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

Financial Statement Announcement for 2nd Quarter ended 30th June 2015

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

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

The Board of Directors announces the unaudited results of the Group for the 2nd quarter and six months ended 30th June 2015.

	Group					
	2nd Qtr 2015	2nd Qtr 2014	Increase / (Decrease)	Jan to Jun 2015	Jan to Jun 2014	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**97,822**	**246,336**	**(60.3%)**	**198,056**	**526,039**	(62.3%)
Cost of sales	(32,921)	(157,185)	(79.1%)	(77,987)	(328,311)	(76.2%)
Gross profit	**64,901**	**89,151**	**(27.2%)**	**120,069**	**197,728**	**(39.3%)**
Other income	6,261	1,221	412.8%	21,179	2,228	850.6%
Selling expenses	(10,845)	(15,110)	(28.2%)	(25,023)	(28,532)	(12.3%)
Administrative expenses - Normal recurring	(17,072)	(12,361)	38.1%	(47,415)	(28,597)	65.8%
Administrative expenses - Share based payment expense	(2,911)	(2,216)	31.4%	(5,823)	(6,217)	(6.3%)
Finance costs	(27,815)	(35,835)	(22.4%)	(49,835)	(58,803)	(15.3%)
Profit before Income Tax	**12,519**	**24,850**	**(49.6%)**	**13,152**	**77,807**	**(83.1%)**
Taxation - Current	(3,732)	(10,722)	(65.2%)	(8,300)	(30,105)	(72.4%)
- Deferred	(239)	(375)	(36.3%)	2,691	(497)	n.m.
Profit for the period	**8,548**	**13,753**	**(37.8%)**	**7,543**	**47,205**	**(84.0%)**
Foreign currency translation differences(at nil tax)	2,477	(7,902)	n.m.	4,431	(41,789)	n.m.
Total comprehensive income for the period	**11,025**	**5,851**	**88.4%**	**11,974**	**5,416**	**121.1%**
Profit attributable to:						
Ordinary shareholders of the company	8,883	13,978	(36.5%)	8,428	47,654	(82.3%)
Non-Controlling Interest (NCI)	(335)	(225)	48.9%	(885)	(449)	97.1%
	8,548	**13,753**	**(37.8%)**	**7,543**	**47,205**	**(84.0%)**
Total comprehensive income attributable to:						
Ordinary shareholders of the company	11,360	6,076	**87.0%**	12,859	5,866	**119.2%**
Non-Controlling Interest (NCI)	(335)	(225)	48.9%	(885)	(449)	97.1%
	11,025	**5,851**	**88.4%**	**11,974**	**5,417**	**121.0%**

n.m. - not meaningful

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

	Group		Company	
	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	60,604	60,052	2,002	40
Investment in subsidiaries	-	-	2,827,257	2,827,257
Investment properties	3,968,631	3,968,486	-	-
Available for sale financial assets	559,000	500,000	-	-
Total non-current assets	**4,588,235**	**4,528,538**	**2,829,259**	**2,827,297**
Current assets:				
Development properties	4,118,738	3,701,852	169,554	150,311
Trade and other receivables	822,442	319,109	837	7,577
Amount due from subsidiaries	-	-	2,185,716	2,328,846
Cash and cash equivalents	1,312,526	965,136	38,321	26,407
Total current assets	**6,253,706**	**4,986,097**	**2,394,428**	**2,513,141**
Total assets	**10,841,941**	**9,514,635**	**5,223,687**	**5,340,438**
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve	(1,993,711)	(1,993,711)	-	-
Statutory common reserve	68,444	68,444	-	-
Perpetual convertible security	813,558	878,970	813,558	878,970
Share-based compensation reserve	25,528	19,705	25,528	19,705
Exchange fluctuation reserve	32,974	28,543	(121,267)	(73,770)
Retained profits	1,980,128	1,970,280	(317,477)	(301,997)
	4,955,293	**5,000,603**	**4,428,714**	**4,551,280**
Non-Controlling Interest	**53,679**	**54,564**	**-**	**-**
Total equity	**5,008,972**	**5,055,167**	**4,428,714**	**4,551,280**
Non-current liabilities:				
Deferred taxation	499,380	499,618	-	-
Borrowings-secured	2,304,386	1,058,750	-	-
Total non-current liabilities	**2,803,766**	**1,558,368**	**-**	**-**
Current liabilities:				
Trade and other payables	709,980	654,566	17,975	9,279
Amount owing to subsidiaries	-	-	721,984	722,127
Provision for taxation	158,815	160,792	-	-
Borrowings-secured	2,160,408	2,085,742	55,014	57,752
Total current liabilities	**3,029,203**	**2,901,100**	**794,973**	**789,158**
Total equity and liabilities	**10,841,941**	**9,514,635**	**5,223,687**	**5,340,438**

In accordance with IAS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties. As such, current bank borrowings have repayment periods between 1 and 4 years from the balance sheet date.

Notes to the Statement of Financial Position

Trade and other receivables comprise of the following:

	Group		Company	
	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)
Trade receivables	49,050	56,418	-	-
Other receivables:				
- Deposit for land acquisition	7,418	7,418	-	-
- Deposit for land tender	500,727	-	-	-
- Rental deposits	576	869	557	851
- Prepayments	170,108	94,473	115	859
- Staff advances and allowances	1,666	1,541	-	-
- Advance payment to management agents	53,733	82,132	-	-
- Advance to legal services	-	5,940	-	5,482
- Refundable deposits	27,089	24,828	-	-
- Reimbursement expenses	1,217	508	-	-
- Others	10,858	44,982	165	385
Total receivables	822,442	319,109	837	7,577

Trade and other payables comprise of the following:

	Group		Company	
	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)	30-Jun-15 RMB ('000)	31-Dec-14 RMB ('000)
Trade payables	445,222	325,983	-	-
Other payables:				
- Accrued expenses	32,277	49,529	17,975	9,279
- Advance payment from customers	173,934	150,052	-	-
- Rental and option deposits	57,176	127,314	-	-
- Others	1,371	1,688	-	-
Total payables	709,980	654,566	17,975	9,279

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

	Group			
	30-Jun-15		31-Dec-14	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable during its operating cycle, within twelve months, or on demand	2,160,408	-	2,085,742	-
	2,160,408	-	2,085,742	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	2,304,386	-	1,058,750	-
	4,464,794	-	3,144,492	-

Details of any collateral

Secured borrowings refer to borrowings secured against the subsidiaries' development properties under construction, completed development properties for sale, investment properties and cash deposits.

In accordance with IAS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties. As such, current bank borrowings have repayment periods between 1 and 4 years from the balance sheet date.

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

	Group			
	2nd Qtr 2015	2nd Qtr 2014	Jan to Jun 2015	Jan to Jun 2014
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit before taxation	12,519	24,850	13,152	77,807
Adjustments for:				
Depreciation of property, plant and equipment	803	516	1,989	1,044
Amortisation of other non-current assets	120	616	227	1,207
Interest expense	27,815	35,834	49,835	58,803
Interest income	(4,166)	(272)	(18,792)	(834)
Share based payment expense	2,911	2,216	5,823	6,217
(Gain)/loss on disposal of property, plant and equipment	54	28	(12)	22
Unrealised exchange loss	(1)	(9)	-	(2)
Operating profit before working capital changes	40,055	63,779	52,222	144,264
Decrease in investment properties	-	821	-	821
Increase in development properties	(216,194)	(66,215)	(430,603)	(80,190)
Increase in trade and other receivables	(137,433)	(73,457)	(503,705)	(120,774)
(Increase)/decrease in trade and other payables	142,069	(15,546)	88,622	(96,518)
Cash used in operations	(171,503)	(90,618)	(793,464)	(152,397)
Interest paid	(36,007)	(29,452)	(77,691)	(84,717)
Interest received	4,166	272	18,792	834
Income tax paid	(19,553)	(16,980)	(10,277)	(18,987)
Net cash used in operating activities	**(222,897)**	**(136,778)**	**(862,640)**	**(255,267)**
Cash flow from investing activities				
Acquisition of property, plant and equipment	(1,628)	(59)	(2,529)	(78)
Available for sale financial assets	(59,000)	-	(59,000)	-
Proceed from disposal of PPE	-	-	-	6
Net cash used in investing activities	**(60,628)**	**(59)**	**(61,529)**	**(72)**
Cash flow from financing activities				
Bank balance subject to restriction	53,876	22,381	(192,098)	(9,799)
Proceed from loans and borrowings	127,316	150,000	2,005,252	344,560
Payment of perpetual convertible security	(65,412)	-	(65,412)	-
Repayment of borrowings	(19,000)	(21,781)	(691,242)	(123,261)
Net cash generated from financing activities	**96,780**	**150,600**	**1,056,500**	**211,500**
Net (decrease)/increase in cash and cash equivalent	**(186,745)**	**13,763**	**132,331**	**(43,839)**
Effects of exchange rate changes on cash and cash equivalents	9,196	583	22,962	16,019
Cash and cash equivalent at beginning of period	531,649	142,620	198,807	184,786
Cash and cash equivalent at end of period	**354,100**	**156,966**	**354,100**	**156,966**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the period ended 30 June 2015

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Share-based compensation reserve	Perpetual convertible security	Translation reserve	Retained profits	Total attributable to Ordinary shareholders of the Company	Non-Controlling Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2015	4,028,372	(1,993,711)	68,444	19,705	878,970	28,543	1,971,700	5,002,023	54,564	5,056,587
Total comprehensive income for the year	-	-	-	-	-	1,954	(455)	1,499	(550)	949
Perpetual convertible security interest	-	-	-	-	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	-	-	2,912	-	-	-	2,912	-	2,912
Balance at 31 March 2015	4,028,372	(1,993,711)	68,444	22,617	878,970	30,497	1,971,245	5,006,434	54,014	5,060,448
Total comprehensive income for the year	-	-	-	-	-	2,477	8,883	11,360	(335)	11,025
Equity-settled share-based payment transactions	-	-	-	2,911	-	-	-	2,911	-	2,911
Perpetual convertible security interest	-	-	-		(65,412)	-		(65,412)	-	(65,412)
Balance at 30 June 2015	4,028,372	(1,993,711)	68,444	25,528	813,558	32,974	1,980,128	4,955,293	53,679	5,008,972
Balance at 1 January 2014	3,536,776	(1,993,711)	68,444	18,526	-	49,117	1,717,678	3,396,830	54,969	3,451,799
Total comprehensive income for the year	-	-	-	-	-	(33,887)	33,676	(211)	(224)	(435)
Equity-settled share-based payment transactions	442	-	-	3,559	-	-	-	4,001	-	4,001
Balance at 31 March 2014	3,537,218	(1,993,711)	68,444	22,085	-	15,230	1,751,354	3,400,620	54,745	3,455,365
Total comprehensive income for the year	-	-	-	-	-	(8,243)	13,979	5,736	(225)	5,511
Equity-settled share-based payment transactions	8,894	-	-	(6,678)	-	-	-	2,216	-	2,216
Balance at 30 June 2014	3,546,112	(1,993,711)	68,444	15,407	-	6,987	1,765,333	3,408,572	54,520	3,463,092

Statement of Changes in Equity of the Company for the period ended 30 June 2015

Company	Capital contribution	Share-based compensation reserve	Translation reserve	Perpetual convertible security	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2015	4,028,372	19,705	(73,770)	878,970	(301,997)	4,551,280
Total comprehensive income for the year	-	-	(74,554)	-	(11,649)	(86,203)
Perpetual convertible security interest	-	-	-	-	-	-
Equity-settled share-based payment transactions	-	2,912	-	-	-	2,912
Balance at 31 March 2015	4,028,372	22,617	(148,324)	878,970	(313,646)	4,467,989
Total comprehensive income for the year	-	-	27,057	-	(3,831)	23,226
Equity-settled share-based payment transactions	-	2,911	-	-	-	2,911
Perpetual convertible security interest	-		-	(65,412)	-	(65,412)
Balance at 30 June 2015	4,028,372	25,528	(121,267)	813,558	(317,477)	4,428,714
Balance at 1 January 2014	3,536,776	18,526	(19,375)	-	(201,987)	3,333,940
Total comprehensive income for the year	-	-	18,386	-	(20,219)	(1,833)
Equity-settled share-based payment transactions	442	3,559	-	-	-	4,001
Balance at 31 March 2014	3,537,218	22,085	(989)	-	(222,206)	3,336,108
Total comprehensive income for the year	-	-	4,882	-	(14,944)	(10,062)
Equity-settled share-based payment transactions	8,894	(6,678)	-	-	-	2,216
Balance at 30 June 2014	3,546,112	15,407	3,893	-	(237,150)	3,328,262

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

Perpetual Convertible Callable Securities

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.

The utilization of the proceeds from the share issuance which had been previously announced as at 30 June 2015 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

Perpetual Subordinated Convertible Callable Securities ("Perpetual Convertible 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.

The utilization of the proceeds from the Perpetual Convertible Securities which had been previously announced as at 30 June 2015 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	102.54	
Payment of resettlement costs for Ying Li Chongqing Financial Street Project	32.00	
Total utilised		180.79
Balance to be utilised		0.01

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

	As at 30 June 2015	As at 30 June 2014
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding securities at the end of the period	581,761,006	-

No conversion of the securities into Shares has taken place since the date of issuance. The Exercise Price of the Convertible Securities is S$0.318 per Share.

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

As at 30 June 2015, the number of outstanding share options granted under the Ying Li ESOS was 13,323,480 (30 June 2014: 16,186,627). 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 30 June 2015
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

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

As at 30 June 2015, the number of outstanding share awards granted (but not yet vested) under the Ying Li PSP was 10,469,329 (30 June 2014: 19,817,917). Further details of the share awards granted under the Ying Li PSP are as follows:

Date of grant	Granted	Balance at 31 December 2013	Vested on 15 March 2014	Vested on 3 April 2014	Vested on 18 December 2014	Number of Performance Shares Lapsed	Balance at 30 June 2015
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**

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

The total number of issued shares as at 30 June 2015 was 2,557,040,024 (31 December 2014: 2,557,040,024).

The Company did not hold any treasury shares as at 30 June 2015 (31 December 2014: Nil).

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

Not applicable.

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

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

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

Not applicable.

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

The Group had adopted the same accounting policies and method of computation in the financial statements for the current financial year compared to the audited financial statements for the year ended 31 December 2014.

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

Not applicable.

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

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group			
	2nd Qtr 2015	2nd Qtr 2014	Jan to Jun 2015	Jan to Jun 2014
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.003	0.006	0.003	0.022
(ii) On a fully diluted basis (RMB per share)*	0.003	0.006	0.003	0.022
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,557,040	2,172,287	2,557,040	2,172,287
(ii) On a fully diluted basis ('000)	3,201,865	2,238,650	3,201,865	2,238,650

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

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

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

The following table indicates the profit and share numbers used in the basic and fully diluted basis for earning per share computations:

	2nd Qtr 2015 RMB ('000)	2nd Qtr 2014 RMB ('000)	Jan to Jun 2015 RMB ('000)	Jan to Jun 2014 RMB ('000)
Profit attributable to equity holders of the parent	8,883	13,978	8,428	47,654
Add: Effect of dilutive potential ordinary shares				
- Share based payment expense	2,911	2,216	5,823	6,217
	11,794	16,194	14,251	53,871
Weighted average number of ordinary shares in issued	2,557,040	2,172,287	2,557,040	2,172,287
Add: Effect of dilutive potential ordinary shares				
- Share based compensation reserve	63,064	66,363	63,064	66,363
- Perpetual Convertible Securities	581,761	-	581,761	-
Number of ordinary shares used to calculate the diluted earning per share	3,201,865	2,238,650	3,201,865	2,238,650

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30-Jun-15	31 Dec 2014	30-Jun-15	31 Dec 2014
Net Assets Value (RMB'000)	4,955,293	5,000,603	4,428,714	4,551,280
Based on existing issued share capital (RMB per share)	1.94	1.96	1.73	1.78
Net Assets Value has been computed based on the number of share issued (000')	2,557,040	2,557,040	2,557,040	2,557,040

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

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

For the six months and quarter ended 30 June 2015

Revenue

	Group					
	2nd Qtr 2015	2nd Qtr 2014	Increase / (Decrease)	Jan to Jun 2015	Jan to Jun 2014	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	36,857	200,601	(81.6%)	86,000	446,309	(80.7%)
Rental Income	60,965	45,735	33.3%	112,056	79,730	40.5%
	97,822	**246,336**	**(60.3%)**	**198,056**	**526,039**	**(62.3%)**

Revenue of the Group for 2QFY2015 decreased by RMB148.5 million (60.3%) to RMB97.8 million as compared with 2QFY2014. The decrease was mainly due to lower revenue being recognized from the Sale of Properties segment, during the quarter, as the contracted pre-sales from the Ying Li International Plaza project were handed over in FY2014. Our profile of property sales accounted for is in line with industry, being an initial surge from the contracted pre-sales cumulated prior to the handover, followed by a more constant stream when the number of units sold get recognized immediately during the quarter, and then a tapering off when the number of unit available for sale declines.

Rental income increased by RMB15.2 million (33.3%) in 2QFY2015 to RMB61.0 million as compared to the same period last year. The increase is mainly due to increased rental contribution from the Ying Li IMIX Park Jie Fang Bei mall as a result of the adjustment made to the tenant mix.

Gross profit

	Group					
	2nd Qtr 2015	2nd Qtr 2014		Jan to Jun 2015	Jan to Jun 2014	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	13,181	50,018	(73.6%)	24,229	130,672	(81.5%)
Rental Income	51,720	39,133	32.2%	95,840	67,056	42.9%
	64,901	**89,151**	**(27.2%)**	**120,069**	**197,728**	**(39.3%)**

Gross profit of the Group for 2QFY2015 decreased by RMB24.3 million (27.2%) to RMB64.9 million as compared to the same period last year which is in line with the decrease in revenue.

Gross profit margin

	Group							
	2nd Qtr 2015		2nd Qtr 2014		Jan to Jun 2015		Jan to Jun 2014	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	13,181	35.8%	50,018	32.8%	24,229	28.2%	130,672	29.3%
Rental Income	51,720	84.8%	39,133	82.1%	95,840	85.5%	67,056	84.1%
	64,901	**66.3%**	**89,151**	**38.8%**	**120,069**	**60.6%**	**197,728**	**37.6%**

The Group's gross profit margin for 2QFY2015 increased by 27.5 percentage points year-on-year to 66.3%. Gross profit margin rose mainly due to higher proportion of gross profit from rental and gross profit margin of rental is naturally higher than that of property sales.

Other income

	Group			
	2nd Qtr 2015	2nd Qtr 2014	Jan to Jun 2015	Jan to Jun 2014
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	4,166	272	18,792	834
Advertisement income	-	755	-	755
Government grant	727	-	750	-
Others	1,368	194	1,637	639
	6,261	1,221	21,179	2,228

The year-on-year increase in Other Income was mainly due to interest income received from deposits placed with financial institutions.

Selling expenses

Selling expenses decreased by RMB4.3 million in 2QFY2015 to RMB10.8 million (28.2%) as compared to 2Q2014. This was mainly due to lower advertising and promotion and sales processing fees due to lower selling activities during the quarter.

Administrative expenses

During the quarter under review, Administrative expenses - Normal recurring were RMB4.7 million more than or 38.1% higher than that of 2QFY2014. This was mainly due to expense for the Beijing representative office and property management fee of the two malls that were absent in the same period last year.

Finance costs

For the quarter under review, finance costs were RMB10.1 million lower as compared to 2QFY2014. Interest expense directly attributable to projects would generally be capitalised as part of the project costs in accordance with the requirements of IAS 23 Borrowing Costs.

Taxation

	Group					
	2nd Qtr 2015	2nd Qtr 2014		Jan to Jun 2015	Jan to Jun 2014	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(3,732)	(10,722)	(65.2%)	(8,300)	(30,105)	(36.3%)
Deferred tax	(239)	(375)	(36.3%)	2,691	(497)	(641.4%)
	(3,971)	**(11,097)**	**(64.2%)**	**(5,609)**	**(30,602)**	**(81.7%)**

During the quarter under review, current income tax expense decreased by RMB7.0 million to RMB3.7 million as compared with 2Q2014 mainly due to lower taxable profits generated from the sale of properties in 2Q2015.

Profit attributable to ordinary shareholders of the Company

	Group					
	2nd Qtr 2015	2nd Qtr 2014	Increase / (Decrease)	Jan to Jun 2015	Jan to Jun 2014	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Ordinary shareholders of the Company	8,883	13,978	(36.5%)	8,428	47,654	(82.3%)
Non-Controlling Interest (NCI)	(335)	(225)	48.9%	(885)	(449)	97.1%
	8,548	**13,753**	**(37.8%)**	**7,543**	**47,205**	**(84.0%)**

Overall, net profit attributable to the ordinary shareholders of the Company for the quarter under review decreased by RMB5.1 million to RMB8.9 million in 2Q2015.

Foreign currency translation differences arises due to movement in the Exchanges fluctuation reserve arising from the translation of the results and financial position of entities outside China into the Group's presentation currency. The functional currency of these entities are different from the Group's presentation currency (RMB). There is a RMB2.5 million gain on foreign currency translation differences in 2QFY15, compared to a loss of RMB7.9 million in 2QFY14.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group increased by RMB1,327.3 million to RMB10,841.9 million during the period under review. The increase in assets was attributable to i) an increase in development properties as good progress is being made on the Ying Li International Commercial Centre, San Ya Wan Phase 2 and Ying Li International Electrical and Hardware Centre projects; b) an increase in deposits placed with government agencies for land tenders amounting to RMB499.6 million; and iii) an increase in cash and cash equivalents of RMB347.4 million.

The Group's total liabilities increased by RMB1,373.5 million to RMB5,833.0 million during the period under review. The increase in liabilities was mainly due to an increase in borrowings of the Group by RMB1,320.3 million to fund the development of the projects.

The Group's total equity decreased by RMB46.2 million to RMB5,009.0 million during the period under review. The decrease was due to payment of distribution on the perpetual convertible securities made during the period.

STATEMENT OF CASH FLOW

The decrease in cash and cash equivalent of RMB186.7 million for the quarter under review was mainly due to:

i) a net cash outflow of RMB222.9 million from operating activities;
ii) a net cash outflow of RMB60.6 million from investing activities; and
iii) an net cash inflow of RMB96.8 million from financing activities.

The net cash used in operating activities of RMB222.9 million include cash generated from the operating profit of RMB40.1 million. This was offset by in i) a net decrease of RMB4.6 million arising from changes in receivables and payables, which included a deposit paid for a land tender; ii) development costs amounting to RMB216.2 million incurred mainly on the ongoing construction of San Ya Wan Phase 2, the Ying Li International Commercial Centre project and the Ying Li International Electrical and Hardware Centre; and iii) net interest and income tax payment of RMB51.4 million.

Net cash used in investing activities mainly comprise an investment in available-for-sale securities of RMB59 million arising from the Group's Tongzhou Project in Beijing through investment in Shanghai Zhao Li Partnership.

Net cash generated from financing activities of RMB96.8 million includes: (i) increase in borrowing by RMB127.3 million to fund the construction of the Group's ongoing projects; and ii) repayment of borrowings amounting to RMB19.0 million.

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

The results announced are in line with the previous comments by the Board of Directors.

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

On 15 July 2015, the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics saw Chongqing's economy achieved a nominal GDP of RMB723.8 billion for the first half of the year, an increase of 11.0% year-on-year. Disposable income per capita increased 9.4% year-on-year to RMB10,407. Total retail sales grew 11.8% year-on-year to RMB310.5 billion.

Chongqing Office Market

Domestic and local enterprise remain the main source of demand for prime office space, accounting for more than 80% of demand in Chongqing for the past few quarters. Financial and banking business remains the main source of demand for prime office space. Office rents continue to remain low in 1H2015. In 2H2015, 960,000 sqm of new supply is expected to be added in the market, including 650,000 sqm in Jiangbeizui area which accounts for 68%. With the supply stream coming in the market, tenants will have more bargaining power.

Market trends continued to deviate between mature and emerging markets, with the latter reporting a sharper rental drop due to an immature business environment and under-developed amenities.

Chongqing Retail Market

In 1H2015, there was an additional 148,000 sqm of new areas constructed for quality retail projects. Demand for quality retail projects remains relatively strong, with international high-end brands continuing to expand outside of the central business districts, while the other international brands continue to actively expand in the core business districts.

With the growing retail sales and an expanding number of commercial attractions, the outlook for the Chongqing retail market remains healthy. Although over 322,000 sqm of new supply will enter the market in 2H2015, vacancy rate is expected to remain stable due to strong demand and positive responses from pre-leasing.

Chongqing Residential Market

In the first five months of 2015, new residential supply in the inner districts of Chongqing was 4.5 million sqm. Yubei, Jiulongpo and Shapingba accounted for most new supply, at around 53.6%. Supply in urban areas is becoming scarcer, with new supply in Yuzhong and Jiangbei accounting for a mere 10.7% of the total.

Given that the Group focuses on development of integrated properties in Chongqing, particularly in the Yuzhong and Jiangbei District and the adoption of "Built-To-Order" model, the Group believes it will continue to benefit from the limited supply situation in Yuzhong district and rapid urbanization of Chongqing.

Devaluation of the RMB

During the week the Chinese Government adopted a more market-oriented method of calculating the currency rate including reducing the RMB to US dollar reference rate three times. At the time of writing the reference rate is RMB 6.4010 for every US$1.

The fluctuation in RMB against foreign currency has no foreign exchange impact on our operating entities' financial statements in China as their functional and presentation currency are both RMB, and as all their transactions and monetary assets and liabilities are denominated in RMB.

However, there may be an impact on the consolidated P&L statement given that we have:

(a) USD loans

At the end of each reporting period, the outstanding USD loans shall be translated to the functional currency of the entity holding the loan based on the closing exchange rate. The foreign exchange difference will then be recognised in profit or loss statement. Due to the consolidation process, this same foreign exchange difference will be included in the consolidated income statement.

(b) Foreign entities outside China

This gives arise to movements in our foreign exchange reserve for entities that have a functional currency different from the RMB. These are the entities that are located outside China, including our SPV companies that are mainly dominated in SGD.

The results and financial position of these entities will be translated into the Group's presentation currency as follows:

(i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period; and
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) are translated at exchange rates at the dates of transactions.

However, such movements are movements of the consolidated balance sheet only. Thus, these foreign exchange translation differences will not have an impact on the Group profits but be shown as a movement in "other comprehensive income for the period" and balance sheet as accumulated in the currency translation reserve.

Given the above, value of the RMB against the US dollar remains low, a weakening of the RMB against the USD will have a negative impact on the financial performance and financial position of the Group. However, the size and significance of the impact shall only be determined when the closing exchange rates are known.

Barring any unforeseen circumstances, including any adverse movements in the forex market, the Directors expect the group to remain profitable in FY2015.

11 Dividend

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

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

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

No dividend has been declared or recommended

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period.

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

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
14 August 2015

Yang Xiao Yu
Executive Director