FINANCIAL STATEMENTS (RE-STATED)

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

31 December 2014

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 2014

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

Name of directors

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

Fang Ming
Pan Ying (Appointed on 23 September 2014)
Yang Xiao Yu
Christopher Chong Meng Tak
Tan Sek Khee
Xiao Zu Xiu
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 2014 and as at 21 January 2015 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)

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

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

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

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

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

Note:

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

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

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

Directors' interests in contracts

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

Share plans

(a) Ying Li Employee Share Option Scheme

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

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

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

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

Share plans (Cont'd)

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

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

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

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

Other information regarding the Option Scheme:

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

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

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

Details of the share options are as follows:

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

Note:

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

Share plans (Cont'd)

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

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

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

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

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

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

Note:

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

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 has received 5% or more of the total number of options available under each of the share plans.

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

No options to take up unissued shares of the subsidiaries have been granted during the financial year and there were no unissued shares of the subsidiaries under options granted by its subsidiaries as at the end of the financial year.

(b) Ying Li Performance Share Plan

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

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

Share plans (Cont'd)

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

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

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

The shares which are subject to the share awards 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:

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

Note:

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

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

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

Note:

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

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

Share plans (Cont'd)

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

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

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

Audit committee

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 2014, 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:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal and external auditors; for the purpose of evaluating the effectiveness and adequacy of the Company's material internal controls including financial, operational, compliance and information technology controls;
- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;
- Appraising and reporting to the Board of Directors on the audit works undertaken by the internal 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.

DIRECTORS' REPORT (CONT'D)

for the financial year ended 31 December 2014

Audit committee (Cont'd)

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

.....
YANG XIAO YU

Dated: 31 March 2017

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

for the financial year ended 31 December 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Chapter 50 and 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

.....
FANG MING

.....
YANG XIAO YU

Dated: 31 March 2017

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YING LI INTERNATIONAL REAL ESTATE LIMITED

Report on the financial statements

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

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and 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 2014, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other legal and regulatory requirements

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 31 March 2017

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2014

		The Group			The Company		
		31 December 2014 RMB	31 December 2013 RMB	1 January 2013 RMB	**31 December 2014 RMB**	31 December 2013 RMB	1 January 2013 RMB
	Note	**Re-stated**	Re-stated	Re-stated	**Re-stated**	Re-stated	Re-stated
ASSETS							
Non-Current							
Property, plant and equipment	3	**60,051,969**	8,747,775	9,548,936	**40,027**	58,963	54,574
Investment properties	4	**4,263,785,815**	4,130,684,570	3,670,017,312	**–**	–	–
Subsidiaries	5	**–**	–	–	**2,827,257,014**	2,827,257,014	2,827,257,014
Other investment	6	**500,000,000**	–	–	**–**	–	–
Deferred tax assets	15	**26,910,000**	14,953,000	8,098,000	**–**	–	–
Other receivables	8	**–**	208,319	708,323	**–**	–	–
		4,850,747,784	4,154,593,664	3,688,372,571	**2,827,297,041**	2,827,315,977	2,827,311,588
Current							
Development properties	7	**3,408,626,951**	2,948,703,010	2,663,308,920	**–**	–	–
Trade and other receivables	8	**319,108,776**	177,245,610	434,506,058	**7,577,210**	11,065,125	8,833,515
Amounts owing from subsidiaries	9	**–**	–	–	**2,328,846,400**	1,663,265,801	1,637,287,972
Cash and cash equivalents	10	**965,135,891**	727,131,651	758,973,920	**26,407,368**	29,877,068	17,411,599
		4,692,871,618	3,853,080,271	3,856,788,898	**2,362,830,978**	1,704,207,994	1,663,533,086
Total assets		**9,543,619,402**	8,007,673,935	7,545,161,469	**5,190,128,019**	4,531,523,971	4,490,844,674
EQUITY							
Share capital	12	**4,028,371,643**	3,536,777,055	3,528,339,856	**4,028,371,643**	3,536,777,056	3,528,339,856
Perpetual convertible securities	13	**878,969,671**	–	–	**878,969,671**	–	–
Retained earnings/ (Accumulated losses)		**1,929,379,117**	1,675,051,833	1,688,777,324	**(496,189,390)**	(397,783,437)	(305,878,204)
Other reserves	14	**(1,834,561,017)**	(1,815,167,068)	(1,917,771,799)	**(11,606,134)**	41,608,868	93,031,793
Equity attributable to owners of the Company		**5,002,159,414**	3,396,661,820	3,299,345,381	**4,399,545,790**	3,180,602,487	3,315,493,445
Non-controlling interests		**54,563,847**	54,968,957	55,472,767	**–**	–	–
Total equity		**5,056,723,261**	3,451,630,777	3,354,818,148	**4,399,545,790**	3,180,602,487	3,315,493,445
LIABILITIES							
Non-Current							
Deferred tax liabilities	15	**527,046,523**	498,490,116	479,124,002	**–**	**–**	**–**
Borrowings	16	**1,428,719,950**	814,375,000	1,052,437,475	**44,469,950**	**–**	**1,052,437,475**
Other payables	17	**113,129,600**	51,987,250	18,996,109	**–**	**–**	**–**
		2,068,896,073	1,364,852,366	1,550,557,586	**44,469,950**	**–**	**1,052,437,475**
Current							
Amount owing to subsidiaries	9	**–**	–	–	**722,127,094**	706,504,002	119,050,833
Trade and other payables	17	**541,435,644**	1,107,093,998	1,033,792,541	**10,701,953**	11,525,575	3,862,921
Borrowings	16	**1,715,772,103**	1,988,455,706	1,469,780,084	**13,283,232**	632,891,907	–
Current tax payables		**160,792,321**	95,641,088	136,213,110	**–**	–	–
		2,418,000,068	3,191,190,792	2,639,785,735	**746,112,279**	1,350,921,484	122,913,754
Total liabilities		**4,486,896,141**	4,556,043,158	4,190,343,321	**790,582,229**	1,350,921,484	1,175,351,229
Total equity and liabilities		**9,543,619,402**	8,007,673,935	7,545,161,469	**5,190,128,019**	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 2014

	Note	**Year ended 31 December 2014 RMB Re-stated**	Year ended 31 December 2013 RMB Re-stated
Revenue	18	**1,030,490,968**	638,822,935
Cost of sales		**(552,494,329)**	(387,539,980)
Gross profit		**477,996,639**	251,282,955
Other income	19	**133,304,909**	104,498,622
Other expenses	20	**–**	(28,455,061)
Selling expenses		**(56,228,274)**	(37,988,700)
Administrative expenses		**(128,235,887)**	(96,585,852)
Finance costs	20	**(68,494,033)**	(105,093,918)
Profit before taxation		**358,343,354**	87,658,046
Tax expense	21	**(102,997,565)**	(46,582,881)
Profit for the year		**255,345,789**	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)
Foreign currency translation differences (at nil tax)		**(20,574,526)**	56,489,130
Other comprehensive (loss)/income for the year		**(20,574,526)**	49,503,049
Total comprehensive income for the year		**234,771,263**	90,578,214
Profit/(Loss) attributable to:			
Owners of the Company		**255,750,899**	41,578,975
Non-controlling interests		**(405,110)**	(503,810)
		255,345,789	41,075,165
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**235,176,373**	91,082,024
Non-controlling interests		**(405,110)**	(503,810)
		234,771,263	90,578,214
Earnings per share (RMB):			
Basic	22	**0.11**	0.02
Diluted	22	**0.11**	0.02

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2014

	Attributable to owners of the Company										
	Share capital	Perpetual convertible securities	Retained earnings	Equity compensation reserve	Reverse acquisition reserve	Convertible bonds reserve	Statutory common reserve	Translation reserve	Total	Non-controlling interests	Total equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB
At 1 January 2014, as reported	3,536,777,055	-	1,675,051,833	18,525,711	(1,993,711,730)	42,457,927	68,443,956	49,117,068	3,396,661,820	54,968,957	3,451,630,777
Total comprehensive income for the year:											
Profit for the year	-	-	255,750,899	-	-	-	-	-	255,750,899	(405,110)	255,345,789
Other comprehensive income:											
- Foreign currency translation differences	-	-	-	-	-	-	-	(20,574,526)	(20,574,526)	-	(20,574,526)
Total comprehensive income/(loss) for the year	-	-	255,750,899	-	-	-	-	(20,574,526)	235,176,373	(405,110)	234,771,263
Transactions with owners recognised directly in equity											
Contributions by and distributions to owners											
- Issue of shares	481,659,438	-	-	-	-	-	-	-	481,659,438	-	481,659,438
- Issue of shares pursuant to Performance Share Plan	9,935,150	-	-	(9,935,150)	-	-	-	-	-	-	-
- Share-based payment transactions	-	-	-	11,115,727	-	-	-	-	11,115,727	-	11,115,727
- Issue of perpetual convertible securities	-	878,969,671	-	-	-	-	-	-	878,969,671	-	878,969,671
- Distribution to holder of perpetual convertible securities	-	-	(1,423,615)	-	-	-	-	-	(1,423,615)	-	(1,423,615)
Total transactions with owners, recognised directly in equity	491,594,588	878,969,671	(1,423,615)	1,180,577	-	-	-	-	1,370,321,221	-	1,370,321,221
At 31 December 2014	4,028,371,643	878,969,671	1,929,379,117	19,706,288	(1,993,711,730)	42,457,927	68,443,956	28,542,542	5,002,159,414	54,563,847	5,056,723,261

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 2014

	Attributable to owners of the Company									
	Share capital	Equity compensation reserve	Reverse acquisition reserve	Statutory common reserve	Convertible bonds reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	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.

YING LI INTERNATIONAL REAL ESTATE LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2014

	Note	**Year ended 31 December 2014 RMB**	Year ended 31 December 2013 RMB
Cash Flows from Operating Activities			
Profit before taxation		**358,343,354**	87,658,046
Adjustments for:			
Depreciation of property, plant and equipment	3	**3,378,618**	2,235,960
Amortisation of deferred lease incentives		**1,064,755**	4,696,742
Amortisation of prepaid legal consultancy service fee		**500,000**	500,004
Equity–settled share–based payment transactions	20	**11,115,427**	6,234,415
Fair value gain on investment properties	19	**(117,724,702)**	(97,423,394)
Loss on redemption of convertible bonds	16	**–**	28,455,061
Fair value loss on convertible bond		**–**	(6,986,081)
Interest income	19	**(8,011,047)**	(4,991,754)
Interest expense	20	**68,494,033**	105,093,918
Loss on disposal of property, plant and equipment		**3,854**	24,579
Operating profit before working capital changes		**317,164,292**	125,497,496
Change in investment properties		**–**	(1,963,270)
Change in development properties		**(518,041,746)**	(591,117,112)
Change in trade and other receivables		**(141,862,724)**	257,260,449
Change in trade and other payables		**(499,222,618)**	139,442,122
Cash used in operations		**(841,962,796)**	(70,880,315)
Interest paid		**(73,428,762)**	(162,399,500)
Interest received		**8,011,047**	4,991,754
Income tax paid		**(21,246,924)**	(74,643,788)
Net cash used in operating activities		**(928,627,435)**	(302,931,849)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	3	**(20,849,690)**	(1,467,829)
Proceeds from disposal of investment properties		**7,824,134**	1,963,270
Proceeds from disposal of property, plant and equipment		**10,039**	6,000
Acquisition of other investment	6	**(500,000,000)**	–
Net cash (used in)/generated from investing activities		**(513,015,517)**	501,441
Cash Flows from Financing Activities			
Issue of shares	12	**481,659,438**	–
Cash at bank – restricted	10	**(223,983,237)**	(391,084,594)
Proceeds from loans and borrowings		**2,350,462,086**	1,729,142,245
Repayment of loans and borrowings		**(2,027,160,415)**	(489,330,878)
Repayment of convertible bonds	16	**–**	(1,055,116,396)
Proceeds of loan from a shareholder		**209,944,180**	96,112,000
Repayment of loan from a shareholder		**(209,944,180)**	(8,238,254)
Issue of perpetual convertible securities	13	**878,969,671**	–
Net cash generated from/(used in) financing activities		**1,459,947,543**	(118,515,877)
Net increase/(decrease) in cash and cash equivalents		**18,304,591**	(420,946,285)
Cash and cash equivalents at beginning of year		**184,786,012**	607,712,875
Effects of exchange rate changes on cash and cash equivalents		**(4,283,588)**	(1,980,578)
Cash and cash equivalents at end of year	10	**198,807,015**	184,786,012

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 2014

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 31 October 2008.

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

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

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

2(a) BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC").

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

Adoption of Singapore Financial Reporting Standards ("FRS")

These financial statements, for the year ended 31 December 2014, are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). For periods up to and including the year ended 31 December 2013, the Group prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS").

Accordingly, the Group has prepared financial statements which comply with FRS applicable for periods ending on or after 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013, 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 2013.

Significant accounting estimates and judgements

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

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

Significant accounting estimates and judgements (Cont'd)

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

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

(a) Significant judgements in applying accounting policies

(i) Identification of functional currencies

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

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

(ii) Income tax

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

The recognition of deferred tax assets is based upon whether it is probable that that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has recognised a deferred tax asset in respect of unabsorbed tax losses of certain subsidiaries in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The recognition involves best estimation and judgement, including the subsidiaries' future financial performance based on the latest available profit forecasts. As at 31 December 2014, the carrying amounts of the Group's deferred tax assets, deferred tax liabilities and current tax payables amounted to RMB26,910,000, RMB527,046,053 and RMB160,792,321, (2013: RMB14,953,000, RMB498,490,116 and RMB95,641,088), respectively.

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

Significant accounting estimates and judgements (Cont'd)

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

(iii) Classification of development properties as current assets

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

(iv) Deferred taxation on investment properties

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

(v) Unquoted investment in limited partnership

An entity is accounted for using the equity method in the consolidated financial statements where the Group has significant influence over the entity. Significant influence arises where the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an investor holds directly or indirectly 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Significant judgement is applied by management in assessing where significant influence exists. This involves assessment of the purpose and design of the entity, identification of the activities which significant affect the entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Although the Group holds more than 20% of the interest in a limited partnership entity, Shanghai Zhao Li Partnership, the Group does not have any significant influence over the investee in accordance with the partnership agreement. The Group has classified as other investments as disclosed in Note 6 to the financial statements.

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

Significant accounting estimates and judgements (Cont'd)

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

(vi) Perpetual convertible securities

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

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

(i) Share–based payments

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

(ii) Estimation of net realisable value of development properties

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

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

(iii) Depreciation of property, plant and equipment

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

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

Significant accounting estimates and judgements (Cont'd)

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

(iv) Impairment of non–financial assets

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

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

(v) Valuation of investment properties

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

(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) Impairment of loans and receivables

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

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

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

Significant accounting estimates and judgements (Cont'd)

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

(viii) Valuation of unquoted investment in limited partnership

The fair value is based on generally accepted valuation techniques. Valuation techniques use a maximum of market inputs and include the use of discounted cash flow analysis and other valuation techniques commonly used by market participants. Because of the inherent valuation uncertainty, those estimated fair values may differ significantly from the values that would be used if a ready market for the financial assets existed, and those differences could be material. These fair value measurement is categorised as level 3 within the fair value hierarchy. The carrying amount of the unquoted equity investment is disclosed in Note 6 to the financial statements. At the reporting date, the carrying amount of investment in limited partnership approximates its fair value as the investment was made on 31 December 2014.

2(b)(I) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2014

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

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

Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

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

Amendments to FRS 36 Recoverable Amount Disclosures for Non–Financial Assets

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

Amendments to FRS 39 Novation of Derivatives and Continuation of Hedge Accounting

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

2(b)(ll) 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 ASC 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.

Reference	Description
FRS 109	Financial Instruments (1)
FRS 115	Revenue from Contracts with Customers (2)
Amendments to FRS 1	Disclosure Initiative (4)

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

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

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

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

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

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

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

Consolidation (Cont'd)

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

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

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

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

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

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

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

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

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

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

Consolidation (Cont'd)

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

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

Transactions with Non–Controlling Interest

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

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

Functional currencies

Functional and presentation currency

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

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

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.

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

Conversion of foreign currencies (Cont'd)

Foreign currency transactions and balances (Cont'd)

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

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

Group entities

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

(i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;
(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Property, plant and equipment and depreciation

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

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

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

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

The residual values, depreciation methods and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each reporting date as a change in accounting estimate.

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

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

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.

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.

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

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.

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 held–to–maturity investments or available–for–sale financial assets.

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

Financial assets (Cont'd)

Loans and receivables

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

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

Any reversal is recognised in profit or loss.

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include non–derivative financial assets that are acquired principally for the purpose of selling or repurchasing in the near term. They are included in non–current assets unless management intends to dispose of the investment within 12 months of the end of reporting period. At inception, investment in limited partnership, originally designated as a financial asset at fair value through profit or loss, was presented as an available–for–sale financial asset instead of a financial asset at fair value through profit or loss.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in profit or loss, net of any effects arising from income taxes, until the financial assets is disposed of.

Cash and cash equivalents

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

Impairment of non–financial assets

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

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

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

Impairment of non–financial assets (Cont'd)

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

Individual assets 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, are charged pro rata to the other assets in the cash–generating unit. 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.

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.

Financial liabilities

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

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.

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

Financial liabilities (Cont'd)

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 or 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.

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.

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

Share capital

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

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

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

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

Operating leases

Where the Group is a lessor

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

Where the Group is a lessee

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

Financial guarantees

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

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

Onerous contracts

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

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

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.

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.

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

Employee benefits (Cont'd)

Share–based payments (cont'd)

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 income taxes. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

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.

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.

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

Revenue (Cont'd)

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, perpetual convertible securities and share options.

Operating segments

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

3 PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold buildings RMB	Office equipment RMB	Motor vehicles RMB	Computers RMB	Renovation in progress RMB	Total RMB
Cost:						
At 1 January 2013	2,105,071	2,419,493	11,390,484	2,385,567	–	18,300,615
Additions	–	52,045	464,146	951,638	–	1,467,829
Disposals	–	(243,799)	–	–	–	(243,799)
Translation differences	–	(15,414)	–	(3,544)	–	(18,958)
At 31 December 2013	**2,105,071**	**2,212,325**	**11,854,630**	**3,333,661**	**–**	**19,505,687**
Additions	**12,776,213**	**6,253,662**	**–**	**759,546**	**1,060,269**	**20,849,690**
Transfer from investment properties (Note 4)	**33,852,376**	**–**	**–**	**–**	**–**	**33,852,376**
Disposals	**–**	**(35,460)**	**–**	**(45,510)**	**–**	**(80,970)**
Translation differences	**–**	**(4,942)**	**–**	**(1,885)**	**–**	**(6,827)**
At 31 December 2014	**48,733,660**	**8,425,585**	**11,854,630**	**4,045,812**	**1,060,269**	**74,119,956**

3 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Leasehold buildings RMB	Office equipment RMB	Motor vehicles RMB	Computers RMB	Renovation in progress RMB	Total RMB
Accumulated depreciation:						
At 1 January 2013	220,993	1,161,073	6,606,904	762,709	–	8,751,679
Depreciation for the year	70,169	507,341	1,273,607	384,843	–	2,235,960
Disposals	–	(213,220)	–	–	–	(213,220)
Translation differences	–	(13,538)	–	(2,969)	–	(16,507)
At 31 December 2013	**291,162**	**1,441,656**	**7,880,511**	**1,144,583**	**–**	**10,757,912**
Depreciation for the year	**944,454**	**710,980**	**1,260,616**	**462,568**	**–**	**3,378,618**
Disposals	**–**	**(21,567)**	**–**	**(41,409)**	**–**	**(62,976)**
Translation differences	**–**	**(5,101)**	**–**	**(466)**	**–**	**(5,567)**
At 31 December 2014	**1,235,616**	**2,125,968**	**9,141,127**	**1,565,276**	**–**	**14,067,987**
Carrying amount:						
At 31 December 2014	**47,498,044**	**6,299,617**	**2,713,503**	**2,480,536**	**1,060,269**	**60,051,969**
At 31 December 2013	1,813,909	770,669	3,974,119	2,189,078	–	8,747,775

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

4 INVESTMENT PROPERTIES

The Group	2014 RMB Re-stated	2013 RMB Re-stated
At 1 January	**4,129,299,000**	3,663,935,000
Transfer from completed properties for sale (Note 7)*	**58,117,808**	369,903,876
Properties sold	**(7,824,134)**	(1,963,270)
Transfer to property, plant and equipment (Note 3)	**(33,852,376)**	–
Fair value gain recognised in profit or loss	**117,724,702**	97,423,394
At 31 December	**4,263,465,000**	4,129,299,000
Deferred lease incentives **	**320,815**	1,385,570
Total investment properties	**4,263,785,815**	4,130,684,570

* During the year, due to changes in business conditions and business strategies, certain completed properties for sale were re–designated as investment properties for rental income and future capital appreciation. Arising therefrom, amounts of RMB58,117,808 (2013 – RMB369,903,876) were transferred from completed properties for sale to investment properties.

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

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

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

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

The following amounts are recognised in profit or loss:

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

4 INVESTMENT PROPERTIES (CONT'D)

Details of the investment properties are as follows

Location (Chongqing, PRC)	Name of project	Description	Total net lettable area (sq. meters)	Group's effective interest in the property	Tenure (Years)
No.46 to 52 Cangbai Road, Yuzhong District	Southland Garden	Commercial and residential units	13,242.93	97%	40–year and 50–year land use rights for commercial and residential units expiring in November 2042 and November 2052, respectively.
No.108 Bayi Road, Yuzhong District, Chongqing	New York, New York	Commercial units	277.15	97%	40–year land use rights for commercial units expiring in January 2042.
No.181 Minsheng Road, Yuzhong District	Min Sheng Mansion	Commercial and residential units	9,174.63	97%	40–year and 50–year land use rights for commercial and residential units expiring in September 2033 and September 2043, respectively.
No.6 Walking Street of Guanyinqiao, Jiang Bei District	Future International	Commercial units	82,227.46	97%	40–year land use rights for commercial units expiring in March 2045.
No.141 to 155 Zourong Road, Yuzhong District, Chongqing	Zou Rong Plaza	Commercial units	6805.51	97%	50–year land use rights for commercial units expiring in January 2046.
No.8 Bashu Road, Yuzhong District	Bashu Cambridge	Commercial and residential units	7,069.97	97%	40–year and 50–year land use rights for commercial and residential units expiring in September 2044 and September 2054, respectively.
No.19 Daping Zheng Jie Yuzhong District	Yingli International Plaza	Retail units and car parks	133,245.80	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 and car parks	87,556.67	97%	40–year land use rights for commercial units expiring in 20 December 2044.

* At 31 December 2014, investment properties with carrying value of approximately RMB 3,760,859,000 (2013 – RMB3,288,242,000) are mortgaged to banks to secure the bank loans granted to the Group (Note 16).

5 SUBSIDIARIES

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

Details of the subsidiaries are as follows:

Name of subsidiary	**Country of incorporation**	**Principal activities**	**Effective interest held by the Group**	
			2014	2013
			%	%
Held by the Company:				
Fortune Court Holdings Limited	Hong Kong	Investment holding	**100**	100
Chongqing Yingli Real Estate Development Co., Ltd ("CQYL")	PRC	Property development	**97**	97
Luckzone International Limited	British Virgin Islands ("BVI")	Investment holding	**100**	100
Shiny Profit Enterprises Limited	BVI	Investment holding	**100**	100
Peak Century Holdings Limited	BVI	Investment holding	**100**	100
Top Accurate Holdings Limited	BVI	Investment holding	**100**	100
Verdant View Limited	BVI	Investment holding	**100**	100
Vast Speed Limited	BVI	Investment holding	**100**	100
Brandway Investment Limited	BVI	Investment holding	**100**	100
Ever Perfect Enterprise Limited	BVI	Investment holding	**100**	100
First Regent International Limited	Hong Kong	Investment holding	**100**	100
Held by Ever Perfect Enterprise Limited:				
Fully Rich Industrial Limited	Hong Kong	Purchasing of construction material and equipment	**100**	100
Held by Luckzone International Limited:				
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd	PRC	Property development	**100**	100
Held by Fortune Court Holdings Limited:				
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	**97**	97
Held by Chongqing Yingli Real Estate Development Co., Ltd:				
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd ("San Ya Wan")	PRC	Property development	**77.6**	77.6

5 SUBSIDIARIES (CONT'D)

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

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

5 SUBSIDIARIES (CONT'D)

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

	CQYL RMB	San Ya Wan RMB	Total RMB
2014			
Current assets	1,705,836,127	799,072,110	2,504,908,237
Non-current assets	3,288,186,878	708,263	3,288,895,141
Total assets	**4,994,023,005**	**799,780,373**	**5,793,803,378**
Current liabilities	2,327,809,731	473,172,089	2,800,981,820
Non-current liabilities	487,250,243	37,863,419	525,113,662
Total liabilities	**2,815,059,974**	**511,035,508**	**3,326,095,482**
Net assets	**2,178,963,031**	**288,744,865**	**2,467,707,896**
Net assets attributable to NCI	**(3,542,255)**	**58,101,797**	**54,559,542**
2013			
Current assets	1,572,418,479	333,276,694	1,905,695,173
Non-current assets	2,625,919,964	876,049	2,626,796,013
Total assets	4,198,338,443	334,152,743	4,532,491,186
Current liabilities	1,634,605,063	3,795,243	1,638,400,306
Non-current liabilities	440,509,175	39,608,612	480,117,787
Total liabilities	2,075,114,238	43,403,855	2,118,518,093
Net assets	2,123,224,205	290,748,888	2,413,973,093
Net assets attributable to NCI	(3,542,255)	58,511,212	54,968,957
2014			
Revenue	**90,887,758**	**205,005**	**91,092,763**
Profit for the year	55,738,825	(2,004,024)	53,734,801
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	**55,738,825**	**(2,004,024)**	**50,734,801**
Attributable to NCI:			
– Profit for the year	*	**405,110**	**405,110**
Other comprehensive income	*	**–**	**–**
Total comprehensive income	*	**405,110**	**405,110**
2013			
Revenue	257,936,080	260,625	258,196,705
Profit for the year	159,070,434	(2,550,616)	156,519,818
Other comprehensive income	**–**	**–**	**–**
Total comprehensive income	159,070,434	(2,550,616)	156,519,818
Attributable to NCI:			
– Profit for the year	*	503,810	503,810
Other comprehensive income	*	**–**	**–**
Total comprehensive income	*	503,810	503,810

5 SUBSIDIARIES (CONT'D)

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

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

6 OTHER INVESTMENT

	2014	2013
The Group	**RMB**	RMB
Investment in limited partnership at fair value through profit or loss	**500,000,000**	–

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

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

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

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

7 DEVELOPMENT PROPERTIES

	The Group		The Company		
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013	1 January 2013
	RMB	RMB	**RMB**	RMB	RMB
	Re-stated	Re-stated			
Properties under development, at cost	**2,150,699,908**	2,575,609,833	**–**	–	–
Completed properties held for sale, at cost	**1,257,927,043**	373,093,177	**–**	–	–
	3,408,626,951	2,948,703,010	**–**	–	–
Borrowing costs capitalised	**121,293,897**	55,128,427	**–**	–	–
Transfer to investment properties (Note 4)	**(58,117,808)**	(369,903,876)	**–**	–	–
Units sold included in cost of sales	**(461,077,418)**	(306,509,120)	**–**	–	–

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

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

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

Location (Chongqing, PRC)	**Intended use**	**Gross floor area (sq. meters)**	**Group's effective interest**
Completed properties held for sale			
No.19 Daping Zheng Jie, Yuzhong District	Office, residential and car parks	109,254	100%
No. 26 & 28 Minquan Road, Yuzhong District	Office and car parks	49,788	97%

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

8 TRADE AND OTHER RECEIVABLES

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

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

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

Trade and other receivables are denominated in the following currencies:

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

8 TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

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

9 AMOUNTS OWING FROM/TO SUBSIDIARIES

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

10 CASH AND CASH EQUIVALENTS

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

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

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

10 CASH AND CASH EQUIVALENTS (CONT'D)

Cash and cash equivalents are denominated in the following currencies:

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

11 EQUITY COMPENSATION BENEFITS

(a) Share options (equity–settled)

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

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

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

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

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

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

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

Other information regarding the Option Scheme:

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

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

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

11 EQUITY COMPENSATION BENEFITS (CONT'D)

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

Details of the share options are as follows:

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

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

Note:

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

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

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

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

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

11 EQUITY COMPENSATION BENEFITS (CONT'D)

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

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.

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

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

11 EQUITY COMPENSATION BENEFITS (CONT'D)

(b) Share plan (Cont'd)

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

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

Option grant date	Fair value (S$)	Balance as at 1 January 2013	Share awards granted	Share awards cancelled/ lapsed	Share awards released	Balance 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.

Fair value of performance shares

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

The fair value of the performance shares of RMB6,295,175 (2013 – RMB 3,065,465) is included in administrative expenses.

12 SHARE CAPITAL

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

12 SHARE CAPITAL (CONT'D)

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

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

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

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

13 PERPETUAL CONVERTIBLE SECURITIES

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

The Perpetual Convertible Securities have no fixed maturity.

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

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

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

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

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

14 OTHER RESERVES

	The Group		The Company	
	2014 RMB Re-stated	2013 RMB Re-stated	**2014 RMB Re-stated**	2013 RMB Re-stated
Equity compensation reserve	**19,706,288**	18,525,711	**19,706,288**	18,525,711
Reverse acquisition reserve	**(1,993,711,730)**	(1,993,711,730)	**–**	–
Statutory common reserve	**68,443,956**	68,443,956	**–**	–
Convertible bonds reserve	**42,457,927**	42,457,927	**42,457,927**	42,457,927
Translation reserve	**28,542,542**	49,117,068	**(73,770,349)**	(19,374,770)
	(1,834,561,017)	(1,815,167,068)	**(11,606,134)**	41,608,868

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

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

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

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

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

15 DEFERRED TAX ASSETS/LIABILITIES

The Group	**31 December 2014 RMB Re-stated**	31 December 2013 RMB Re–stated
Deferred tax assets	**26,910,000**	14,953,000
Deferred tax liabilities	**(527,046,523)**	(498,490,116)

Movement in temporary differences during the year is as follows:

The Group	Balance at 1 January 2013 RMB	Recognised in profit or loss RMB	Balance at 31 December 2013 RMB	Recognised in profit or loss RMB	Balance at 31 December 2014 RMB
Deferred tax assets/ (liabilities)					
Investment properties	(479,124,002)	(19,366,114)	(498,490,116)	**(28,556,407)**	**(527,046,523)**
Unabsorbed tax losses	8,098,000	6,855,000	14,953,000	**11,957,000**	**26,910,000**
	(471,026,002)	(12,511,114)	(483,537,116)	**(16,599,407)**	**(500,136,523)**

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

16 BORROWINGS

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

Bank loans

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

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

(b) land related to development properties with carrying value totalling approximately RMB 567,199,000 (2013 – RMB563,639,000) (Note 7); and

(c) fixed and floating charges on assets of certain subsidiaries including fixed deposits pledged amounting to RMB 609,280,000 (2013 – RMB461,700,000) (Note 30).

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

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

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

16 BORROWINGS (CONT'D)

Loans from a shareholder

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

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

The bank loans are denominated in the following currencies:

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Singapore dollar	**57,753,182**	632,891,907	**57,753,182**	632,891,907
Renminbi	**2,544,249,999**	1,502,174,999	**–**	–
United States dollar	**542,488,872**	667,763,800	**–**	–
	3,144,492,053	2,802,830,706	**57,753,182**	632,891,907

Convertible bonds

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

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

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

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

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

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

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

16 BORROWINGS (CONT'D)

Convertible bonds (Cont'd)

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

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

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

At as at 31 December 2013, the Company had utilised RMB 774,492,152 of the net proceeds as follows:

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

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

17 TRADE AND OTHER PAYABLES

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

Trade and other payables are denominated in the following currencies:

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

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

18 REVENUE

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

19 OTHER INCOME

The Group	2014 RMB	2013 RMB
Interest income		
– fixed deposits	**7,888,754**	5,374
– bank balances	**122,293**	4,986,380
	8,011,047	4,991,754
Sublet rental income	**432,755**	558,127
Government grants	**5,021,100**	466,000
Sundry incomes	**2,115,305**	1,059,347
Fair value gain on investment properties	**117,724,702**	97,423,394
	133,304,909	104,498,622

20 PROFIT BEFORE TAXATION

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

The Group	Note	2014 RMB	2013 RMB
Exchange loss, net		**32,066,047**	14,894,954
Loss on redemption of convertible bonds		**–**	28,455,061
Depreciation of property, plant and equipment	3	**3,378,618**	2,235,960
Amortisation of deferred lease incentives		**1,064,755**	4,696,742
Amortisation of prepaid legal consultancy service fee		**500,000**	500,004
Donations		**–**	3,160,000
Operating lease expense		**2,544,583**	1,781,755
Loss on disposal of property, plant and equipment		**3,854**	24,579
Interest expense:			
– bank loans		**55,420,125**	103,746,066
– loans from a shareholder		**13,073,908**	423,173
– convertible bonds		**–**	924,679
		68,494,033	105,093,918
Directors' fees		**1,950,480**	1,846,563
Staff costs:			
Key management personnel			
Directors' remuneration other than fees			
– Salaries, wages and other related costs		**5,297,927**	4,894,591
– Contributions to defined contribution plans		**206,793**	232,622
– Equity–settled share–based payment transactions		**2,087,784**	939,456
Other than directors			
– Salaries, wages and other related costs		**9,172,795**	5,613,207
– Contributions to defined contribution plans		**504,205**	443,712
– Equity–settled share–based payment transactions		**4,952,991**	2,441,087
Other than key management personnel			
– Salaries, wages and other related costs		**13,060,546**	19,645,049
– Contributions to defined contribution plans		**3,501,051**	2,520,418
– Equity–settled share–based payment transactions		**4,074,952**	2,853,872
		42,859,044	39,584,014

21 TAX EXPENSE

The Group	2014 RMB	2013 RMB
Current tax expense		
Current taxation	**86,378,158**	34,071,766
Deferred tax expense		
Movements in temporary differences (Note 15)	**16,599,407**	(4,453,658)
Adjustment for prior years	**–**	16,964,773
	16,599,407	12,511,115
	102,977,565	46,582,881

21 TAX EXPENSE (CONT'D)

Reconciliation of effective tax rate

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

The Group	**2014 RMB**	2013 RMB
Profit before taxation	**358,343,354**	87,658,046
Tax at statutory rate of 17% (2013 – 17%)	**60,918,370**	14,901,868
Deferred tax assets on current year losses not recognised	**20,104,007**	3,736,507
Effect of tax rates in foreign jurisdictions	**21,975,188**	10,979,733
Adjustment for prior years	**–**	16,964,773
	102,997,565	46,582,881

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

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

22 EARNINGS PER SHARE

The Group	**2014 RMB**	2013 RMB
Profit attributable to ordinary shareholders of the Company	**255,750,899**	41,578,975
The Group		
Weighted average number of ordinary shares in issue during the year (Basic)	**2,284,224,568**	2,167,106,906
Weighted average number of ordinary shares under share options	**4,376,291**	–
Weighted average number of ordinary shares under convertible bonds	**–**	42,290,323
Weighted average number of ordinary shares during the year (Diluted)	**2,288,600,859**	2,209,397,229
Earnings per share (RMB):		
– Basic	**0.11**	0.02
– Diluted	**0.11**	0.02

23 RELATED PARTY TRANSACTIONS

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

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

24 COMMITMENTS

(i) Capital commitments

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

(ii) Lease commitments

(A) Where the Group and the Company are lessees

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

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

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

24 COMMITMENTS (CONT'D)

(ii) Lease commitments (Cont'd)

(B) Where the Group and Company are lessors

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

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

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

25 OPERATING SEGMENTS

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

1) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation;

2) Property development segment relates to the development of properties for sale; and

3) Others comprise property consultancy, sales, marketing and management services and corporate office functions.

The Group Chief Executive Officer ("Group CEO") monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

25 OPERATING SEGMENTS (CONT'D)

	31 December 2014				31 December 2013			
	Property investment	**Property development**	**Others**	**Total**	Property investment	Property development	Others	Total
	RMB	**RMB**	**RMB**	**RMB**	RMB	RMB	RMB	RMB
Revenue	**178,986,149**	**851,504,819**	**–**	**1,030,490,968**	114,109,719	524,713,216	–	638,822,935
Segment results	**110,542,429**	**230,198,905**	**(47,205,002)**	**293,536,332**	67,312,397	132,448,206	(83,027,621)	116,732,982
Interest income	**–**	**–**	**8,011,047**	**8,011,047**	–	–	4,991,754	4,991,754
Interest expense	**–**	**(68,494,033)**	**–**	**(68,494,033)**	–	(105,093,918)	–	(105,093,918)
Sublet rental income	**–**	**–**	**432,755**	**432,755**	–	–	558,127	558,127
Government grants	**–**	**5,021,100**	**–**	**5,021,100**	–	466,000	–	466,000
Sundry incomes	**–**	**2,115,305**	**–**	**2,115,305**	–	1,059,347	–	1,059,347
Fair value gain on investment properties	**117,724,702**	**–**	**–**	**117,724,702**	97,423,394	–	–	97,423,394
Loss on redemption of convertible bonds	**–**	**–**	**–**	**–**	–	(28,455,061)	–	(28,455,061)
Loss on disposal of property, plant and equipment	**–**	**–**	**(3,854)**	**(3,854)**	–	–	(24,579)	(24,579)
Profit before tax	**228,267,131**	**168,841,277**	**(38,765,054)**	**358,343,354**	164,735,791	424,574	(77,502,319)	87,658,046
Segment assets	**4,470,133,602**	**5,032,526,094**	**14,049,706**	**9,516,709,402**	3,583,434,209	4,362,432,334	46,854,392	7,992,720,935
Total assets				**9,543,619,402**				8,007,673,935
Segment liabilities	**181,760,238**	**3,614,504,638**	**2,792,421**	**3,799,057,297**	115,916,289	3,841,779,112	4,216,553	3,961,911,954
Total liabilities				**4,486,896,141**				4,556,043,158
Other information								
Exchange loss, net	**–**	**32,066,047**	**–**	**32,066,047**	–	14,894,954	–	14,894,954
Capital expenditure	**–**	**–**	**20,849,690**	**20,849,690**	–	–	1,467,829	1,467,829
Depreciation of property, plant and equipment	**–**	**–**	**3,378,618**	**3,378,618**	–	–	2,235,960	2,235,960
Amortisation of other non-current assets	**1,564,755**	**–**	**–**	**1,564,755**	5,196,746	–	–	5,196,746
Equity-settled share-based payment transactions	**–**	**–**	**11,115,427**	**11,115,427**	939,456	2,441,087	2,853,872	6,234,415

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

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

25 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment liabilities:

The Group	2014 RMB	2013 RMB
Segment assets	**9,516,709,402**	7,992,720,935
Unallocated assets		
Deferred tax assets	**26,910,000**	14,953,000
Consolidated assets	**9,543,619,402**	8,007,673,935
Segment liabilities	**3,799,057,297**	3,961,911,954
Unallocated liabilities		
Deferred tax liabilities	**527,046,523**	498,490,116
Provision for taxation	**160,792,321**	95,641,088
Consolidated liabilities	**4,486,896,141**	4,556,043,158

26 FINANCIAL RISK MANAGEMENT

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. In addition, receivable balances and payment profile of the debtors are monitored on an on–going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in Note 8, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk in respect of trade and other receivables.

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (Cont'd)

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

The cash and cash equivalents are held with banks of good credit ratings.

The Company has provided guarantees to a bank in respect of banking facilities granted to a subsidiary amounting to RMB460,000,000 (2013: RMB596,800,000) (Note 16). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra–group financial guarantee.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank borrowings and bank balances.

Interests on bank borrowings are repriced within 12 months (2013: 12 months).

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)	950 bp Increase)	(50 bp Decrease)
The Group	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2014				
Variable rate bank loans	**(8,663)**	**8,663**	**(8,663)**	**8,663**
Variable rate fixed deposits	**1,779**	**(1,779)**	**1,779**	**(1,779)**
	(6,884)	**6,884**	**(6,884)**	**6,884**
31 December 2013				
Variable rate bank loans	(13,534)	13,534	(13,534)	13,534
Variable rate fixed deposits	2,712	(2,712)	2,712	(2,712)
	(10,822)	10,822	(10,822)	10,822
The Company				
31 December 2014				
Variable rate bank loans	**(289)**	**289**	**(289)**	**289**
31 December 2013				
Variable rate bank loans	(2,684)	2,684	(2,684)	2,684

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.

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Currency risk (Cont'd)

The Group is exposed to currency risk on cash and cash equivalents, borrowings and trade and other payables that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD) and US dollar (USD).

The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis – Foreign currency risk

A 5% (2013: 5%) strengthening of the above currencies against the functional currencies of the Group entities at the reporting date would have increased/decreased profit before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

A 5% (2013: 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

	2014			2013		
	SGD strengthened 5%	**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)	**5,186**	**(27,652)**	**(22,466)**	5,188	(33,478)	(28,290)
Equity – increase/ (decrease)	**5,186**	**(27,652)**	**(22,466)**	5,188	(33,478)	(28,290)
The Company						
Profit before tax – increase/ (decrease)	**–**	**1**	**1**	–	1	1
Equity – increase/ (decrease)	**–**	**1**	**1**	–	1	1

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand– by credit facilities.

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

		--------Contractual undiscounted cash flows----------			
The Group	**Carrying amount RMB**	**Total RMB**	**Less than 1 year RMB**	**Between 2 and 5 years RMB**	**Over 5 years RMB**
31 December 2014					
Trade and other payables	**391,383,516**	**391,383,516**	**391,383,516**	**–**	**–**
Borrowings	**3,144,492,053**	**3,840,174,053**	**1,870,926,003**	**964,670,250**	**1,004,577,800**
	3,535,875,569	**4,231,557,569**	**2,262,309,519**	**964,670,250**	**1,004,577,800**
31 December 2013					
Trade and other payables	433,536,798	433,536,798	433,536,798	–	–
Borrowings	2,802,830,706	3,282,088,679	1,171,147,471	1,128,140,958	982,800,250
	3,236,367,504	3,715,625,477	1,604,684,269	1,128,140,958	982,800,250
The Company					
31 December 2014					
Trade and other payables	**10,701,953**	**10,701,953**	**10,701,953**	**–**	**–**
Borrowings	**57,753,182**	**60,447,382**	**15,625,132**	**44,822,250**	**–**
Amounts due to subsidiaries	**722,127,094**	**722,127,094**	**722,127,094**	**–**	**–**
Intra-group financial guarantee	**–**	**460,000,000**	**460,000,000**	**–**	**–**
	790,582,229	**1,253,276,429**	**1,208,454,179**	**44,822,250**	**–**
31 December 2013					
Trade and other payables	11,525,575	11,525,575	11,525,575	–	–
Borrowings	632,891,907	678,198,616	234,027,107	444,171,509	–
Amounts due to subsidiaries	706,504,002	706,504,002	706,504,002	–	–
Intra-group financial guarantee	–	596,800,000	136,800,000	460,000,000	–
	1,350,921,484	1,993,028,193	1,088,856,684	904,171,509	–

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

26 FINANCIAL RISK MANAGEMENT (CONT'D)

Financial instruments by category

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Financial assets				
Financial assets measured at amortised cost:				
Trade and other receivables	**112,470,993**	125,712,180	**1,236,040**	565,664
Amounts owing by subsidiaries	**–**	–	**2,328,846,400**	1,663,265,801
Cash and cash equivalents	**965,135,891**	727,131,651	**26,407,368**	29,877,068
	1,077,606,884	852,843,831	**2,356,489,808**	1,693,708,533

	The Group		The Company	
	2014	2013	**2014**	2013
	RMB	RMB	**RMB**	RMB
Financial liabilities				
Financial liabilities measured at amortised cost:				
Amount owing to subsidiaries	**–**	–	**722,127,094**	706,504,002
Trade and other payables	**391,383,516**	433,536,798	**10,701,953**	11,525,575
Borrowings	**3,144,492,053**	2,802,830,706	**57,753,182**	632,891,907
	3,535,875,569	3,236,367,504	**790,582,229**	1,350,921,484

27 Fair value measurement

Fair value measurement of financial instruments

The carrying values of variable rate bank loans approximate their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, trade and other payables, and borrowings) approximate their fair values because of the short period to maturity.

Fair value measurement of non–financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market date.

27 FAIR VALUE MEASUREMENT (CONT'D)

Fair value measurement of non–financial assets (Cont'd)

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

The Group	Level 1 RMB	Level 2 RMB	Level 3 RMB	Total RMB
31 December 2014				
Investment properties	**–**	**–**	**4,263,465,000**	**4,263,465,000**
Investment in limited partnership	**–**	**–**	**500,000,000**	**500,000,000**
	–	**–**	**4,763,465,000**	**4,763,465,000**
31 December 2013				
Investment properties	–	–	4,129,299,000	4,129,299,000

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

The following table shows the Group's valuation technique used in measuring the fair value of the disposal group, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurement
The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.	– Weighted average price per square meter: RMB 14,220 (2013 – RMB12,600) – Expected average rental growth: not more than 10% (2013 – not more than 10%) – Discount rate: 7% (2013 – 7%) – Capitalisation rate: 7% (2013 – 7%)	The estimated fair value would increase (decrease) if: – Price per square meter was higher (lower); – Expected average rental growth was higher (lower); – Discount rate was lower (higher); – Capitalisation rate was lower (higher).

27 FAIR VALUE MEASUREMENT (CONT'D)

Level 3 fair value measurements

The reconciliation of the carrying amounts of non–financial assets classified within Level 3 is as follows:

	Investment properties	
	2014	2013
The Group	**RMB**	RMB
At 1 January	**4,129,299,000**	3,663,935,000
Transfer from completed properties for sale	**58,117,808**	369,903,876
Transfer to property, plant and equipment #	**(33,852,376)**	–
Properties sold	**(7,824,134)**	(1,963,270)
Fair value gain recognised in profit or loss	**117,724,702**	97,423,394
At 31 December	**4,263,465,000**	4,129,299,000

During the financial year ended 31 December 2014, the Group commenced occupation of certain floor area of office premises, originally designated as investment properties, for own use.

28 PRIOR YEARS ADJUSTMENTS/RECLASSIFICATIONS

In prior year, the Group:

- (1) redeemed all convertible bonds and recognised the resulting gain on the equity component in profit or loss instead of equity;
- (2) had classified car park lots attributable to the retail mall as completed properties for sale under development properties instead of investment properties; an
- (3) had classified the office units at the higher floors (Level 47 to Level 51) as Investment Properties from 2013 instead of the inception of the Ying Li IFC project in 2009.

The prior years' adjustments and reclassifications, at nil tax, to the extent that they are applied retrospectively, have the following impact:

The Group	**As reported RMB**	**Adjustment/ reclassification RMB**	**As re-stated RMB**
Consolidated statement of financial position as at 31 December 2013			
Investment properties	**3,837,684,570**	293,000,000(2)	**4,130,684,570**
Development properties	**3,241,927,604**	(293,224,594)(2)	**2,948,703,010**
Retained earnings	**1,717,678,205**	(42,457,927)(1)	**1,675,051,833**
		(168,445)(2)	
Other reserves	**–**	42,457,927(1)	**42,457,927**
Deferred tax liabilities	**498,546,265**	(56,149)(2)	**498,490,116**

28 PRIOR YEARS ADJUSTMENTS/RECLASSIFICATIONS (CONT'D)

	As reported RMB	Adjustment/ reclassification RMB	As re-stated RMB
Consolidated statement of financial position as at 31 December 2014			
Investment properties	**3,968,485,815**	295,300,000[2]	**4,263,785,815**
Development properties	**3,701,851,545**	(293,224,594)[2]	**3,408,626,951**
Retained earnings	**1,970,280,488**	(42,457,927)[1]	**1,929,379,117**
		1,556,556[2]	
Other reserves	**–**	42,457,927[1]	**42,457,927**
Deferred tax liabilities	**526,527,673**	518,850[2]	**527,046,523**

The Company	As reported RMB'000	Reclassification RMB'000	As restated RMB'000
Statement of financial position as at 31 December 2013			
Retained earnings	**(355,325,510)**	(42,457,927)	**(397,783,437)**
Convertible bond reserve	**–**	42,457,927	**42,457,927**
Statement of financial position as at 31 December 2014			
Retained earnings	**(453,731,463)**	(42,457,927)	**(496,189,390)**
Convertible bond reserve	**–**	42,457,927	**42,457,927**

29 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Company monitors capital using Gearing Ratio, which is net debt divided by total equity attributable to owners of the Company. Net debt represents total borrowings less cash and cash equivalents, excluding restricted bank balance related to properties sales (Note 10).

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

29 CAPITAL MANAGEMENT (CONT'D)

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

	The Group		The Company	
	2014 RMB	2013 RMB	**2014 RMB**	2013 RMB
Total borrowings (A)	**3,144,492,053**	2,802,830,706	**57,753,182**	632,891,907
Cash and cash equivalents	**965,135,891**	727,131,651	**26,407,368**	29,877,068
Less: Restricted bank balance	**(157,048,876)**	(355,700,397)	**–**	–
(B)	**808,087,015**	371,431,254	**26,407,368**	29,877,068
Net debt (C)=(A)–(B)	**2,336,405,038**	2,431,399,452	**31,345,814**	603,014,839
Equity attributable to owners of the Company (D)	**5,002,159,414**	3,396,661,820	**4,399,545,790**	3,180,602,487
Gearing ratio (times) (C)/(D)	**0.47**	0.72	**0.01**	0.19

30 CONTINGENT LIABILITIES

The Group	**2014 RMB**	2013 RMB
Bank balances pledged to banks to secure certain mortgage loans provided by banks to customers for purchase of the Group's development properties (Note 10)	**157,048,876**	80,645,639
Fixed deposits pledged to banks to secure bank loans provided by banks to the Group entities (Note10)	**609,280,000**	461,700,000
	766,328,876	542,345,639

No material losses are expected in respect of the bank balances and fixed deposits pledged.

31 COMPARATIVES

Certain amounts in the comparative information have been reclassified to conform with current year financial statement presentations due to prior years adjustments and reclassifications as set out in Note 28.

32 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 2014 and 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 2014 and comparative information as at 31 December 2013 are summarised in the following tables:

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group	Previously reported RMB	Correction RMB	Re-stated RMB
As at 31 December 2014			
ASSETS			
Non-Current			
Property, plant and equipment	**60,051,969**	**–**	**60,051,969**
Investment properties	**3,968,485,815**	**295,300,000**	**4,263,785,815**
Subsidiaries	**–**	**–**	**–**
Other investment	**500,000,000**	**–**	**500,000,000**
Deferred tax assets	**26,910,000**	**–**	**26,910,000**
	4,555,447,784	**295,300,000**	**4,850,747,784**
Current			
Development properties	**3,701,851,545**	**(293,224,594)**	**3,408,626,951**
Trade and other receivables	**319,108,776**	**–**	**319,108,776**
Cash and cash equivalents	**965,135,891**	**–**	**965,135,891**
	4,986,096,212	**(293,224,594)**	**4,692,871,618**
Total assets	**9,541,543,996**	**2,075,406**	**9,543,619,402**
EQUITY			
Share capital	**4,028,371,643**	**–**	**4,028,371,643**
Perpetual convertible securities	**878,969,671**	**–**	**878,969,671**
Retained earnings	**1,970,280,488**	**(40,901,371)**	**1,929,379,117**
Other reserves	**(1,877,018,944)**	**42,457,927**	**(1,834,561,017)**
Equity attributable to owners of the Company	**5,000,602,858**	**1,556,556**	**5,002,159,414**
Non-controlling interests	**54,563,847**	**–**	**54,563,847**
Total equity	**5,055,166,705**	**1,556,556**	**5,056,723,261**
LIABILITIES			
Non-Current			
Deferred tax liabilities	**526,527,673**	**518,850**	**527,046,523**
Borrowings	**1,428,719,950**	**–**	**1,428,719,950**
Other payables	**113,129,600**	**–**	**113,129,600**
	2,068,377,223	**518,850**	**2,068,896,073**
Current			
Trade and other payables	**541,435,644**	**–**	**541,435,644**
Borrowings	**1,715,772,103**	**–**	**1,715,772,103**
Current tax payables	**160,792,321**	**–**	**160,792,321**
	2,418,000,068	**–**	**2,418,000,068**
Total liabilities	**4,486,377,291**	**518,850**	**4,486,896,141**
Total equity and liabilities	**9,541,543,996**	**2,075,406**	**9,543,619,402**

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group	Previously reported RMB	Correction RMB	Re-stated RMB
As at 31 December 2013			
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
Deferred tax assets	14,953,000	–	14,953,000
	3,861,593,664	293,000,000	4,154,593,664
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	8,007,898,529	(224,594)	8,007,673,935
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	498,546,265	(56,149)	498,490,116
Borrowings	814,375,000	–	814,375,000
Other payables	51,987,250	–	51,987,250
	1,364,908,515	(56,149)	1,364,852,366
Current			
Trade and other payables	1,107,093,998	–	1,107,093,998
Borrowings	1,988,455,706	–	1,988,455,706
Current tax payables	95,641,088	–	95,641,088
	3,191,190,792	–	3,191,190,792
Total liabilities	4,556,099,307	(56,149)	4,556,043,158
Total equity and liabilities	8,007,898,529	(224,594)	8,007,673,935

32 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 2014 and comparative information for the financial year ended 31 December 2013 are summarised in the following table:

The Group	Previously reported RMB	Correction RMB	Re-stated RMB
Year ended 31 December 2014			
Revenue	**1,030,490,968**	**–**	**1,030,490,968**
Cost of sales	(552,494,329)	–	(552,494,329)
Gross profit	**477,996,639**	**–**	**477,996,639**
Other income	131,004,908	2,300,001	133,304,909
Other expenses	–		–
Selling expenses	(56,228,274)		(56,228,274)
Administrative expenses	(128,235,887)		(128,235,887)
Finance costs	(68,494,033)		(68,494,033)
Profit before taxation	**356,043,353**	**2,300,001**	**358,343,354**
Tax expense	(102,422,565)	(575,000)	(102,997,565)
Profit for the year	**253,620,788**	**1,725,001**	**255,345,789**
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences (at nil tax)	(20,574,526)	–	(20,574,526)
Other comprehensive (loss)/income for the year	**(20,574,526)**	**–**	**(20,574,526)**
Total comprehensive income for the year	**233,046,262**	**1,725,001**	**234,771,263**
Profit/(Loss) attributable to:			
Owners of the Company	**254,025,898**	**1,725,001**	**255,750,899**
Non-controlling interests	(405,110)	–	(405,110)
	253,620,788	**1,725,001**	**255,345,789**
Total comprehensive income/(loss) attributable to:			
Owners of the Company	**233,451,372**	**1,725,001**	**235,176,373**
Non-controlling interests	**(405,110)**	**–**	**(405,110)**
	233,046,262	**1,725,001**	**234,771,263**
Earnings per share (RMB):			
Basic	**0.11**		**0.11**
Diluted	**0.11**		**0.11**

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group	Previously reported RMB	Correction RMB	Re-stated RMB
Year ended 31 December 2013			
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	266,667,530	(162,168,908)	104,498,622
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)
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

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The effects of the restatement on the statements of cash flows as at 31 December 2014 and comparative information as at 31 December 2013 are summarised in the following tables:

The Group	Note	Previously reported RMB	Correction RMB	Re-stated RMB
Year ended 31 December 2014				
Cash Flows from Operating Activities				
Profit before taxation		356,043,353	2,300,001	358,343,354
Adjustments for:				
Depreciation of property, plant and equipment	3	3,378,618	–	3,378,618
Amortisation of other non–current assets		1,064,755	–	1,064,755
Equity–settled share–based payment transactions	20	11,115,427	–	11,115,427
Amortisation of prepaid legal consultancy service fee		500,000	–	500,000
Fair value gain on investment properties	19	(115,424,702)	(2,300,000)	(117,724,702)
Interest income	19	(8,011,047)	–	(8,011,047)
Interest expense	20	68,494,033	–	68,494,033
Loss on disposal of property, plant and equipment		3,854	–	3,854
Operating profit before working capital changes		317,164,291	1	317,164,292
Change in development properties		(518,041,746)	–	(518,041,746)
Change in trade and other receivables		(141,862,724)	–	(141,862,724)
Change in trade and other payables		(499,222,618)		(499,222,618)
Cash used in operations		(841,962,797)	1	(841,962,796)
Interest paid		(73,428,762)	–	(73,428,762)
Interest received		8,011,047	–	8,011,047
Income tax paid		(21,246,924)	–	(21,246,924)
Net cash used in operating activities		(928,627,436)	1	(928,627,435)
Cash Flows from Investing Activities				
Acquisition of property, plant and equipment	3	(20,849,690)	–	(20,849,690)
Proceeds from disposal of investment properties		7,824,134	–	7,824,134
Proceeds from disposal of property, plant and equipment		10,039	–	10,039
Acquisition of other investment	6	(500,000,000)	–	(500,000,000)
Net cash used in investing activities		(513,015,517)	–	(513,015,517)
Cash Flows from Financing Activities				
Issue of shares	12	481,659,438	–	481,659,438
Cash at bank – restricted	10	(223,983,237)	–	(223,983,237)
Proceeds from loans and borrowings		2,350,462,086	–	2,350,462,086
Repayment of loans and borrowings		(2,027,160,415)	–	(2,027,160,415)
Proceeds of loan from a shareholder		209,944,180	–	209,944,180
Repayment of loan from a shareholder		(209,944,180)	–	(209,944,180)
Issue of perpetual convertible securities	13	878,969,671		878,969,671
Net cash used in financing activities		(1,459,947,543)	–	1,459,947,543
Net increase in cash and cash equivalents		18,304,590	1	18,304,591
Cash and cash equivalents at beginning of year		184,786,012	–	184,786,012
Effects of exchange rate changes on cash and cash equivalents		(4,283,587)	(1)	(4,283,588)
Cash and cash equivalents at end of year	10	198,807,015	–	198,807,015

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Group	Note	Previously reported RMB	Correction RMB	Re-stated RMB
Year ended 31 December 2013				
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	20	6,234,415	–	6,234,415
Amortisation of prepaid legal consultancy service fee		–	500,004	500,004
Fair value gain on investment properties	19	(259,592,299)	162,168,905	(97,423,394)
Loss on redemption of convertible bonds	16	17,041,590	11,413,471	28,455,061
Fair value loss on convertible bond		–	(6,986,081)	(6,986,081)
Interest income	19	(4,991,754)	–	(4,991,754)
Interest expense	20	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	3	(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	10	(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		(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	10	184,786,012	–	184,786,012

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The effects of the restatement on the statements of financial position as at 31 December 2014 and comparative information as at 31 December 2013 are summarised in the following tables:

The Company	Previously reported RMB	Correction RMB	Re-stated RMB
As at 31 December 2014			
ASSETS			
Non–Current			
Property, plant and equipment	40,027	–	40,027
Subsidiaries	2,827,257,014	–	2,827,257,014
	2,827,297,041	–	2,827,297,041
Current			
Trade and other receivables	7,577,210	–	7,577,210
Amounts owing from subsidiaries	2,328,846,400	–	2,328,846,400
Cash and cash equivalents	26,407,368	–	26,407,368
	2,362,830,978	–	2,362,830,978
Total assets	5,190,128,019	–	5,190,128,019
EQUITY			
Share capital	4,028,371,643	–	4,028,371,643
Perpetual convertible securities	878,969,671		878,969,671
Accumulated losses	(453,731,463)	(42,457,927)	(496,189,390)
Other reserves	(54,064,061)	42,457,927	(11,606,134)
Total equity	4,399,545,790	–	4,399,545,790
LIABILITIES			
Non–Current			
Borrowings	44,469,950	–	44,469,950
	44,469,950	–	44,469,950
Current			
Amount owing to subsidiaries	722,127,094	–	722,127,094
Trade and other payables	10,701,953	–	10,701,953
Borrowings	13,283,232	–	13,283,232
	746,112,279	–	746,112,279
Total liabilities	790,582,229	–	790,582,229
Total equity and liabilities	5,190,128,019	–	5,190,128,019

32 RESTATEMENT OF FINANCIAL STATEMENTS (CONT'D)

The Company	Previously reported RMB	Correction RMB	Re-stated RMB
As at 31 December 2013			
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			
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
	1,704,207,994	–	1,704,207,994
Total assets	4,531,523,971	–	4,531,523,971
EQUITY			
Share capital	3,536,777,056		3,536,777,056
Accumulated losses	(355,325,510)	(42,457,927)	(397,783,437)
Other reserves	(849,059)	42,457,927	41,608,868
Total equity	3,180,602,487	–	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	4,531,523,971	–	4,531,523,971