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

Financial Statement Announcement for 3rd Quarter ended 30th September 2017

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

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

The Board of Directors announces the unaudited results of the Group for the 3rd quarter and nine months ended 30th September 2017.

	Group					
	3rd Qtr 2017	3rd Qtr 2016	Increase / (Decrease)	Jan to Sep 2017	Jan to Sep 2016	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**314,560**	**251,016**	**25.3%**	**760,308**	**511,627**	48.6%
Cost of sales	(219,702)	(190,737)	15.2%	(544,726)	(319,517)	70.5%
Gross profit	**94,858**	**60,279**	**57.4%**	**215,582**	**192,110**	**12.2%**
Other income	10,825	8,999	20.3%	32,161	39,108	(17.8%)
Selling expenses	(16,124)	(20,732)	(22.2%)	(43,356)	(52,460)	(17.4%)
Administrative expenses	(31,444)	(26,289)	19.6%	(72,591)	(69,269)	4.8%
Administrative expenses - Share based payment expense	-	319	n.m.	-	-	n.m.
Finance costs	(26,873)	(24,269)	10.7%	(74,913)	(71,516)	4.7%
Profit/(loss) before Income Tax	**31,242**	**(1,693)**	**n.m.**	**56,883**	**37,973**	**49.8%**
Taxation - Current	(18,107)	(5,047)	258.8%	(24,749)	(20,342)	21.7%
- Deferred	3,936	4,457	(11.7%)	2,466	7,306	(66.2%)
Profit for the period	**17,071**	**(2,283)**	**n.m.**	**34,600**	**24,937**	**38.7%**
Foreign currency translation differences(at nil tax)	(596)	4,943	n.m.	(16,472)	(32,886)	(49.9%)
Total comprehensive profit/(loss) for the period	**16,475**	**2,660**	**519.4%**	**18,128**	**(7,949)**	**n.m.**
Profit attributable to:						
Ordinary shareholders of the company	17,241	7	246,200.0%	32,990	21,802	51.3%
Non-Controlling Interest (NCI)	(170)	(2,290)	(92.6%)	1,610	3,135	(48.6%)
	17,071	**(2,283)**	**n.m.**	**34,600**	**24,937**	**38.7%**
Total comprehensive profit/(loss) attributable to:						
Ordinary shareholders of the company	16,645	4,950	236.3%	16,518	(11,084)	n.m.
Non-Controlling Interest (NCI)	(170)	(2,290)	(92.6%)	1,610	3,135	(48.6%)
	16,475	**2,660**	**519.4%**	**18,128**	**(7,949)**	**n.m.**

n.m. - not meaningful

For the avoidance of doubt, the Group reports under Singapore FRS and not IFRS though for all practical purposes there would be no noticeable change if the Group reported under IFRS.

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

	Group		Company	
	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	62,178	54,656	1,104	1,431
Investment in subsidiaries	-	-	2,966,258	2,966,258
Investment properties	4,448,928	4,457,926	-	-
Other investment	620,000	620,000	-	-
Deferred assets	29,275	28,108	-	-
Total non-current assets	**5,160,381**	**5,160,690**	**2,967,362**	**2,967,689**
Current assets:				
Development properties	4,994,355	5,187,210	-	-
Trade and other receivables	981,681	841,759	8,562	6,691
Amount due from subsidiaries	-	-	2,276,596	2,417,534
Cash and cash equivalents	481,405	676,315	6,890	12,109
Total current assets	**6,457,441**	**6,705,284**	**2,292,048**	**2,436,334**
Total assets	**11,617,822**	**11,865,974**	**5,259,410**	**5,404,023**
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve	(1,993,712)	(1,993,712)	-	-
Statutory common reserve	80,570	80,570	-	-
Convertible bond reserve	42,458	42,458	42,458	42,458
Perpetual convertible securities	878,970	878,970	878,970	878,970
Exchange fluctuation reserve	(3,004)	13,468	(14,752)	(45,503)
Retained profits	1,919,083	1,953,241	(850,673)	(749,635)
	4,952,737	**5,003,367**	**4,084,375**	**4,154,662**
Non-Controlling Interest	**60,254**	**58,644**	**-**	**-**
Total equity	**5,012,991**	**5,062,011**	**4,084,375**	**4,154,662**
Non-current liabilities:				
Deferred taxation	541,485	573,209	-	-
Borrowings-secured	1,922,603	1,804,559	333,922	347,503
Total non-current liabilities	**2,464,088**	**2,377,768**	**333,922**	**347,503**
Current liabilities:				
Trade and other payables	1,217,006	1,265,015	49,328	62,380
Amount owing to subsidiaries	-	-	747,047	786,139
Provision for taxation	188,006	156,958	-	-
Borrowings-secured	2,735,731	3,004,222	44,738	53,339
Total current liabilities	**4,140,743**	**4,426,195**	**841,113**	**901,858**
Total equity and liabilities	**11,617,822**	**11,865,974**	**5,259,410**	**5,404,023**

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

Notes to the Statement of Financial Position

Trade and other receivables comprise of the following:

	Group		Company	
	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)
Trade receivables	82,340	78,272	-	-
Other receivables:				
- Deposit for land tender	519,136	477,946	-	-
- Rental deposits	610	586	598	585
- Prepayments	256,972	165,602	7,862	5,954
- Security deposits placed with contractors, suppliers and authorities	23,333	36,188	-	-
- Refundable deposits	67,669	53,435	-	-
- Others	31,621	29,730	102	152
Total receivables	981,681	841,759	8,562	6,691

Trade and other payables comprise of the following:

	Group		Company	
	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)	30-Sep-17 RMB ('000)	31-Dec-16 RMB ('000)
Trade payables	574,600	644,232	-	-
Other payables:				
- Accrued expenses	119,887	91,525	49,328	62,380
- Advance payment from customers	438,986	442,476	-	-
- Rental and option deposits	61,218	64,474	-	-
- Project deposits	15,000	15,085	-	-
- Advances from sub-contractors	5,996	6,278	-	-
- Others	1,320	945	-	-
Total payables	1,217,006	1,265,015	49,328	62,380

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

	Group			
	30-Sep-17		31-Dec-16	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable during its operating cycle, within twelve months, or on demand	2,735,731	-	3,004,222	-
	2,735,731	-	3,004,222	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	1,588,681	333,922	1,457,056	347,503
	4,324,412	333,922	4,461,278	347,503

Details of any collateral

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

In accordance with Singapore FRS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties, which can range from 1 to 4 years.

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

	Group			
	3nd Qtr 2017	3nd Qtr 2016	Jan to Sep 2017	Jan to Sep 2016
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit/(loss) before taxation	31,242	(1,693)	56,883	37,973
Adjustments for:				
Depreciation of property, plant and equipment	1,730	1,702	5,354	5,196
Amortisation of other non-current assets	636	111	2,222	320
Interest expense	26,873	24,269	74,913	71,516
Interest income	(9,418)	(7,781)	(28,518)	(35,601)
Share based payment expense	-	(319)	-	-
Loss on disposal of property, plant and equipment	207	-	208	-
Operating profit before working capital changes	51,270	16,289	111,062	79,404
Decrease in investment properties	3,376	295	10,115	6,328
Decrease/(increase) in development properties	108,157	(85,840)	152,158	(589,421)
Increase in trade and other receivables	(81,611)	(37,018)	(125,149)	(155,628)
Increase/(decrease) in trade and other payables	29,426	(7,015)	(46,684)	510,822
Cash from/(used in) operations	110,618	(113,289)	101,502	(148,495)
Interest paid	(18,681)	(69,806)	(73,617)	(224,466)
Interest received	9,418	7,581	10,406	35,260
Income tax paid	(540)	(26,982)	(24,129)	(37,644)
Net cash from/(used in) operating activities	**100,815**	**(202,496)**	**14,162**	**(375,345)**
Cash flow from investing activities				
Acquisition of property, plant and equipment	(487)	(7)	(599)	(608)
Net cash used in investing activities	**(487)**	**(7)**	**(599)**	**(608)**
Cash flow from financing activities				
Bank balance subject to restriction	(38,892)	135,314	237,182	797,631
Proceed from loans and borrowings	400,000	340,420	700,000	967,341
Proceed from bond issuance	-	-	-	323,799
Payment of interest on perpetual convertible securities	-	-	(91,156)	(78,261)
Repayment of borrowings	(427,101)	(361,769)	(817,508)	(1,628,870)
Net cash generated (used in)/from financing activities	**(65,993)**	**113,965**	**28,518**	**381,640**
Net increase/(decrease) in cash and cash equivalents	**34,335**	**(88,538)**	**42,081**	**5,687**
Effects of exchange rate changes on cash and cash equivalents	188	7,561	190	(9,509)
Cash and cash equivalents at beginning of period	230,873	255,275	223,125	178,120
Cash and cash equivalents at end of period	**265,396**	**174,298**	**265,396**	**174,298**

Cash and cash equivalents at the end of the period comprise cash and bank balances and excludes bank balances pledged to banks amounting to RMB216 million as at 30 September 2017 (30 September 2016: RMB347 million).

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

Consolidated Statement of Changes in Equity for the period ended 30 September 2017

Group	Capital contribution	Reverse acquisition reserve	Convertible bonds (equity component)	Statutory common reserve	Share-based compensation reserve	Perpetual convertible security	Translation reserve	Retained profits	Total attributable to Ordinary shareholders of the Company	Non-Controlling Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2017	4,028,372	(1,993,712)	42,458	80,570	-	878,970	13,468	1,953,241	5,003,367	58,644	5,062,011
Total comprehensive income for the year	-	-	-	-	-	-	(18,742)	10,738	(8,004)	566	(7,438)
Perpetual convertible securities interest	-	-	-	-	-	-	-	(22,133)	(22,133)	-	(22,133)
Balance at 31 March 2017	4,028,372	(1,993,712)	42,458	80,570	-	878,970	(5,274)	1,941,846	4,973,230	59,210	5,032,440
Total comprehensive income for the year	-	-	-	-	-	-	2,866	5,011	7,877	1,214	9,091
Perpetual convertible securities interest	-	-		-		-	-	(22,384)	(22,384)	-	(22,384)
Balance at 30 June 2017	4,028,372	(1,993,712)	42,458	80,570	-	878,970	(2,408)	1,924,473	4,958,723	60,424	5,019,147
Total comprehensive income for the year	-	-		-	-	-	(596)	17,241	16,645	(170)	16,475
Perpetual convertible securities interest	-	-		-	-	-	-	(22,631)	(22,631)	-	(22,631)
Balance at 30 September 2017	4,028,372	(1,993,712)	42,458	80,570	-	878,970	(3,004)	1,919,083	4,952,737	60,254	5,012,991
Balance at 1 January 2016	4,028,372	(1,993,712)	42,458	68,444	19,707	878,970	35,042	1,946,524	5,025,805	56,986	5,082,791
Total comprehensive income for the year	-	-	-	-	-	-	(20,057)	16,793	(3,264)	2,124	(1,140)
Perpetual convertible security interest	-	-	-	-	-	-	-	(22,134)	(22,134)	-	(22,134)
Balance at 31 March 2016	4,028,372	(1,993,712)	42,458	68,444	19,707	878,970	14,985	1,941,183	5,000,407	59,110	5,059,517
Total comprehensive income for the year	-	-	-	-	-	-	(17,772)	5,002	(12,770)	3,300	(9,470)
Equity-settled share-based payment transactions	-	-	-	-	319	-	-	-	319	-	319
Perpetual convertible securities interest	-	-		-	-	-	-	(21,885)	(21,885)	-	(21,885)
Balance at 30 June 2016	4,028,372	(1,993,712)	42,458	68,444	20,026	878,970	(2,787)	1,924,300	4,966,071	62,410	5,028,481
Total comprehensive income for the year	-	-	-	-	-	-	4,943	7	4,950	(2,290)	2,660
Equity-settled share-based payment transactions	-	-	-	-	(319)	-	-	-	(319)	-	(319)
Perpetual convertible securities interest	-	-	-	-		-	-	(22,134)	(22,134)	-	(22,134)
Balance at 30 September 2016	4,028,372	(1,993,712)	42,458	68,444	19,707	878,970	2,156	1,902,173	4,948,568	60,120	5,008,688

Statement of Changes in Equity of the Company for the period ended 30 September 2017

Company	Capital contribution	Convertible bonds (equity component)	Share-based compensation reserve	Translation reserve	Perpetual convertible security	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2017	4,028,372	42,458	-	(45,503)	878,970	(749,635)	4,154,662
Total comprehensive income for the year	-	-	-	35,667	-	(5,810)	29,857
Perpetual convertible securities interest	-	-	-	-		(22,133)	(22,133)
Balance at 31 March 2017	4,028,372	42,458	-	(9,836)	878,970	(777,578)	4,162,386
Total comprehensive income for the year	-	-	-	(5,333)	-	(16,859)	(22,192)
Perpetual convertible securities interest	-	-	-	-		(23,384)	(23,384)
Balance at 30 June 2017	4,028,372	42,458	-	(15,169)	878,970	(817,821)	4,116,810
Total comprehensive income for the year	-	-	-	417	-	(10,221)	(9,804)
Perpetual convertible securities interest	-	-	-	-	-	(22,631)	(22,631)
Balance at 30 September 2017	4,028,372	42,458	-	(14,752)	878,970	(850,673)	4,084,375
Balance at 1 January 2016	4,028,372	42,458	19,707	(115,276)	878,970	(668,717)	4,185,514
Total comprehensive income for the year	-	-	-	63,470	-	22,028	85,498
Transfer to statutory common reserve	-	-	-	-		(22,134)	(22,134)
Balance at 31 March 2016	4,028,372	42,458	19,707	(51,806)	878,970	(668,823)	4,248,878
Total comprehensive income for the year	-	-	-	43,798	-	35,360	79,158
Equity-settled share-based payment transactions	-	-	319	-	-	-	319
Perpetual convertible securities interest	-	-	-	-	-	(65,412)	(65,412)
Balance at 30 June 2016	4,028,372	42,458	20,026	(8,008)	878,970	(698,875)	4,262,943
Total comprehensive income for the year	-	-	-	(13,122)	-	(3,438)	(16,560)
Equity-settled share-based payment transactions	-	-	(319)	-	-	-	(319)
Perpetual convertible securities interest	-	-	-	-	-	(22,134)	(22,134)
Balance at 30 September 2016	4,028,372	42,458	19,707	(21,130)	878,970	(724,447)	4,223,930

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

Perpetual Subordinated Convertible Callable Securities ("Perpetual Convertible Securities")

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

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

	As at 30 Sep 2017	As at 30 Sep 2016
	No. of shares	No. of shares
The number of shares that may be issued on conversion of outstanding securities at the end of the period	581,761,006	581,761,006

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

There were no outstanding share options and share awards granted under the Ying Li Employee Share Option Scheme ("Ying Li ESOS") and Ying Li Performance Share Plan ("Ying Li PSP") respectively as at 30 September 2017 (30 September 2016: Nil).

The Company did not hold any treasury shares as at 30 September 2017 (30 September 2016: Nil).

None of the subsidiaries held shares in the Company as at 30 September2017 (30 September 2016: Nil).

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

The total number of issued shares as at 30 September 2017 was 2,557,040,024 (30 September 2016: 2,557,040,024).

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

Not applicable.

1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

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

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

Not applicable.

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

The Group had adopted the same accounting policies and method of computation in the financial statements for the current financial year compared to the audited financial statements for the year ended 31 December 2016.

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

Not applicable.

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

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

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

	Group			
	3rd Qtr 2017	3rd Qtr 2016	Jan to Sep 2017	Jan to Sep 2016
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.007	0.000	0.013	0.009
(ii) On a fully diluted basis (RMB per share)	0.007	0.000	0.013	0.009
Number of shares in issue:				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,557,040	2,557,040	2,557,040	2,557,040
(ii) On a fully diluted basis ('000)	2,557,040	2,557,040	2,557,040	2,557,040

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

Diluted earnings per ordinary share is calculated based on the similar basis as the earnings per share, except that the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: perpetual convertible securities, as of 30 September 2017.

The Perpetual Convertible Securities is anti-dilutive as its interest per ordinary share obtainable on conversion exceeds basic earnings per share.

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Net Asset Value (RMB'000)	4,952,736	5,003,367	4,084,375	4,154,662
Based on existing issued share capital (RMB per share)	1.94	1.96	1.60	1.62
Net Asset Value has been computed based on the number of share issued (000')	2,557,040	2,557,040	2,557,040	2,557,040

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

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

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

STATEMENT OF COMPREHENSIVE INCOME

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

For the nine months and quarter ended 30 September 2017

Revenue

	Group					
	3rd Qtr 2017	3rd Qtr 2016	Increase / (Decrease)	Jan to Sep 2017	Jan to Sep 2016	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	264,146	201,625	31.0%	603,853	354,353	70.4%
Rental Income	50,414	49,391	2.1%	156,455	157,274	(0.5%)
	314,560	**251,016**	**25.3%**	**760,308**	**511,627**	**48.6%**

Revenue of the Group from the Sale of Properties increased by RMB62.5 million (31.0%) to RMB264.1 million as compared with 3QFY2016. The increase was mainly driven by the sales of existing units from completed projects, Investment properties, as well as from the continued handover of the residential units at San Ya Wan Phase 2 project and commercial units at Ying Li International Electrical and Hardware Centre ("Ying Li IEC") Phase 1A and 2A.

Rental income increased marginally by RMB1.0 million (2.1%) as compared to the same period last year. The overall increase is a net result of increase in rental income from its retail malls, offset by the loss of rental income from the Investment properties sold.

Gross profit

	Group					
	3rd Qtr 2017	3rd Qtr 2016		Jan to Sep 2017	Jan to Sep 2016	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	50,158	16,984	195.3%	80,250	56,668	41.6%
Rental Income	44,700	43,295	3.2%	135,332	135,442	(0.1%)
	94,858	**60,279**	**57.4%**	**215,582**	**192,110**	**12.2%**

Gross profit of the Group for 3QFY2017 increased by RMB34.6 million (57.4%) to RMB94.9 million as compared to the same period last year. The mix of properties that were sold and handed over in 3QFY2017 have higher gross profit as compared to that from the high-rise residential units at San Ya Wan Phase 2 handed over in 3QFY2016.

Gross profit margin

	Group							
	3rd Qtr 2017		3rd Qtr 2016		Jan to Sep 2017		Jan to Sep 2016	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	50,158	19.0%	16,984	8.4%	80,250	13.3%	56,668	16.0%
Rental Income	44,700	88.7%	43,295	87.7%	135,332	86.5%	135,442	86.1%
	94,858	**30.2%**	**60,279**	**24.0%**	**215,582**	**28.4%**	**192,110**	**37.5%**

The Group's gross profit margin for 3QFY2017 increased by 6.2 percentage points to 30.2%. Gross profit margin from Sale of Properties increased as the mixture of properties that were sold and handed over in 3QFY2017 tend to have higher gross profit margin as compared to the high-rise residential units at San Ya Wan Phase 2 handed over in 3QFY2016 where the gross profit margin was lower.

Other income

	Group			
	3rd Qtr 2017	3rd Qtr 2016	Jan to Sep 2017	Jan to Sep 2016
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	9,417	7,781	28,518	35,601
Advertisement income	352	608	925	608
Government grant	675	1	786	353
Others	381	609	1,932	2,546
	10,825	8,999	32,161	39,108

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

Selling expenses

Selling expenses decreased marginally by RMB4.6 million (22.2%) in 3QFY2017 to RMB16.1 million as compared to 3QFY2016, mainly due to lower sales and marketing related expenses, and lower property management expenses..

Administrative expenses

During the quarter under review, Administrative expenses increased by RMB5.2 million (19.6%) to RMB31.4 million in 3QFY2017. The increase was due to higher staff related costs and fees paid to financial institutions for new loans drawn down.

Finance costs

For the quarter under review, Finance costs were RMB2.6 million (10.7%) higher as compared to 3QFY2016. The increase was mainly due to a lower amount of interest being capitalised. Interest expense directly attributable to projects would generally be capitalised as part of the project costs.

Taxation

	Group					
	3rd Qtr 2017	3rd Qtr 2016		Jan to Sep 2017	Jan to Sep 2016	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(18,107)	(5,047)	258.8%	(24,749)	(20,342)	21.7%
Deferred tax	3,936	4,457	(11.7%)	2,466	7,306	(66.2%)
	(14,171)	**(590)**	**2,301.9%**	**(22,283)**	**(13,036)**	**70.9%**

During the quarter under review, current income tax expense increased by RMB13.1 million (258.8%) as compared with 3QFY2016 mainly due to higher taxable profits generated from the sale of properties in 3QFY2017.

Profit attributable to ordinary shareholders of the Company

	Group					
	3rd Qtr 2017	3rd Qtr 2016	Increase / (Decrease)	Jan to Sep 2017	Jan to Sep 2016	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Ordinary shareholders of the Company	17,241	7	246,200.0%	32,990	21,802	51.3%
Non-Controlling Interest (NCI)	(170)	(2,290)	(92.6%)	1,610	3,135	(48.6%)
	17,071	**(2,283)**	**n.m.**	**34,600**	**24,937**	**38.7%**

n.m. - not meaningful

Overall, net profit attributable to the ordinary shareholders of the Company increased by RMB17.2 million.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group decreased by RMB248.2 million to RMB11.6 billion during the period under review mainly due to a decrease in cash and cash equivalents of RMB194.9 million, and a decrease in Development properties of RMB192.9 million. The cash was mainly used in the repayment of interest and principal of outstanding loans, progress payments for the construction of the projects and distribution on perpetual convertible securities, and the decrease in development properties was mainly arising from the handover of completed properties to purchasers. This was off-set by i) an increase in deposits placed with government

agencies for land tenders amounting to RMB41.2million; ii) an increase in prepayments of RMB91.4 million which was mainly due to prepaid taxes for the pre-sales at the Ying Li Lion City Garden and Ying Li International Electrical and Hardware projects, transfer to sinking funds in accordance with prevailing government regulations upon the handover of the Ying Li Lion City Garden project and loan upfront fees paid to financial institutions in accordance with loan agreements; and iii) an increase in refundable deposits of RMB14.2 million arising from deposits paid to a financial institution pursuant to a loan agreement.

The Group's total liabilities decreased by RMB199.1 million to RMB6.6 billion during the period under review. The decrease in liabilities was mainly due to i) a reduction in borrowings amounting to RMB150.5 million due to repayment of loans; and ii) a decrease in trade and other payables of RMB48.0 million mainly due to progress payment made for construction costs.

The Group's total equity decreased by RMB49.0 million to RMB5.01 billion during the period under review, mainly due to i) a reduction in Retained profits mainly due to the payment of distributions on the Perpetual Convertible Securities; and ii) a decrease in the Exchange fluctuation reserve because of RMB devaluation in FY2017. The Exchange fluctuation reserve mainly comprises cumulative unrealised exchange gains/losses arising from the translation of the financial statements of the entities where the functional currency differs from the presentation currency which is the Chinese Yuan ("RMB").

STATEMENT OF CASH FLOW

The increase in unrestricted cash and cash equivalent of RMB34.3 million for the quarter under review was mainly due to:

i) net cash inflow of RMB100.8 million from operating activities; and
ii) net cash outflow of RMB66.0 million from financing activities.

The net cash inflow from operating activities of RMB100.8 million was mainly attributable to cash generated from operating profit of RMB51.3 million, an increase in trade and other payables of RMB29.4 million mainly due to an increase in accrued expenses and advance payment from customers and a decrease in development properties of RMB108.1 million arising from the handover of completed units. This was off-set by i) an increase in trade and other receivables amounting to RMB81.6 million due to an increase in trade receivables, prepayment on prepaid taxes for the pre-sales at the Ying Li Lion City Garden and Ying Li International Electrical and Hardware projects, and loan upfront fees paid to financial institutions in accordance with loan agreements; and ii) net interest and income tax paid of RMB9.8 million.

Net cash used in financing activities of RMB66.0 million includes a net decrease in borrowings of RMB27.1 million mainly due to the repayment of loans. This is off-set by an increase in cash collaterals pledged to financial institutions to secure loan facilities amounting to RMB38.9 million.

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

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

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

According to Chongqing Statistics Bureau, Chongqing posted a GDP growth of 10.0% Y-o-Y to RMB1,430.9 billion in 3Q2017. The city's steady double digit growth outpaced the country's overall 6.9% Y-o-Y GDP growth and far eclipsed other fast-growing cities in the People's Republic of China ("PRC"). Underpinned by the city's positive economic development, Chongqing's disposable income per capita grew by 8.7% Y-o-Y to RMB24,834 while total retail sales of consumer goods expanded by 11.0% Y-o-Y to RMB585.7 billion in 3Q2017.

Chongqing Office Market
In 3Q2017, office demand continued to gain momentum from the previous quarter, driven by the finance and professional services sectors. Net absorption reached a two-year high of 96,900 sqm, of which, 71,800 sqm were from Grade A office. In addition, only one project, a Grade A office, with a GFA of 66,000 sqm located in Jiangbeizui was added to the market which resulted in a drop in vacancy rate. Appealing to multinational corporations for its strategic and prominent location, Jiefangbei continues to record an average rental of above RMB100 per sqm per month for its Grade A office in 3Q2017, the highest amongst Chongqing's core business districts.

(Source: CBRE Q3 2017, Chongqing Property Market Overview)

Chongqing Retail Market
The overall retail market was relatively stable in 3Q2017. All of the four high quality prime retail projects being added to the market totaling 671,000 sqm are located in non-core districts. With the relative scarcity of land in Chongqing's core districts, developers are looking to non-core districts for new development. The location of all of the four new retail projects outside of core districts exemplifies the aforementioned trend. While market competition intensifies with the new entrants, repositioning and tenant mix adjustment for

prime retail malls in core districts are taking hold. Net absorption for these malls was healthy at 8,300 sqm and vacancy rate dropped to 9.6% in 3Q2017. Apparel and F&B outlets remained as the key drivers of demand while several luxury brands debuted at both core and non-core districts to capture the city's rising consumerism.

(Sources: CBRE Q3 2017, Chongqing Property Market Overview)

Chongqing Residential Market
Sales momentum continued in 3Q2017 with an increase of 4.5% Y-o-Y to 2,300 units sold. 3,100 units were launched in the market, comprising top-quality projects which were priced above market rates. As a result, the average selling price of prime residential units in Chongqing rose at a fast clip by 46.6% Y-o-Y to RMB17,400 per sqm in 3Q2017. In alignment with the PRC's policy of 'houses are for living in, not speculating on' and fueled in part by the price surge, Chongqing's government have imposed new purchase restrictions, a first in the city, to curb short-term speculations in its evolving residential property market. With effect from 23 September 2017, owners who have purchased residential property are not allowed to sell their property within two years from the date of purchase.

(Source: JLL Research, Q3 2017 Chongqing Property Review)

Beijing Market
Along with relative stable demand, sales transactions increased by 9.2% Q-o-Q in 3Q2017. With the influx of new supply and launch of lower-than-expected housing prices, the average sales price for Beijing's prime residential market declined by 2.6% Q-o-Q in 3Q2017. To further limit market speculation and curb price growth, the Beijing government introduced new property rights measures on 30 September 2017. Particularly, the new measures include common housing rights where buyers share property rights with government agencies to purchase properties at more affordable prices. Similarly, future land supply will also focus on common property rights and cater for hard core demand rather than high-end residential properties which are for investment purposes.

(Source: JLL Research, 3Q17 Beijing Property Review)

Outlook
In Chongqing, the Group remains steadfast on developing residential and bespoke projects at prime locations in the city. In accordance with its development plans, the handover for Phase 1A and 2A of the Group's build-to-order development Ying Li International Hardware and Electrical Centre is on track according to plan.

For the Group's retail malls, Ying LI IMIX Park Jiefangbei and Ying Li IMIX Park Daping, the Group is constantly monitoring and reviewing its tenant portfolio to stay relevant to customers' needs and expectations of their retail and dining experience. To that end, repositioning and tenant-mix adjustments remain a priority in the dynamic marketplace for the Group in addition to enacting experiential retailing to draw consumers to the mall and away from e-commerce.

In Beijing Tongzhou, pre-sales for the SOHO blocks of the New Everbright Centre project remains healthy notwithstanding the upshot on the momentum over the past two quarters brought on by the cooling measures imposed in Beijing. Construction for the project is progressing as planned with handover set around late 2017 to 2018.

Given the present macro uncertainty and market volatility and keeping sight of our strategic goal, the Group remains committed to enhancing its presence in Chongqing and expanding to Tier 1 and fast-growing Tier 2 cities while maintaining a watchful eye on market conditions and risks.

11 Dividend

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

No dividend was declared or recommended.

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

No dividend has been declared or recommended

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period.

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

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

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 30 September 2017 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under SGX Listing Rule 720(1) of the Listing Manual.

The Group has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 of the SGX Listing Manual.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
13 November 2017

Yang Xiao Yu
Executive Director