FINANCIAL STATEMENTS (RE-STATED)

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

31 December 2013

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

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YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT

for the financial year ended 31 December 2013

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 2013.

Name of directors

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

Fang Ming
Yang Xiao Yu
Christopher Chong Meng Tak
Tan Sek Khee (Appointed on 29 April 2013)
Xiao Zu Xiu
Pan Ying (Appointed on 23 September 2014)
Ai Yu (Appointed on 23 September 2014)

For the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company in office according to the Register of Directors' Shareholdings kept by the Company at the end of the financial year ended 31 December 2013 and as at 21 January 2014 were:

Fang Ming
Yang Xiao Yu
Christopher Chong Meng Tak
Tan Sek Khee
Xiao Zu Xiu
Tan Kim Seng (Retired on 28 April 2015)
He Zhao Ju @ Danny Ho (Resigned on 1 January 2016)
Ho Sheng (Resigned on 31 December 2015)
Ko Kheng Hwa (resigned on 15 March 2014)

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 1.1.2013 or date of appointment, if later	**As at 31.12.2013**	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**
Ordinary shares of the Company (Ying Li International Real Estate Limited)				
Fang Ming [1]	93,600,000	**94,167,774**	780,439,014	**800,153,014**
Tan Kim Seng	82,672,000	**82,672,000**	–	**–**
Yang Xiao Yu	–	**170,332**	–	**–**
Ordinary shares of USD1 each of the significant shareholder (Newest Luck Holdings Limited)				
Fang Ming	8,500	**8,500**	–	**–**

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

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

	Direct interest		Deemed interest	
	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**	As at 1.1.2013 or date of appointment, if later	**As at 31.12.2013**
Options to subscribe for ordinary shares exercisable from 22/4/2014 to 22/4/2016 at an exercise price of Singapore dollars (S$) 0.263 per share (Ying Li International Real Estate Limited)				
Fang Ming	1,514,000	**1,514,000**	–	**–**
Award of performance shares of the Company to be delivered after 21 April 2013 (Ying Li International Real Estate Limited)				
Fang Ming	2,271,000	**1,703,226**	–	**–**
Options to subscribe for ordinary shares exercisable from 2/4/2014 to 2/4/2016 at an exercise price of Singapore dollars (S$) 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	681,000	**510,668**	–	**–**
Options to subscribe for ordinary shares exercisable from 14/3/2015 to 14/3/2017 at an exercise price of Singapore dollars (S$) 0.360 per share (Ying Li International Real Estate Limited)				
Ko Kheng Hwa (Appointed on 1 March 2013 and resigned on 15 March 2014)	1,081,040	**1,081,040**	–	**–**
Award of performance shares of the Company to be delivered after 13 March 2015 (Ying Li International Real Estate Limited)				
Ko Kheng Hwa (Appointed on 1 March 2013 and resigned on 15 March 2014)	1,081,040	**1,081,040**	–	**–**

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 2014.

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

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 4th anniversary of the date of grant.

(2) The options vest two years from the date of grant.

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

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 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.

3,838,203 share options were granted during the financial year ended 31 December 2013.

At 31 December 2013, no options were exercisable.

The weighted average remaining contractual life of share options outstanding at 31 December 2013 was 2.95 (2012 – 3.28) 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 2013	Aggregate options granted since commencement of the Option Scheme to 31 December 2013	Aggregate options lapsed since commencement of the Option Scheme to 31 December 2013	Aggregate options exercised since commencement of the Option Scheme to 31 December 2013	Aggregate options outstanding as at 31 December 2013
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	–	–	1,081,040
	1,081,040	3,049,040	–	–	3,049,040

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 831,040 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.

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.

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

Share plans (Cont'd)

(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.

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 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.

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

Share plans (Cont'd)

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

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 2013	Aggregate awards granted since commencement of the Share Plan to 31 December 2013	Aggregate awards lapsed since commencement of the Share Plan to 31 December 2013	Aggregate awards released since commencement of the Share Plan to 31 December 2013	Aggregate awards outstanding as at 31 December 2013
Group Executive Directors					
Fang Ming	–	2,271,000	–	(567,774)	1,703,226
Yang Xiao Yu	–	681,000	–	(170,332)	510,668
Ko Kheng Hwa [(1)]	1,081,040	1,081,040	–	–	1,081,040
	1,081,040	4,033,040	–	(738,106)	3,294,934

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 831,040 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.

The Company granted 5,211,784 of share awards under the Share Plan and released 6,097,893 of share awards via the issuance of ordinary shares to those employees and directors who met the performance and market conditions during the financial year ended 31 December 2013.

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.

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 Mr Fang Ming as disclosed above, has received 5% or more of the total number of options available under each of the share plans.

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.

Audit committee

As at the date of this report, the audit committee ("AC") comprises the following members:

Christopher Chong Meng Tak (Chairman)
Tan Sek Khee
Pan Ying (Appointed on 29 February 2016)

As at the financial year ended 31 December 2013, the AC comprised the following members:

Christopher Chong Meng Tak (Chairman)
Tan Sek Khee
He Zhao Ju @ Danny Ho (Resigned on 1 January 2016)

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:

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2013

Audit committee (Cont'd)

- Reviewing the audit plans of the internal and external auditors; and the proposed scope of audit examination to be conducted by the internal auditors for the purpose of evaluating the effectiveness of the Company's material internal 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;
- 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

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FANG MING

.....
CHRISTOPHER CHONG MENG TAK

Dated: 31 March 2017

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

for the financial year ended 31 December 2013

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 2013, 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 Singapore 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

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FANG MING

.....

CHRISTOPHER CHONG MENG TAK

Dated: 31 March 2017

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 2013, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Singapore 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YING LI INTERNATIONAL REAL ESTATE LIMITED (CONT'D)

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 Singapore 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 2013, 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.

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Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 31 March 2017

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2013

		The Group			The Company	
		31 December 2013	31 December 2012	1 January 2012	**31 December 2013**	31 December 2012
		RMB	RMB	RMB	**RMB**	RMB
	Note	**Re-stated**	Re-stated	Re-stated	**Re-stated**	Re-stated
ASSETS						
Non-Current						
Property, plant and equipment	3	**8,747,775**	9,548,936	9,755,315	**58,963**	54,574
Investment properties	4	**4,130,684,570**	3,670,017,312	2,933,699,534	**-**	-
Subsidiaries	5	**-**	-	-	**2,827,257,014**	2,827,257,014
Other non-current assets	7	**208,319**	708,323	1,208,327	**-**	-
		4,139,640,664	3,680,274,571	2,944,663,176	**2,827,315,977**	2,827,311,588
Current						
Development properties	6	**2,948,703,010**	2,663,308,920	2,628,516,930	**-**	-
Trade and other receivables	7	**177,245,610**	434,506,058	179,168,010	**11,065,125**	8,833,515
Amounts owing by subsidiaries	8	**-**	-	-	**1,663,265,801**	1,637,287,972
Cash and cash equivalents	9	**727,131,651**	758,973,920	342,844,634	**29,877,068**	17,411,599
		3,853,080,271	3,856,788,898	3,150,529,574	**1,704,207,994**	1,663,533,086
Total assets		**7,992,720,935**	7,537,063,469	6,095,192,750	**4,531,523,971**	4,490,844,674
EQUITY						
Share capital	11	**3,536,777,055**	3,528,339,856	3,528,339,856	**3,536,777,056**	3,528,339,856
Retained earnings		**1,675,051,833**	1,688,777,324	1,310,411,177	**(397,783,437)**	(305,878,204)
Other reserves	12	**(1,815,167,068)**	(1,917,771,799)	(1,896,519,677)	**41,608,868**	93,031,793
Equity attributable to owners of the Company		**3,396,661,820**	3,299,345,381	2,942,231,356	**3,180,602,487**	3,315,493,445
Non-controlling interests		**54,968,957**	55,472,767	55,047,670	**-**	-
Total equity		**3,451,630,777**	3,354,818,148	2,997,279,026	**3,180,602,487**	3,315,493,445
LIABILITIES						
Non-Current						
Deferred tax liabilities	13	**483,537,116**	471,026,002	388,726,455	**-**	-
Borrowings	14	**814,375,000**	1,052,437,475	970,842,546	**-**	1,052,437,475
		1,297,912,116	1,523,463,477	1,359,569,001	**-**	1,052,437,475
Current						
Amount owing to subsidiaries	8	**-**	-	-	**706,504,002**	119,050,833
Trade and other payables	15	**1,159,081,248**	1,052,788,650	664,165,797	**11,525,575**	3,862,921
Borrowings	14	**1,988,455,706**	1,469,780,084	965,818,577	**632,891,907**	-
Provision for taxation		**95,641,088**	136,213,110	108,360,349	**-**	-
		3,243,178,042	2,658,781,844	1,738,344,723	**1,350,921,484**	122,913,754
Total liabilities		**4,541,090,158**	4,182,245,321	3,097,913,724	**1,350,921,484**	1,175,351,229
Total equity and liabilities		**7,992,720,935**	7,537,063,469	6,095,192,750	**4,531,523,971**	4,490,844,674

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2013

	Note	**Year ended 31 December 2013 RMB Re-stated**	Year ended 31 December 2012 RMB Re-stated
Revenue	16	**638,822,935**	585,220,382
Cost of sales		**(387,539,980)**	(328,415,021)
Gross profit		**251,282,955**	256,805,361
Other income	17	**7,075,228**	17,057,429
Loss on redemption of convertible bonds	14	**(28,455,061)**	-
Selling expenses		**(37,988,700)**	(40,611,231)
Administrative expenses		**(96,585,852)**	(80,503,153)
Fair value gain on investment properties	4	**97,423,394**	379,908,371
Finance costs	18	**(105,093,918)**	(15,274,311)
Profit before taxation	18	**87,658,046**	517,382,466
Tax expense	19	**(46,582,881)**	(138,591,222)
Profit for the year		**41,075,165**	378,791,244
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on equity component upon redemption of convertible bond		**(6,986,081)**	-
Foreign currency translation differences (at nil tax)		**56,489,130**	(41,980,617)
Other comprehensive income for the year		**49,503,049**	(41,980,617)
Total comprehensive income for the year		**90,578,214**	336,810,627
Profit attributable to:			
Ordinary shareholders of the Company		**41,578,975**	378,366,147
Non-controlling interests		**(503,810)**	425,097
		41,075,165	378,791,244
Total comprehensive income attributable to:			
Ordinary shareholders of the Company		**91,082,024**	336,385,530
Non-controlling interests		**(503,810)**	425,097
		90,578,214	336,810,627
Earnings per share (RMB):			
Basic	20	**0.02**	0.17
Diluted	20	**0.02**	0.17

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2013

	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)	1,688,777,324	3,299,345,381	55,472,767	3,354,818,148
Total comprehensive income/(loss) for the year:										
Profit/(Loss) for the year	-	-	-	-	-	-	41,578,975	41,578,975	(503,810)	41,075,165
Other comprehensive income:										
– Fair value gain on convertible bond	-	-	-	-	(6,986,081)	-	-	(6,986,081)	-	(6,986,081)
– Foreign currency translation differences	-	-	-	-	-	56,489,130	-	56,489,130	-	56,489,130
Total comprehensive income/(loss)for the year	-	-	-	-	(6,986,081)	56,489,130	41,578,975	91,082,024	(503,810)	90,578,214
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)	-	-	-
Total transactions with owners, recognised directly in equity	8,437,199	(2,202,784)	-	55,304,466	-	-	(55,304,466)	6,234,415	-	6,234,415
At 31 December 2013	3,536,777,055	18,525,711	(1,993,711,730)	68,443,956	42,457,927	49,117,068	1,675,051,833	3,396,661,820	54,968,957	3,451,630,777

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY(CONT'D)

for the financial year ended 31 December 2013

	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 2012	3,528,339,856	-	(1,993,711,730)	13,139,490	49,444,008	34,608,555	1,310,411,177	3,299,345,381	55,047,670	2,997,279,026
Total comprehensive income/(loss) for the year:										
Profit/(Loss) for the year	-	-	-	-	-	-	378,366,147	378,366,147	425,097	378,791,244
Other comprehensive income:										
– Foreign currency translation differences	-	-	-	-	-	(41,980,617)	-	(41,980,617)	-	(41,980,617)
Total comprehensive income/(loss) for the year	-	-	-	-	-	(41,980,617)	378,366,147	336,385,530	425,097	336,810,627
Transactions with owners, recognised directly in equity:										
Contributions by and distributions to owners:										
– Share-based payment transactions	-	20,728,495	-	-	-	-	-	20,728,495	-	20,728,495
Total transactions with owners, recognised directly in equity	-	20,728,495	-	-	-	-	-	20,728,495	-	20,728,495
At 31 December 2012	3,528,339,856	20,728,495	(1,993,711,730)	13,139,490	49,444,008	(7,372,062)	1,688,777,324	3,299,345,381	55,472,767	3,354,818,148

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2013

	Note	**Year ended 31 December 2013 RMB Re-stated**	Year ended 31 December 2012 RMB Re-stated
Cash Flows from Operating Activities			
Profit before taxation		**87,658,046**	517,382,466
Adjustments for:			
Depreciation of property, plant and equipment	3	**2,235,960**	2,324,832
Amortisation of other non-current assets		**4,696,742**	1,296,226
Equity-settled share-based payment transactions	18	**6,234,415**	20,728,495
Amortisation of prepaid legal consultancy service fee		**500,004**	-
Fair value gain on investment properties	4	**(97,423,394)**	(379,908,371)
Loss on redemption of convertible bonds	18	**28,455,061**	-
Fair value loss on convertible bond		**(6,986,081)**	-
Write-off of investment properties		**-**	11,822,320
Interest income	17	**(4,991,754)**	(1,063,132)
Interest expense	18	**105,093,918**	15,274,311
Loss on disposal of property, plant and equipment	18	**24,579**	32,131
Operating profit before working capital changes		**125,497,496**	187,889,278
Change in investment properties		**(1,963,270)**	76,002,497
Change in development properties		**(591,117,112)**	(439,918,134)
Change in trade and other receivables		**257,260,449**	(255,389,227)
Change in trade and other payables		**139,442,122**	388,391,866
Cash used in operations		**(70,880,315)**	(43,023,720)
Interest paid		**(162,399,500)**	(5,637,971)
Interest received		**4,991,754**	1,063,132
Income tax paid		**(74,643,788)**	(28,438,913)
Net cash used in operating activities		**(302,931,849)**	(76,037,472)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment		**(1,467,829)**	(2,148,382)
Proceeds from disposal of investment properties		**1,963,270**	-
Proceeds from disposal of property, plant and equipment		**6,000**	–
Net cash generated from/(used in) investing activities		**501,441**	(2,148,382)
Cash Flows from Financing Activities			
Cash at bank – restricted		**(391,084,594)**	(106,674,568)
Proceeds from loans and borrowings		**1,729,142,245**	810,701,060
Repayment of loans and borrowings		**(489,330,878)**	(234,653,112)
Repayment of convertible bonds	14	**(1,055,116,396)**	-
Proceeds of loan from a shareholder		**96,112,000**	8,238,254
Repayment of loan from a shareholder		**(8,238,254)**	(97,462,694)
Net cash (used in)/generated from financing activities		**(118,515,877)**	380,148,940
Net (decrease)/increase in cash and cash equivalents		**(420,946,285)**	301,963,086
Cash and cash equivalents at beginning of year		**607,712,875**	298,258,157
Effects of exchange rate changes on cashand cash equivalents		**(1,980,578)**	7,491,632
Cash and cash equivalents at end of year	9	**184,786,012**	607,712,875

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2013

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 2013 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 are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

First Adoption of Singapore Financial Reporting Standards ("FRS")

These financial statements, for the year ended 31 December 2013, are the first the Group has prepared in accordance with Singapore Financial Reporting Standards ("FRS"). For periods up to and including the year ended 31 December 2012, the Group prepared its financial statements in accordance with Singapore Financial Reporting Standards ("IFRS").

Accordingly, the Group has prepared financial statements which comply with FRS applicable for periods ending on or after 31 December 2013, together with the comparative period data as at and for the year ended 31 December 2012, as described in the accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 January 2013, the Group's date of transition to FRS.

The adoption of FRS did not result in any adjustments to the previously published IFRS financial statements as at and for the year ended 31 December 2012.

Critical accounting estimates, assumptions 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 used and accounting estimates in applying accounting policies are described below.

2(a) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates, assumptions and judgements (cont'd)

(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) 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.

(iii) Estimation of net realisable value of development properties

Significant judgement is required in assessing the net realisable value of development properties. Net realisable value in respect of development properties is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction, estimated remaining revenues and estimated costs necessary to make the sale.

These assessments include a degree of inherent uncertainty and therefore if the key judgements and estimates change, further impairments of land and work in progress may be necessary.

(iv) 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.

(v) 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.

2(a) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates, assumptions and judgements (cont'd)

(vi) Reclassification from Development Properties to Investment Properties

From time to time, the Group will transfer some of its properties held under Properties under Development to Investment Properties. In determining the amount of the properties to be classified as Investment Properties, the Group has consistently used the change of use and financial means test to evaluate whether it has the ability to retain these properties as the main criteria for the reclassification. On the date of the reclassification to Investment Properties, the property is measured at fair value by an independent firm of professional valuers. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss. The carrying amount of Investment Properties is disclosed in Note 4 to the financial statements.

(vii) 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.

(viii) 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.

(viii) 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.

2(b)(i) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. 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.

FRS 110 Consolidated Financial Statements (FRS 110)

FRS 110 supersedes FRS 27 Consolidated and Separate Financial Statements (IAS 27). FRS 110 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of a Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non–controlling interests and accounting for loss of control of a subsidiary are unchanged. Management has reviewed its control assessments in accordance with FRS 110 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

2(b)(i) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2013 (CONT'D)

FRS 111 Joint Arrangements (FRS 111)

FRS 110 supersedes FRS 31 Interests in Joint Ventures (FRS 31). FRS 110 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, FRS 31's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that standard has been eliminated. FRS 110 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

FRS 112 Disclosure of Interests in Other Entities (FRS 112)

FRS 112 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

FRS 113 Fair Value Measurement (FRS 113)

FRS 113 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair–valued. The scope of FRS 113 is broad and it applies for both financial and non–financial items for which other FRSs require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

FRS 113 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application.

Amendments to FRS 19 Employee Benefits (FRS 19)

The amendments to FRS 19 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments include to:

- eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

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)

FRS 109 Financial Instruments (FRS 109)

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning on or after 1 January 2015. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

Business combinations

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group"). The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Consolidation (Cont'd)

Business combinations (cont'd)

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non–controlling interest in the acquiree and c) acquisition–date fair value of any existing equity interest in the acquiree, over the acquisition–date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses. The accounting policies for subsidiaries are adjusted to be consistent with the policies adopted by the Group. Losses applicable to the non–controlling interests in a subsidiary are allocated to the non–controlling interests even if doing so causes the non–controlling interests to have a deficit balance.

Loss of control

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Transactions eliminated on consolidation

All inter–company balances and significant inter–company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only.

Transactions with non–controlling interests

Non–controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non–controlling interests based on their respective interests in a subsidiary, even if this results in the non–controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non–controlling interest and the fair value of the consideration paid or received is recognised in retained earnings within equity attributable to the equity holders of the Company.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non–controlling interest in the acquiree and the acquisition–date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

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.

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 (including comparatives) are translated at average exchange rates; and

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

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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
Office equipment	3 to 5 years
Motor vehicles	5 years
Computers	3 to 5 years

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. The Group has consistently reclassified properties as investment properties when it has the financial resources to do so and when there is a change in use of the properties. 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 an operating lease to another party coupled with possession of financial means to retain the properties, for a transfer from inventories to investment property;
- 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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (Cont'd)

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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities

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

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.

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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits (Cont'd)

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.

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.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income taxes (cont'd)

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.

(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).
  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, share options and performance shares.

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	Total RMB
Cost:					
At 1 January 2012	2,105,071	2,191,342	10,124,019	1,951,790	16,372,222
Additions	-	237,514	1,479,874	430,994	2,148,382
Disposals	-	(19,100)	(213,409)	-	(232,509)
Translation differences	-	9,737	-	2,783	12,520
At 31 December 2012	**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**
Accumulated depreciation:					
At 1 January 2012	150,824	627,021	5,570,106	268,956	6,616,907
Depreciation for the year	70,169	533,588	1,228,867	492,208	2,324,832
Disposals	-	(8,309)	(192,069)	-	(200,378)
Translation differences	-	8,773	-	1,545	10,318
At 31 December 2012	**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**
Carrying amount:					
At 31 December 2013	**1,813,909**	**770,669**	**3,974,119**	**2,189,078**	**8,747,775**
At 31 December 2012	1,884,078	1,258,420	4,783,580	1,622,858	9,548,936

The Company	Office equipment RMB	Computers RMB	Total RMB
Cost:			
At 1 January 2012	204,015	58,300	262,315
Additions	51,909	-	51,909
Translation differences	9,737	2,783	12,520
At 31 December 2012	**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**
Accumulated depreciation:			
At 1 January 2012	180,828	32,024	212,852
Depreciation for the year	36,609	12,391	49,000
Translation differences	8,773	1,545	10,318
At 31 December 2012	**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**
Carrying amount:			
At 31 December 2013	**20,898**	**38,065**	**58,963**
At 31 December 2012	39,451	15,123	54,574

4 INVESTMENT PROPERTIES

The Group	2013 RMB Re-stated	2012 RMB Re-stated
At 1 January	**3,663,935,000**	2,926,821,000
Transfer from completed properties for sale (Note 6)*	**369,903,876**	739,560,224
Properties sold	**(1,963,270)**	(75,206,275)
Write–off	**-**	(11,822,320)
Transfer to development properties (Note 6)	**-**	(295,326,000)
Fair value gain recognised in profit or loss	**97,423,394**	379,908,371
At 31 December	**4,129,299,000**	3,663,935,000
Deferred lease incentives **	**1,385,570**	6,082,312
Total investment properties	**4,130,684,570**	3,670,017,312

* 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 RMB369,903,876 (2012 – RMB739,560,224) 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 2012. 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	2013 RMB	2012 RMB
Rental income	**114,109,719**	84,219,968
Direct operating expenses arising from investment properties that generated rental income	**(15,217,787)**	(14,192,344)
Direct operating expenses arising from investment properties that did not generate rental income	**(6,327,169)**	(5,218,368)

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	10,191.35	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	6,851.60	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 and car parks	133,474.32	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	Retail units, offices and car parks	83,206.65	97%	40-year land use rights for commercial units expiring in 20 December 2044.

* At 31 December 2013, investment properties with carrying value of approximately RMB3,288,242,000 (2012 – RMB1,547,888,000) are mortgaged to banks to secure the bank loans granted to the Group (Note 14).

5 SUBSIDIARIES

The Company	2013 RMB	2012 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	
			2013	2012
			%	%
Held by the Company:				
Fortune Court Holdings Limited	Hong Kong	Investment holding	**100**	100
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	**51**	51
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	**46.05**	46.05

5 SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2013	2012
			%	%
Held by Chongqing Yingli Real Estate Development Co., Ltd:				
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd	PRC	Property development	**77.6**	77.6
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	**6.7**	6.7
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	**0.1**	0.1
Held by Yingli International Commercial Properties Management Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**9**	9
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	**93.3**	93.3
Held by Verdant View Limited:				
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	**99.9**	99.9
Held by Chongqing Lion Equity Investment Partnership Co., Ltd:				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	**91**	91
Held by First Regent International Limited:				
Perfect Summit Limited	Hong Kong (Incorporated on 1 July 2013)	Investment holding	**100**	–

All subsidiaries are audited by Foo Kon Tan LLP for consolidation purposes.

6 DEVELOPMENT PROPERTIES

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
	Re-stated	Re-stated		
Properties under development, at cost:				
At 1 January	**2,663,308,920**	2,628,516,930	**–**	–
– Costs incurred	**961,807,090**	809,540,363	**–**	–
– Transfer from investment properties (Note 4)	**–**	295,326,000	**–**	–
– Transfer to completed properties for sale	**(676,413,000)**	(1,070,074,373)	**–**	–
At 31 December (A)	**2,948,703,010**	2,663,308,920	**–**	–
Completed properties for sale, at cost:				
At 1 January	**–**	–	**–**	–
– Transfer from properties under development	**676,413,000**	1,070,074,373	**–**	–
– Transfer to investment properties (Note 4)	**(369,903,876)**	(739,560,224)	**–**	–
– Units sold during the year	**(306,509,124)**	(330,514,149)	**–**	–
At 31 December (B)	**–**	–	**–**	
Development properties, at cost: (A) + (B)	**2,948,703,010**	2,663,308,920	**–**	–
Borrowing costs capitalised during the year	**55,128,427**	142,824,678	**–**	–

Properties under development as at 31 December 2013 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**
No.19 Daping Zheng Jie, Yuzhong District	Office, residential and car parks	79%	2013/2014	28,226	275,667	100%
Wu Yi Road, Yuzhong District	Retail, office and car parks	2%	2016/2017	17,000	297,000	100%
Jinshi Avenue, National Agricultural and Technology Zone, Yubei District	Retail, residential and car parks	5%	2015/2016	89,726	307,000	77.6%

6 DEVELOPMENT PROPERTIES (CONT'D)

Completed properties for sale during the year are as follows:

Location (Chongqing, PRC)	Description	Existing Use	Site area (sq. meters)	Gross floor area (sq. meters)	Group's effective interest
No. 26 & 28 Minquan Road, Yuzhong District	Office units and car parks	Office and car parks	9,482	60,826.72	97%

At 31 December 2013, land related to properties under development with carrying value totalling approximately RMB563,639,000 (2012 – RMB534,005,000) was mortgaged to secure a bank loan granted to a subsidiary (Note 14).

Development properties comprise of capitalised interest expense arising from loans taken out to fund the construction of projects.

7 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	31 December 2013 RMB	31 December 2012 RMB	**2013 RMB**	2012 RMB
Current assets				
Trade receivables (A)	**108,263,519**	264,040,863	**–**	–
Impairment loss	**(2,257,659)**	(2,257,659)	**–**	–
Trade receivables, net (A)	**106,005,860**	261,783,204	**–**	–
Deposits	**7,875,220**	7,961,531	**438,151**	524,461
Refundable contract deposits	**9,996,958**	76,417,770	**–**	5,439
Other receivables	**1,834,142**	2,603,696	**127,513**	585,872
Other receivables (B)	**19,706,320**	86,982,997	**565,664**	1,115,772
Financial assets measured at amortised cost – Loans and receivables (A) + (B)	**125,712,180**	348,766,201	**565,664**	1,115,772
Prepayments	**38,361,682**	75,965,791	**10,499,461**	7,717,743
Advances to sub-contractors	**3,071,748**	5,674,066	**–**	–
Advances to property management agents	**9,600,000**	3,600,000	**–**	–
Prepaid legal consultancy service fees #	**500,000**	500,000	**–**	–
Other current assets (C)	**51,533,430**	85,739,857	**10,499,461**	7,717,743
Total current trade and other receivables (A) + (B) + (C)	**177,245,610**	434,506,058	**11,065,125**	8,833,515
Other non-current assets				
Prepaid legal consultancy service fees #	**208,319**	708,323	**–**	–
Movements in allowance for impairment loss:				
At 1 January	**2,257,659**	2,357,305	**–**	–
Allowance reversed	**–**	(99,646)	**–**	–
At 31 December	**2,257,659**	2,257,659	**–**	–

7 TRADE AND OTHER RECEIVABLES (CONT'D)

At 31 December 2013, prepayments include sales and business taxes on pre–sold properties, loan commitment fees of RMB 20,717,692 (2012: RMB74,758,296) and relocation costs of RMB Nil (2012: RMB65,605,000) for a property development.

Prepaid legal consultancy service fees relate to legal services to be rendered by a law firm for a period of 5 years commencing May 2011.

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Renminbi	**166,388,804**	426,380,866	**–**	–
Singapore dollar	**11,065,125**	8,833,515	**11,065,125**	8,833,515
	177,453,929	435,214,381	**11,065,125**	8,833,515

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

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Not past due and not impaired	**21,662,156**	185,766,071	**–**	–
Past due but not impaired:				
– less than 3 months	**–**	75,520,000	**–**	–
– 3 months to less than 6 months	**–**	202,769	**–**	–
– 6 months to less than 9 months	**–**	–	**–**	–
– 9 months to less than 12 months	**14,616,267**	–	**–**	–
– 12 months and more	**69,727,437**	294,364	**–**	–
Past due and impaired	**2,257,659**	2,257,659	**–**	–
Trade receivables	**108,263,519**	264,040,863	**–**	–
Impairment loss	**(2,257,659)**	(2,257,659)	**–**	–
Trade receivables, net	**106,005,860**	261,783,204	**–**	–

Trade receivables are granted credit terms of between 90 to 180 (2012: 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.

8 AMOUNTS OWING BY/TO SUBSIDIARIES

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

9 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Cash and bank balances	**727,131,651**	758,973,920	**29,877,068**	17,411,599
Restricted bank balance #	**(542,345,639)**	(151,261,045)	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**184,786,012**	607,712,875	**29,877,068**	17,411,599

At 31 December 2013, the weighted average interest rate of interest–earning bank balances is 0.7% (2012 – 0.3%) per annum.

Restricted bank balance represents: (i) deposits of RMB80,645,639 (2012: RMB151,261,045) pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties; and (ii) deposits of RMB461,700,000 (2012: RMB Nil) pledged to banks to secure bank loans provided by banks to the Group entities (Note 26).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**133,615,226**	25,988,016	**29,861,582**	17,403,133
United States dollar	**2,710,703**	145,983	**15,486**	8,466
Renminbi	**590,805,722**	732,839,921	**–**	–
	727,131,651	758,973,920	**29,877,068**	17,411,599

10 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.

10 EQUITY COMPENSATION BENEFITS (CONT'D)

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

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 4th anniversary of the date of grant.

(2) The options vest two years from the date of grant.

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

Details of the share options are as follows:

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	

Option grant date	Exercise price (S$)	Options outstanding at 1 January 2012	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
		–	16,260,765	–	–	16,260,765	

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.

[2] 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 831,040 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. The Board 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 rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

10 EQUITY COMPENSATION BENEFITS (CONT'D)

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

3,838,203 share options were granted during the financial year ended 31 December 2013. 16,260,765 share options were granted during the financial year ended 31 December 2012.

At 31 December 2013 and 2012, no options were exercisable.

The weighted average remaining contractual life of share options outstanding at 31 December 2013 was 2.95 (2012 – 3.28) years.

During the year, the Group charged RMB3,168,950 (2012 – RMB8,627,197) to profit or loss based on the fair value of the share options at the grant date being expensed over the vesting period.

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.

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.

10 EQUITY COMPENSATION BENEFITS (CONT'D)

(b) Share plan (Cont'd)

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.

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 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

Grant date	Fair value (S$)	Balance as at 1 January 2012	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance as at 31 December 2012
2/4/2012 [1]	0.278	–	22,120,148	–	–	22,120,148
23/4/2012	0.263	–	2,271,000	–	–	2,271,000
		–	24,391,148	–	–	24,391,148

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.

(2) 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 831,040 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. The Board 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 rewards upon fulfillment of the relevant conditions under the Ying Li Performance Share Plan.

The Company granted 5,211,784 share awards under the Share Plan and released 6,097,893 share awards via the issuance of ordinary shares to those directors and employees for which the performance and market conditions were met during the financial year ended 31 December 2013.

During the year, the Group charged RMB3,065,465 (2012 – RMB12,101,298) to profit or loss based on the fair value of the performance shares at the grant date being expensed over the vesting period.

10 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.

11 SHARE CAPITAL

	No. of ordinary shares		Amount	
The Company	**2013**	2012	**2013**	2012
			RMB	RMB
Issued and fully paid, with no par value				
At 1 January	**2,162,946,974**	2,162,946,974	**3,528,339,856**	3,528,339,856
Issue of Shares	**6,097,893**	–	**8,437,199**	–
At 31 December	**2,169,044,867**	2,162,946,974	**3,536,777,055**	3,528,339,856

On 26 April 2013, the Company has issued and allotted an aggregate of 6,097,893 fully paid-up ordinary shares in the capital of the Company for a consideration of $8,437,199 pursuant to the vesting of the share awards to selected employees who have fulfilled certain conditions in accordance with the terms of the grant under the Ying Li Performance 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.

12 OTHER RESERVES

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
	Re-stated		**Re-stated**	
Equity compensation reserve	**18,525,711**	20,728,495	**18,525,711**	20,728,495
Reverse acquisition reserve	**(1,993,711,730)**	(1,993,711,730)	**–**	–
Statutory common reserve	**68,443,956**	13,139,490	**–**	–
Convertible bonds reserve	**42,457,927**	49,444,008	**42,457,927**	49,444,008
Translation reserve	**49,117,068**	(7,372,062)	**(19,374,770)**	22,859,290
	(1,815,167,068)	(1,917,771,799)	**41,608,868**	93,031,793

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 convertible bonds reserve comprises the equity component of the convertible bonds net of directly attributable transaction costs.

12 OTHER RESERVES (CONT'D)

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.

13 DEFERRED TAX LIABILITIES

The Group	**2013 RMB Re-stated**	2012 RMB Re-stated
Deferred tax liabilities	**483,537,116**	471,026,002
Movement in temporary differences during the year is as follows: Investment properties:		
– Balance at 1 January	**471,026,002**	388,726,455
– Recognised in profit or loss (Note 19)	**12,511,114**	82,299,547
– Balance at 31 December	**483,537,116**	471,026,002

14 BORROWINGS

		The Group		**The Company**	
	Maturity	**2013 RMB**	2012 RMB	**2013 RMB**	2012 RMB
Bank loans					
– repayable within one year or less	2014	**1,075,035,471**	94,921,137	**137,915,107**	–
– repayable after one year but within the normal operating cycle	2016	**817,308,235**	1,374,858,947	**398,864,800**	–
Loan from a shareholder (i)	2014	**96,112,000***	–	**96,112,000***	–
Presented as current liabilities		**1,988,455,706**	1,469,780,084	**632,891,907**	–
Liability component of Convertible Bonds	2015	**–**	1,044,199,221	**–**	1,044,199,221
Loan from a shareholder (ii)	2014	**–**	8,238,254#	**–**	8,238,254#
Bank loans	2028	**814,375,000**	–	**–**	–
Presented as non-current liabilities		**814,375,000**	1,052,437,475	**–**	1,052,437,475
Total borrowings		**2,802,830,706**	2,522,217,559	**632,891,907**	1,052,437,475

14 BORROWINGS (CONT'D)

Bank loans

At 31 December 2013, 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 RMB 563,639,100 (2012 – RMB534,005,000) (Note 6); and

(c) fixed and floating charges on assets of certain subsidiaries including fixed deposits pledged amounting to RMB 461.7 million (2012 – RMB100 million).

The bank loans have a weighted average interest rate of 6.42% (2012 – 6.98%) per annum at the reporting date. Interest on the bank loans is repriced within 12 months (2012 – 12 months).

Loans from a shareholder

* 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.

At 31 December 2012, loan from a shareholder was unsecured and bore a fixed interest rate of 7% per annum. This loan was repaid during the financial year ended 31 December 2013. Interest rate in the loan was based on comparable commercial rate payable on a similar loan.

The bank loans are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**632,891,907**	1,052,437,475	**632,891,907**	1,052,437,475
Renminbi	**1,502,174,999**	1,374,858,947	**–**	–
United States dollar	**667,763,800**	94,921,137	**–**	–
	2,802,830,706	2,522,217,559	**632,891,907**	1,052,437,475

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 are 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 occurs 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 is less than 10% of the aggregate principal amount originally issued, the Company shall 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).

14 BORROWINGS (CONT'D)

Convertible bonds (Cont'd)

The Company will, 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 will 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 will 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 RMB1,062,338,878 in cash.

The Group	**2013 RMB**	2012 RMB
Proceeds from issue of convertible bonds	**974,620,000**	974,620,000
Transaction costs	**(37,708,797)**	(37,708,797)
Net proceeds	**936,911,203**	936,911,203
Amount classified as equity	**(49,444,008)**	(49,444,008)
Accreted interest	**131,375,595**	133,277,402
Convertible bonds repurchased (but not cancelled)	**(23,483,953)**	(23,020,970)
Translation differences	**31,302,498**	46,475,594
Redemption of convertible bonds	**(1,055,116,396)**	–
Loss on redemption of convertible bonds	**28,455,061**	–
	–	1,044,199,221

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

At the reporting date, the Company has utilised RMB 774,492,152 (2012 – RMB 774,492,152) of the net proceeds as follows:

	2013 RMB	2012 RMB
Investments in subsidiaries	**724,140,652**	724,140,652
Payment for the acquisition of land parcel for development	**50,351,500**	50,351,500
	774,492,152	774,492,152

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

15 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Trade payables (A)	**363,863,143**	347,438,152	**–**	–
Accrued expenses	**36,947,269**	14,113,866	**11,525,094**	3,862,411
Rental and option deposits	**66,735,726**	40,449,064	**–**	–
Project deposits	**16,653,000**	25,000,000	**–**	–
Others	**1,324,910**	595,397	**481**	510
Other payables (B)	**121,660,905**	80,158,327	**11,525,575**	3,862,921
Financial liabilities measured at amortised cost – Trade and other payables (A) + (B)	**485,524,048**	427,596,479	**11,525,575**	3,862,921
Advances from customers	**673,557,200**	622,790,134	**–**	–
Advances from sub–contractors	**–**	2,402,037	**–**	–
Other current liabilities (C)	**673,557,200**	625,192,171	**–**	–
Total current trade and other payables (A) + (B) + (C)	**1,159,081,248**	1,052,788,650	**11,525,575**	3,862,921

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Singapore dollar	**11,525,575**	4,205,442	**11,525,575**	3,862,921
Renminbi	**1,143,047,531**	1,048,583,208	**–**	–
United States dollar	**4,508,142**	–	**–**	–
	1,159,081,248	1,052,788,650	**11,525,575**	3,862,921

Trade payables have credit terms of between 60 to 180 days (2012 – between: 60 to 180 days).

16 REVENUE

	2013	2012
	RMB	RMB
The Group		
Sale of development properties	**524,713,216**	501,000,414
Rental income from investment properties	**114,109,719**	84,219,968
	638,822,935	585,220,382

17 OTHER INCOME

The Group	2013 RMB	2012 RMB
Interest income		
– fixed deposits	**5,374**	314,712
– bank balances	**4,986,380**	748,420
	4,991,754	1,063,132
Sublet rental income	**558,127**	1,104,355
Government grants	**466,000**	14,661,664
Others	**1,059,347**	228,278
	7,075,228	17,057,429

18 PROFIT BEFORE TAXATION

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

The Group	Note	2013 RMB	2012 RMB
Exchange loss, net		**14,894,954**	1,145,491
Loss on redemption of convertible bonds	14	**28,455,061**	–
Depreciation of property, plant and equipment	3	**2,235,960**	2,324,832
Loss on disposal of property, plant and equipment		**24,579**	32,131
Donations		**3,160,000**	3,155,000
Operating lease expense		**1,781,755**	1,881,497
Write–off of investment properties	4	**–**	11,822,320
Interest expense:			
– bank loans		**103,746,066**	1,211,214
– loans from a shareholder		**423,173**	48,822
– convertible bonds		**924,679**	14,014,275
		105,093,918	15,274,311
Directors' fees		**1,846,563**	1,646,112
Staff costs:			
Key management personnel			
Directors' remuneration other than fees			
– salaries, wages and other related costs		**4,894,591**	3,037,390
– contributions to defined contribution plans		**232,622**	206,245
– Equity–settled share–based payment transactions		**939,456**	1,047,223
Other than directors			
– salaries, wages and other related costs		**5,613,207**	6,313,835
– contributions to defined contribution plans		**443,712**	419,499
– Equity–settled share–based payment transactions		**2,441,087**	4,654,166
Other than key management personnel			
– salaries, wages and other related costs		**19,645,049**	12,373,650
– contributions to defined contribution plans		**2,520,418**	675,470
– Equity–settled share–based payment transactions		**2,853,872**	15,027,106
		39,584,014	43,754,584

19 TAX EXPENSE

The Group	2013 RMB	2012 RMB
Current tax expense		
Current taxation	**34,071,767**	56,291,675
Deferred tax expense		
Movements in temporary differences (Note 13)	**12,511,114**	82,299,547
	46,582,881	138,591,222

Reconciliation of effective tax rate

The Group	2013 RMB	2012 RMB
Profit before taxation	**87,658,046**	517,382,466
Tax at statutory rate of 17%	**14,901,868**	87,955,019
Expenses not deductible for tax purposes	**–**	72,250
Deferred tax assets on current year losses not recognised	**3,736,507**	5,134,688
Effect of tax rates in foreign jurisdictions	**27,944,506**	45,429,265
	46,582,881	138,591,222

At the reporting date the Group had unabsorbed tax losses of RMB86.6 million (2012 – RMB59.2 million) attributable to certain subsidiaries expiring from 2014 through 2018.

These unabsorbed tax losses are available for carry forwards and set–off against future taxable income, subject to agreement by tax authorities and compliance with certain provisions of the tax legislations of the respective countries in which the subsidiaries operate.

Deferred tax assets of approximately RMB21.7 million (2012 – RMB14.8 million) have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

20 EARNINGS PER SHARE

The Group	2013 RMB	2012 RMB
Profit attributable to ordinary shareholders of the Company	**41,578,975**	378,366,147
Profit impact of conversion of the dilutive potential ordinary shares	**–**	43,211,877
Adjusted net profit attributable to equity holders of the Company	**41,578,975**	421,578,024
Weighted average number of ordinary shares used in calculation of basic earnings per share	**2,167,106,906**	2,162,583,338
Weighted average number of unissued ordinary shares from convertible bonds	**–**	249,097,023
Weighted average number of unissued ordinary shares	**42,290,323**	56,546,766
Weighted average number of ordinary shares used in calculation of diluted earnings per share	**2,209,397,229**	2,468,227,127
Earnings per share (RMB):		
– Basic	**0.02**	0.17
– Diluted	**0.02**	0.17

The share options were not included in the computation of diluted earnings per share because they were anti–dilutive.

21 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	2013 RMB	2012 RMB
Interest expense on loans from a shareholder	**423,173**	12,092,522
Business consultancy fees expense paid and payable to a director	**–**	240,000
Rental income from sub–letting of office premises to a firm of which a director of the Company is a member	**558,127**	957,072

22 COMMITMENTS

(i) Capital commitments

The Group	2013 RMB	2012 RMB
Development and investment properties expenditure contracted but not provided for in the financial statements	**647,762,797**	554,333,924

22 COMMITMENTS (CONT'D)

(ii) Lease commitments

(A) Where the Company is the lessee

At the reporting date, the Company was committed to making the following rental payments in respect of a non-cancellable operating lease of office premises.

	2013	2012
The Company	**RMB**	RMB
Not later than one year	**1,772,899**	1,450,760
Later than one year and not later than five years	**369,354**	3,665,077
	2,142,253	5,115,837

The lease expires in March 2015 with an option to renew the lease after that date.

(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**	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Not later than one year	**152,703,063**	103,311,488	**448,686**	725,380
Later than one year and not later than five years	**449,475,231**	358,751,036	**93,476**	1,832,539
Later than five years	**405,555,747**	414,260,158	**–**	–
	1,007,734,041	876,322,682	**542,162**	2,557,919

The operating leases of these commercial and residential premises expire between 2012 and 2026 and contain renewal options.

23 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, sale, 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 the 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 and cash resources are managed on a group basis and are not allocated to operating segments.

23 OPERATING SEGMENTS (CONT'D)

	31 December 2013				31 December 2012			
	Property investment	**Property development**	**Others**	**Total**	Property investment	Property development	Others	Total
	RMB	**RMB**	**RMB**	**RMB**	RMB	RMB	RMB	RMB
Revenue	**114,109,719**	**524,713,216**	**–**	**638,822,935**	83,856,978	501,363,404	–	585,220,382
Segment results	**67,312,397**	**132,448,203**	**(83,027,621)**	**116,732,982**	51,367,187	140,837,302	(56,481,382)	135,723,107
Interest income	**–**	**–**	**4,991,754**	**4,991,754**	–	–	1,063,132	1,063,132
Interest expense	**–**	**(105,093,918)**	**–**	**(105,093,918)**		(15,274,311)	–	(15,274,311)
Government grants	**–**	**466,000**	**–**	**466,000**	–	14,661,664	–	14,661,664
Sublet rental income	**–**	**–**	**558,127**	**558,127**	–	–	1,104,355	1,104,355
Loss on disposal of property, plant and equipment	**–**	**–**	**(24,579)**	**(24,579)**	–	–	(32,131)	(32,131)
Other income	**–**	**–**	**1,059,347**	**1,059,347**	–	166,368	61,911	228,279
Fair value gain on investment properties	**97,423,394**	**–**	**–**	**97,423,394**	379,908,371	–	–	379,908,371
Loss on redemption of convertible bonds	**–**	**(28,455,061)**	**–**	**(28,455,061)**	–	–	–	–
Profit before tax	**164,735,791**	**(634,776)**	**(76,442,972)**	**87,658,046**	431,275,558	140,391,023	(54,284,115)	517,382,466
Segment assets	**3,583,434,209**	**3,635,300,683**	**46,854,392**	**7,265,589,284**	3,050,814,968	3,657,686,719	69,587,862	6,778,089,549
Total assets	**–**	**–**	**–**	**7,992,720,935**	–	–	–	7,537,063,469
Segment liabilities	**115,916,289**	**4,325,316,228**	**4,216,553**	**4,445,449,070**	8,273,907	2,568,004,419	1,469,753,885	4,046,032,211
Total liabilities	**–**	**–**	**–**	**4,541,090,158**	–	–	–	4,182,245,321
Other information								
Exchange loss, net	**–**	**14,894,954**	**–**	**14,894,954**	–	1,145,491	–	1,145,491
Capital expenditure	**–**	**–**	**1,462,329**	**1,462,329**	–	–	2,148,382	2,148,382
Depreciation of property, plant and equipment	**–**	**–**	**2,235,960**	**2,235,960**	–	–	2,324,832	2,324,832
Amortisation of other non-current assets	**4,696,742**	**–**	**–**	**4,696,742**	1,296,226	–	–	1,296,226
Equity-settled share-based payment transactions	**939,456**	**2,441,087**	**2,853,872**	**6,234,415**	288,698	14,738,408	5,701,389	20,728,495
Write-off of investment properties	**–**	**–**	**–**	**–**	11,822,320	–	–	11,822,320

The Group derived all its revenue from the PRC. Therefore, no geographical information is presented.

23 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment assets:

The Group	2013 RMB	2012 RMB
Segment assets	**7,265,589,284**	6,778,089,549
Unallocated assets:		
Cash and cash equivalents	**727,131,651**	758,973,920
Consolidated assets	**7,992,720,935**	7,537,063,469

Reconciliations of reportable segment liabilities:

The Group	2013 RMB	2012 RMB
Segment liabilities	**4,445,449,070**	4,046,032,211
Unallocated liabilities		
Provision for taxation	**95,641,088**	136,213,110
Consolidated liabilities	**4,541,090,158**	4,182,245,321

24 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.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

At the reporting date, other than as disclosed in Note 7, 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.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

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 (2012 – 12 months).

Cash flow sensitivity analysis for variable rate instruments

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	50 bp increase	50 bp decrease
The Group	RMB'000	RMB'000	RMB'000	RMB'000
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**
31 December 2012				
Variable rate bank loans	(7,349)	7,349	(7,349)	7,349
Variable rate fixed deposits	756	(756)	756	(756)
	(6,593)	6,593	(6,593)	6,593
The Company				
31 December 2013				
Variable rate bank loans	**(2,684)**	**2,684**	**(2,684)**	**2,684**
31 December 2012				
Variable rate bank loans	–	–	–	–

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 borrowings 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).

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Currency risk (Cont'd)

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% (2012 – 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% (2012 – 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.

	2013			2012		
	SGD strengthened 5%	**USD strengthened 5%**		SGD strengthened 5%	USD strengthened 5%	
The Group	**RMB'000**	**RMB'000**	**Total RMB'000**	RMB'000	RMB'000	Total RMB'000
Profit before tax – increase/ (decrease)	**5,188**	**(33,478)**	**(28,290)**	412	(4,739)	(4,327)
Equity – increase/ (decrease)	**5,188**	**(33,478)**	**(28,290)**	412	(4,739)	(4,327)
The Company						
Profit before tax – increase/ (decrease)	**–**	**774**	**774**	–	423	423
Equity – increase/ (decrease)	**–**	**774**	**774**	–	423	423

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, deferred income and interest–bearing borrowings) or those which reprice regularly approximate their fair values because of the short period to maturity or repricing.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Fair value measurement of non–financial assets

The following table shows the Levels within the hierarchy of non–financial assets measured at fair value on a recurring basis at 31 December 2013:

The Group	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
31 December 2013				
Commercial and residential premises	**–**	**–**	**4,129,299,000**	**4,129,299,000**

Fair value of the Group's investment properties is estimated based on appraisals performed by an independent firm of professional valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the board of directors and audit committee at each reporting date.

The appraisal was carried out using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for differences in location of the unit within the development, floor level, floor area and date of transaction amongst other factors affecting value.

The extent and direction of these adjustments depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although these adjustments involve subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

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 2013 RMB
At 1 January	**3,663,935,000**
Transfer from completed properties for sale	**369,903,876**
Properties sold	**(1,963,270)**
Fair value gain recognised in profit or loss	**97,423,394**
At 31 December	**4,129,299,000**

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.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

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 2013					
Trade and other payables	485,524,048	485,524,048	485,520,448	–	–
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	1,656,667,919	1,128,140,958	982,800,250
31 December 2012					
Trade and other payables	427,596,479	427,596,479	427,596,479	–	–
Borrowings	2,522,217,559	2,889,108,804	1,399,537,194	1,149,419,110	340,152,500
	2,949,814,038	3,316,705,283	1,827,133,673	1,149,419,110	340,152,500

		––––––––Contractual undiscounted cash flows––––––––––			
The Company	Carrying amount RMB	Total RMB	Less than 1 year RMB	Between 2 and 5 years RMB	Over 5 years RMB
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	–	–
	1,350,921,484	1,396,228,193	952,056,684	444,171,509	–
31 December 2012					
Trade and other payables	3,862,921	3,862,921	3,862,921	–	–
Borrowings	1,052,437,475	1,053,587,145	1,044,199,221	9,387,924	–
Amounts due to subsidiaries	119,050,833	119,050,833	119,050,833	–	–
	1,175,351,229	1,176,500,899	1,167,112,975	9,387,924	–

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

24 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

Financial instruments by category

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables	**125,712,180**	348,766,201	**565,664**	1,115,772
Amounts owing by subsidiaries	**–**	–	**1,663,265,801**	1,637,287,972
Cash and cash equivalents	**727,131,651**	758,973,920	**29,877,068**	17,411,599
	852,843,831	1,107,740,121	**1,693,708,533**	1,655,815,343

	The Group		The Company	
	2013	2012	**2013**	2012
	RMB	RMB	**RMB**	RMB
Financial liabilities				
Financial liabilities measured at amortised cost:				
Amount owing to subsidiaries	**–**	–	**706,504,002**	119,050,833
Trade and other payables	**485,524,048**	427,596,479	**11,525,575**	3,862,921
Borrowings	**2,802,830,706**	2,522,217,559	**632,891,907**	1,052,437,475
	3,288,354,754	2,949,814,038	**1,350,921,484**	1,175,351,229

25 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. Net debt represents total borrowings less cash and cash equivalents, excluding restricted bank balance.

There were no changes in the Group's approach to capital management during the year.

25 CAPITAL MANAGEMENT (CONT'D)

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group	2013 RMB	2012 RMB
Total borrowings (A)	**2,802,830,706**	2,522,217,559
Cash and cash equivalents	**727,131,651**	758,973,920
Less: Restricted bank balance	**(542,345,639)**	(151,261,045)
(B)	**184,786,012**	607,712,875
Net debt (C)=(A)–(B)	**2,618,044,694**	1,914,504,684
Total equity (D)	**3,396,661,820**	3,299,345,381
Gearing ratio (times) (C)/(D)	**0.77**	0.58

26 CONTINGENT LIABILITIES

The Group	2013 RMB	2012 RMB
Deposits pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties (Note 9)	**80,645,639**	151,261,045
Deposits pledged to banks to secure bank loans provided by banks to the Group entities (Note 9)	**461,700,000**	–
	542,345,639	151,261,045

The financial effects of IAS 39 relating to financial guarantee contracts issued by the Group and the Company are not material to the financial statements and are, therefore not recognised.

Management has assessed the credit profit of the customers. No material losses under these guarantees are expected.

27 COMPARATIVE INFORMATION

The Group has reclassified an amount of RMB7,418,343 related to deposit for land acquisition from land for development to other receivables as at 31 December 2012. Since the amount is reclassification within the statement of financial position, this reclassification does not have any effect on the income statement and statement of cash flows.

The Group	31 December 2012 (as reported) RMB	Adjustment RMB	31 December 2012 (Re-stated) RMB
Statement of financial position			
Land for development	7,418,343	(7,418,343)	–
Other receivables	427,087,715	7,418,343	434,506,058

The Group	1 January 2012 (as reported) RMB	Adjustment RMB	1 January 2012 (Restated) RMB
Statement of financial position			
Land for development	7,418,343	(7,418,343)	–
Other receivables	171,749,667	7,418,343	179,168,010

28 RESTATEMENT OF FINANCIAL STATEMENTS

In conjunction with the Financial Reporting Surveillance Programme of the Accounting and Corporate Regulatory Authority, it was determined that certain adjustments related to the Group's previously issued financial statements for the year ended 31 December 2013 were required.

The adjustments comprise the following:

(1) During the financial year ended 31 December 2013, the Group and the Company redeemed the convertible bonds and recognised the resulting gain on the equity component in profit or loss instead of equity.

(2) In prior years, the Group had classified car park lots attributable to retail malls and office units as investment properties at later dates instead of at inception of the construction.

(3) In prior years, the Group had classified certain office units as investment properties at a later date instead of at inception of the construction.

The effects of the restatement on the consolidated statements of financial position as at 31 December 2013 and comparative information as at 31 December 2012 are summarised in the following tables:

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group As at 31 December 2013	Previously reported RMB	Correction RMB	Re-stated RMB
ASSETS			
Non–Current			
Property, plant and equipment	**8,747,775**	**–**	**8,747,775**
Investment properties	**3,837,684,570**	**293,000,000**	**4,130,684,570**
Subsidiaries	**–**	**–**	
Other non–current assets	**208,319**		**208,319**
	3,846,640,664	**293,000,000**	**4,139,640,664**
Current			
Development properties	**3,241,927,604**	**(293,224,594)**	**2,948,703,010**
Trade and other receivables	**177,245,610**	**–**	**177,245,610**
Cash and cash equivalents	**727,131,651**	**–**	**727,131,651**
	4,146,304,865	**(293,224,594)**	**3,853,080,271**
Total assets	**7,992,945,529**	**(224,594)**	**7,992,720,935**
EQUITY			
Share capital	**3,536,777,055**	**–**	**3,536,777,055**
Retained earnings	**1,717,678,205**	**(42,626,372)**	**1,675,051,833**
Other reserves	**(1,857,624,995)**	**42,457,927**	**(1,815,167,068)**
Equity attributable to owners of the Company	**3,396,830,265**	**(168,445)**	**3,396,661,820**
Non–controlling interests	**54,968,957**	**–**	**54,968,957**
Total equity	**3,451,799,222**	**(168,445)**	**3,451,630,777**
LIABILITIES			
Non–Current			
Deferred tax liabilities	**483,593,265**	**(56,149)**	**483,537,116**
Borrowings	**814,375,000**	**–**	**814,375,000**
	1,297,968,265	**(56,149)**	**1,297,912,116**
Current			
Trade and other payables	**1,159,081,248**	**–**	**1,159,081,248**
Borrowings	**1,988,455,706**	**–**	**1,988,455,706**
Current tax payables	**95,641,088**	**–**	**95,641,088**
	3,243,178,042	**–**	**3,243,178,042**
Total liabilities	**4,541,146,307**	**(56,149)**	**4,541,090,158**
Total equity and liabilities	**7,992,945,529**	**(224,594)**	**7,992,720,935**

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group As at 31 December 2012	Previously reported RMB	Correction RMB	Re-stated RMB
ASSETS			
Non–Current			
Property, plant and equipment	9,548,936	–	9,548,936
Investment properties	3,115,951,312	554,066,000	3,670,017,312
Subsidiaries	–	–	–
Other non–current assets	708,323		708,323
	3,126,208,571	554,066,000	3,680,274,571
Current			
Development properties	3,055,430,605	(392,121,685)	2,663,308,920
Trade and other receivables	434,506,058	–	434,506,058
Cash and cash equivalents	758,973,920	–	758,973,920
	4,248,910,583	(392,121,685)	3,856,788,898
Total assets	7,375,119,154	161,944,315	7,537,063,469
EQUITY			
Share capital	3,528,339,856	–	3,528,339,856
Retained earnings	1,567,319,087	121,458,237	1,688,777,324
Other reserves	(1,917,771,799)	–	(1,917,771,799)
Equity attributable to owners of the Company	3,177,887,144	121,458,237	3,299,345,381
Non–controlling interests	55,472,767	–	55,472,767
Total equity	3,233,359,911	121,458,237	3,354,818,148
LIABILITIES			
Non–Current			
Deferred tax liabilities	430,539,924	40,486,078	471,026,002
Borrowings	1,052,437,475	–	1,052,437,475
	1,482,977,399	40,486,078	1,523,463,477
Current			
Trade and other payables	1,052,788,650	–	1,052,788,650
Borrowings	1,469,780,084	–	1,469,780,084
Current tax payables	136,213,110	–	136,213,110
	2,658,781,844	–	2,658,781,844
Total liabilities	4,141,759,243	40,486,078	4,182,245,321
Total equity and liabilities	7,375,119,154	161,944,315	7,537,063,469

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The effects of the restatement on the consolidated statement of comprehensive income for the financial year ended 31 December 2013 and comparative information for the financial year ended 31 December 2012 are summarised in the following table:

The Group Year ended 31 December 2013	Previously reported RMB	Correction RMB	Re-stated RMB
Revenue	**638,822,935**	**–**	**638,822,935**
Cost of sales	(387,539,980)	–	(387,539,980)
Gross profit	**251,282,955**	**–**	**251,282,955**
Other income	7,075,231	(3)	7,075,228
Other expenses	(17,041,590)	(11,413,471)	(28,455,061)
Selling expenses	(37,988,700)	–	(37,988,700)
Administrative expenses	(65,541,396)	(31,044,456)	(96,585,852)
Fair value gain on investment properties	259,592,299	(162,168,905)	97,423,394
Finance costs	(105,093,918)	–	(105,093,918)
Profit before taxation	**292,284,881**	**(204,626,835)**	**87,658,046**
Tax expense	(87,125,107)	40,542,226	(46,582,881)
Profit for the year	**205,159,774**	**(164,084,609)**	**41,075,165**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on equity component upon redemption of convertible bond	–	(6,986,081)	(6,986,081)
Foreign currency translation differences (at nil tax)	56,489,130	–	56,489,130
Other comprehensive (loss)/income for the year	**56,489,130**	**(6,986,081)**	**49,503,049**
Total comprehensive income for the year	**261,648,904**	**(171,070,690)**	**90,578,214**
Profit/(Loss) attributable to:			
Owners of the Company	205,663,584	(164,084,609)	41,578,975
Non-controlling interests	(503,810)	–	(503,810)
	205,159,774	**(164,084,609)**	**41,075,165**
Total comprehensive income/(loss) attributable to:			
Owners of the Company	262,152,714	(171,070,690)	91,082,024
Non-controlling interests	(503,810)	–	(503,810)
	261,648,904	**(171,070,690)**	**90,578,214**
Earnings per share (RMB):			
Basic	0.09		0.02
Diluted	0.09		0.02

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group Year ended 31 December 2012	Previously reported RMB	Correction RMB	Re-stated RMB
Revenue	**585,220,382**	**–**	**585,220,382**
Cost of sales	(328,415,021)	–	(328,415,021)
Gross profit	**256,805,361**	**–**	**256,805,361**
Other income	17,057,429	–	17,057,429
Selling expenses	(40,611,231)	–	(40,611,231)
Administrative expenses	(80,503,153)	–	(80,503,153)
Fair value gain on investment properties	378,331,633	1,576,738	379,908,371
Finance costs	(15,274,311)	–	(15,274,311)
Profit before taxation	**515,805,728**	**1,576,738**	**517,382,466**
Tax expense	(138,197,038)	(394,184)	(138,591,222)
Profit for the year	**377,608,690**	**1,182,554**	**378,791,244**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences (at nil tax)	(41,980,617)	–	(41,980,617)
Other comprehensive (loss)/income for the year	**(41,980,617)**	**–**	**(41,980,617)**
Total comprehensive income for the year	**335,628,073**	**1,182,554**	**336,810,627**
Profit/(Loss) attributable to:			
Owners of the Company	377,183,593	1,182,554	378,366,147
Non-controlling interests	425,097	–	425,097
	377,608,690	**1,182,554**	**378,791,224**
Total comprehensive income/(loss) attributable to:			
Owners of the Company	335,202,976	1,182,554	336,385,530
Non-controlling interests	425,097	–	425,097
	335,628,073	**1,182,554**	**336,810,627**
Earnings per share (RMB):			
Basic	0.17		0.17
Diluted	0.17		0.17

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The effects of the restatement on the statements of cash flows as at 31 December 2013 and comparative information as at 31 December 2012 are summarised in the following tables:

The Group Year ended 31 December 2013	Note	Previously reported RMB	Correction RMB	Re-stated RMB
Cash Flows from Operating Activities				
Profit before taxation		292,284,881	(204,626,835)	87,658,046
Adjustments for:				
Depreciation of property, plant and equipment	3	2,235,960	–	2,235,960
Amortisation of other non–current assets		5,196,746	(500,004)	4,696,742
Equity–settled share–based payment transactions	18	6,234,415	–	6,234,415
Amortisation of prepaid legal consultancy service fee		–	500,004	500,004
Fair value gain on investment properties	4	(259,592,299)	162,168,905	(97,423,394)
Loss on redemption of convertible bonds		17,041,590	11,413,471	28,455,061
Fair value loss on convertible bond		–	(6,986,081)	(6,986,081)
Interest income	17	(4,991,754)	–	(4,991,754)
Interest expense	18	105,093,918	–	105,093,918
Loss on disposal of property, plant and equipment		24,579	–	24,579
Operating profit before working capital changes		163,528,036	(38,030,540)	125,497,496
Change in investment properties		1,963,270	(3,926,540)	(1,963,270)
Change in development properties		(595,043,651)	3,926,539	(591,117,112)
Change in trade and other receivables		257,260,449	–	257,260,449
Change in trade and other payables		91,306,763	48,135,359	139,442,122
Cash used in operations		(80,985,133)	10,104,818	(70,880,315)
Interest paid		(121,416,014)	(40,983,486)	(162,399,500)
Interest received		4,991,754	–	4,991,754
Income tax paid		(74,643,788)	–	(74,643,788)
Net cash used in operating activities		(272,053,181)	(30,878,668)	(302,931,849)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment		(1,467,829)	–	(1,467,829)
Proceeds from disposal of investment properties		–	1,963,270	1,963,270
Proceeds from disposal of property, plant and equipment		6,000	–	6,000
Net cash used in investing activities		(1,461,829)	1,963,270	501,441
Cash Flows from Financing Activities				
Cash at bank – restricted		(391,084,594)	–	(391,084,594)
Proceeds from loans and borrowings		1,729,142,245	–	1,729,142,245
Repayment of loans and borrowings		(489,330,878)	–	(489,330,878)
Repayment of convertible bonds	14	(1,086,917,100)	31,800,704	(1,055,116,396)
Proceeds of loan from a shareholder		96,112,000	–	96,112,000
Repayment of loan from a shareholder		(8,238,254)	–	(8,238,254)
Net cash (used in)/generated from financing activities		(150,316,581)	31,800,704	(118,515,877)
Net (decrease)/increase in cash and cash equivalents		(423,831,591)	2,885,306	(420,946,285)
Cash and cash equivalents at beginning of year		607,712,875	–	607,712,875
Effects of exchange rate changes on cash and cash equivalents		904,728	(2,885,306)	(1,980,578)
Cash and cash equivalents at end of year	9	184,786,012	–	184,786,012

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group Year ended 31 December 2012	Note	Previously reported RMB	Correction RMB	Re-stated RMB
Cash Flows from Operating Activities				
Profit before taxation		515,805,728	1,576,738	517,382,466
Adjustments for:				
Depreciation of property, plant and equipment	3	2,324,832	–	2,324,832
Amortisation of other non-current assets		1,296,226	–	1,296,226
Equity-settled share-based payment transactions	18	20,728,495	–	20,728,495
Fair value gain on investment properties	4	(378,331,633)	(1,576,738)	(379,908,371)
Write-off of investment properties		11,822,320	–	11,822,320
Interest income	17	(1,063,132)	–	(1,063,132)
Interest expense	18	15,274,311	–	15,274,311
Loss on disposal of property, plant and equipment		32,131	–	32,131
Operating profit before working capital changes		187,889,278	–	187,889,278
Change in investment properties		76,002,497	–	76,002,497
Change in development properties		(439,918,134)	–	(439,918,134)
Change in trade and other receivables		(255,389,227)	–	(255,389,227)
Change in trade and other payables		388,391,866	–	388,391,866
Cash used in operations		(43,023,720)	–	(43,023,720)
Interest paid		(5,637,971)	–	(5,637,971)
Interest received		1,063,132	–	1,063,132
Income tax paid		(28,438,913)	–	(28,438,913)
Net cash used in operating activities		(76,037,472)	–	(76,037,472)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment		(2,148,382)	–	(2,148,382)
Net cash used in investing activities		(2,148,382)	–	(2,148,382)
Cash Flows from Financing Activities				
Cash at bank – restricted		(106,674,568)	–	(106,674,568)
Proceeds from loans and borrowings		810,701,060	–	810,701,060
Repayment of loans and borrowings		(234,653,112)	–	(234,653,112)
Proceeds of loan from a shareholder		8,238,254	–	8,238,254
Repayment of loan from a shareholder		(97,462,694)	–	(97,462,694)
Net cash (used in)/generated from financing activities		380,148,940	–	380,148,940
Net (decrease)/increase in cash and cash equivalents		301,963,086	–	301,963,086
Cash and cash equivalents at beginning of year		298,258,157	–	298,258,157
Effects of exchange rate changes on cash and cash equivalents		7,491,632	–	7,491,632
Cash and cash equivalents at end of year	9	607,712,875	–	607,712,875

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The effects of the restatement on the statements of financial position as at 31 December 2013 and comparative information as at 31 December 2012 are summarised in the following tables:

The Company As at 31 December 2013	Previously reported RMB	Correction RMB	Re-stated RMB
ASSETS			
Non–Current			
Property, plant and equipment	**58,963**	**–**	**58,963**
Subsidiaries	**2,827,257,014**	**–**	**2,827,257,014**
	2,827,315,977	**–**	**2,827,315,977**
Current			
Development properties	**153,338,684**	**(153,338,684)**	**–**
Trade and other receivables	**11,065,125**	**–**	**11,065,125**
Amounts owing from subsidiaries	**1,663,265,801**	**–**	**1,663,265,801**
Cash and cash equivalents	**29,877,068**	**–**	**29,877,068**
	1,857,546,678	**(153,338,684)**	**1,704,207,994**
Total assets	**4,684,862,655**	**(153,338,684)**	**4,531,523,971**
EQUITY			
Share capital	**3,536,777,056**		**3,536,777,056**
Accumulated losses	**(201,986,826)**	**(195,796,611)**	**(397,783,437)**
Other reserves	**(849,059)**	**42,457,927**	**41,608,868**
Total equity	**3,333,941,171**	**(153,338,684)**	**3,180,602,487**
LIABILITIES			
Current			
Amount owing to subsidiaries	**706,504,002**	**–**	**706,504,002**
Trade and other payables	**11,525,575**	**–**	**11,525,575**
Borrowings	**632,891,907**	**–**	**632,891,907**
Total liabilities	**1,350,921,484**	**–**	**1,350,921,484**
Total equity and liabilities	**4,684,862,655**	**(153,338,684)**	**4,531,523,971**

28 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Company As at 31 December 2012	Previously reported RMB	Correction RMB	Re-stated RMB
ASSETS			
Non–Current			
Property, plant and equipment	54,574	–	54,574
Subsidiaries	2,827,257,014	–	2,827,257,014
	2,827,311,588	–	2,827,311,588
Current			
Development properties	149,207,448	(149,207,448)	–
Trade and other receivables	8,833,515	–	8,833,515
Amounts owing from subsidiaries	1,637,287,972	–	1,637,287,972
Cash and cash equivalents	17,411,599	–	17,411,599
	1,812,740,534	(149,207,448)	1,663,533,086
Total assets	4,640,052,122	(149,207,448)	4,490,844,674
EQUITY			
Share capital	3,528,339,856	–	3,528,339,856
Accumulated losses	(156,670,756)	(149,207,448)	(305,878,204)
Other reserves	93,031,793	–	93,031,793
Total equity	3,464,700,893	(149,207,448)	3,315,493,445
LIABILITIES			
Non–Current			
Borrowings	1,052,437,475	–	1,052,437,475
	1,052,437,475	–	1,052,437,475
Current			
Amount owing to subsidiaries	119,050,833	–	119,050,833
Trade and other payables	3,862,921	–	3,862,921
	122,913,754	–	122,913,754
Total liabilities	1,175,351,229	–	1,175,351,229
Total equity and liabilities	4,640,052,122	(149,207,448)	4,490,844,674