; and
- Board performance in discharging its principal functions.

For FY2014, each of the Directors had completed an evaluation questionnaire and forwarded the same to the Company Secretary to collate the results of the evaluation exercise. The evaluation exercise will provide feedback from each director, his views on the Board process and procedures as well as the effectiveness of the Board as a whole. The results of the Board performance evaluation will be collated and presented to the NC for discussion with comparatives from the previous year's results.

In order to improve the Board's performance, the NC encourages all Directors to attend relevant courses, the expense of which will be borne by the Company. These include courses conducted by the SGX-ST and other relevant courses in the People's Republic of China ("PRC") and in Singapore. The NC is also supportive of any Directors who wish to attend any diploma or certified courses such as those held by the Australian Institute of Company Directors.

When considering the re-election/re-appointment of a Director, the NC will evaluate the performance of the Director by considering his or her attendance record at meetings of the Board and Board Committees, active participation during these meetings and the quality of his or her contributions.

Through the NC, the Board will endeavor to ensure that Directors appointed to the Board, whether individually or collectively, possess the experience, knowledge and expertise critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an objective perspective to enable sound, balanced and well-considered decisions to be made. Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as Director of the Company.

Principle 6: Access to Information

In order to ensure that the Board is able to discharge its responsibilities effectively, the Company provides the Directors with regular updates on the operational and financial performance of the Company, and furnishes the Directors with complete and adequate information on matters that require their consideration. Board papers with the relevant background (such as Progress Report of the Group's projects) and financial information (with a variance analysis of the financials based on the actual versus budgeted and the financial performance by projects) are circulated prior to the respective meetings every quarter. However, to maintain confidentially, sensitive matters may occasionally only be tabled at the meeting itself or discussed without papers being distributed. The notice(s) of additional meetings, with the relevant board papers, will be circulated prior to the meetings, as and when these meetings are required to be convened.

All Directors have separate, unrestricted and independent access to the Company's senior management and the Company Secretary. The responsibilities of the Company Secretary include ensuring a smooth flow of information between the Board and its Board Committees, the senior management and non-executive Directors. The Company Secretary attends all Board and Board Committee meetings, and is responsible for ensuring that proper Board procedures are being followed and that applicable rules and regulations are complied with.

Under the Articles of Association of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

In situations where the Directors, whether individually or as a group, need to seek independent professional advice, they can select the professional advisor to be engaged by the Company. The cost of such professional advice will be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises three Directors, two of whom are Independent Directors and one of whom is a Non-Executive and Non-Independent Director. The RC is chaired by Mr. Tan Sek Khee and has Mr. Xiao Zu Xiu and Mr. Tan Kim Seng as its members. The RC Chairman is not associated in any way with the 10% shareholders of the Company.

The principal duties and responsibilities of the RC include:

- Reviewing and recommending to the Board for its endorsement a general framework of remuneration for the Board and key management personnel including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

- Reviewing and recommending to the Board for its endorsement the specific remuneration packages for each Executive Director as well as for the key management personnel, and where necessary, obtaining advice from external remuneration consultants in relation to such contracts;

- Reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;

- Proposing appropriate measures and identifying key performance indicators for assessing the performance of the Executive Directors; and

- Administering the Ying Li Performance Share Plan ("PSP") and Ying Li Employee Share Option Scheme ("ESOS") adopted at the Extraordinary General Meeting held on 28 April 2010 in accordance with their terms.

Each member of the RC will abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his own remuneration.

For the financial year ended 31 December 2014, the Company has in place service contracts for every Executive Director which sets out their remuneration framework. Such service contracts are for a fixed period of up to five years, do not contain onerous removal clauses and provide for a notice period of up to six months.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration is designed to be aligned with the long-term interest and risk policies of the Company, and is sufficiently competitive to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company. In determining the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their performance, as well as the financial, commercial and business outlook of the Company.

The remuneration packages of the Executive Directors and other key management personnel (individuals who occupy the position of deputy general manager or its equivalent, or more senior positions) consist of the following components:

(a) Fixed and Variable Wage Components

The fixed component consists of a basic salary and annual wage supplement. To ensure that the remuneration packages of Executive Directors and key management personnel is consistent and comparable with market practice, the RC regularly compares this fixed component with those of companies in similar industries, while continuing to be mindful of the fact that there is a general correlation between increased remuneration and incentives, and improvement in performance.

The variable component comprises a variable bonus based on the Group's and individual's performance, as well as the monthly variable component of the basic salary. To link rewards to performance, the more senior the executive is within the Group, the higher the percentage of the variable component against total remuneration. A comprehensive and structured assessment of the performance of key executives is undertaken each year. Bonuses payable to key executives are reviewed by the RC and approved by the Board to ensure the alignment of their interests with those of shareholders. The Company has incorporated appropriate "claw-back mechanisms" to allow it to reclaim the variable component of remuneration from Executive Directors and key management personnel in the exceptional circumstances of: (i) misstatement of financial results; or (ii) misconduct resulting in financial loss to the Company.

(b) Benefits

Benefits provided are consistent with market practice and include medical benefits and usage of company vehicles. Eligibility to enjoy these benefits will depend on individual salary grade and length of service.

(c) Share Options and Performance Share

On 28 April 2010, the Company adopted the ESOS and PSP which are intended to inculcate in all participants a stronger and more lasting sense of identification with the Group. The purpose of adopting more than one share plan is to give the Company greater flexibility to align the interest of employees, especially Executive Directors and key management personnel, with those of the shareholders. The ESOS and PSP will complement each other in the Company's continuing efforts to reward, retain and motivate employees to achieve superior performance, and will allow the Company give recognition for past contributions and services, as well as motivating participants to generally contribute towards the Group's long-term prosperity. The ESOS and PSP will further strengthen the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group.

The PSP contemplates the award of fully-paid shares to participants after certain performance targets have been met. These performance targets may be set by the committee comprising Directors of the Group appointed by the Board to administer the ESOS and PSP (“Committee”), taking into account factors such as the Company’s and Group’s business goals and directions to each financial year, the participant’s actual job scope and duties and the prevailing economic conditions. As such, the PSP is targeted at key employees who are in the best position to drive the growth of the Company through superior performance.

In contrast, the assessment criteria for granting options under the ESOS are more general (e.g. length of service and general performance of the Group) as it is intended as a loyalty-driven time-based incentive program.

ESOS

Subject to the absolute discretion of the Committee, employees and Executive Directors of the Company are eligible to participate in the ESOS. If deemed eligible under the terms of the ESOS, a Controlling Shareholder (as defined in the Listing Manual) and his associates may also participate in the ESOS, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, “**ESOS Participants**”).

In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares over which options may be granted on any date under the ESOS, when aggregated with the number of shares issued and/or issuable in respect of all options granted under the ESOS, all awards granted under the PSP and all shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 5% of the total issued shares of the Company (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which options may be granted under the ESOS to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the ESOS.

The options that are granted under the ESOS may have exercise prices that are set: (i) at a price equal to the average of the last dealt prices for an ordinary share in the capital of the Company determined by reference to the daily official list published by the SGX-ST for a period of five consecutive days on which the SGX-ST is open for trading in securities immediately prior to the relevant date on which an offer to grant an option is made (“Market Price”); or (ii) at a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price and is approved by shareholders in a general meeting in a separate resolution.

The ability to offer options at a discount to the Market Price will give the Company flexibility in structuring the options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may also utilise the options as a means to reward the ESOS Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. The grant of options at a discount to the Market Price operate as a form of cashless reward from the company which is an effective manner of motivating participants to maximise their performance, which will in turn create better value for shareholders.

An option granted which is exercisable at Market Price and at a discount to the Market Price shall be exercisable at any time by the ESOS Participant after the 2nd anniversary and the 3rd anniversary respectively of the date the option was granted ("Option Grant Date"), provided that such option must be exercised before the 4th anniversary of the Option Grant Date (or such earlier date as determined by the Committee), failing which the unexercised option shall immediately lapse and become null and void. In view of the longer vesting period for options that are granted at a discount to the Market Price, holders of such options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

As at 31 December 2014, the number of outstanding share options granted under the ESOS to selected long-term employees of the Company based on their length of service and the performance of the Group was 13,323,480 (31 December 2013: 20,098,968). None of these options have been exercised.

Further details of the options granted under the Ying Li ESOS are as follows:

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

PSP

The Company has on 28 April 2010 adopted the PSP to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieved increased performance.

Subject to the absolute discretion of the Committee, employees and Executive Directors of the Company are eligible to participate in the PSP. If deemed eligible under the terms of the PSP, a Controlling Shareholder (as defined in the Listing Manual) and his associates may also participate in the PSP, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, "**PSP Participants**").

An award under the PSP represents the right of a PSP Participant to receive fully paid shares of the Company free of charge upon the PSP Participant achieving the relevant performance target. Subject to limitations under the rules of the PSP, the number of shares which are the subject of an award to be granted to each PSP Participant shall be determined by the Committee in its absolute discretion, taking into consideration, where applicable, factors such as his rank, past performance, length of service, contribution to the success and development of the Group, potential for future development and prevailing market and economic conditions.

In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares for which an award may be granted on any date under the PSP, when added to the number of shares issued and/or issuable in respect of all awards granted under the PSP and all options granted under the ESOS and all shares, options or awards granted under any other share option or share scheme of the Company then in force shall not exceed 5% of the total issued shares of the Company (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which awards may be granted under the PSP to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the PSP, and the number of shares over which an option may be granted under the PSP to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the PSP.

The PSP shall be continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted.

Subject to the Committee being satisfied at its absolute discretion that a PSP Participant has achieved his performance target, the shares granted will vest over a four-year period of service with the Group, commencing from the date of grant.

As at 31 December 2014, the total number of share awards granted under the PSP is 29,602,932. Details of the share awards vested on the following dates for the selected employees who fulfilled certain performance targets based on the Company's performance and individual performance appraisal, and the number of share awards granted (but not vested) as at 31 December 2014 is 10,469,329 (31 December 2013: 23,505,039) are set out below:

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

The Independent and Non-Executive Directors receive fees which are reviewed by the RC to ensure commensuration with the contributions, responsibilities and time spent by such individuals. Such fees are paid subject to shareholders' approval being obtained at the Company's AGM.

In addition to their basic fee, each Director will also receive an allowance, the sum of which is determined by his or her role in the Board and in the various Board Committees for the relevant financial year.

Principle 9: Disclosure of Remuneration

The remuneration of the Directors of the Group for the financial year ended 31 December 2014 is as follows:

	Salary / Directors' fees	Bonus	Share options	Share-based incentives	Total compensation
	%	%	%	%	(S$'000)
Executive Directors					
Fang Ming (Executive Chairman and concurrently the Group CEO since 15 March 2014)	53	26	8	13	1,141
Ko Kheng Hwa (resigned as Executive Director and the Group CEO with effect from 15 March 2014)	83	–	3	14	625
Yang Xiao Yu	61	10	12	17	276
Non-Executive Non-Independent Directors					
Pan Ying (appointed as the Non-Executive and Non-Independent Deputy Chairman on 23 September 2014)	–	–	–	–	–
He Zhao Ju @ Danny Ho	100	–	–	–	57
Tan Kim Seng	100	–	–	–	54
Ai Yu (appointed as Non-Executive and Non-Independent Director on 23 September 2014)	–	–	–	–	–
Independent Directors					
Christopher Chong Meng Tak	100	–	–	–	89
Tan Sek Khee	100	–	–	–	76
Xiao Zu Xiu	100	–	–	–	70
Ho Sheng (re-designated as Independent Director on 28 April 2014)	100	–	–	–	54

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the Group CEO) for the financial year ended 31 December 2014 is as follows:

	Salary and Bonus	Share options	Share-based incentives
	%	%	%
Key management personnel			
$250,000 to $500,000			
Yang Fang Heng	38	26	36
Dai Ling	38	26	36
Hou Bao Jun	48	22	30
Wang Ze Min	38	26	36
Zhang Guang Wei	43	24	33

The aggregate remuneration paid to the top five key management personnel (who are not Directors or the Group CEO) for the financial year ended 31 December 2014 is S$1.48million.

None of the employees who are immediate family members of a Director or the Group CEO received more than S$50,000 in remuneration for the financial year ended 31 December 2014.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is aware of its responsibilities to provide shareholders with a balanced, understandable and comprehensive view of the Company's performance, financial position and prospects on a timely basis. The quarterly and full year results announcements are released via the SGXNET within the mandatory period. Price sensitive information is publicly released either before the Company meets with any group of investors or analysts, or simultaneously with such meetings.

In order to comply with the 2012 Code, the Board has established written policies to ensure compliance with legislative and regulatory requirements where appropriate.

Currently, the management will provide all members of the Board, including Non-Executive Directors, with management accounts and such explanation and information on a monthly basis in order to allow effective monitoring and decision making by the Board.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and ensures that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and will also determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Company has established a risk matrix to document risk impact, risk response and follow-up. Risk assessment and control issues are communicated to employees.

As a property developer of prime commercial and office space, the Company's principal operating risks includes but is not limited to:

- Completion of its developments on time and within specifications;
- Achievement of minimum levels of occupancy and average per square meter rental rates and sales price;
- Access to adequate and reasonably priced funding;
- Ability to source for new and reasonably priced land; and
- Local or central policies and regulations that are adverse to the interests of the Group.

In addition to the above, the Company is also subject to the following risks:

- Changes in PRC laws and regulations that are adverse to the interests of the Group;
- Losses due to currency conversions (RMB-S$-US$);
- Compliance with government requirements and debt covenants; and
- Negative perceptions about the countries in which the Group has its principal operations and the property

In FY2014, BRC meetings were held in conjunction with the Audit Committee to ensure clarity of scope of work and to avoid duplication. In FY2015 the Board intends to manage risk through the AC and a Board Risk Committee. The Board, with the assistance of the AC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for the financial year ended 2014 considered issues dealt with in reports reviewed by the Board during the year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for the financial year ended 31 December 2014.

The AC continuously assesses these risks but formally undertakes a review of such risks with the management and the internal auditors once a year. The AC uses a methodology to identify, judge and assess risks similar to that used by enterprise risk management systems. Once all identified risks are classified, the internal auditor is charged with assessing the adequacy of such controls: (i) annually for high risk sectors or risks with significant potential negative impacts; (ii) once every two years for medium risks sectors; and (iii) once every three years for low risk sectors. The internal auditor is required to apply and has confirmed that the standards applied meet the equivalent of the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. In addition, the AC has put in place certain additional controls with respect to cash management and monitoring and feedback mechanisms, and the AC Chairman meets with the audit partner privately at least twice a year.

While the AC understands the importance of ensuring that the management maintains a sound internal control framework, it also recognizes that no internal control system will preclude all errors and irregularities as a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it can only provide a reasonable but not absolute assurance against material misstatements or losses. In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board conducted an overview of the risks which the Group is exposed to and reviewed the countermeasures and internal controls implemented to manage such risks.

The Board has obtained a written confirmation from the Group CEO and the Group Financial Controller that as at 31 December 2014:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) regarding the effectiveness of the Group's risk management systems and internal control systems.

The Board is aware that there are many types of risk other than financial risks. Given the growth of the Company, the Board had approved the formation of the Board Risk Committee in May 2014. The Board Risk Committee comprises Mr. Ho Sheng as Chairman and Mr. Tan Sek Khee and Mr. He Zhao Ju @ Danny Ho as members. Following its activation in 2015, AC will be charged with overseeing financial risk and the Board Risk Committee be charged with overseeing operational, policy, compliance and other risks.

Based on the internal controls including financial, operational and compliance controls, established and maintained by the Group, work performed by the internal and external auditors, and reviews undertaken by the management, the various Board Committees and the Board are of the opinion that the Group's internal controls addressing material financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 31 December 2014 to meet the needs of the Group, taking into account the nature and scope of its operations.

Principle 12: Audit Committee

The AC comprises three Directors, all of whom are Independent Directors. The AC is chaired by Mr. Christopher Chong Meng Tak, a Chartered Accountant and has Mr. Tan Sek Khee, who has extensive experience in general corporate management, business development, marketing, procurement and logistics, and Mr. He Zhao Ju @ Danny Ho, who is a Chartered Financial Analyst and a member of the Association for Investment Management and Research as its members. The AC Chairman is not associated in any way with the 10% shareholders of the Company. The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. None of the members nor the AC Chairman are former partners or Directors of the Group's auditing firm nor does any of them has any financial interest in the auditing firm.

The principal duties and responsibilities of the AC include:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal auditors and external auditors for the purpose of evaluating the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;

- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;

- Appraising and reporting to the Board on the audit works undertaken by the internal auditors and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;

- Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;

- Reviewing the cost effectiveness of the audit, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;

- Recommending to the Board the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;

- Reviewing with the Board, management and the auditors the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimize such risk to the Company;

- Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the financials and any other announcements relating to the financials of the Company before recommending them to the Board for approval; and

- Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual.

Besides assisting the Board in discharging its responsibilities in safeguarding the shareholders' investment and the Company's assets, the AC is constantly involved in developing and maintaining an effective system of internal controls, with an overall objective of ensuring that the management creates and maintains an effective control environment in the Company.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the management, full discretion to invite any Executive Director or officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with both the internal auditors and external auditors, without the presence of management, at least once a year to review any matter that might be raised.

For the financial year ended 31 December 2014, the aggregate amount of fees paid to the external auditors is S$225,000 and there were no fees paid for non-audit services. Pursuant to their annual review of the independence of the external auditors, the AC is also satisfied with their independence for the financial year ended 31 December 2014.

The AC has recommended to the Board the re-appointment of Foo Kon Tan LLP as the Company's external auditors at the forthcoming AGM.

The Board and the AC, having reviewed the adequacy of the resources and experience of Foo Kon Tan LLP, the audit engagement partners assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 715 of the Listing Manual.

WHISTLE-BLOWING POLICY

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company has put in place a whistle-blowing policy and procedures duly endorsed by the AC, where employees of the Group and any other persons may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc. All reports, including anonymous reports, reports that are lacking in details and verbal reports, will all be investigated into. All complaints will be treated as confidential and will be brought to the attention of the AC.

Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the AC if it deems appropriate, independent advisors engaged at the Group's expense. Following investigation and evaluation of a complaint, the AC will then decides on recommended disciplinary or remedial action, if any. Appropriate actions that are determined by the AC shall then be brought to the Board or to the appropriate senior executive of the Group for authorization or implementation respectively.

In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistle-blowing policy have been made available to all employees. The Company will also be making arrangements to upload its whistle-blowing policy onto its website.

Principle 13: Internal Audit

The Company recognises the importance of establishing an internal audit function that is independent of the activities it audits. The internal audit function is currently outsourced to Nexia TS Risk Advisory Pte Ltd which reports directly to the AC Chairman. The team leader in-charge is a Certified Internal Auditor and the audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the work of the internal auditors and is satisfied that the existing internal controls in the Company are adequate. The AC also provides a communication channel between the Board, the management and the external auditors on matters relating to audit.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle14: Shareholder Rights
Principle15: Communication with Shareholders

The Company is mindful of its obligations to provide material information in a fair and organized manner and on a timely basis to its shareholders. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure of material information. Press releases in relation to material developments, quarterly and full year results announcements and presentation slides are always released through the SGXNET on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. All materials on the quarterly and full year financial results, as well as the latest annual report of the Company, are available on the Company's website at *www.yingligj.com*. The website also contains various other investor-related information about the Company which serves as an important resource for investors and its shareholders.

In order to solicit and understand the views of the shareholders, briefings for analysts are held in conjunction with the release of the Company's quarterly and full year results, with the Executive Chairman and Group CEO, the Group Financial Controller and senior executive officers are available to answer the questions which the media and analysts may have. The Company meets with institutional and retail investors at least once every quarter for its results briefing. The corporate presentation slides are uploaded onto the SGXNET and the Company's website concurrently before these briefings to ensure that they are made also available to all shareholders. Road shows in respect of the Group's developments are held as and when necessary to keep the market abreast of the Group's developments.

All shareholders will receive the annual report of the Company and notice of AGM by post and through notices published in the newspapers within the mandatory period and will be informed of the rules, including voting procedures, which govern general meetings of shareholders.

The Group has a dedicated investor relations team which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. This dedicated investor relations team manages our website and ensures that it is comprehensive and that all our financial information, announcements, policies, and developments are uploaded in a timely manner. All shareholders are invited to write to the Company c/o our Investor Relations team at *ir@yingligj.com* on any questions/concerns which they may have. The Company strives to reply to emails received between two to three working days. The team also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties.

The Board has via the Company's full-year results announcement released on 28 February 2015 informed that it has not recommended any dividend. No dividends was declared for FY2014 as the Company is currently in its growth phase and thus has need for and can generate significant returns on the cash it retains. The Company is committed to start paying dividends once such a situation changes. In addition, the Board is currently reviewing the feasibility of declaring a scrip dividend subject to regulatory, audit and tax clearances.

(E) Principle 16: Conduct of Shareholder Meetings

The Group believes in encouraging shareholder participation at general meetings. All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy forms will be sent with the notice of general meeting to all shareholders. If any shareholder is unable to attend the general meeting in person, he is allowed to appoint up to two proxies to vote on his behalf. The Company also allows CPF investors to attend general meetings as observers. Voting in absentia by mail, facsimile or e-mail is currently not possible as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the shareholder's identity is not compromised.

Every matter requiring shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

All resolutions are put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be made available through SGXNET. The Company has employed electronic polling at its general meetings since September 2014.

The Executive Chairman and all Directors will attend the AGM and be available to take questions from the shareholders. The external auditors are also invited to attend the AGM and are available to assist the Directors in addressing any relevant queries from the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Minutes of the discussion at the AGM and/or Extraordinary General Meeting will be made available to shareholders upon their request.

DEALINGS IN SECURITIES

In line with Rule 1207(19) of the Listing Manual, the Company has adopted a compliance code to issue a notification to all Directors, key executives of the Group and their officers that they are not allowed to deal in the Company's securities during the "black-out" period, being two weeks and one month immediately preceding the announcement of the Company's quarterly and full-year results respectively, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key executives and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

The Board confirms that for FY2014, the Company has complied with Rule 1207(19) of the Listing Manual.

INTERESTED PERSON TRANSACTIONS

All interested person transactions ("IPTs") to be entered into by the Company will be reviewed by the AC to ensure that the terms are fair and reasonable prior to recommending them to the Board for approval.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the Listing Manual on IPTs. To ensure compliance with Chapter 9, the following practices have been implemented:

- The AC meets once every three months to review if the Company will be entering into any IPTs. If the Company intends to do so, the AC will ensure that the Company complies with the requisite rules under Chapter 9; and
- The AC will then recommend the approval of the IPTs, if any, to the Board for review and approval. The Board will review and ensure that the Company complies with the requisite rules under Chapter 9 before such approval.

In accordance with Rule 907 of the SGX-ST Listing Manual, the IPTs entered into for the financial year ended 31 December 2014 are as follows:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	**Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000)**
	RMB'000	**RMB'000**
Name of Interested Person		
Mr. Fang Ming (1) Interest receivable from the Company	13,074	–
ACH Investments Pte Ltd (2) Rental of office from the Company	433	–

Notes:

(1) Mr. Fang Ming is a director and shareholder of the Company and has extended a shareholder's loan to the Company.

(2) Mr. Christopher Chong Meng Tak, the Independent Director of the Company, is the executive director and shareholder of ACH Investments Pte Ltd. ACH Investments Pte Ltd had entered into a sub-lease arrangement with the Company for the rental of office space from the Company. The rental paid by ACH Investments Pte Ltd is equivalent to the rental paid by the Company to the landlord. With the relocation of the Company's Singapore office on 22 December 2014, the sub-lease arrangement with the Company had ceased accordingly.

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

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, save as disclosed above, the Company confirms that there was no material contract entered into between the Company and its subsidiaries, which the Group CEO, any of the Directors or controlling shareholders, has an interest in, either still subsisting at the end of the financial year, or was entered into since the end of the previous financial year.

USE OF PROCEEDS

(I) Proceeds from Share Subscription

On 17 September 2014, the Company had allotted and issued 381,000,000 Ordinary Shares to Everbright Hero Limited, the nominee of Everbright Hero Holdings Limited pursuant to the Share Subscription Agreement dated 30 June 2014 ("Share Subscription").

The utilization of the proceeds from the Share Subscription as at 31 December 2014 are as follows:

Description	SGD (mil)	SGD (mil)
Net proceeds		98.96
Repayment of existing loans	24.74	
Payment for additional land costs for San Ya Wan Phase 2 land parcel due to change in plot ratio	15.54	
Payment for land infrastructure costs for San Ya Wan Phase 2	10.86	
Payment for resettlement costs for Wei Yuan land parcel	37.21	
Construction costs for San Ya Wan Phase 2 project	4.41	
Working capital - Interest repayment	1.66	
Total utilised		94.42
Balance to be utilised		4.54

(II) Proceeds from the Perpetual Subordinated Convertible Callable Securities

On 17 October 2014, the Company had issued S$165,000,000 in aggregate principal amount of Tranche 1 Perpetual Convertible Securities and S$20,000,000 in aggregate principal amount of Tranche 2 Perpetual Convertible Securities to Everbright Hero Mauritius Limited, the nominee of Everbright Hero Holdings Limited pursuant to a subscription agreement dated 30 June 2014 ("Perpetual Convertible Securities").

The utilization of the proceeds from the Perpetual Convertible Securities as at 31 December 2014 are as follows:

Description	SGD (mil)	SGD (mil)
Net proceeds		180.80
Repayment of existing loans	46.25	
Payment for investment in Shanghai Zhao Li Partnership	32.00	
Payment of resettlement costs for Ying Li Chongqing Financial Street Project	102.54	
Total utilised		180.79
Balance to be utilised		0.01

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2014.

Name of directors

The directors of the Company in office at the date of this report are:

Fang Ming
Pan Ying (Appointed on 23 September 2014)
Yang Xiao Yu
Christopher Chong Meng Tak
Ho Sheng
Tan Sek Khee
Xiao Zu Xiu
Ai Yu (Appointed on 23 September 2014)
He Zhao Ju @ Danny Ho
Tan Kim Seng

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the following directors who held office at the end of the financial year were interested in shares and options of the Company and its related corporations as follows:

	Direct interest		Deemed interest	
	As at 1.1.2014	**As at 31.12.2014**	As at 1.1.2014	**As at 31.12.2014**
Ordinary shares of the Company (Ying Li International Real Estate Limited)				
Fang Ming [(1)]	94,167,774	**94,735,548**	800,153,014	**820,153,014**
Yang Xiao Yu	170,332	**340,664**	–	**–**
Tan Kim Seng	82,672,000	**82,672,000**	–	**–**
Ho Sheng	–	**300,000**	–	**–**
Ordinary shares of USD1 each of the significant shareholder (Newest Luck Holdings Limited)				
Fang Ming	8,500	**10,000**	–	**–**

Directors' interests in shares or debentures (Cont'd)

	Direct interest		Deemed interest	
	As at 1.1.2014	**As at 31.12.2014**	As at 1.1.2014	**As at 31.12.2014**
Options to subscribe for ordinary shares exercisable from 22/4/2014 to 22/4/2016 at an exercise price of Singapore dollars (S$) 0.263 per share				
(Ying Li International Real Estate Limited)				
Fang Ming	1,514,000	**1,514,000**	–	**–**
Award of performance shares of the Company to be delivered after 21 April 2013				
(Ying Li International Real Estate Limited)				
Fang Ming	1,703,226	**1,135,452**	–	**–**
Options to subscribe for ordinary shares exercisable from 12/4/2014 to 2/4/2016 at an exercise price of Singapore dollars (S$) 0.278 per share				
(Ying Li International Real Estate Limited)				
Yang Xiao Yu	454,000	**454,000**	–	**–**
Award of performance shares of the Company to be delivered after 1 April 2013				
(Ying Li International Real Estate Limited)				
Yang Xiao Yu	510,668	**340,336**	–	**–**

Note:

(1) Mr. Fang Ming is deemed to have an interest in the shares of the Company through his shareholding in Newest Luck Holdings Limited, a significant shareholder of Ying Li International Real Estate Limited.

Mr Fang Ming, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Ying Li International Real Estate Limited and Newest Luck Holdings Limited.

There are no changes to the above shareholdings as at 21 January 2015.

Directors' interests in contracts

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

Share plans

(a) Ying Li Employee Share Option Scheme

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

The exercise price will be determined by the Remuneration Committee at:

(1) market price of the Company's shares; or

(2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Other information regarding the Option Scheme:

(1) Options granted to employees and executive directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the forth anniversary of the date of grant.

(2) The options vest on the second anniversary and third anniversary of the date of grant.

(3) All options are settled by physical delivery of shares.

Share plans (Cont'd)

(a) Ying Li Employee Share Option Scheme (Cont'd)

Details of the share options are as follows:

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2014	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2014	Exercise period
2/4/2012 [(1)]	0.278	14,746,765	–	(4,209,101)	–	10,537,664	1/4/2014 – 1/4/2016
23/4/2012	0.263	1,514,000	–	–	–	1,514,000	22/4/2014 – 22/4/2016
13/3/2013	0.360	1,081,040	–	(1,081,040)	–	–	12/3/2015 – 12/3/2017
31/3/2013	0.371	1,847,163	–	(575,347)	–	1,271,816	30/3/2015 – 30/3/2017
29/9/2013	0.370	910,000	–	(910,000)	–	–	28/9/2015 – 28/9/2017
		20,098,968	–	(6,775,488)	–	13,323,480	

Note:

(1) While the Company had on 2 April 2012 announced the grant of 28,767,257 options under the Option Scheme, only 14,746,765 options were issued by the Company.

No share options were granted during the financial year ended 31 December 2014.

At 31 December 2014, 10,786,435 options were exercisable.

The weighted average remaining contractual life of share options outstanding at 31 December 2014 was 1.35 (2013: 3.21) years.

Details of options granted to directors of the Company under the Option Scheme are as follows:

Participants	Options granted in financial year ended 31 December 2014	Aggregate options granted since commencement of the Option Scheme to 31 December 2014	Aggregate options lapsed since commencement of the Option Scheme to 31 December 2014	Aggregate options exercised since commencement of the Option Scheme to 31 December 2014	Aggregate options outstanding as at 31 December 2014
Group Executive Directors					
Fang Ming	–	1,514,000	–	–	1,514,000
Yang Xiao Yu	–	454,000	–	–	454,000
Ko Kheng Hwa [(1)]	–	1,081,040	(1,081,040)	–	–
	–	3,049,040	(1,081,040)	–	1,968,000

Note:

(1) Mr Ko Kheng Hwa was appointed as a director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 1,081,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014 and as a result, his entitlement to the share options and awards lapsed.

Share plans (Cont'd)

(a) Ying Li Employee Share Option Scheme (Cont'd)

Other than as disclosed above, there have been no options granted to the controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited) or to parent group employees. No director or employee, other than as disclosed above, has received 5% or more of the total number of options available under each of the share plans.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

No options to take up unissued shares of the subsidiaries have been granted during the financial year.

Except as disclosed above, there were no unissued shares of the subsidiaries under options granted by its subsidiaries as at the end of the financial year.

(b) Ying Li Performance Share Plan

The Ying Li Performance Share Plan (the "Share Plan") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards will vest over a period of four years, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

Share plans (Cont'd)

(b) Ying Li Performance Share Plan (Cont'd)

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S$)	Balance as at 1 January 2014	Share awards granted	Share awards cancelled/ lapsed	Share awards vested	Balance as at 31 December 2014
2/4/2012 (1)	0.278	16,590,029	–	(3,173,859)	(5,513,086)	7,903,084
23/4/2012	0.263	1,703,226	–	–	(567,774)	1,135,452
14/3/2013	0.360	1,081,040	–	(831,040)	(250,000)	–
31/3/2013	0.371	2,770,744	–	(675,654)	(664,297)	1,430,793
29/9/2013	0.370	1,360,000	–	(1,360,000)	–	–
		23,505,039	–	(6,040,553)	(6,995,157)	10,469,329

Note:

(1) While the Company had on 2 April 2012 announced the grant of 43,150,886 share awards under the Share Plan, only 22,120,148 share awards were issued by the Company.

Details of awards granted to directors of the Company under the Share Plan are as follows:

Participants	Awards granted in financial year ended 31 December 2014	Aggregate awards granted since commencement of the Share Plan to 31 December 2014	Aggregate awards lapsed since commencement of the Share Plan to 31 December 2014	Aggregate awards released since commencement of the Share Plan to 31 December 2014	Aggregate awards outstanding as at 31 December 2014
Group Executive Directors					
Fang Ming	–	2,271,096	–	(1,135,548)	1,135,548
Yang Xiao Yu	–	681,000	–	(340,664)	340,336
Ko Kheng Hwa (1)	–	1,081,040	(831,040)	(250,000)	–
	–	4,033,136	(831,040)	(1,726,212)	1,475,884

Note:

(1) Mr Ko Kheng Hwa was appointed as a director of the Company on 1 March 2013. He was originally entitled to 1,081,040 share options and 1,081,040 share awards under the Ying Li Employee Share Option Scheme and the Ying Li Performance Share Plan, respectively. Mr Ko Kheng Hwa resigned on 15 March 2014 and as a result, his entitlement to the share options and awards lapsed. The board, however, decided to allot Mr Ko Kheng Hwa 250,000 fully paid-up ordinary shares in the capital of the Company pursuant to the vesting of his share awards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

Share plans (Cont'd)

(b) Ying Li Performance Share Plan (Cont'd)

The Company did not grant any share awards under the Share Plan and released 6,995,157 share awards via the issuance of ordinary shares to those employees and directors who met the service and financial performance criteria during the financial year ended 31 December 2014.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

Audit committee

The audit committee ("AC") comprises the following members:

Christopher Chong Meng Tak (Chairman)
Tan Sek Khee
He Zhao Ju @ Danny Ho

The AC performs the functions set out in Section 201B(5) of the Singapore Companies Act, Chapter 50, the Listing Manual of the Singapore Exchange and the Code of Corporate Governance. Responsibilities of the AC include:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal and external auditors; for the purpose of evaluating the effectiveness and adequacy of the Company's material internal controls including financial, operational, compliance and information technology controls;

- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;

- Appraising and reporting to the Board of Directors on the audit works undertaken by the internal auditors and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;

- Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;

- Reviewing the cost effectiveness of the audits, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;

- Recommending to the Board of Directors the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;

- Reviewing with the Board of Directors and management the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimise such risks to the Company;

Audit committee (Cont'd)

- Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management's judgments applied for adequate provisioning and disclosure, critical accounting policies and any significant changes to be made that would have an impact on the financial statements and any other announcements relating to the financial results of the Company before recommending them to the Board of Directors for approval; and

- Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of SGX-ST.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The AC is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

FANG MING

YANG XIAO YU

Dated: 31 March 2015

STATEMENT BY DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and International Financial Reporting Standards; and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

FANG MING

YANG XIAO YU

Dated: 31 March 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YING LI INTERNATIONAL REAL ESTATE LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
Date: 31 March 2015

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

		The Group			The Company		
	Note	**31 December 2014 RMB**	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated	**31 December 2014 RMB**	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated
ASSETS							
Non-Current							
Property, plant and equipment	3	**60,051,969**	8,747,775	9,548,936	**40,027**	58,963	54,574
Investment properties	4	**3,968,485,815**	3,837,684,570	3,115,951,312	**–**	–	–
Subsidiaries	5	**–**	–	–	**2,827,257,014**	2,827,257,014	2,827,257,014
Other investment	6	**500,000,000**	–	–	**–**	–	–
Deferred tax assets	15	**26,910,000**	14,953,000	8,098,000	**–**	–	–
Other receivables	8	**–**	208,319	708,323	**–**	–	–
		4,555,447,784	3,861,593,664	3,134,306,571	**2,827,297,041**	2,827,315,977	2,827,311,588
Current							
Development properties	7	**3,701,851,545**	3,241,927,604	3,055,430,605	**–**	–	–
Trade and other receivables	8	**319,108,776**	177,245,610	434,506,058	**7,577,210**	11,065,125	8,833,515
Amounts owing from subsidiaries	9	**–**	–	–	**2,328,846,400**	1,663,265,801	1,637,287,972
Cash and cash equivalents	10	**965,135,891**	727,131,651	758,973,920	**26,407,368**	29,877,068	17,411,599
		4,986,096,212	4,146,304,865	4,248,910,583	**2,362,830,978**	1,704,207,994	1,663,533,086
Total assets		**9,541,543,996**	8,007,898,529	7,383,217,154	**5,190,128,019**	4,531,523,971	4,490,844,674
EQUITY							
Share capital	12	**4,028,371,643**	3,536,777,055	3,528,339,856	**4,028,371,643**	3,536,777,056	3,528,339,856
Perpetual convertible securities	13	**878,969,671**	–	–	**878,969,671**	–	–
Retained earnings/(Accumulated losses)		**1,970,280,488**	1,717,678,205	1,567,319,087	**(453,731,463)**	(355,325,510)	(305,878,204)
Other reserves	14	**(1,877,018,944)**	(1,857,624,995)	(1,917,771,799)	**(54,064,061)**	(849,059)	93,031,793
Equity attributable to owners of the Company		**5,000,602,858**	3,396,830,265	3,177,887,144	**4,399,545,790**	3,180,602,487	3,315,493,445
Non-controlling interests		**54,563,847**	54,968,957	55,472,767	**–**	–	–
Total equity		**5,055,166,705**	3,451,799,222	3,233,359,911	**4,399,545,790**	3,180,602,487	3,315,493,445
LIABILITIES							
Non-Current							
Deferred tax liabilities	15	**526,527,673**	498,546,265	438,637,924	**–**	–	–
Borrowings	16	**1,428,719,950**	814,375,000	1,052,437,475	**44,469,950**	–	1,052,437,475
Other payables	17	**113,129,600**	51,987,250	18,996,109	**–**	–	–
		2,068,377,223	1,364,908,515	1,510,071,508	**44,469,950**	–	1,052,437,475
Current							
Amount owing to subsidiaries	9	**–**	–	–	**722,127,094**	706,504,002	119,050,833
Trade and other payables	17	**541,435,644**	1,107,093,998	1,033,792,541	**10,701,953**	11,525,575	3,862,921
Borrowings	16	**1,715,772,103**	1,988,455,706	1,469,780,084	**13,283,232**	632,891,907	–
Current tax payables		**160,792,321**	95,641,088	136,213,110	**–**	–	–
		2,418,000,068	3,191,190,792	2,639,785,735	**746,112,279**	1,350,921,484	122,913,754
Total liabilities		**4,486,377,291**	4,556,099,307	4,149,857,243	**790,582,229**	1,350,921,484	1,175,351,229
Total equity and liabilities		**9,541,543,996**	8,007,898,529	7,383,217,154	**5,190,128,019**	4,531,523,971	4,490,844,674

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	**Year ended 31 December 2014 RMB**	Year ended 31 December 2013 RMB
Revenue	18	**1,030,490,968**	638,822,935
Cost of sales		**(552,494,329)**	(387,539,980)
Gross profit		**477,996,639**	251,282,955
Other income	19	**131,004,908**	266,667,530
Other expenses	20	**–**	(17,041,590)
Selling expenses		**(56,228,274)**	(37,988,700)
Administrative expenses		**(128,235,887)**	(65,541,396)
Finance costs	20	**(68,494,033)**	(105,093,918)
Profit before taxation		**356,043,353**	292,284,881
Tax expense	21	**(102,422,565)**	(87,125,107)
Profit for the year		**253,620,788**	205,159,774
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences (at nil tax)		**(20,574,526)**	56,489,130
Other comprehensive (loss)/income for the year		**(20,574,526)**	56,489,130
Total comprehensive income for the year		**233,046,262**	261,648,904
Profit/(Loss) attributable to:			
Owners of the Company		**254,025,898**	205,663,584
Non-controlling interests		**(405,110)**	(503,810)
		253,620,788	205,159,774
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**233,451,372**	262,152,714
Non-controlling interests		**(405,110)**	(503,810)
		233,046,262	261,648,904
Earnings per share (RMB):			
Basic	22	**0.11**	0.09
Diluted	22	**0.11**	0.09

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company									
	Share capital RMB	Perpetual convertible securities RMB	Retained earnings RMB	Equity compensation reserve RMB	Reverse acquisition reserve RMB	Statutory common reserve RMB	Translation reserve RMB	Total RMB	Non-controlling interests RMB	Total equity RMB
At 1 January 2014	3,536,777,055	–	1,717,678,205	18,525,711	(1,993,711,730)	68,443,956	49,117,068	3,396,830,265	54,968,957	3,451,799,222
Total comprehensive income/ (loss) for the year:										
Profit/(Loss) for the year	–	–	254,025,898	–	–	–	–	254,025,898	(405,110)	253,620,788
Other comprehensive loss:										
– Foreign currency translation differences	–	–	–	–	–	–	(20,574,526)	(20,574 526)	–	(20,574,526)
Total comprehensive (loss)/ income for the year	–	–	254,025,898	–	–	–	(20,574,526)	233,451,372	(405,110)	233,046,262
Transactions with owners, recognised directly in equity:										
Contributions by and distributions to owners:										
– Issue of shares	481,659,438	–	–	–	–	–	–	481,659,438	–	481,659,438
– Issue of shares pursuant to Performance Share Plan	9,935,150	–	–	(9,935,150)	–	–	–	–	–	–
– Share-based payment transactions	–	–	–	11,115,727	–	–	–	11,115,727	–	11,115,727
– Issue of perpetual convertible securities	–	878,969,671	–	–	–	–	–	878,969,671	–	878,969,671
– Distribution to holders of perpetual convertible securities	–	–	(1,423,615)	–	–	–	–	(1,423,615)	–	(1,423,615)
Total transactions with owners, recognised directly in equity	491,594,588	878,969,671	(1,423,615)	1,180,577	–	–	–	1,370,321,221	–	1,370,321,221
At 31 December 2014	4,028,371,643	878,969,671	1,970,280,488	19,706,288	(1,993,711,730)	68,443,956	28,542,542	5,000,602,858	54,563,847	5,055,166,705

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company									
	Share capital RMB	Equity compensation reserve RMB	Reverse acquisition reserve RMB	Statutory common reserve RMB	Convertible bonds reserve RMB	Translation reserve RMB	Retained earnings RMB	Total RMB	Non-controlling interests RMB	Total equity RMB
At 1 January 2013	3,528,339,856	20,728,495	(1,993,711,730)	13,139,490	49,444,008	(7,372,062)	1,567,319,087	3,177,887,144	55,472,767	3,233,359,911
Total comprehensive income/ (loss) for the year:										
Profit/(Loss) for the year	–	–	–	–	–	–	205,663,584	205,663,584	(503,810)	205,159,774
Other comprehensive income:										
– Foreign currency translation differences	–	–	–	–	–	56,489,130	–	56,489,130	–	56,489,130
Total comprehensive income/ (loss) for the year	–	–	–	–	–	56,489,130	205,663,584	262,152,714	(503,810)	261,648,904
Transactions with owners, recognised directly in equity:										
Contributions by and distributions to owners:										
– Issue of shares pursuant to Performance Share Plan	8,437,199	(8,437,199)	–	–	–	–	–	–	–	–
– Share-based payment transactions	–	6,234,415	–	–	–	–	–	6,234,415	–	6,234,415
– Transfer to statutory common reserve	–	–	–	55,304,466	–	–	(55,304,466)	–	–	–
– Redemption of convertible bonds	–	–	–	–	(49,444,008)	–	–	(49,444,008)	–	(49,444,008)
Total transactions with owners, recognised directly in equity	8,437,199	(2,202,784)	–	55,304,466	(49,444,008)	–	(55,304,466)	(43,209,593)	–	(43,209,593)
At 31 December 2013	3,536,777,055	18,525,711	(1,993,711,730)	68,443,956	–	49,117,068	1,717,678,205	3,396,830,265	54,968,957	3,451,799,222

	Note	**Year ended 31 December 2014 RMB**	Year ended 31 December 2013 RMB
Cash Flows from Operating Activities			
Profit before taxation		**356,043,353**	292,284,881
Adjustments for:			
Depreciation of property, plant and equipment	3	**3,378,618**	2,235,960
Amortisation of deferred lease incentives		**1,064,755**	4,696,742
Amortisation of prepaid legal consultancy service fee		**500,000**	500,004
Equity-settled share-based payment transactions	20	**11,115,427**	6,234,415
Fair value gain on investment properties	19	**(115,424,702)**	(259,592,299)
Loss on redemption of convertible bonds	16	**–**	17,041,590
Interest income	19	**(8,011,047)**	(4,991,754)
Interest expense	20	**68,494,033**	105,093,918
Loss on disposal of property, plant and equipment		**3,854**	24,579
Operating profit before working capital changes		**317,164,291**	163,528,036
Change in development properties		**(518,041,746)**	(597,006,921)
Change in trade and other receivables		**(141,862,724)**	259,223,718
Change in trade and other payables		**(499,222,618)**	91,306,763
Cash used in operations		**(841,962,797)**	(82,948,404)
Interest paid		**(73,428,762)**	(121,416,014)
Interest received		**8,011,047**	4,991,754
Income tax paid		**(21,246,924)**	(74,643,788)
Net cash used in operating activities		**(928,627,436)**	(274,016,452)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	3	**(20,849,690)**	(1,467,829)
Proceeds from disposal of investment properties		**7,824,134**	1,963,270
Proceeds from disposal of property, plant and equipment		**10,039**	6,000
Acquisition of other investment	6	**(500,000,000)**	–
Net cash (used in)/from investing activities		**(513,015,517)**	501,441
Cash Flows from Financing Activities			
Issue of shares	12	**481,659,438**	–
Cash at bank – restricted	10	**(223,983,237)**	(391,084,594)
Proceeds from loans and borrowings		**2,350,462,086**	1,729,142,245
Repayment of loans and borrowings		**(2,027,160,415)**	(489,330,877)
Repayment of convertible bonds	16	**–**	(1,086,917,100)
Proceeds of loan from a shareholder		**209,944,180**	96,112,000
Repayment of loan from a shareholder		**(209,944,180)**	(8,238,254)
Issue of perpetual convertible securities	13	**878,969,671**	–
Net cash from/(used in) financing activities		**1,459,947,543**	(150,316,580)
Net increase/(decrease) in cash and cash equivalents		**18,304,589**	(423,831,591)
Cash and cash equivalents at beginning of year		**184,786,012**	607,712,875
Effects of exchange rate changes on cash and cash equivalents		**(4,283,586)**	904,728
Cash and cash equivalents at end of year	10	**198,807,015**	184,786,012

1 General information

Ying Li International Real Estate Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore. The Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (SGX-ST) on 24 October 2008.

The registered office of the Company is located at 12 Marina Boulevard, #18-05 Marina Bay Financial Centre, Tower 3, Singapore 018982. Its principal place of business is located at Level 57, Yingli International Financial Centre, No. 28, Minquan Road, Yuzhong District, Chongqing 400010, the People's Republic of China (the "PRC").

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements for the year ended 31 December 2014 relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2(a) Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Renminbi (RMB). The functional currency of the Company is Singapore dollars. All financial information has been presented in RMB, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements

The preparation of the financial information in accordance with this basis of preparation requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical assumptions and accounting estimates used in applying accounting policies and areas involving significant judgement are described below.

(a) Significant judgements in applying accounting policies

(i) Identification of functional currencies

The functional currency for each entity in the Group, and for jointly controlled entities and associates, is the currency of the primary economic environment in which it operates. These financial statements are presented in RMB, which is the functional and presentational currency of most of the Group entities. Determination of functional currency involves significant judgment and other companies may make different judgments based on similar facts. The functional currency of each of the Group entities is principally determined by the primary economic environment in which the respective entity operates.

The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

(ii) Income tax

Significant judgement is involved in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is probable that that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has recognised a deferred tax asset in respect of unabsorbed tax losses of certain subsidiaries in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The recognition involves best estimation and judgement, including the subsidiaries' future financial performance based on the latest available profit forecasts. As at 31 December 2014, the carrying amounts of the Group's deferred tax assets, deferred tax liabilities and current tax payables amounted to RMB26,910,000, RMB526,527,673 and RMB160,792,321, (2013: RMB14,953,000, RMB498,546,265 and RMB95,641,088), respectively.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Significant judgements in applying accounting policies (Cont'd)

(iii) Classification of development properties as current assets

The Group's current assets include assets which are expected to be realised, or are intended for sale or consumption, in the Group's normal operating cycle. The Group engages in development of properties for sale which has an operating cycle of over one year. Significant judgement is involved in determining the length of the normal operating cycle which is the basis for classifying development properties as current assets when those development activities have commenced and are expected to be completed within the normal operating cycle. Similarly, the bank loans which are directly attributable to these properties under development and are expected to be settled within the normal course of the Group's operating cycle are classified as current liabilities. The carrying amounts of the development properties and borrowings are disclosed in Note 7 and 16 to the financial statements.

(iv) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties. The carrying amount of deferred tax liabilities is disclosed in Note 15 to the financial statements.

(v) Unquoted investment in limited partnership

An entity is accounted for using the equity method in the consolidated financial statements where the Group has significant influence over the entity. Significant influence arises where the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an investor holds directly or indirectly 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Significant judgement is applied by management in assessing where significant influence exists. This involves assessment of the purpose and design of the entity, identification of the activities which significant affect the entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Although the Group holds more than 20% of the interest in a limited partnership entity, Shanghai Zhao Li Partnership, the Group does not have any significant influence over the investee in accordance with the partnership agreement.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(a) Significant judgements in applying accounting policies (Cont'd)

(vi) Perpetual convertible securities

Pursuant to the terms of the Perpetual Convertible Securities, the Company, as an issuer of the Perpetual Convertible Securities, can at its option redeem the Perpetual Convertible Securities and at its discretion defer distributions on the Perpetual Convertible Securities. However, the Company will not be able to declare or pay any dividends if any distributions on the Perpetual Convertible Securities are unpaid or deferred. In the opinion of the Directors of the Company, this restriction does not result in the Company having the obligation to redeem the Perpetual Convertible Securities or pay distributions on the Perpetual Convertible Securities. Accordingly, the Perpetual Convertible Securities are classified as equity instruments. The carrying amount of the Perpetual Convertible Securities is RMB878,969,671. Details of which are set out in Note 13.

(b) Critical accounting estimates and assumptions used in applying accounting policies

(i) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, and is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The cost of equity-settled share-based payment transactions amounted to RMB11,115,727 (2013: RMB6,234,415) for the year ended 31 December 2014. Further detailed information regarding the binomial option pricing model and relevant inputs used to determine the fair value of share options are disclosed in Note 11 to the financial statements. If different assumptions had been used, the fair value of the options would have been different from the amount we computed and recorded, which would have resulted in either an increase or decrease in the compensation expense.

(ii) Estimation of net realisable value of development properties

Significant judgement is required in assessing the recoverability of the carrying value of properties for sale under development. Significant judgement is required in assessing the expected date of project completion and determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the total estimated construction costs exceeds estimated selling price.

A 5% increase in the contract costs to be incurred from management's estimates would increase the costs of completion of the projects by approximately RMB270,352,000 (2013: RMB325,542,000). The Group's carrying amount of properties under development at the reporting date amounted to RMB2,150,699,908 (2013: RMB2,575,609,833).

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(iii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment is disclosed in Note 3 to the financial statements. A 5% difference in the estimated useful lives of property, plant and equipment from management's estimates will result in approximately 0.1% (2013: 0.1%) variance in the Group's profit for the year.

(iv) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating-unit (or group of cash-generating-units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors. The carrying amounts of property, plant and equipment and investments in subsidiaries are disclosed in Note 3 and 5 to the financial statements respectively. A reasonably possible change in key assumptions (1% increase in discount rate and 1% decrease in annual growth rate) would not cause the carrying amounts to exceed the recoverable amounts.

(v) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets. The carrying amount of investment properties is disclosed in Note 4 to the financial statements. If the market value used to estimate the fair value of the investment properties decreases/increases by 5% from management's estimates, the Group's profit for the year will decrease/increase by RMB11,542,000 (2013: RMB25,959,000).

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

(vi) Impairment of loans and receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables and amounts due from subsidiaries. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible.

A significant degree of judgement is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The carrying amounts of trade and other receivables and amounts due from subsidiaries are disclosed in Note 8 and 9 to the financial statements respectively. If the present value of estimated future cash flows from trade and other receivables and amounts due from subsidiaries decreases by 5% from management's estimates, the Group's and the Company's profit for the year will decrease by approximately RMB5,623,000 and RMB6,442,000 (2013: RMB6,285,000 and RMB83,163,000) respectively, where applicable.

(vii) Valuation of unquoted investment in limited partnership

Investment in unquoted limited partnership is classified as available for sale and is measured at fair value. The fair value is based on generally accepted valuation techniques. Valuation techniques use a maximum of market inputs and include the use of discounted cash flow analysis and other valuation techniques commonly used by market participants. Because of the inherent valuation uncertainty, those estimated fair values may differ significantly from the values that would be used if a ready market for the financial assets existed, and those differences could be material. These fair value measurement is categorised as level 3 within the fair value hierarchy. The carrying amount of the unquoted equity investment is disclosed in Note 6 to the financial statements.

At the reporting date, the carrying amount of investment in limited partnership approximates its fair value as the investment was made on 31 December 2014.

2(b)(i) Interpretations and amendments to published standards effective in 2014

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014. Information on these new standards, which are applicable to the Group and Company, is presented below. The adoption of these new and revised standards which are relevant to the Group and the Company does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

Reference:	Description:
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting

2(b)(i) Interpretations and amendments to published standards effective in 2014 (Cont'd)

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

These amendments clarify the application of certain offsetting criteria in IAS 32, including the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement mechanisms may be considered equivalent to net settlement.

Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognised or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made; and the discount rates used if fair value less costs of disposal is measured using a present value technique.

Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

2(b)(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Management is currently assessing the effects on adoption of these new standards, amendments and interpretations in future periods and believes that they will not have a material impact on the financial statements of the Group and Company in the period of their initial adoption.

2(b)(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group (Cont'd)

Reference:	Description:
IFRS 9	Financial Instruments (1)
IFRS 15	Revenue from Contracts with Customers (2)
Amendments to IAS 1	Disclosure Initiative (4)
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (4)
Amendment to IFRSs	Annual Improvements to IFRSs 2010–2012 Cycle (5)
Amendment to IFRSs	Annual Improvements to IFRSs 2011–2013 Cycle (3)
Amendment to IFRSs	Annual Improvements to IFRSs 2012–2014 Cycle (4)
Amendments to IAS 27	Equity Method in Separate Financial Statements (4)

(1) Effective for annual periods beginning on or after 1 January 2018.
(2) Effective for annual periods beginning on or after 1 January 2017.
(3) Effective for annual periods beginning on or after 1 July 2014.
(4) Effective for annual periods beginning on or after 1 January 2016.
(5) Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a “fair value through other comprehensive income” (FVTOCI) measurement category for certain simple debt instruments.

2(c) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

2(c) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
– de-recognises the carrying amount of any non-controlling interest;
– de-recognises the cumulative translation differences recorded in equity;
– recognises the fair value of the consideration received;
– recognises the fair value of any investment retained;
– recognises any surplus or deficit in profit or loss; and
– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;
– exposure, or rights or variable returns from its involvement with the investee; and
– the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
– potential voting rights held by the Group, other vote holders or other parties;
– rights arising from other contractual arrangements; and
– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

2(c) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollars.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Renminbi. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

2(c) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies

Foreign currency transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities

The results and financial position of all the Group entities *(none of which has the currency of a hyperinflationary economy)* and the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

2(c) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold building	30 years
Furniture and fittings	20 years
Office equipment	3 to 5 years
Motor vehicles	5 years
Computers	3 to 5 years

Renovation in progress is not depreciable until such time the construction is completed and the asset is available for use.

The residual values, depreciation methods and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at the reporting date.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Group. Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent firm of professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2(c) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Development properties

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties, aggregate cost of development, materials and supplies, wages and other direct expenses, less any allowance considered necessary by the directors.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceases upon completion of development. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted average as applicable.

Properties for sale under development are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Completed properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

2(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

An assessment for impairment is undertaken at least at each reporting date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed.

Any reversal is recognised in profit or loss.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Loans and receivables comprise cash and cash equivalents and trade and other receivables, excluding prepayments and advance payments.

2(c) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Available-for-sale financial assets (Cont'd)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. For the purpose of the statement of cash flows, pledged bank balances are excluded while bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

2(c) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.
- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

Financial liabilities

The Group's financial liabilities include bank borrowings, loans from a shareholder, and trade and other payables, excluding advances from customers and contractors. They are included in the statement of financial position items under "non-current financial liabilities", "current financial liabilities" and "trade and other payables".

2(c) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to shares at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

2(c) Summary of significant accounting policies (Cont'd)

Compound financial instruments (Cont'd)

When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

Interest and gains and losses related to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Perpetual capital securities issued by the Group, which includes no contractual obligation for the Group to deliver cash or another financial asset to the holders or to exchange financial assets or financial liabilities with the holders under conditions that are potentially unfavourable to the Group, are classified as equity instruments and are initially recorded at the proceeds received.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because of the articles of association of the Company which grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Operating leases

Where the Group is a lessor

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Where the Group is a lessee

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as a reduction of rental expense on a straight-line over the term of the lease term.

2(c) Summary of significant accounting policies (Cont'd)

Financial guarantees

Financial guarantee contracts entered into to guarantee the indebtedness of other group entities are initially recognised at their fair value plus transaction costs.

Financial guarantee contracts are subsequently amortised to profit or loss over the period of the subsidiaries, borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Borrowing costs

Borrowing costs are recognised in profit or loss as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to define contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the reporting date.

2(c) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the profit or loss with a corresponding increase in the share option reserve over the vesting period during which the employees become unconditionally entitled to the equity instrument. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

The fair value of performance shares award granted to employees is recognised as an expense in profit or loss over the vesting period of the share award with a corresponding credit to equity under the equity compensation reserve. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period.

When the award shares are issued, the related balance previously recognised in the equity compensation reserve is credited to share capital.

The fair value of the employee share options and is measured using the binomial option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on an estimation of general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

2(c) Summary of significant accounting policies (Cont'd)

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and Company if that person:

   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

2(c) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the goods.

Sale of properties

Revenue from sale of properties is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers for sales of properties and are classified as current liabilities.

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms. Rental income from sub-leased property is recognised as other income.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Consultancy fee income

Consultancy fee income is recognised when services are rendered.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise quoted convertible bonds and share options.

2(c) Summary of significant accounting policies (Cont'd)

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

3 Property, plant and equipment

The Group	Leasehold buildings RMB	Office equipment RMB	Motor vehicles RMB	Computers RMB	Renovation in progress RMB	Total RMB
Cost:						
At 1 January 2013	2,105,071	2,419,493	11,390,484	2,385,567	–	18,300,615
Additions	–	52,045	464,146	951,638	–	1,467,829
Disposals	–	(243,799)	–	–	–	(243,799)
Translation differences	–	(15,414)	–	(3,544)	–	(18,958)
At 31 December 2013	**2,105,071**	**2,212,325**	**11,854,630**	**3,333,661**	**–**	**19,505,687**
Additions	**12,776,213**	**6,253,662**	**–**	**759,546**	**1,060,269**	**20,849,690**
Transfer from investment properties (Note 4)	**33,852,376**	**–**	**–**	–	**–**	**33,852,376**
Disposals	**–**	**(35,460)**	**–**	**(45,510)**	**–**	**(80,970)**
Translation differences	**–**	**(4,942)**	**–**	**(1,885)**	**–**	**(6,827)**
At 31 December 2014	**48,733,660**	**8,425,585**	**11,854,630**	**4,045,812**	**1,060,269**	**74,119,956**
Accumulated depreciation:						
At 1 January 2013	220,993	1,161,073	6,606,904	762,709	–	8,751,679
Depreciation for the year	70,169	507,341	1,273,607	384,843	–	2,235,960
Disposals	–	(213,220)	–	–	–	(213,220)
Translation differences	–	(13,538)	–	(2,969)	–	(16,507)
At 31 December 2013	**291,162**	**1,441,656**	**7,880,511**	**1,144,583**	**–**	**10,757,912**
Depreciation for the year	**944,454**	**710,980**	**1,260,616**	**462,568**	**–**	**3,378,618**
Disposals	**–**	**(21,567)**	**–**	**(41,409)**	**–**	**(62,976)**
Translation differences	**–**	**(5,101)**	**–**	**(466)**	**–**	**(5,567)**
At 31 December 2014	**1,235,616**	**2,125,968**	**9,141,127**	**1,565,276**	**–**	**14,067,987**
Carrying amount:						
At 31 December 2014	**47,498,044**	**6,299,617**	**2,713,503**	**2,480,536**	**1,060,269**	**60,051,969**
At 31 December 2013	1,813,909	770,669	3,974,119	2,189,078	–	8,747,775

3 Property, plant and equipment (Cont'd)

The Company	Office equipment RMB	Computers RMB	Total RMB
Cost:			
At 1 January 2013	265,661	61,083	326,744
Additions	–	37,921	37,921
Translation differences	(15,414)	(3,544)	(18,958)
At 31 December 2013	**250,247**	**95,460**	**345,707**
Additions	**–**	**25,108**	**25,108**
Disposals	**–**	**(45,510)**	**(45,510)**
Translation differences	**(4,942)**	**(1,885)**	**(6,827)**
At 31 December 2014	**245,305**	**73,173**	**318,478**
Accumulated depreciation:			
At 1 January 2013	226,210	45,960	272,170
Depreciation for the year	16,677	14,404	31,081
Translation differences	(13,538)	(2,969)	(16,507)
At 31 December 2013	**229,349**	**57,395**	**286,744**
Depreciation for the year	**16,540**	**22,143**	**38,683**
Disposals	**–**	**(41,409)**	**(41,409)**
Translation differences	**(5,101)**	**(466)**	**(5,567)**
At 31 December 2014	**240,788**	**37,663**	**278,451**
Carrying amount:			
At 31 December 2014	**4,517**	**35,510**	**40,027**
At 31 December 2013	20,898	38,065	58,963

4 Investment properties

The Group	2014 RMB	2013 RMB
At 1 January	**3,836,299,000**	3,109,869,000
Transfer from completed properties for sale (Note 7)*	**58,117,808**	468,800,971
Properties sold	**(7,824,134)**	(1,963,270)
Transfer to property, plant and equipment (Note 3)	**(33,852,376)**	–
Fair value gain recognised in profit or loss	**115,424,702**	259,592,299
At 31 December	**3,968,165,000**	3,836,299,000
Deferred lease incentives **	**320,815**	1,385,570
Total investment properties	**3,968,485,815**	3,837,684,570

* During the year, due to changes in business conditions and business strategies, certain completed properties for sale were re-designated as investment properties for rental income and future capital appreciation. Arising therefrom, amounts of RMB58,117,808 (2013: RMB468,800,971) were transferred from completed properties for sale to investment properties.

** Deferred lease incentives relate to costs assumed by the Group on leasehold improvements to investment properties leased to tenants under operating leases commencing January 2013. The lease incentives are recognised as an expense over the lease term on the same basis as the lease income.

The fair value of investment properties is determined by Jones Lang LaSalle Sallmanns Limited, an independent firm of professional valuers who have appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

The investment properties are leased to non-related parties under-operating leases.

The following amounts are recognised in profit or loss:

The Group	2014 RMB	2013 RMB
Rental income	**178,986,149**	114,109,719
Direct operating expenses arising from investment properties that generated rental income	**(19,687,641)**	(15,217,787)
Direct operating expenses arising from investment properties that did not generate rental income	**(5,445,911)**	(6,327,169)

4 Investment properties (Cont'd)

Details of the investment properties are as follows:

Location (Chongqing, PRC)	Name of project	Description	Total net lettable area (sq. meters)	Group's effective interest in the property	Tenure (Years)
No.46 to 52 Cangbai Road, Yuzhong District	Southland Garden	Commercial and residential units	13,242.93	97%	40-year and 50-year land use rights for commercial and residential units expiring in November 2042 and November 2052, respectively.
No.108 Bayi Road, Yuzhong District, Chongqing	New York, New York	Commercial units	277.15	97%	40-year land use rights for commercial units expiring in January 2042.
No.181 Minsheng Road, Yuzhong District	Min Sheng Mansion	Commercial and residential units	9,174.63	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2033 and September 2043, respectively.
No.6 Walking Street of Guanyinqiao, Jiang Bei District	Future International	Commercial units	82,227.46	97%	40-year land use rights for commercial units expiring in March 2045.
No.141 to 155 Zourong Road, Yuzhong District, Chongqing	Zou Rong Plaza	Commercial units	6,805.51	97%	50-year land use rights for commercial units expiring in January 2046.
No.8 Bashu Road, Yuzhong District	Bashu Cambridge	Commercial and residential units	7,069.97	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2044 and September 2054, respectively.
No.19 Daping Zheng Jie Yuzhong District	Yingli International Plaza	Retail units	98,565.47	100%	40-year and 50-year land use rights for commercial and residential units expiring in July 2050 and July 2060, respectively.
No. 26 & 28 Minquan Road, Yuzhong District	International Financial Centre	Commercial and retail units	72,552.39	97%	40-year land use rights for commercial units expiring in 20 December 2044.

* At 31 December 2014, investment properties with carrying value of approximately RMB3,760,859,000 (2013: RMB3,288,242,000) are mortgaged to banks to secure the bank loans granted to the Group (Note 16).

5 Subsidiaries

The Company	2014 RMB	2013 RMB
Unquoted equity investments, at cost	**2,827,257,014**	2,827,257,014

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2014 %	2013 %
Held by the Company:				
Fortune Court Holdings Limited	Hong Kong	Investment holding	**100**	100
Chongqing Yingli Real Estate Development Co., Ltd ("CQYL")	PRC	Property development	**97**	97
Luckzone International Limited	British Virgin Islands ("BVI")	Investment holding	**100**	100
Shiny Profit Enterprises Limited	BVI	Investment holding	**100**	100
Peak Century Holdings Limited	BVI	Investment holding	**100**	100
Top Accurate Holdings Limited	BVI	Investment holding	**100**	100
Verdant View Limited	BVI	Investment holding	**100**	100
Vast Speed Limited	BVI	Investment holding	**100**	100
Brandway Investment Limited	BVI	Investment holding	**100**	100
Ever Perfect Enterprise Limited	BVI	Investment holding	**100**	100
First Regent International Limited	Hong Kong	Investment holding	**100**	100
Held by Ever Perfect Enterprise Limited:				
Fully Rich Industrial Limited	Hong Kong	Purchasing of construction material and equipment	**100**	100
Held by Luckzone International Limited:				
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd	PRC	Property development	**100**	100
Held by Fortune Court Holdings Limited:				
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	**97**	97

5 Subsidiaries (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2014 %	2013 %
Held by Chongqing Yingli Real Estate Development Co., Ltd:				
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd ("San Ya Wan")	PRC	Property development	**77.6**	77.6
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	**99.8**	99.8
Chongqing Ying Li Guang Sheng Hardware and Electrical Market Development Co., Ltd	PRC	Property development property management, property leasing and carpark services	**97**	–
Held by Shiny Profit Enterprises Limited:				
Chongqing Yingli Shiny Profit Real Estate Co., Ltd	PRC	Property development	**100**	100
Held by Peak Century Holdings Limited:				
Yingli International Commercial Properties Management Co., Ltd.	PRC	Property consultancy, sale, marketing and management services	**100**	100
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	**100**	100
Held by Yingli International Commercial Properties Management Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**100**	100
Chongqing Yingli Zhuoyue Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**100**	100
Held by Top Accurate Holdings Limited:				
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	**99.8**	99.8
Held by Verdant View Limited:				
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	**100**	100

5 Subsidiaries (Cont'd)

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2014 **%**	2013 %
Held by Chongqing Lion Equity Investment Partnership Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**100**	100
Held by First Regent International Limited:				
Perfect Summit Limited	Hong Kong	Investment holding	**100**	100

All subsidiaries of the Group, as listed above, are audited by Foo Kon Tan LLP for consolidation purposes.

Summarised financial information in respect of the Group's subsidiaries in the PRC that have non-controlling interests (NCI) are set out below:

	CQYL RMB	San Ya Wan RMB	Total RMB
2014			
Current assets	1,705,836,127	799,072,110	2,504,908,237
Non-current assets	3,288,186,878	708,263	3,288,895,141
Total assets	4,994,023,005	799,780,373	5,793,803,378
Current liabilities	2,327,809,731	473,172,089	2,800,981,820
Non-current liabilities	487,250,243	37,863,419	525,113,662
Total liabilities	2,815,059,974	511,035,508	3,326,095,482
Net assets	2,178,963,031	288,744,865	2,467,707,896
Net assets attributable to NCI	(3,542,255)	58,101,797	54,559,542

5 Subsidiaries (Cont'd)

	CQYL RMB	San Ya Wan RMB	Total RMB
2013			
Current assets	1,572,418,479	333,276,694	1,905,695,173
Non-current assets	2,625,919,964	876,049	2,626,796,013
Total assets	4,198,338,443	334,152,743	4,532,491,186
Current liabilities	1,634,605,063	3,795,243	1,638,400,306
Non-current liabilities	440,509,175	39,608,612	480,117,787
Total liabilities	2,075,114,238	43,403,855	2,118,518,093
Net assets	2,132,224,205	290,748,888	2,413,973,093
Net assets attributable to NCI	(3,542,255)	58,511,212	54,968,957

	CQYL RMB	San Ya Wan RMB	Total RMB
2014			
Revenue	90,887,758	205,005	91,092,763
Profit for the year	55,738,825	(2,004,024)	53,734,801
Other comprehensive income	–	–	–
Total comprehensive income	55,738,825	(2,004,024)	50,734,801
Attributable to NCI:			
– Profit for the year	*	400,805	400,805
Other comprehensive income	*	–	–
Total comprehensive income	*	400,805	400,805

5 Subsidiaries (Cont'd)

	CQYL RMB	San Ya Wan RMB	Total RMB
2013			
Revenue	257,936,080	260,625	258,196,705
Profit for the year	159,070,434	(2,550,616)	156,519,818
Other comprehensive income	–	–	–
Total comprehensive income	159,070,434	(2,550,616)	156,519,818
Attributable to NCI:			
– Profit for the year	*	503,810	503,810
Other comprehensive income	*	–	–
Total comprehensive income	*	503,810	(309,775,158)

	CQYL RMB	San Ya Wan RMB	Total RMB
2014			
Cash flows from operating activities	1,425,830	(311,200,988)	(309,775,158)
Cash flows from investing activities	(532,493,185)	(11,001)	(532,504,186)
Cash flows from financing activities	553,201,335	317,749,434	870,950,769
Net increase/(decrease) in cash and cash equivalents	22,133,980	6,537,445	28,671,425
2013			
Cash flows from operating activities	146,144,990	(13,015,599)	133,129,391
Cash flows from investing activities	(248,000)	(32,800)	(280,800)
Cash flows from financing activities	(328,789,819)	–	(328,789,819)
Net increase/(decrease) in cash and cash equivalents	(182,892,829)	(13,048,399)	(195,941,228)

* Non-controlling interests in CQYL have waived all their rights to receive dividends and/or other distributions (whether in the form of cash or as distributions in species save for bonus shares) declared by CQYL out of its retained earnings or profits in any particular financial year to its shareholders following the Company's completion of the reverse acquisition of Fortune Court Holdings Limited in 2008.

6 Other investment

The Group	2014 RMB	2013 RMB
Investment in limited partnership	**500,000,000**	–

Investment in limited partnership comprises a subsidiary's investment of 23.8% interest in an unquoted limited partnership in the PRC (the "Investee"). The principal activities of the Investee are those of investment holding and property development.

Although the Group holds more than 20% of the Investee, the Group does not have significant influence over the financial and operating policies of the Investee.

At the reporting date, the Group's has paid RMB500,000,000 of the total committed amount of RMB559,000,000 for its interest in the Investee in accordance with the partnership agreement.

At the reporting date, the carrying amount of investment in the Investee approximates its fair value as the investment was made on 31 December 2014.

7 Development properties

	The Group		The Company		
	31 December 2014 RMB	31 December 2013 RMB	31 December 2014 RMB	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated
Properties under development, at cost	2,150,699,908	2,575,609,833	–	–	–
Completed properties held for sale, at cost	1,551,151,637	666,317,771	–	–	–
	3,701,851,545	3,241,927,604	–	–	–
Borrowing costs capitalised	121,293,897	55,128,427	–	–	–
Transfer to investment properties	(58,117,808)	(468,800,971)	–	–	–
Units sold included in cost of sales	(461,077,418)	(306,509,120)	–	–	–

	The Group	
	2014 RMB	2013 RMB
Properties under development, at cost		
Expected completion date:		
– within the next 12 months	**–**	1,126,623,244
– beyond 12 months	**2,150,699,908**	1,448,986,589
	2,150,699,908	2,575,609,833

7 Development properties (Cont'd)

Properties under development and completed properties held for sale as at 31 December 2014 are as follows:

Location (Chongqing, PRC)	Intended use	Stage of completion	Expected date of completion	Site area (sq. meters)	Approximate gross floor area (sq. meters)	Group's effective interest
Properties under development						
Wu Yi Road, Yuzhong District	Retail, office and car parks	20%	2017/2019	17,000	280,000	100%
Jinshi Avenue, National Agricultural and Technology Zone, Yubei District	Retail, residential and car parks	40%	2015/2016	89,726	268,522	77.6%

Location (Chongqing, PRC)	Intended use	Gross floor area (sq. meters)	Group's effective interest
Completed properties held for sale			
No.19 Daping Zheng Jie, Yuzhong District	Office, residential and car parks	55,440	100%
No. 26 & 28 Minquan Road, Yuzhong District	Office and car parks	34,334	97%

At 31 December 2014, land related to properties under development with carrying value totalling approximately RMB567,199,000 (2013: RMB563,639,000) was mortgaged to secure a bank loan granted to a subsidiary (Note 16).

8 Trade and other receivables

	The Group		The Company	
	31 December 2014 RMB	31 December 2013 RMB	**31 December 2014 RMB**	31 December 2013 RMB
Current assets				
Trade receivables (A)	**48,828,824**	108,263,519	**–**	–
Impairment loss	**(3,206,692)**	(2,257,659)	**–**	–
Trade receivables, net (A)	**45,622,132**	106,005,860	**–**	–
Deposits	**9,083,144**	7,875,220	**850,725**	438,151
Refundable contract deposits	**29,940,680**	9,996,958	**–**	–
Other receivables	**27,825,037**	1,834,142	**385,315**	127,513
Other receivables (B)	**66,848,861**	19,706,320	**1,236,040**	565,664
Financial assets measured at amortised cost - Loans and receivables (A) + (B)	**112,470,993**	125,712,180	**1,236,040**	565,664
Prepayments	**130,066,028**	38,361,682	**6,341,170**	10,499,461
Advances to sub-contractors	**66,763,436**	3,071,748	**–**	–
Advances to property management agents	**9,600,000**	9,600,000	**–**	–
Prepaid legal consultancy service fees [(1)]	**208,319**	500,000	**–**	–
Other current assets (C)	**206,637,783**	51,533,430	**6,341,170**	10,499,461
Total current trade and other receivables (A) + (B) + (C)	**319,108,776**	177,245,610	**7,577,210**	11,065,125
Other non-current assets				
Prepaid legal consultancy service fees [(1)]	**–**	208,319	**–**	–
Movements in allowance for impairment loss:				
At 1 January	**2,257,659**	2,257,659	**–**	–
Impairment loss recognised	**949,033**	–	**–**	–
At 31 December	**3,206,692**	2,257,659	**–**	–

8 Trade and other receivables (Cont'd)

At 31 December 2014, prepayments include sales and business taxes on pre-sold properties, loan commitment fees of RMB53,232,423 (2013: RMB20,717,692).

(1) Prepaid legal consultancy service fees relating to legal services to be rendered by a law firm for a period of 5 years commencing May 2011 has been fully amortised as at the end of the reporting period.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Renminbi	**310,253,923**	166,388,804	**–**	–
Singapore dollar	**8,854,853**	11,065,125	**7,577,210**	11,065,125
	319,108,776	177,453,929	**7,577,210**	11,065,125

The ageing analysis of trade receivables at the reporting date is as follows:

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Not past due and not impaired	**42,237,795**	21,662,156	**–**	–
Past due but not impaired:				
– less than 3 months	**–**	–	**–**	–
– 3 months to less than 6 months	**–**	–	**–**	–
– 6 months to less than 9 months	**–**	–	**–**	–
– 9 months to less than 12 months	**2,746,070**	14,616,267	**–**	–
– 12 months and more	**638,267**	69,727,437	**–**	–
Past due and impaired	**3,206,692**	2,257,659	**–**	–
Trade receivables	**48,828,824**	108,263,519	**–**	–
Impairment loss	**(3,206,692)**	(2,257,659)	**–**	–
Trade receivables, net	**45,622,132**	106,005,860	**–**	–

Trade receivables are granted credit terms of between 90 to 180 (2013: 90 to 180) days. The Group does not require collateral in respect of trade receivables. Based on historical default rates, the Group believes that no additional impairment allowance is necessary in respect of trade receivables based on their credit standing and payment histories.

Other receivables are unsecured, interest-free and repayable on demand and are not impaired.

9 Amounts owing from/to subsidiaries

The amounts owing by/to subsidiaries, comprising mainly advances, are denominated in Renminbi, unsecured, non-interest bearing and repayable on demand.

10 Cash and cash equivalents

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Cash and bank balances	**355,855,891**	364,431,651	**26,407,368**	29,877,068
Fixed deposits	**609,280,000**	362,700,000	**–**	–
Restricted bank balance #	**(766,328,876)**	(542,345,639)	**–**	–
	965,135,891	727,131,651	**26,407,368**	29,877,068
Cash and cash equivalents in the consolidated statement of cash flows	**198,807,015**	184,786,012	**26,407,368**	29,877,068

At 31 December 2014, the weighted average interest rate of interest-earning bank balances is 1.82% (2013: 0.7%).

Restricted bank balance represents: (i) bank balances of RMB157,048,876 (2013: RMB80,645,639) pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties and (ii) fixed deposits of RMB609,280,000 (2013: RMB461,700,000) pledged to banks to secure bank loans provided by banks to the Group entities (Note 30).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Singapore dollar	**128,851,315**	133,615,226	**26,392,188**	29,861,582
United States dollar	**3,805,744**	2,710,703	**15,180**	15,486
Renminbi	**832,478,832**	590,805,722	**–**	–
	965,135,891	727,131,651	**26,407,368**	29,877,068

11 Equity compensation benefits

(a) Share options (equity-settled)

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

The exercise price will be determined by the Remuneration Committee at:

(1) market price of the Company's shares; or

(2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Other information regarding the Option Scheme:

(1) Options granted to employees and executive directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the forth anniversary of the date of grant.

(2) The options vest on the second anniversary and third anniversary of the date of grant.

(3) All options are settled by physical delivery of shares.

11 Equity compensation benefits (Cont'd)

(a) Share options (equity-settled) (Cont'd)

Details of the share options are as follows:

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2014	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2014	Exercise period
2/4/2012 [(1)]	0.278	14,746,765	–	(4,209,101)	–	10,537,664	1/4/2014 - 1/4/2016
23/4/2012	0.263	1,514,000	–	–	–	1,514,000	22/4/2014 - 22/4/2016
13/3/2013	0.360	1,081,040	–	(1,081,040)	–	–	12/3/2015 - 12/3/2017
31/3/2013	0.371	1,847,163	–	(575,347)	–	1,271,816	30/3/2015 - 30/3/2017
29/9/2013	0.370	910,000	–	(910,000)	–	–	28/9/2015 - 28/9/2017
		20,098,968	–	(6,775,488)	–	13,323,480	

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2013	Options granted	Options forfeited/ expired/ lapsed	Options exercised	Options outstanding at 31 December 2013	Exercise period
2/4/2012 [(1)]	0.278	14,746,765	–	–	–	14,746,765	1/4/2014 - 1/4/2016
23/4/2012	0.263	1,514,000	–	–	–	1,514,000	22/4/2014 - 22/4/2016
13/3/2013	0.360	–	1,081,040	–	–	1,081,040	12/3/2015 - 12/3/2017
31/3/2013	0.371	–	1,847,163	–	–	1,847,163	30/3/2015 - 30/3/2017
29/9/2013	0.370	–	910,000	–	–	910,000	28/9/2015 - 28/9/2017
		16,260,765	3,838,203	–	–	20,098,968	

Note:

(1) While the Company had on 2 April 2012 announced the grant of 28,767,257 options under the Option Scheme, only 14,746,765 options were issued by the Company.

No share options were granted during the financial year ended 31 December 2014. 3,838,203 share options were granted during the financial year ended 31 December 2013.

At 31 December 2014, 10,786,435 (2013: nil) options were exercisable.

The weighted average remaining contractual life of share options outstanding at 31 December 2014 was 1.35 (2013: 3.21) years.

The fair value of the share options of RMB4,820,552 (2013: RMB3,168,950) is included in administrative expenses.

11 Equity compensation benefits (Cont'd)

(a) Share options (equity-settled) (Cont'd)

The Fair value of share options amounting to RMB4,820,552 (2013: RMB3,168,950) is included in administrative expenses.

Fair value of share options

The fair value of share options granted is measured by reference to the fair value of services received.

Fair value of share options and assumptions

The fair value of share options was determined using the binomial option pricing model with the following inputs:

Date of award	13 March 2013	31 March 2013	29 September 2013	2 April 2012	23 April 2012
Fair value of shares at measurement date	S$0.19	S$0.22	S$0.14	S$0.184	S$0.145
Exercise price at grant date	S$0.36	S$0.371	S$0.37	S$0.278	S$0.263
Expected volatility	49.45%	49.55%	40.23%	61.85%	58.65%
Risk-free interest rate	0.34%	0.59%	0.78%	0.33%	0.31%
Expected dividend yield	0%	0%	0%	0%	0%
Expected option life	3.25 years	3.25 years	3.75 years	2.25 years	2.25 years

The exercise price at the grant date was based on the average share price for 5 consecutive trading days prior to the grant date. The expected volatility was based on the historical volatility of the share price over the most recent period that was commensurate with the expected life of the option. The risk-free interest rate was based on the extrapolated Singapore Government zero-coupon bond yield rate on the grant date with a tenure matching the expected option life. Expected dividend yield was based on expected dividend over one-year volume-weighted average share price prior to the grant date.

(b) Share plan

The Ying Li Performance Share Plan (the “Share Plan”) was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

11 Equity compensation benefits (Cont'd)

(b) Share plan (Cont'd)

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards vest over a four-year performance period, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S$)	Balance as at 1 January 2014	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2014
2/4/2012 [(1)]	0.278	16,590,029	–	(3,173,859)	(5,513,086)	7,903,084
23/4/2012	0.263	1,703,226	–	–	(567,774)	1,135,452
14/3/2013	0.360	1,081,040	–	(831,040)	(250,000)	–
31/3/2013	0.371	2,770,744	–	(675,664)	(664,297)	1,430,793
29/9/2013	0.370	1,360,000	–	(1,360,000)	–	–
		23,505,039	–	(6,040,563)	(6,995,157)	10,469,329

Grant date	Fair value (S$)	Balance as at 1 January 2013	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2013
2/4/2012 [(1)]	0.278	22,120,148	–	–	(5,530,119)	16,590,029
23/4/2012	0.263	2,271,000	–	–	(567,774)	1,703,226
14/3/2013	0.360	–	1,081,040	–	–	1,081,040
31/3/2013	0.371	–	2,770,744	–	–	2,770,744
29/9/2013	0.370	–	1,360,000	–	–	1,360,000
		24,391,148	5,211,784	–	(6,097,893)	23,505,039

Note:

(1) While the Company had on 2 April 2012 announced the grant of 43,150,886 share awards under the Share Plan, only 22,120,148 share awards were issued by the Company.

11 Equity compensation benefits (Cont'd)

(b) Share plan (Cont'd)

Fair value of performance shares

The fair value of the performance shares was determined based on the market price of the Company's share at the grant date.

The fair value of the performance shares of RMB6,295,175 (2013: RMB3,065,465) is included in administrative expenses.

12 Share capital

	No. of ordinary shares		Amount	
The Company	**2014**	2013	**2014**	2013
			RMB	RMB
Issued and fully paid, with no par value				
At 1 January	**2,169,044,867**	2,162,946,974	**3,536,777,055**	3,528,339,856
Issue of shares	**387,995,157**	6,097,893	**491,594,588**	8,437,199
At 31 December	**2,557,040,024**	2,169,044,867	**4,028,371,643**	3,536,777,055

On 17 September 2014, the Company allotted and issued 381,000,000 ordinary shares in the capital of the Company for a cash consideration of RMB481,659,438.

On 15 March 2014, 30 June 2014 and 18 December 2014 collectively, the Company issued and allotted an aggregate of 6,995,157 fully paid-up ordinary shares in the capital of the Company amounting to RMB9,935,150 pursuant to the vesting of the share awards.

On 26 April 2013, the Company issued and allotted an aggregate of 6,097,893 fully paid-up ordinary shares in the capital of the Company amounting to RMB8,437,199 pursuant to the vesting of the share awards under the Share Plan.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

13 Perpetual convertible securities

In October 2014, the Company issued perpetual subordinated convertible securities (the "Perpetual Convertible Securities") with an initial aggregate principal amount of Singapore dollars S$185 million comprising Tranche 1 and Tranche 2 amounting to S$165 million and S$20 million, respectively. The details of the Perpetual Convertible Securities are set out in the circular 18 August 2014 (the "Circular"). The issue of the Perpetual Convertible Securities generated gross proceeds of RMB902,097,000 and net proceeds of RMB878,969,671 after deducting RMB23,127,329 of transaction costs.

The Perpetual Convertible Securities have no fixed maturity.

Tranche 1 Perpetual Convertible Securities can be redeemed by the Company after the date of the fifth anniversary of the relevant issue date. Tranche 2 Perpetual Convertible Securities can be redeemed by the Company during the following periods: (i) between the second anniversary of the issue date (including the date of the second anniversary of the issue date) and the third anniversary from the issue date (but excluding the date of the third anniversary from the Issue Date); and (ii) after the date of the fifth anniversary from the issue date.

The Perpetual Convertible Securities confer on the holder a right to receive a distribution at a rate of 8.75% per annum on principal till the third anniversary from the issue date (but excluding the date of the third anniversary from the issue date), and subsequently at other rates as detailed in the Circular. The Company may elect to defer distribution, and is not subject to any limits as to the number of times distribution can be deferred.

While any distributions are unpaid or deferred, the Company shall not declare or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buy-back or acquire for any consideration any share capital thereof (including preference shares) or security issued by the Company which security issued by the Company which ranks or is expressed to rank pari passu with Perpetual Capital Securities.

The holder of the convertible securities has the right to convert such convertible securities into shares of the Company at any time between the expiry of three years from the issue date (including the date of the third anniversary from the issue date) and the expiry of six years from the issue date (excluding the date of the sixth anniversary of the issue date).

As the convertible securities have no contracted obligation to repay its principal nor to pay any distributions, they do not meet the definition for classification of a financial liabilities. As a result, the whole instrument is classified as equity, and respective distributions if and when declared are treated as equity dividends.

14 Other reserves

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Equity compensation reserve	**19,706,288**	18,525,711	**19,706,288**	18,525,711
Reverse acquisition reserve	**(1,993,711,730)**	(1,993,711,730)	**–**	–
Statutory common reserve	**68,443,956**	68,443,956	**–**	–
Convertible bonds reserve	**–**	–	**–**	–
Translation reserve	**28,542,542**	49,117,068	**(73,770,349)**	(19,374,770)
	(1,877,018,944)	(1,857,624,995)	**54,064,061**	(849,059)

The equity compensation reserve comprises the cumulative value of employee services received for the issue of performance shares and share options.

The reverse acquisition reserve relates to the excess of purchase consideration over the fair value of the net assets of Fortune Court Holdings Limited acquired under a reverse acquisition in 2008.

The statutory common reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the PRC in accordance with the PRC requirement. The statutory common reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

The translation reserve records exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

15 Deferred tax assets/liabilities

The Group	**31 December 2014 RMB**	31 December 2013 RMB Re-stated
Deferred tax assets	**26,910,000**	14,953,000
Deferred tax liabilities	**(526,527,673)**	(498,546,265)

Movement in temporary differences during the year is as follows:

Group	Balance at 1 January 2013 RMB	Recognised in profit or loss RMB	Balance at 31 December 2013 RMB	Recognised in profit or loss RMB	Balance at 31 December 2014 RMB
Deferred tax assets/(liabilities)					
Investment properties	(438,637,924)	(59,908,341)	(498,546,265)	**(27,981,408)**	**(526,527,673)**
Unabsorbed tax losses	8,098,000	6,855,000	14,953,000	**11,957,000**	**26,910,000**
	(430,539,924)	(53,053,341)	(483,593,265)	**(16,024,408)**	**(499,617,673)**

15 Deferred tax assets/liabilities (Cont'd)

At 31 December 2014, no deferred tax liabilities have been recognised in respect of withholding tax payable on the undistributed profits of foreign subsidiaries amounting to approximately RMB2,540,289,000 (2013: RMB2,208,215,000) because the Group is able to control both the timing of distribution of profits and disposal of these subsidiaries.

16 Borrowings

		The Group		The Company	
	Maturity	**2014 RMB**	2013 RMB	**2014 RMB**	2013 RMB
Bank loans					
– repayable within one year or less	2015	**1,390,272,103**	1,075,035,471	**13,283,232**	137,915,107
– repayable after one year but within the normal operating cycle	2016	**325,500,000**	817,308,235	**–**	398,864,800
Loan from a shareholder (i) (ii)	2014	**–**	96,112,000	**–**	96,112,000
Presented as current liabilities		**1,715,772,103**	1,988,455,706	**13,283,232**	632,891,907
Bank loans	2016-2028	**1,428,719,950**	814,375,000	**–**	–
Presented as non-current liabilities		**1,428,719,950**	814,375,000	**44,469,950**	–
Total borrowings		**3,144,492,053**	2,802,830,706	**57,753,182**	632,891,907

16 Borrowings (Cont'd)

Bank loans

At 31 December 2014, the bank loans are secured by:

(a) a mortgage over the investment properties (Note 4);

(b) land related to development properties with carrying value totalling approximately RMB567,199,000 (2013: RMB563,639,000) (Note 7); and

(c) fixed and floating charges on assets of certain subsidiaries including fixed deposits pledged amounting to RMB609,280,000 (2013: RMB461,700,000).

The bank loans have a weighted average interest rate of 6.88% (2013: 6.42%) per annum at the reporting date. Interest on the bank loans is repriced within 12 months (2013: 12 months).

The bank loans which are expected to be settled twelve months after the reporting date, but within the normal course of the Group's operating cycle for development of properties for sale or consumption, are classified as current liabilities because such bank loans are directly attributable to these properties under development.

The Company has provided guarantees to banks in respect of banking facilities granted to a subsidiary amounting to RMB460,000,000 (2013: RMB596,800,000). The current interest rate charged by the lender on the loan to the subsidiary is at market rate and is consistent with the borrowing cost of the subsidiary without corporate guarantees. The Company has assessed the fair value of corporate guarantees is immaterial. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

Loans from a shareholder

(i) At 31 December 2013, loan from a shareholder is unsecured and bears a fixed interest rate of 14.2% per annum. Interest rate on the loans is based on comparable commercial rate payable on a similar loan.

(ii) In 2014, the Company received proceeds of RMB209,944,180 from a shareholder which was paid in full during the financial year. Interest rate on this loan of 14.5 – 18 % per annum was based on comparable commercial interest payable on a single loan.

The bank loans are denominated in the following currencies:

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Singapore dollar	**57,753,183**	632,891,907	**57,753,182**	632,891,907
Renminbi	**2,544,249,999**	1,502,174,999	**–**	–
United States dollar	**542,488,871**	667,763,800	**–**	–
	3,144,492,053	2,802,830,706	**57,753,182**	632,891,907

16 Borrowings (Cont'd)

Convertible bonds

In March 2010, the Company issued Singapore dollar S$200 million principal amount of Convertible Bonds (the "Bonds") due 3 March 2015 (the "Maturity Date") which carry interest rate at 4% per annum. The 2010 Bonds were convertible by holders into new ordinary shares in the capital of the Company (the "Shares") at the conversion price of S$0.8029 per share at any time on and after 13 April 2010 up to the close of business on 21 February 2015. The conversion price may be adjusted for certain specified dilutive events.

At any time on or after 3 March 2013 and prior to the date falling 10 business days prior to the Maturity Date, the Company may mandatorily convert all but not some only of the Bonds outstanding into the Shares, provided that no such conversion may be made unless the volume weighted average price of the Shares for each of 30 consecutive trading days, the last of which occur not more than 10 trading days prior to the date of the notice of conversion, was at least 130% of the applicable conversion price then in effect.

If at any time the aggregate principal amount of the Bonds outstanding was less than 10% of the aggregate principal amount originally issued, the Company should have the option to redeem such outstanding Bonds in whole but not in part at their early redemption amount together with accrued, but unpaid, interest (calculated up to, but excluding, the date fixed for such redemption).

The Company would, at the option of the Bondholder, redeem all or some only of such Bondholder's Bonds on 3 March 2013 at 108.136% of their principal amount as at the relevant date fixed for redemption together with interest accrued to the date fixed for redemption.

In the event of certain changes in the laws and regulations relating to taxation in Singapore, the Company may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole but not in part at their early redemption amount, together with accrued, but unpaid, interest calculated up to, but excluding the date fixed for redemption.

Upon: (i) the delisting of the Shares, or the suspension of the Shares for a period of 30 trading days or more, from the SGX-ST or, if applicable, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in; or (ii) a change in control of the Company, the Bondholder would have the right, at such Bondholder's option, to require the Company to redeem all or some only of such Bondholder's Bonds at a price equal to their early redemption amount together with interest accrued to the date fixed for redemption.

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company would redeem each Bond at 114.496% of its principal amount plus unpaid accrued interest thereon on the Maturity Date.

On 3 March 2013, the Company redeemed all outstanding Bonds for an aggregate consideration of RMB1,086,917,101 in cash.

16 Borrowings (Cont'd)

Convertible bonds

The Group	2013 RMB
Proceeds from issue of convertible bonds	974,620,000
Transaction costs	(37,708,797)
Net proceeds	936,911,203
Amount classified as equity	(49,444,008)
Accreted interest	156,448,260
Convertible bonds repurchased (but not cancelled)	(23,483,953)
Translation differences	37,674,319
Amount classified as equity dereognised upon redemption	49,444,008
Translation differences reclassified to profit or loss upon redemption	(37,674,319)
Redemption of convertible bonds	(1,086,917,100)
Loss on redemption of convertible bonds	17,041,590
	–

The amount of the convertible bonds classified as equity of RMB49,444,008 was net of attributable transaction costs of RMB1,991,163 associated with the issue of the bonds.

At as at 31 December 2013, the Company had utilised RMB774,492,152 of the net proceeds as follows:

	2013 RMB
Investments in subsidiaries	724,140,652
Payment for the acquisition of land parcel for development	50,351,500
	774,492,152

The utilisation was in accordance with the intended use of the proceeds from the Bonds Offering as stated in the related Convertible Bonds Announcement.

17 Trade and other payables

	The Group			The Company		
	31 December 2014 RMB	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated	**31 December 2014 RMB**	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated
Trade payables (A)	**325,664,360**	363,863,143	347,438,152	**–**	–	–
Accrued expenses	**49,845,488**	36,947,269	14,113,866	**10,701,482**	11,525,094	3,862,411
Rental deposits	**2,684,172**	14,748,476	2,759,371	**–**	–	–
Project deposits	**11,500,000**	16,653,000	43,693,584	**–**	–	–
Others	**1,689,496**	1,324,910	595,397	**471**	481	510
Other payables (B)	**65,719,156**	69,673,655	61,162,218	**10,701,953**	11,525,575	3,862,921
Financial liabilities measured at amortised cost - Trade and other payables (A) + (B)	**391,383,516**	433,536,798	408,600,370	**10,701,953**	11,525,575	3,862,921
Advances from customers	**150,052,128**	673,557,200	622,790,134	**–**	–	–
Advances from sub-contractors	**–**	–	2,402,037	**–**	–	–
Other current liabilities (C)	**150,052,128**	673,557,200	625,192,171	**–**	–	–
Total current trade and other payables (A) + (B) + (C)	**541,435,644**	1,107,093,998	1,033,792,541	**10,701,953**	11,525,575	3,862,921
Non-current other payables						
– Rental and option deposits	**113,129,600**	51,987,250	18,996,109	**–**	–	–

Trade and other payables are denominated in the following currencies:

	The Group			The Company		
	31 December 2014 RMB	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated	**31 December 2014 RMB**	31 December 2013 RMB Re-stated	1 January 2013 RMB Re-stated
Singapore dollar	**10,701,953**	11,525,575	**4,205,442**	**10,701,953**	11,525,575	3,862,921
Renminbi	**629,510,000**	1,143,047,531	**1,048,583,208**	**–**	–	–
United States dollar	**14,353,291**	4,508,142	**–**	**–**	–	–
	654,565,244	1,159,081,248	**1,052,788,650**	**10,701,953**	11,525,575	3,862,921

Trade payables have credit terms of between 60 to 180 days (2013: 60 to 180 days).

18 Revenue

The Group	2014 RMB	2013 RMB
Sale of development properties	**851,504,819**	524,713,216
Rental income from investment properties	**178,986,149**	114,109,719
	1,030,490,968	638,822,935

19 Other income

The Group	2014 RMB	2013 RMB
Interest income		
– fixed deposits	**7,888,754**	5,374
– bank balances	**122,293**	4,986,380
	8,011,047	4,991,754
Sublet rental income	**432,755**	558,127
Government grants	**5,021,100**	466,000
Sundry incomes	**2,115,304**	1,059,350
Fair value gain on investment properties	**115,424,702**	259,592,299
	131,004,908	266,667,530

20 Profit before taxation

The following items have been included in arriving at profit before taxation:

The Group	Note	**2014 RMB**	2013 RMB
Exchange loss, net		**32,066,047**	14,894,954
Loss on redemption of convertible bonds		**–**	17,041,590
Depreciation of property, plant and equipment	3	**3,378,618**	2,235,960
Amortisation of deferred lease incentives		**1,064,755**	4,696,742
Amortisation of prepaid legal consultancy service fee		**500,000**	500,004
Donations		**–**	3,160,000
Operating lease expense		**2,544,583**	1,781,755
Loss on disposal of property, plant and equipment		**3,854**	24,579
Interest expense:			
– bank loans		**55,420,125**	103,746,066
– loans from a shareholder		**13,073,908**	423,173
– convertible bonds		**–**	924,679
		68,494,033	105,093,918
Directors' fees		**1,950,480**	1,846,563
Staff costs:			
Key management personnel			
Directors' remuneration other than fees			
– Salaries, wages and other related costs		**5,297,927**	4,894,591
– Contributions to defined contribution plans		**206,793**	232,622
– Equity-settled share-based payment transactions		**2,087,784**	939,456
Other than directors			
– Salaries, wages and other related costs		**9,172,795**	5,613,207
– Contributions to defined contribution plans		**504,205**	443,712
– Equity-settled share-based payment transactions		**4,952,991**	2,441,087
Other than key management personnel			
– Salaries, wages and other related costs		**13,060,546**	19,645,049
– Contributions to defined contribution plans		**3,501,051**	2,520,418
– Equity-settled share-based payment transactions		**4,074,952**	2,853,872
		42,859,044	39,584,014

21 Tax expense

The Group	2014 RMB	2013 RMB
Current tax expense		
Current taxation	**86,398,157**	34,071,766
Deferred tax expense		
Movements in temporary differences (Note 15)	**16,024,408**	33,088,568
Adjustment for prior years	**–**	16,964,773
	16,024,408	53,053,341
	102,422,565	87,125,107

Reconciliation of effective tax rate

The Company, which is established in Singapore, is subject to Singapore income tax at 17% (2013: 17%). The Group's subsidiaries in PRC are subject to PRC income tax rate at 25% (2013: 25%). The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the ultimate holding company is established.

The Group	2014 RMB	2013 RMB
Profit before taxation	**356,043,353**	292,284,881
Tax at statutory rate of 17% (2013: 17%)	**60,527,370**	49,688,430
Deferred tax assets on current year losses not recognised	**19,920,007**	9,492,171
Effect of tax rates in foreign jurisdictions	**21,975,188**	10,979,733
Adjustment for prior years	**–**	16,964,773
	102,422,565	87,125,107

At the reporting date the Group had unabsorbed tax losses of approximately RMB38,990,000 (2013: RMB29,243,000) attributable to certain subsidiaries expiring from 2014 through 2018.

Deferred tax assets have not been recognised in respect of current year losses because such losses are not allowed to be set off against future taxable profit.

22 Earnings per share

The Group	2014 RMB	2013 RMB
Profit attributable to ordinary shareholders of the Company	**254,025,898**	205,663,584
Weighted average number of ordinary shares in issue during the year (Basic)	**2,284,224,568**	2,167,106,906
Weighted average number of ordinary shares under share options	**4,376,291**	–
Weighted average number of ordinary shares under convertible bonds	**–**	42,290,323
Weighted average number of ordinary shares during the year (Diluted)	**2,288,600,859**	2,209,397,229
Earnings per share (RMB):		
– Basic	**0.11**	0.09
– Diluted	**0.11**	0.09

23 Related party transactions

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

The Group	2014 RMB	2013 RMB
Interest expense on loans from a shareholder	**13,073,908**	423,173
Fees paid/payable to a subsidiary of a substantial shareholder for securing credit facilities to fund the Group's property development projects	**13,102,222**	–
Distribution to holder of perpetual convertible securities who is a new substantial shareholder in 2014	**1,423,615**	–
Rental income from sub-letting of office premises to a firm of which a director of the Company is a member	**432,755**	558,127

24 Commitments

(i) Capital commitments

The Group	2014 RMB	2013 RMB
Development and investment properties expenditure contracted but not provided for in the financial statements	**654,456,459**	647,762,797
Investment in limited partnership contracted but not provided for in the financial statements	**59,000,000**	–

24 Commitments (Cont'd)

(ii) Lease commitments

(A) Where the Group and the Company are lessees

At the reporting date, the Group and the Company were committed to making the following rental payments in respect of non-cancellable operating leases of office premises.

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Not later than one year	**5,504,224**	1,772,899	**2,099,503**	1,772,899
Later than one year and not later than five years	**15,025,778**	369,354	**9,161,470**	369,354
Later than five years	**190,864**	–	**190,864**	–
	20,720,866	2,142,253	**11,451,837**	2,142,253

The leases expire between December 2015 and January 2020 with options to renew the leases after their expiry dates.

(B) Where the Group and Company are lessors

At the reporting date, the Group and Company had the following rentals receivable under non- cancellable operating leases for commercial and residential premises.

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Not later than one year	**187,006,704**	152,703,063	**–**	448,686
Later than one year and not later than five years	**516,505,409**	449,475,231	**–**	93,476
Later than five years	**625,321,030**	405,555,747	**–**	–
	1,328,833,143	1,007,734,041	**–**	542,162

The operating leases of these commercial and residential premises expire between 2015 and 2026 and contain renewal options.

25 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

1) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation;

2) Property development segment relates to the development of properties for sale; and

3) Others comprise property consultancy, sales, marketing and management services and corporate office functions.

The Group Chief Executive Officer ("Group CEO") monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

25 Operating segments (Cont'd)

	31 December 2014				31 December 2013			
	Property investment RMB	**Property development RMB**	**Others RMB**	**Total RMB**	Property investment RMB	Property development RMB	Others RMB	Total RMB
Revenue	**178,986,149**	**851,504,819**	**–**	**1,030,490,968**	114,109,719	524,713,216	–	638,822,935
Segment results	**110,542,429**	**230,198,906**	**(47,205,003)**	**293,536,332**	67,312,397	132,448,203	(51,983,762)	147,777,838
Interest income	**–**	**–**	**8,011,047**	**8,011,047**	–	–	4,991,754	4,991,754
Interest expense	**–**	**(68,494,033)**	**–**	**(68,494,033)**	–	(105,093,918)	–	(105,093,918)
Sublet rental income	**–**	**–**	**432,755**	**432,755**	–	–	558,127	558,127
Government grants	**–**	**5,021,100**	**–**	**5,021,100**	–	466,000	–	466,000
Sundry incomes	**–**	**2,115,304**	**–**	**2,115,304**	–	1,059,350	–	1,059,350
Fair value gain on investment properties	**115,424,702**	**–**	**–**	**115,424,702**	259,592,299	–	–	259,592,299
Loss on redemption of convertible bonds	**–**	**–**	**–**	**–**	–	(17,041,590)	–	(17,041,590)
Loss on disposal of property, plant and equipment	**–**	**–**	**(3,854)**	**(3,854)**	–	–	(24,579)	(24,579)
Profit before tax	**225,967,131**	**168,841,277**	**(38,765,055)**	**356,043,353**	326,904,696	11,838,045	(46,458,460)	292,284,881
Segment assets	**1,736,838,643**	**7,763,745,647**	**14,049,706**	**9,514,633,996**	1,625,383,931	6,320,707,206	46,854,392	7,992,945,529
Total assets				**9,541,543,996**				8,007,898,529
Segment liabilities	**181,760,238**	**3,614,504,638**	**2,792,421**	**3,799,057,297**	115,916,289	3,841,779,112	4,216,553	3,961,911,954
Total liabilities				**4,486,377,291**				4,556,099,307
Other information								
Exchange loss, net	**–**	**32,066,047**	**–**	**32,066,047**	–	14,894,954	–	14,894,954
Capital expenditure	**–**	**–**	**20,849,690**	**20,849,690**	–	–	1,467,829	1,467,829
Depreciation of property, plant and equipment	**–**	**–**	**3,378,618**	**3,378,618**	–	–	2,235,960	2,235,960
Amortisation of other non-current assets	**2,295,396**	**–**	**–**	**2,295,396**	5,196,746	–	–	5,196,746
Equity-settled share-based payment transactions	**–**	**–**	**11,115,727**	**11,115,727**	939,456	2,441,087	2,853,872	6,234,415

The Group derived all its revenue from the PRC. Therefore, no geographical segments information is presented.

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

25 Operating segments (Cont'd)

Reconciliations of reportable segment liabilities:

The Group	**2014 RMB**	2013 RMB
Segment assets	**9,514,633,996**	7,992,945,529
Unallocated assets		
Deferred tax assets	**26,910,000**	14,953,000
Consolidated assets	**9,541,543,996**	8,007,898,529
Segment liabilities	**3,799,057,297**	3,961,911,954
Unallocated liabilities		
Deferred tax liabilities	**526,527,673**	498,546,265
Provision for taxation	**160,792,321**	95,641,088
Consolidated liabilities	**4,486,377,291**	4,556,099,307

26 Financial risk management

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in Note 8, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk in respect of trade and other receivables.

26 Financial risk management (Cont'd)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The cash and cash equivalents are held with banks of good credit ratings.

The Company has provided guarantees to a bank in respect of banking facilities granted to a subsidiary amounting to RMB460,000,000 (2013: RMB596,800,000) (Note 16). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank borrowings and bank balances. Interests on bank borrowings are repriced within 12 months (2013: 12 months).

<u>Cash flow sensitivity analysis for variable rate instruments</u>

For the variable rate financial assets and liabilities, a 50 basis points ("bp") change in interest rates at the reporting date would have increase/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax		**Equity**	
	-------- increase/(decrease) --------		-------- increase/(decrease) --------	
	(50 bp Increase)	(50 bp Decrease)	950 bp Increase)	(50 bp Decrease)
	RMB'000	RMB'000	RMB'000	RMB'000
The Group				
31 December 2014				
Variable rate bank loans	**(8,663)**	**8,663**	**(8,663)**	**8,663**
Variable rate fixed deposits	**1,779**	**(1,779)**	**1,779**	**(1,779)**
	(6,884)	**6,884**	**(6,884)**	**6,884**
31 December 2013				
Variable rate bank loans	(13,534)	13,534	(13,534)	13,534
Variable rate fixed deposits	2,712	(2,712)	2,712	(2,712)
	(10,822)	10,822	(10,822)	10,822
The Company				
31 December 2014				
Variable rate bank loans	**(289)**	**289**	**(289)**	**289**
31 December 2013				
Variable rate bank loans	(2,684)	2,684	(2,684)	2,684

26 Financial risk management (Cont'd)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Group's transactions are carried out in RMB which is the functional currency of most of the group entities.

The Group is exposed to currency risk on cash and cash equivalents, borrowings and trade and other payables that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD) and US dollar (USD).

The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis - Foreign currency risk

A 5% (2013: 5%) strengthening of the above currencies against the functional currencies of the Group entities at the reporting date would have increased/decreased profit before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

A 5% (2013: 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

	2014			2013		
	SGD strengthened 5% RMB'000	**USD strengthened 5% RMB'000**	**Total RMB'000**	SGD strengthened 5% RMB'000	USD strengthened 5% RMB'000	Total RMB'000
The Group						
Profit before tax						
– increase/(decrease)	**5,186**	**(27,652)**	**(22,466)**	5,188	(33,478)	(28,290)
Equity						
– increase/(decrease)	**5,186**	**(27,652)**	**(22,466)**	5,188	(33,478)	(28,290)
The Company						
Profit before tax						
– increase/(decrease)	**–**	**1**	**1**	–	1	1
Equity						
– increase/(decrease)	**–**	**1**	**1**	–	1	1

26 Financial risk management (Cont'd)

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

		Contractual undiscounted cash flows			
The Group	**Carrying amount RMB**	**Total RMB**	**Less than 1 year RMB**	**Between 2 and 5 years RMB**	**Over 5 years RMB**
31 December 2014					
Trade and other payables	**504,513,116**	**504,513,116**	**504,513,116**	**–**	**–**
Borrowings	**3,144,492,053**	**3,900,174,053**	**1,870,926,003**	**964,670,250**	**1,004,577,800**
	3,649,005,169	**4,404,687,169**	**2,375,439,119**	**964,670,250**	**1,004,577,800**
31 December 2013					
Trade and other payables	485,524,048	485,524,048	485,524,048	–	–
Borrowings	2,802,830,706	3,282,088,679	1,171,147,471	1,128,140,958	982,800,250
	3,288,354,754	3,767,612,727	1,656,67,519	1,128,140,958	982,800,250

26 **Financial risk management (Cont'd)**

Liquidity risk (Cont'd)

The Company	Carrying amount RMB	Total RMB	Less than 1 year RMB	Between 2 and 5 years RMB	Over 5 years RMB
		---------- Contractual undiscounted cash flows ----------			
31 December 2014					
Trade and other payables	**10,701,953**	**10,701,953**	**10,701,953**	**–**	**–**
Borrowings	**57,753,182**	**60,447,382**	**15,625,132**	**44,822,250**	**–**
Amounts due to subsidiaries	**722,127,094**	**722,127,094**	**722,127,094**	**–**	**–**
Intra-group financial guarantee	**–**	**460,000,000**	**460,000,000**	**–**	**–**
	790,582,229	**1,253,276,429**	**1,208,454,179**	**44,822,250**	**–**
31 December 2013					
Trade and other payables	11,525,575	11,525,575	11,525,575	–	–
Borrowings	632,891,907	678,198,616	234,027,107	444,171,509	–
Amounts due to subsidiaries	706,504,002	706,504,002	706,504,002	–	–
Intra-group financial guarantee	–	596,800,000	136,800,000	460,000,000	–
	1,350,921,484	1,993,028,193	1,088,856,684	904,171,509	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Financial instruments by category

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables	**112,470,993**	125,712,180	**1,236,040**	565,664
Amounts owing by subsidiaries	**–**	–	**2,328,846,400**	1,663,265,801
Cash and cash equivalents	**965,135,891**	727,131,651	**26,407,368**	29,877,068
	1,077,606,884	852,843,831	**2,356,489,808**	1,693,708,533
Financial liabilities				
Financial liabilities measured at amortised cost:				
Amount owing to subsidiaries	–	–	722,127,094	706,504,002
Trade and other payables	504,513,116	485,524,048	10,701,953	11,525,575
Borrowings	3,144,492,053	2,802,830,706	57,753,182	632,891,907
	3,649,005,169	3,288,354,754	790,582,229	1,350,921,484

27 Fair value measurement

Fair value measurement of financial instruments

The carrying values of variable rate bank loans approximate their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, trade and other payables, and borrowings) approximate their fair values because of the short period to maturity.

Fair value measurement of non-financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market date.
The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
31 December 2014				
Investment properties	**–**	**–**	**3,968,165,000**	**3,968,165,000**
Investment in limited partnership	**–**	**–**	**500,000,000**	**500,000,000**
	–	**–**	**4,468,165,000**	**4,468,165,000**
31 December 2013				
Investment properties	–	–	3,836,299,000	3,836,299,000

At the reporting date, the carrying amount of investment in limited partnership approximates its fair value as the investment was made on 31 December 2014.

27 Fair value measurement (Cont'd)

Fair value measurement of non-financial assets (Cont'd)

The following table shows the Group's valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.	– Weighted average price per square meter: RMB14,220 (2013: RMB12,600) – Expected average rental growth: not more than 10% (2013: not more than 10%) – Discount rate: 7% (2013: 7%) – Capitalisation rate: 7% (2013: 7%)	The estimated fair value would increase (decrease) if: – Price per square meter was higher (lower); – Expected average rental growth was higher (lower); – Discount rate was lower (higher); – Capitalisation rate was lower (higher).

Level 3 fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

The Group	Investment properties 2014 RMB	2013 RMB
At 1 January	**3,836,299,000**	3,109,869,000
Transfer from completed properties for sale	**58,117,808**	468,800,971
Transfer to property, plant and equipment #	**(33,852,376)**	–
Properties sold	**(7,824,134)**	(1,963,270)
Fair value gain recognised in profit or loss	**115,424,702**	259,592,299
At 31 December	**3,968,165,000**	3,836,299,000

\# During the financial year ended 31 December 2014, the Group commenced occupation of certain floor area of office premises, originally designated as investment properties, for own use.

28 Prior years adjustments/reclassifications

Adjustments

The Company borrowed loans and used proceeds therefrom to invest in subsidiaries for the purpose of funding the subsidiaries' property developments.

The Company had capitalised the borrowing costs incurred on the loans in its separate financial statements. The Company should not have capitalised the borrowing costs as it did not have a qualifying asset.

Directors have concluded that it is appropriate to restate the Company's financial statements of the prior financial years to recognise the borrowing costs as finance cost.

The prior years adjustments, at nil tax, to the extent that they are applied retrospectively, have the following impact:

	As reported RMB	Adjustment RMB	As re-stated RMB
The Company - Statement of financial position as at 31 December 2013			
Development properties	**153,338,684**	**(153,338,684)**	**–**
Accumulated losses	**201,986,826**	**153,338,684**	**355,325,510**
The Company - Statement of financial position as at 1 January 2013			
Development properties	**149,207,448**	**(149,207,448)**	**–**
Accumulated losses	**156,670,756**	**149,207,448**	**305,878,204**

The prior years adjustments did not have any impact on the prior years' financial statements of the Group.

28 Prior years adjustments/reclassifications (Cont'd)

Reclassifications

In prior years, rental deposits for the Group's operating leases associated with the investment properties with maturity dates more than twelve months after the balance sheet date were presented as current liabilities instead of non-current liabilities as the amounts were not material. During the current financial year, rental deposits for operating leases with maturity dates more than twelve months have become material and they are presented as non-current liabilities. As a result, rental deposits as at 31 December 2013 related to rental deposits for operating leases with maturity dates more than twelve months after 31 December 2013 have been reclassified from current liabilities to non-current liabilities.

The prior years reclassifications, at nil tax, to the extent that they are applied retrospectively, have the following impact:

	As reported RMB	Reclassification RMB	As re-stated RMB
Consolidated statement of financial position as at 31 December 2013			
Other payables (non-current liabilities)			
– Rental and option deposits	**–**	**51,987,250**	**51,987,250**
Trade and other payables (current liabilities)			
– Rental and option deposits	**121,660,905**	**(51,987,250)**	**69,673,655**
Consolidated statement of financial position as at 1 January 2013			
Other payables (non-current liabilities)			
– Rental and option deposits	**–**	**18,996,109**	**18,996,109**
Trade and other payables (current liabilities)			
– Rental and option deposits	**80,158,327**	**(18,996,109)**	**61,162,218**

The prior years reclassifications did not have any impact on the Group's profit or loss in prior years.

29 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Company monitors capital using Gearing Ratio, which is net debt divided by total equity attributable to owners of the Company. Net debt represents total borrowings less cash and cash equivalents, excluding restricted bank balance related to properties sales (Note 10).

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Total borrowings (A)	**3,144,492,053**	2,802,830,706	**57,753,182**	632,891,907
Cash and cash equivalents	**965,135,891**	727,131,651	**26,407,368**	29,877,068
Less: Restricted bank balance	**(157,048,876)**	(355,700,397)	**–**	–
(B)	**808,087,015**	371,431,254	**26,407,368**	29,877,068
Net debt (C)=(A)-(B)	**2,336,405,038**	2,431,399,452	**31,345,814**	603,014,839
Equity attributable to owners of the Company (D)	**5, 055,166,705**	3,396,830,265	**4,399,545,790**	3,180,602,487
Gearing ratio (times) (C)/(D)	**0.46**	0.72	**0.01**	0.19

30 Contingent liabilities

The Group	2014 RMB	2013 RMB
Bank balances pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties (Note 10)	**157,048,876**	80,645,639
Fixed deposits pledged to banks to secure bank loans provided by banks to the Group entities (Note 10)	**609,280,000**	461,700,000
	766,328,876	542,345,639

No material losses are expected in respect of the bank balances and fixed deposits pledged.

31 Comparatives

Certain amounts in the comparative information have been reclassified to conform with current year financial statement presentations due to prior years adjustments and reclassifications as set out in Note 28.

SHAREHOLDERS' INFORMATION

AS AT 19 MARCH 2015

Issued and Fully Paid-up Capital	:	S$855,835,508.311
Number of Shares	:	2,557,040,024
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

The Company does not hold any Treasury Shares

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	2	0.02	41	0.00
100 – 1,000	98	1.13	94,194	0.00
1,001 – 10,000	2,896	33.57	23,065,968	0.90
10,001 – 1,000,000	5,590	64.79	355,938,917	13.92
1,000,001 and above	42	0.49	2,177,940,904	85.18
	8,628	100.00	2,557,040,024	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 19 MARCH 2015

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Newest Luck Holdings Limited (1)	824,739,014	32.25	–	–
Leap Forward Holdings Limited (2)	266,839,669	10.44	–	–
Everbright Hero Limited (2)	381,000,000	14.90	–	–
Fang Ming (3)	94,735,548	3.70	824,739,014	32.25
Zana China Fund L.P. (4)	–	–	266,839,669	10.44
Zana Capital Pte. Ltd. (5)	–	–	266,839,669	10.44
Chan Hock Eng (6)	–	–	266,839,669	10.44
Ng Koon Siong (6)	–	–	266,839,669	10.44
Everbright Hero Holdings Limited (7)	–	–	381,000,000	14.90
Everbright Hero, L.P. (8)	–	–	381,000,000	14.90
Everbright Hero LP Limited (9)	–	–	381,000,000	14.90
Aerial Victory Limited (10)	–	–	381,000,000	14.90
China Everbright Limited (11)	–	–	381,000,000	14.90

Notes:

(1) Newest Luck Holdings Limited has a total beneficial interest in 824,739,014 shares, of which 68,931,213 shares are held in the names of nominees.

(2) Total number of shares is held in the names of nominees.

(3) Mr. Fang Ming holds 100% of the issued share capital of Newest Luck Holdings Limited and is deemed interested in the shares of the Company held by Newest Luck Holdings Limited by virtue of his shareholdings in Newest Luck Holdings Limited.

(4) Zana China Fund L.P. is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50).

(5) Zana Capital Pte. Ltd. is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50). It is a fund manager of Zana China Fund L.P. and manages its funds on a discretionary basis.

(6) Mr. Chan Hock Eng and Mr. Ng Koon Siong each hold approximately 30.91% of the issued share capital of Zana Capital Pte. Ltd., and are therefore deemed interested in the shares held by Leap Forward Holdings Limited by virtue of their shareholdings in Zana Capital Pte. Ltd.

SHAREHOLDERS' INFORMATION (CONT'D)

(7) Everbright Hero Holdings Limited holds 100% of the shareholding in Everbright Hero Limited and is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

(8) Everbright Hero, L.P. holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero, L.P. is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

(9) Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero LP Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

(10) Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Aerial Victory Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

(11) China Everbright Limited holds 100% of the shareholding in Aerial Victory Limited. Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. China Everbright Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	NEWEST LUCK HOLDINGS LIMITED	755,807,801	29.56
2	DBS VICKERS SECURITIES (S) PTE LTD	661,438,669	25.87
3	CITIBANK NOMINEES SINGAPORE PTE LTD	184,004,559	7.19
4	RAFFLES NOMINEES (PTE) LTD	116,765,237	4.57
5	DB NOMINEES (S) PTE LTD	92,943,894	3.63
6	PHILLIP SECURITIES PTE LTD	88,382,713	3.46
7	UOB KAY HIAN PTE LTD	88,270,000	3.45
8	DBS NOMINEES PTE LTD	34,542,995	1.35
9	LIM HONG CHING	25,208,000	0.99
10	OCBC SECURITIES PRIVATE LTD	18,149,240	0.71
11	MAYBANK KIM ENG SECURITIES PTE LTD	12,595,000	0.49
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	10,046,900	0.39
13	CIMB SECURITIES (SINGAPORE) PTE LTD	9,147,030	0.36
14	CHEONG CHOONG KONG	7,762,000	0.30
15	DBSN SERVICES PTE LTD	6,208,467	0.24
16	HL BANK NOMINEES (S) PTE LTD	4,850,000	0.19
17	HSBC (SINGAPORE) NOMINEES PTE LTD	4,825,960	0.19
18	HONG LEONG FINANCE NOMINEES PTE LTD	4,600,000	0.18
19	ABN AMRO NOMINEES SINGAPORE PTE LTD	4,300,000	0.17
20	OCBC NOMINEES SINGAPORE PTE LTD	4,010,000	0.16

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

35.46% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF THE ANNUAL GENERAL MEETING

YING LI INTERNATIONAL REAL ESTATE LIMITED
(Company Registration No.199106356W)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "AGM") of Ying Li International Real Estate Limited (the "Company") will be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1 Level 2, Singapore 068804 on Tuesday, 28 April 2015 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Articles 106 and 90 of the Articles of Association of the Company:

Mr. Fang Ming	(Retiring under Article 106)	**(Resolution 2)**
Mr. Christopher Chong Meng Tak	(Retiring under Article 106)	**(Resolution 3)**
Mr. Tan Sek Khee	(Retiring under Article 106)	**(Resolution 4)**
Mr. Pan Ying	(Retiring under Article 90)	**(Resolution 5)**
Mr. Ai Yu	(Retiring under Article 90)	**(Resolution 6)**

[See Explanatory Note (i)]

3. To note the retirement of Mr. Tan Kim Seng pursuant to Article 106 of the Articles of Association of the Company.
[See Explanatory Note (ii)]

4. To re-appoint Mr. Xiao Zu Xiu as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office from the date of this Annual General meeting until the next Annual General Meeting of the Company.
[See Explanatory Note (iii)] **(Resolution 7)**

5. To approve the payment of Directors' Fees of S$465,000 for the financial year ending 31 December 2015, payable half-yearly in arrears. (2014: S$400,000).
[See Explanatory Note (iv)] **(Resolution 8)**

6. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 9)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:-

8. **SHARE ISSUE MANDATE**

THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

I. (a) issue and allot shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(b) make or grant offers, agreements or options (collectively, "Instruments") that may or would require shares to be issued, including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued share capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued share capital of the Company (excluding treasury shares)(as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:-

(i) new shares arising from the conversion or exercise of any convertible securities;

(ii) new shares arising from exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the listing rules of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company (the "AGM") or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)] **(Resolution 10)**

9. **AUTHORITY TO ISSUE AND ALLOT SHARES UNDER**

(a) **YING LI EMPLOYEE SHARE OPTION SCHEME**
THAT the Directors of the Company be and are hereby authorized to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Ying Li Employee Share Option Scheme (the "Option Scheme") provided always that the aggregate number of shares to be issued pursuant to the Scheme, when added to the number of shares issued and/or issuable under other share-based incentives schemes of the Company shall not exceed five per cent (5%) of the total issued share capital (excluding treasury shares) of the Company from time to time.
[See Explanatory Note (vi)] **(Resolution 11a)**

(b) **YING LI PERFORMANCE SHARE PLAN**
THAT the Directors of the Company be and are hereby authorized to offer, allot and issue or deliver from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of awards under the Ying Li Performance Share Plan (the "Share Plan") provided always that the aggregate number of shares to be issued pursuant to the Plan, when added to the number of shares issued and or issuable under other share-based incentives schemes of the Company, shall not exceed five per cent (5%) of the total issued share capital (excluding treasury shares) of the Company from time to time.
[See Explanatory Note (vi)] **(Resolution 11b)**

By Order of the Board

Cai Mingyi
Company Secretary

Singapore, 13 April 2015

Explanatory Notes:

(i) Mr. Fang Ming will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Company and Group Chief Executive Officer.

Mr. Christopher Chong Meng Tak will, upon re-election as a Director of the Company, remain as Chairman of the Audit and Nominating Committees, and will be considered independent.

Mr. Tan Sek Khee will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and members of the Audit and Risk Committees, and will be considered independent.

Mr. Pan Ying and Mr. Ai Yu will, upon re-election as Directors of the Company, remain as Non-Executive and Non-Independent Deputy Chairman and Non-Executive and Non-Independent Director of the Company respectively. They will be considered non-independent.

(ii) Item 3 above is to note the retirement of Mr. Tan Kim Seng who is not seeking re-election. With his retirement, Mr. Tan Kim Seng will also step down as a member of the Remuneration Committee.

(iii) Such re-appointment will no longer be subject to shareholders' approval under Section 153(6) of the Companies Act, Cap. 50 as repealed when the Companies (Amendment) Act 2014 comes into force. Mr. Xiao Zu Xiu will then be subject to retirement by rotation under the Company's Articles of Association.

Mr. Xiao Zu Xiu will, upon re-appointment as a Director of the Company at this Annual General Meeting, remain as members of the Remuneration and Audit Committees, and will be considered independent.

(iv) The Ordinary Resolution 8 proposed in item 5 above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred. The Directors' fees will be paid half yearly in arrears. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the Directors will hold office for the whole of the financial year ending 31 December 2015 ("FY 2015").

Should any Director hold office for only part of FY 2015 and not the whole of FY 2015, the Director's fee payable to him will be appropriately pro-rated.

(v) The Ordinary Resolution 10 proposed in item 8 above, if passed, will empower the Directors, effective until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of issued share capital of the Company (excluding treasury shares), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the total number of issued shares will be calculated based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of Resolution 9, provided the options or awards were granted in compliance with Part VIII or Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

(vi) The Ordinary Resolutions 11a and 11b proposed in item 9 above, if passed, the aggregate number of shares to be issued under Ying Li Employee Share Option Scheme and Ying Li Share Performance Plan shall not exceed 5% of the total issued ordinary share capital (excluding treasury shares) of the Company from time to time.

Notes:

A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

The instrument appointing a proxy must be deposited at the registered office of the Company at 12 Marina Boulevard #18-05 Marina Bay Financial Centre Tower 3 Singapore 018982 not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

YING LI INTERNATIONAL REAL ESTATE LIMITED
(Company Registration No.199106356W)
(Incorporated In The Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ____________________

of ____________________

being a member/members of Ying Li International Real Estate Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above , the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1 Level 2, Singapore 068804 on Tuesday, 28 April 2015 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014		
2	Re-election of Mr. Fang Ming as a Director		
3	Re-election of Mr. Christopher Chong Meng Tak as a Director		
4	Re-election of Mr. Tan Sek Khee as a Director		
5	Re-election of Mr. Pan Ying as a Director		
6	Re-election of Mr. Ai Yu as a Director		
7	Re-appointment of Mr. Xiao Zu Xiu as a Director		
8	Approval of Directors' fees amounting to S$465,000 for the financial year ending 31 December 2015, to be paid half-yearly in arrears		
9	Re-appointment of Messrs Foo Kon Tan LLP as Auditors		
10	Share Issue Mandate		
11a	Authority to issue and allot shares under the Ying Li Employee Share Option Scheme		
11b	Authority to issue and allot shares under the Ying Li Performance Share Plan		

* Delete where inapplicable

Dated this ________ day of ________________ 2015

Total number of Shares in:	No. of Shares Held
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. If the instrument appointing a proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he deems fit.

5. If the instrument appointing a proxy is returned without the name of the proxy indicated, the instrument appointing a proxy shall be invalid.

6. If the appointor is an individual, the instrument appointing a proxy shall be signed by the appointor or his attorney.

7. If the appointor is a corporation, the instrument appointing a proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act (Chapter 50).

8. The signature on the instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy, failing which the instrument may be treated as invalid.

9. The instrument appointing a proxy must be deposited at the registered office of the Company at 12 Marina Boulevard #18-05 Marina Bay Financial Centre Tower 3 Singapore 018982 not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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YING LI INTERNATIONAL REAL ESTATE LIMITED

12 Marina Boulevard
#18-05 Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6334 9052 • Fax: (65) 6334 9058
Website: www.yingligj.com