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

Financial Statement Announcement for 4th Quarter ended 31st Dec 2018

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 4th quarter and twelve months ended 31st December 2018.

	Group					
	4th Qtr 2018	4th Qtr 2017	Increase / (Decrease)	Jan to Dec 2018	Jan to Dec 2017	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	**181,461**	**339,882**	**(46.6%)**	**821,053**	**1,100,189**	(25.4%)
Cost of sales	(116,813)	(253,497)	(53.9%)	(521,751)	(798,222)	(34.6%)
Gross profit	**64,648**	**86,385**	**(25.2%)**	**299,302**	**301,967**	**(0.9%)**
Other income	230,466	123,708	86.3%	238,404	155,868	53.0%
Selling expenses	(40,615)	(28,978)	40.2%	(88,220)	(72,333)	22.0%
Administrative expenses	(48,168)	(38,292)	25.8%	(147,208)	(110,883)	32.8%
Fair value gain on investment properties	63,814	39,327	62.3%	63,814	39,327	62.3%
Fair value gain on other investments	128,000	260,000	(50.8%)	128,000	260,000	(50.8%)
Finance costs	(50,838)	(61,368)	(17.2%)	(203,282)	(136,281)	49.2%
Profit before Income Tax	**347,307**	**380,782**	**(8.8%)**	**290,810**	**437,665**	**(33.6%)**
Taxation - Current	(18,664)	(5,541)	236.8%	(35,172)	(30,290)	16.1%
- Deferred	(17,663)	(59,039)	(70.1%)	(7,676)	(56,573)	(86.4%)
Profit for the period	**310,980**	**316,202**	**(1.7%)**	**247,962**	**350,802**	**(29.3%)**
Foreign currency translation differences(at nil tax)	1,623	(11,765)	n.m.	(47,403)	(28,237)	67.9%
Total comprehensive income for the period	**312,603**	**304,437**	**2.7%**	**200,559**	**322,565**	**(37.8%)**
Profit attributable to:						
Ordinary shareholders of the company	311,825	317,254	(1.7%)	250,557	350,244	(28.5%)
Non-Controlling Interest (NCI)	(845)	(1,052)	(19.7%)	(2,595)	558	n.m.
	310,980	**316,202**	(1.7%)	**247,962**	**350,802**	**(29.3%)**
Total comprehensive income attributable to:						
Ordinary shareholders of the company	313,448	305,489	2.6%	203,154	322,007	(36.9%)
Non-Controlling Interest (NCI)	(845)	(1,052)	(19.7%)	(2,595)	558	n.m.
	312,603	**304,437**	**2.7%**	**200,559**	**322,565**	**(37.8%)**

n.m. - not meaningful

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

	Group		Company	
	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	42,652	48,493	529	979
Investment in subsidiaries	-	-	2,966,325	2,966,326
Investment properties	4,535,896	4,486,742	-	-
Other investment	1,008,000	880,000	-	-
Deferred assets	27,529	27,529	-	-
Total non-current assets	**5,614,077**	**5,442,764**	**2,966,854**	**2,967,305**
Current assets:				
Development properties	1,845,275	2,099,791	-	-
Trade and other receivables	2,031,392	2,917,625	103,682	1,211,796
Amount due from subsidiaries	-	-	2,587,709	1,368,768
Cash and cash equivalents	750,510	626,910	15,488	9,184
Total current assets	**4,627,177**	**5,644,326**	**2,706,879**	**2,589,748**
Total assets	**10,241,254**	**11,087,090**	**5,673,733**	**5,557,053**
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	88,588	88,588	-	-
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	(62,172)	(14,769)	(8,576)	(24,383)
Retained profits/(accumulated losses)	2,349,781	2,204,600	(705,285)	(554,399)
	5,332,285	**5,234,507**	**4,235,939**	**4,371,018**
Non-Controlling Interest	**56,607**	**59,202**	**-**	**-**
Total equity	**5,388,892**	**5,293,709**	**4,235,939**	**4,371,018**
Non-current liabilities:				
Deferred taxation	641,795	634,322	-	-
Borrowings	2,346,724	2,820,427	-	325,997
Total non-current liabilities	**2,988,519**	**3,454,749**	**-**	**325,997**
Current liabilities:				
Trade and other payables	746,702	1,098,922	85,915	69,555
Amount owing to subsidiaries	-	-	820,341	762,192
Provision for taxation	170,346	147,048	-	-
Borrowings	946,795	1,092,662	531,538	28,291
Total current liabilities	**1,863,843**	**2,338,632**	**1,437,794**	**860,038**
Tota Liabilities	**4,852,362**	**5,793,381**	**1,437,794**	**1,186,035**
Total equity and liabilities	**10,241,254**	**11,087,090**	**5,673,733**	**5,557,053**

In accordance with Singapore IFRS(I) 1-1, 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	
	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)
Trade receivables	43,878	32,222	-	-
Other receivables:				
- Deposit for land tenders	-	519,748	-	-
- Rental deposits	625	606	613	595
- Prepayments	243,703	181,666	1,743	6,405
- Security deposits placed with contractors, suppliers and authorities	9,125	42,750	-	-
- Refundable deposits	19,868	31,623	-	-
- Proceed receivable from disposal of land parcel	1,250,000	-	-	-
- Proceed receivable from disposal of subsidiary	415,350	2,035,350	101,260	1,204,734
- Others	48,843	73,660	66	62
Total receivables	2,031,392	2,917,625	103,682	1,211,796

Trade and other payables comprise of the following:

	Group		Company	
	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-18 RMB ('000)	31-Dec-17 RMB ('000)
Trade payables	266,411	393,757	-	-
Other payables:				
- Other tax payables	51,681	58,695	-	-
- Accrued expenses	170,185	143,101	85,915	69,555
- Advance payment from customers	154,233	411,034	-	-
- Rental and option deposits	67,098	45,526	-	-
- Project deposits	10,000	15,000	-	-
- Advances from sub-contractors	26,486	29,759	-	-
- Others	608	2,050		-
Total payables	746,702	1,098,922	85,915	69,555

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

	Group			
	31-Dec-18		31-Dec-17	
	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	602,845	343,950	1,092,662	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	2,346,724	-	2,494,430	325,997
	2,949,569	343,950	3,587,092	325,997

Details of any collateral

Secured borrowings refer to borrowings secured against the subsidiaries' development properties under construction, completed development properties for sale, investment properties, other investments 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			
	4th Qtr 2018	4th Qtr 2017	Jan to Dec 2018	Jan to Dec 2017
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit before taxation	347,307	380,782	290,810	437,665
Adjustments for:				
Depreciation of property, plant and equipment	1,453	1,227	6,178	6,581
Amortisation of other non-current assets	1,504	1,516	5,936	3,738
Fair value gain on investment properties	(63,814)	(39,327)	(63,814)	(39,327)
Fair value gain on other investments	(128,000)	(260,000)	(128,000)	(260,000)
Interest expense	50,839	61,368	203,282	136,281
Interest income	(567)	(2,499)	(5,821)	(31,017)
Gain on disposal of land parcel/subsidiaries	(227,277)	(118,355)	(227,277)	(118,355)
Loss on disposal of property, plant and equipment	121	-	161	-
Unrealised exchange (gain)/loss	(19,004)	178	32,413	386
Operating (loss)/profit before working capital changes	(37,438)	24,890	113,868	135,952
(Increase) / decrease in investment properties	13,824	3,038	13,824	13,153
(Increase) / decrease in development properties	(24,494)	405,006	254,516	557,164
(Increase) / decrease in trade and other receivables	8,635	(723,117)	1,076,254	(848,266)
Increase / (decrease) in trade and other payables	105,180	524,692	(356,593)	478,008
Cash generated from operations	65,707	234,509	1,101,869	336,011
Interest paid	(52,647)	(147,738)	(196,176)	(221,355)
Interest received	566	2,499	5,610	12,905
Income tax paid	(12)	(12,042)	(20,698)	(36,170)
Net cash generated from operating activities	**13,614**	**77,228**	**890,605**	**91,391**
Cash flow from investing activities				
Acquisition of property, plant and equipment	(2)	(182)	(475)	(781)
Net cash outflow from disposal of subsidiaries	-	(480)	-	(480)
Net cash used in investing activities	**(2)**	**(662)**	**(475)**	**(1,261)**
Cash flow from financing activities				
Bank balance subject to restriction	27,423	49,521	(204,965)	286,702
Proceed from loans and borrowings	-	1,332,665	252,663	2,032,665
Payment of interest on perpetual convertible securities	-	-	(93,662)	(91,156)
Repayment of borrowings	(152,438)	(1,263,165)	(924,190)	(2,080,673)
Net cash (used in)/generated from financing activities	**(125,015)**	**119,021**	**(970,154)**	**147,538**
Net (decrease)/increase in cash and cash equivalents	**(111,403)**	**195,587**	**(80,024)**	**237,668**
Effects of exchange rate changes on cash and cash equivalents	(764)	(561)	(1,341)	(371)
Cash and cash equivalents at beginning of period	491,224	265,396	460,422	223,125
Cash and cash equivalents at end of period	**379,057**	**460,422**	**379,057**	**460,422**

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 31 December 2018

Group	Capital contribution	Reverse acquisition reserve	Convertible bonds (equity component)	Statutory common reserve	Perpetual convertible security	Translation reserve	Retained profits	Total attributable to Ordinary shareholders of the Company	Non-Controlling Interest	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2018	4,028,372	(1,993,712)	42,458	88,588	878,970	(14,769)	2,204,600	5,234,507	59,202	5,293,709
Total comprehensive loss for the period	-	-	-	-	-	(1,505)	4,689	3,184	134	3,318
Perpetual convertible securities interest	-	-	-	-	-	-	(31,123)	(31,123)	-	(31,123)
Balance at 31 March 2018	4,028,372	(1,993,712)	42,458	88,588	878,970	(16,274)	2,178,166	5,206,568	59,336	5,265,904
Total comprehensive loss for the period	-	-	-	-	-	(10,033)	(34,093)	(44,126)	(901)	(45,027)
Perpetual convertible securities interest	-	-		-	-	-	(24,572)	(24,572)	-	(24,572)
Balance at 30 June 2018	4,028,372	(1,993,712)	42,458	88,588	878,970	(26,307)	2,119,501	5,137,870	58,435	5,196,305
Total comprehensive loss for the period	-	-		-	-	(37,488)	(31,865)	(69,353)	(983)	(70,336)
Perpetual convertible securities interest	-	-		-	-	-	(24,839)	(24,839)	-	(24,839)
Balance at 30 September 2018	4,028,372	(1,993,712)	42,458	88,588	878,970	(63,795)	2,062,797	5,043,678	57,452	5,101,130
Total comprehensive income for the year	-	-		-	-	1,623	311,825	313,448	(845)	312,603
Perpetual convertible securities interest	-	-		-	-	-	(24,841)	(24,841)	-	(24,841)
Balance at 31 December 2018	4,028,372	(1,993,712)	42,458	88,588	878,970	(62,172)	2,349,781	5,332,285	56,607	5,388,892
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 loss for the period	-	-	-	-	-	(18,742)	10,738	(8,004)	566	(7,438)
Perpetual convertible security 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 period	-	-	-	-	-	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 period	-	-	-	-	-	(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
Total comprehensive income for the year	-	-	-	-	-	(11,765)	317,254	305,489	(1,052)	304,437
Transfer to statutory common reserve	-	-		8,018	-	-	(8,018)	-	-	-
Perpetual convertible security interest	-	-	-	-	-	-	(23,719)	(23,719)	-	(23,719)
Balance at 31 December 2017	4,028,372	(1,993,712)	42,458	88,588	878,970	(14,769)	2,204,600	5,234,507	59,202	5,293,709

Statement of Changes in Equity of the Company for the period ended 31 December 2018

Company	Capital contribution	Convertible bonds (equity component)	Translation reserve	Perpetual convertible security	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Balance at 1 January 2018	4,028,372	42,458	(24,383)	878,970	(554,399)	4,371,018
Total comprehensive loss for the period	-	-	(18,890)	-	(12,143)	(31,033)
Perpetual convertible securities interest	-	-	-		(31,123)	(31,123)
Balance at 31 March 2018	4,028,372	42,458	(43,273)	878,970	(597,665)	4,308,862
Total comprehensive loss for the period	-	-	11,989	-	(19,464)	(7,475)
Perpetual convertible securities interest	-	-	-		(24,572)	(24,572)
Balance at 30 June 2018	4,028,372	42,458	(31,284)	878,970	(641,701)	4,276,815
Total comprehensive income for the period	-	-	41,232	-	(10,352)	30,880
Perpetual convertible securities interest	-	-	-	-	(24,839)	(24,839)
Balance at 30 September 2018	4,028,372	42,458	9,948	878,970	(676,892)	4,282,856
Total comprehensive income for the year	-	-	(18,524)	-	(3,552)	(22,076)
Perpetual convertible securities interest	-	-	-	-	(24,841)	(24,841)
Balance at 31 December 2018	4,028,372	42,458	(8,576)	878,970	(705,285)	4,235,939
Balance at 1 January 2017	4,028,372	42,458	(45,503)	878,970	(749,635)	4,154,662
Total comprehensive income for the period	-	-	35,667	-	(5,810)	29,857
Transfer to statutory common reserve	-	-	-		(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 loss for the period	-	-	(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 loss for the period	-	-	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
Total comprehensive income for the year	-	-	(9,631)	-	319,993	310,362
Transfer to statutory common reserve	-	-	-	-	-	-
Perpetual convertible securities interest	-	-	-	-	(23,719)	(23,719)
Balance at 31 December 2017	4,028,372	42,458	(24,383)	878,970	(554,399)	4,371,018

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

Perpetual 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 31 December 2018	As at 31 December 2017
	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 31 December 2018 (31 December 2017: Nil).

The Company did not hold any treasury shares as at 31 December 2018 (31 December 2017: Nil).

None of the subsidiaries held shares in the Company as at 31 December 2018 (31 December 2017: 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 31 December 2018 was 2,557,040,024 (31 December 2017: 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 has adopted the new financial reporting framework on 1 January 2018 in accordance with the decision made by the Accounting Standards Council for Singapore incorporated companies listed on the Singapore Exchange. In addition, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from 1 January 2018 as follows:-

SFRS(I) 9 Financial Instruments
SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)

(i) SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for recognition, classification and measurement of financial assets, impairment of financial assets and hedge accounting from 1 January 2018 In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model and replaces the FRS 39 incurred loss model. The Group and the Company have adopted the new standard and assessed that the adoption of this standard has no material effect on the amounts reported. As such, the comparative figures have not been restated.

(ii) SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)

SFRS(I0 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract costs guidance. Under SFRS(I)15, there are specific requirements on how revenue should be recognized and other new requirements such as accounting for commissions paid to salesmen, additional disclosures, etc. The Group and the Company have adopted the new standard and assessed that the adoption of this standard has no material effect on the amounts reported. As such, the comparative figures have not been restated.

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			
	4th Qtr 2018	4th Qtr 2017	Jan to Dec 2018	Jan to Dec 2017
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.122	0.124	0.098	0.137
(ii) On a fully diluted basis (RMB per share)	0.099	0.101	0.080	0.112
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)	3,138,801	3,138,801	3,138,801	3,138,801

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 31 December 2018.

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	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Net Asset Value (RMB'000)	5,332,285	5,234,507	4,235,939	4,371,018
Based on existing issued share capital (RMB per share)	2.09	2.05	1.66	1.71
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 12 months and quarter ended 31 December 2018

Revenue

	Group					
	4th Qtr 2018	4th Qtr 2017	Increase / (Decrease)	Jan to Dec 2018	Jan to Dec 2017	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	126,884	289,115	(56.1%)	612,393	892,968	(31.4%)
Rental Income	54,577	50,767	7.5%	208,660	207,221	0.7%
	181,461	**339,882**	**(46.6%)**	**821,053**	**1,100,189**	**(25.4%)**

Revenue for 4QFY2018 declined by 46.6% Y-o-Y, to RMB181.5 million (4QFY2017: RMB339.9 million). The decline was due to a decrease in sales of properties by RMB162.2 million, mainly attributable to fewer residential units at Lion City Garden, commercial units at Ying Li International Electrical and Hardware Centre ("Ying Li IEC") and other previously completed commercial properties handed-over in the quarter. Rental income increased by 7.5% Y-o-Y or RMB3.8 million to RMB54.6 million (4QFY2017: RMB50.8 million), mainly due to gradual increase in occupancy rates at the rented properties.

For the full year 2018, revenue of the Group decreased by 25.4% Y-o-Y, to RMB821.1 million (FY2017: RMB1,100.2 million). Revenue from the Sale of Properties decreased by 31.4% Y-o-Y, to RMB612.4 million (FY2017: RMB893.0 million). The decline was mainly due to fewer residential units at Lion City Garden, and commercial units at Ying Li International Electrical and Hardware Centre ("Ying Li IEC") sold, partially offset by higher sales from other previously completed commercial properties in the year. Rental income increased marginally by 0.7% Y-o-Y to RMB208.7 million in FY2018 (FY2017: RMB207.2 million).

Gross profit

	Group					
	4th Qtr 2018	4th Qtr 2017		Jan to Dec 2018	Jan to Dec 2017	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	18,955	42,202	(55.1%)	117,063	122,452	(4.4%)
Rental Income	45,693	44,183	3.4%	182,239	179,515	1.5%
	64,648	**86,385**	**(25.2%)**	**299,302**	**301,967**	**(0.9%)**

Gross profit of the Group for 4QFY2018 decreased by 25.2% Y-o-Y or RMB21.7 million, to RMB64.6 million (4QFY2017: RMB86.4 million) in tandem with the decrease in revenue. The decrease was mainly attributable to the lower gross profit contribution from Sales of Properties segment which decreased by RMB23.2 million, offset by a 3.4% Y-o-Y increase in Rental Income segment's gross profit.

Gross profit for the full year decreased marginally by 0.9% Y-o-Y or RMB2.7 million, to RMB299.3 million (FY2017: RMB302.0 million). The decrease was due to the decrease in revenue, partially offset by the higher gross profit from mix of properties that were handed over in FY2018.

Gross profit margin

	Group							
	4th Qtr 2018		4th Qtr 2017		Jan to Dec 2018		Jan to Dec 2017	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	18,955	14.9%	42,202	14.6%	117,063	19.1%	122,452	13.7%
Rental Income	45,693	83.7%	44,183	87.0%	182,239	87.3%	179,515	86.6%
	64,648	**35.6%**	**86,385**	25.4%	**299,302**	**36.5%**	**301,967**	27.4%

Overall gross profit margin for 4QFY2018 increased by 10.2 percentage point, to 35.6% (4QFY2017: 25.4%), primarily due to higher proportion of gross profit contribution from Rental Income segment which has a higher gross profit margin.

The Group's gross profit margin for FY2018 increased by 9.1 percentage point Y-o-Y to 36.5%. Gross profit margin from the Sale of Properties increased by 5.4 percentage point due to mix of properties sold, including older completed commercial office properties with higher gross profit margin that were sold and handed over in FY2018.

Other income

	Group			
	4th Qtr 2018	4th Qtr 2017	Jan to Dec 2018	Jan to Dec 2017
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	566	2,500	5,821	31,017
Advertisement income	357	284	1,336	1,209
Disposal of land parcel/subsidiaries	227,277	118,355	227,277	118,355
Government grant	-	17	5	803
Others	2,266	2,552	3,965	4,484
	230,466	123,708	238,404	155,868

Other income for 4QFY2018 increased Y-o-Y mainly due to one-off gain on completion of the proposed Transfer of Land Parcel that was previously announced on 28 Nov 2017, off-set by a decrease in interest income and absence of one-off gain from the disposal of subsidiaries completed in 4QFY2017.

Selling expenses

Selling expenses for 4QFY2018 increased by RMB11.6 million, to RMB40.6 million (4QFY2017: RMB29.0 million), mainly due to increase in property management expenses, advertising and promotion activities expenses, and higher staff related costs.

Selling expenses for FY2018 increased by RMB15.9 million as compared to FY2017 mainly due to increase in property management expenses and higher staff related costs.

Administrative expenses

For 4QFY2018, administrative expenses increased by RMB9.9 million, to RMB48.2 million (4QFY2017: RMB38.3 million), mainly due to reversal of unrealized foreign exchange gains in 4QFY2017 to unrealized foreign exchange losses in 4QFY2018 arising from revaluation of foreign currency liabilities, higher staffs-related costs, and partially offset by lower advisory service fee, and lower legal and professional fees.

Administrative expenses for the full year 2018 increased by RMB36.3 million (32.8% Y-o-Y) as compared to the prior year mainly due to reversal of unrealized foreign exchange gains in 4QFY2017 to unrealized foreign exchange losses in 4QFY2018 arising from revaluation of foreign currency liabilities due to weakening of the RMB, partially offset by lower legal and professional fees and lower staff related costs.

Fair value gain on investment properties

For FY2018, the fair value gain on investment properties was RMB63.8 million (FY2017: RMB39.3 million), mainly due to most of the properties within the investment properties portfolio had an increase in valuation, as compared to FY2017 where only few specific properties within the investment properties portfolio had an increase in valuation.

Fair value on other investments

For FY2018, the fair value gain from investment in Beijing Tongzhou project amounted to RMB128.0 million (FY2017: RMB260.0 million), due to factors including : (i) The valuation done is based on the existing state of the project at 31 Dec 2018. A significant progress made in the construction of the project in FY2018 would partially contributed to the increase of the investment value, (ii) The increase in sales take-up rate of Beijing Tongzhou project Phase 2, which mainly consist of two office towers and part of retail podium, from 0% to 25.0% in 2018 also contributed partially to the increase in valuation.

Finance costs

For 4QFY2018, the finance costs decreased by RMB 10.5 million, to RMB50.8 million (4QFY2017: RMB61.3 million), is mainly due to the decrease in outstanding loan principal.

For FY2018, the increase in finance cost is mainly due to the termination of finance costs capitalisation upon disposal of Ying Li International Commercial Centre completed in 4QFY2017.

Taxation

	Group					
	4th Qtr 2018	4th Qtr 2017		Jan to Dec 2018	Jan to Dec 2017	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(18,664)	(5,541)	236.8%	(35,172)	(30,290)	16.1%
Deferred tax	(17,663)	(59,039)	(70.1%)	(7,676)	(56,573)	(86.4%)
	(36,327)	**(64,580)**	**(43.7%)**	**(42,848)**	**(86,863)**	**(50.7%)**

For 4QFY2018 and FY2018, taxation expenses decreased by RMB28.3 million and RMB44.0 million, to RMB36.3 million and RMB42.8 million respectively (4QFY2017: RMB64.6 million, FY2017: RMB86.8 million), mainly due to decrease in deferred tax as a result of lower fair value gain from other investments.

Profit attributable to ordinary shareholders of the Company

	Group					
	4th Qtr 2018	4th Qtr 2017	Increase / (Decrease)	Jan to Dec 2018	Jan to Dec 2017	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Ordinary shareholders of the Company	311,825	317,254	(1.7%)	250,557	350,244	(28.5%)
Non-Controlling Interest (NCI)	(845)	(1,052)	(19.7%)	(2,595)	558	n.m.
	310,980	**316,202**	**(1.7%)**	**247,962**	**350,802**	**(29.3%)**

n.m. - not meaningful

Overall, profit attributable to the ordinary shareholders of the Company decreased by 1.7% Y-o-Y, to RMB311.8 million in 4QFY2018. For FY2018, profit attributable to the ordinary shareholders of the Company decreased by RMB99.7 million as compared to FY2017. The decreased in profits was mainly due to lower fair value gains on other investments and higher finance costs.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group decreased by 7.6% or RMB845.8 million, to RMB10,241.3 million (31 December 2017: RMB11,087.1 million), mainly due to a decrease in trade and other receivables of RMB886.2 million arising from partial collection of divestment proceeds in April 2018 from a subsidiary disposed in 4QFY2017, and a decrease in development properties of RMB254.5 million due to sales of properties, offset by an increase in fair value of Other investment of RMB128 million, and an increase in cash and cash equivalents of RMB 123.6 million.

The Group's total liabilities decreased by 16.2% or RMB941.0 million, to RMB4,852.4 million (31 December 2017: RMB5,793.4 million), mainly due to a decrease in bank loan of RMB619.6 million as a result of loan principal repayment, and a decrease in trade and other payables of RMB352.2 million.

The Group's total equity increased by RMB95.1 million to RMB5,388.8 million (31 December 2017: RMB5,293.7 million), mainly due to an increase in retained profits of RMB 145.1 million and an increase in exchange fluctuation deficit of RMB47.4 million.

STATEMENT OF CASH FLOW

In 4QFY2018, the decrease in unrestricted cash and cash equivalent of RMB111.4 million was mainly due to:

i) net cash inflow of RMB13.6 million from operating activities; and
ii) net cash outflow of RMB125.0 million from financing activities.

The net cash inflow from operating activities of RMB13.6 million was mainly attributable to an increase in trade and other payables of RMB105.2 million, a decrease in investment properties of RMB13.8 million and a decrease in trade and other receivables of RMB8.6 million, offset by (i) an increase in development properties of RMB24.5 million, (ii) a net interest and income tax paid of RMB52.1 million, and (iii) cash used in operating before working capital changes of RMB37.4 million.

Net cash used in financing activities of RMB125.0 million includes a decrease in restricted cash of RMB27.4 million, and offset by repayment of borrowings RMB 152.4 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 6.0% Y-o-Y to RMB2,036.3 billion in 2018, down from 9.3% Y-o-Y growth in 2017. This growth rate is also lower than the People's Republic of China ("PRC") growth of 6.6% Y-o-Y. In line with the positive economic development, Chongqing's city and rural disposable income per capita grew by 8.4% and 9.0% Y-o-Y to RMB34,889 and RMB13,781 respectively.

Chongqing Office Market
In 2018, new office areas supply was 192,800 sqm, with 79% of them located in Jiangbeizui, Yubei and Liangjiang new district. Of the 192,800 sqm new supply, 95,800 sqm were Grade A office spaces. Overall net absorption increased by 13.9% Y-o-Y to 392,300 sqm in 2018, with 282,700 sqm in 1H2018 and 109,600 sqm in 2H2018. Notably, the net absorption of Grade A office improved by 21.7% Y-o-Y to 263,900 sqm aided by office upgrade demand. As such, vacancy rate for Grade A office dropped by 8.1 percentage points Y-o-Y.

Other than existing office building clusters located in Jiefangbei, Jiangbeizui and Guanyinqiao, a new cluster is gradually forming in Yubei Xinpaifang precincts.

(Source: CBRE, Chongqing Property Market Report 4Q 2018)

Chongqing Retail Market
In 2018, a total of nine new retail projects were launched in the year, added 698,000 sqm to the retail scene. Of the 9 new retail projects added, three were located in the Yubei Xinpaifang precincts, two in the Danzishi precincts and one in Guanyinqiao precincts. Net absorption was 615,900 sqm, a 11.4% decreased Y-o-Y and the vacancy rate declined by 0.6 percentage points Y-o-Y.

The new areas taken up were mainly for retail (clothing and apparel, jewelry, sports and household related items, electronics products, cosmetics & personal care, gifts, toys, book and stationary), F&B (both formal and casual meals, beverages shops) and experiencing (19%) Lifestyle (recreational and training, education, beauty, health & medical service etc) at 37%, 29% and 19 % respectively. With competition intensifying, some of malls had adopted specialty theme in their renovations, in order to create a different shopping experience for their target customers.

(Source: CBRE, Chongqing Property Market Report 4Q 2018)

Outlook

The Group currently has two projects under-development, Lion City Garden and Ying Li International Hardware and Electrical Centre (IEC). The Lion City Garden is at the final phase of development, Phase 2D, and the bespoke development IEC project is at Phase 2B. Substantial of Phase 1A and Phase 2A IEC buyers had renovated their shops and are progressively conducting businesses at the centre, with about 50% of the shops in IEC commencing businesses at the end of 2018.

On office rental segment front, the Group continues to optimize its IFC office rental, focusing on retaining existing quality tenants and attracting new tenants. On the retail rental segment front, the Group continues to optimize and/or sharpen its focuses on targeted consumers at both Ying Li IMIX Park Jiefangbei mall and Ying Li IMIX Park Daping mall. Firstly, with the increase in domestic tourists flowing into Chongqing, especially during the China holiday periods, the Group will sharpen its IFC mall's retail focuses and target to capture a share of the tourist spending. Secondly, with the high occupancy rates in excess of 90%, both malls will continue to undergo space optimization process to increase the leasable areas. Thirdly, Ying Li IMIX Park Daping mall further strengthens its focus as a local community mall with higher proportion of spaces allocated to products and services needed by the nearby residences. These include enrichment/education centres, popular book and stationery store and baby/children-centric stores.

The Group's investment in New Everbright Centre project remains healthy amidst the purchase restrictions meant to rein in rising home prices in Beijing Tongzhou. Phase 1 construction, consisting of 4 SOHO towers has been fully completed. Phase 2 construction, which consist mainly two office towers and part of retail podium, had reached level 6 and level 21 of the two office towers as of end Dec 2018. Phase 3 construction, which consist one premium office tower and remaining part of the retail podium, was at piling stage as of end Dec 2018.

Looking ahead, the on-going trade dispute negotiations and issues related to economic rivalry between United States and PRC contribute to global economic uncertainties. The PRC economy is also undergoing economic restructuring and reformation, which negates further market sentiments. In view of the above, the Group will remain watchful on the macro uncertainties and will cautiously scout for new developments and investment opportunities in Tier 1 and fast-growing lower tier cities to build pipelines for future growth.

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 and the reasons for the decision.

No dividend has been declared or recommended for the period. In considering whether to recommend a dividend, the Board has taken a conservative view which includes the macro uncertainties, cash flow and working capital requirements, to mitigate financial risks by retaining a low gearing ratio.

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 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.

Part 2 - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Business segments

31 December 2018	Property Investment RMB ('000)	Property Development RMB ('000)	Others RMB ('000)	Total RMB ('000)
Revenues	208,660	612,393	-	821,053
Segment result	63,283	56,601	(56,170)	63,714
Interest expense	-	-	(203,282)	(203,282)
Interest income	-	-	5,821	5,821
Government grant	-	5	-	5
Sublet rental income	-	-	365	365
Advertisement income	1,336	-	-	1,336
Sundry incomes	3,519	-	80	3,599
Disposal of land parcel/subsidiaries	-	227,277		227,277
Changes in fair value of investment property	63,814	-	-	63,814
Changes in fair value of unquoted investments	-	128,000	-	128,000
Loss on disposal of property, plant and equipment	-	-	161	161
Profit before tax	131,952	411,883	(253,025)	290,810
ASSETS				
Segment assets	4,640,408	4,290,331	1,282,988	10,213,727
Unallocated assets			27,528	27,528
Total assets				10,241,254
LIABILITIES				
Segment liabilities	72,823	3,614,705	352,693	4,040,221
Unallocated liabilities			812,141	812,141
Total liabilities				4,852,362
OTHER INFORMATION				
Capital expenditure	-	-	475	475
Depreciation	-	-	6,178	6,178
Exchange loss, net	-	17,924	-	17,924
Amortisation of deferred lease incentives	5,936	-	-	5,936

Business segments

31 December 2017	Property Investment RMB ('000)	Property Development RMB ('000)	Others RMB ('000)	Total RMB ('000)
Revenues	207,222	892,967	-	1,100,189
Segment result	55,746	15,629	47,554	118,929
Interest expense	-	-	(136,281)	(136,281)
Interest income	-	-	31,017	31,017
Government grant	-	803	-	803
Sublet rental income	-	-	405	405
Advertisement income	1,209	-	-	1,209
Sundry incomes	3,509	-	778	4,287
Gain on disposal of subsidiaries	-	118,355	-	118,355
Changes in fair value of investment property	39,327	-	-	39,327
Changes in fair value of unquoted investments	-	260,000	-	260,000
Loss on disposal of property, plant and equipment	-	-	(386)	(386)
Profit before tax	99,791	394,787	(56,913)	437,665
ASSETS				
Segment assets	4,592,097	4,812,674	1,654,790	11,059,561
Unallocated assets			27,529	27,529
Total assets				11,087,090
LIABILITIES				
Segment liabilities	64,765	4,622,503	324,743	5,012,011
Unallocated liabilities			781,370	781,370
Total liabilities				5,793,381
OTHER INFORMATION				
Capital expenditure	-	-	781	781
Depreciation	-	-	6,581	6,581
Exchange gain, net	-	(30,228)	-	(30,228)
Amortisation of deferred lease incentives	3,738	-	-	3,738

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to review of actual performance as disclosed in paragraph 8 of this announcement.

17 Breakdown of sales as follows:-

	Group		
	2018 RMB ('000)	2017 RMB ('000)	Increase/ (Decrease)
(a) Sales reported for first half year	493,391	445,748	**10.7%**
(b) Operating (loss)/profit after tax before deducting minority interest reported for first half year	(30,169)	17,529	**(272.1%)**
(c) Sales reported for second half year	327,662	654,441	**(49.9%)**
(d) Operating profit after tax before deducting minority interest reported for second half year	278,131	333,273	**(16.5%)**

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Fang Xin Nian ("Mr Fang")	58	Mr Fang is the brother of Mr Fang Ming.	Mr Fang is the Manager of the Operations Management Department since 2015. He oversees the monitoring of key project deadlines and ensures that projects are completed based on the agreed timeline and within the budget set by the Group.	Nil.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
1 March 2019

Hu Bing
Executive Director

Yang Xiao Yu
Executive Director