



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

**Financial Statement Announcement for 3<sup>rd</sup> Quarter ended 30 September 2014**

**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 3<sup>rd</sup> quarter and nine months ended 30<sup>th</sup> September 2014.

	Group					
	3rd Qtr	3rd Qtr	Increase / (Decrease)	Jan to Sep	Jan to Sep	Increase / (Decrease)
	2014	2013		2014	2013	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
<b>Revenue</b>	<b>260,699</b>	<b>28,209</b>	<b>824.2%</b>	<b>786,738</b>	<b>221,174</b>	255.7%
Cost of sales	(158,487)	(5,997)	2,542.8%	(486,798)	(95,061)	412.1%
<b>Gross profit</b>	<b>102,212</b>	<b>22,212</b>	<b>360.2%</b>	<b>299,940</b>	<b>126,113</b>	<b>137.8%</b>
Other income	3,016	1,003	200.7%	5,245	2,912	80.1%
Selling expenses	(12,828)	(8,319)	54.2%	(41,361)	(22,081)	87.3%
Administrative expenses - Normal recurring	(33,031)	(13,216)	149.9%	(61,628)	(62,930)	(2.1%)
Administrative expenses - Share based payment expense	(3,616)	12,580	(128.7%)	(9,833)	(1,239)	693.6%
Finance costs	(27,264)	(29,646)	(8.0%)	(86,067)	(62,545)	37.6%
<b>Profit before Income Tax</b>	<b>28,489</b>	<b>(15,386)</b>	<b>n.m.</b>	<b>106,295</b>	<b>(19,770)</b>	<b>n.m.</b>
<b>Taxation - Current</b>	(17,291)	1,989	n.m.	(47,771)	(7,728)	518.2%
- Deferred	(375)	1,168	n.m.	(497)	5,571	n.m.
<b>Profit for the period</b>	<b>10,822</b>	<b>(12,229)</b>	<b>n.m.</b>	<b>58,027</b>	<b>(21,927)</b>	<b>n.m.</b>
Foreign currency translation differences(at nil tax)	34,219	4,089	(969.3%)	(7,570)	(38,696)	(80.4%)
<b>Total comprehensive income for the period</b>	<b>45,041</b>	<b>(8,140)</b>	<b>n.m.</b>	<b>50,458</b>	<b>(60,623)</b>	<b>n.m.</b>
<b>Profit attributable to:</b>						
Ordinary shareholders of the company	11,036	(12,133)	n.m.	58,690	(21,616)	n.m.
Non-Controlling Interest (NCI)	(214)	(96)	122.9%	(663)	(311)	113.2%
	<b>10,822</b>	<b>(12,229)</b>	<b>n.m.</b>	<b>58,027</b>	<b>(21,927)</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>						
Ordinary shareholders of the company	45,255	(8,044)	n.m.	51,121	(60,312)	n.m.
Non-Controlling Interest (NCI)	(214)	(96)	122.9%	(663)	(311)	113.2%
	<b>45,041</b>	<b>(8,140)</b>	<b>n.m.</b>	<b>50,458</b>	<b>(60,623)</b>	<b>n.m.</b>

n.m. - not meaningful

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

	Group		Company	
	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	20,055	8,748	51	59
Investment in subsidiaries	-	-	2,827,257	2,827,257
Investment properties	3,836,032	3,837,685	-	-
Prepayment	6,241	208	-	-
<b>Total non-current assets</b>	<b>3,862,328</b>	<b>3,846,641</b>	<b>2,827,308</b>	<b>2,827,316</b>
<b>Current assets:</b>				
Development properties	3,526,299	3,241,928	154,162	153,339
Trade and other receivables	266,359	177,245	7,632	11,064
Amount due from subsidiaries	-	-	1,730,094	1,663,266
Cash and cash equivalents	856,829	727,132	148,898	29,877
<b>Total current assets</b>	<b>4,649,487</b>	<b>4,146,305</b>	<b>2,040,786</b>	<b>1,857,546</b>
<b>Total assets</b>	<b>8,511,815</b>	<b>7,992,946</b>	<b>4,868,094</b>	<b>4,684,862</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves:</b>				
Capital contribution	4,027,773	3,536,776	4,027,773	3,536,776
Reverse acquisition reserve	(1,993,712)	(1,993,711)	-	-
Statutory common reserve	68,444	68,444	-	-
Share-based compensation reserve	19,022	18,526	19,022	18,526
Exchange fluctuation reserve	41,548	49,117	(18,023)	(19,375)
Retained profits	1,776,368	1,717,678	(271,353)	(201,987)
	<b>3,939,443</b>	<b>3,396,830</b>	<b>3,757,419</b>	<b>3,333,940</b>
<b>Non-Controlling Interest</b>	<b>54,306</b>	<b>54,968</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>3,993,749</b>	<b>3,451,798</b>	<b>3,757,419</b>	<b>3,333,940</b>
<b>Non-current liabilities:</b>				
Deferred taxation	511,766	483,593	-	-
Borrowings-secured	814,375	814,375	-	-
<b>Total non-current liabilities</b>	<b>1,326,141</b>	<b>1,297,968</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade and other payables	865,412	1,159,083	11,927	11,526
Amount owing to subsidiaries	-	-	714,845	706,504
Provision for taxation	95,730	95,641	-	-
Other borrowings - unsecured	102,426	96,112	102,426	96,112
Borrowings-secured	2,128,357	1,892,344	281,477	536,780
<b>Total current liabilities</b>	<b>3,191,925</b>	<b>3,243,180</b>	<b>1,110,675</b>	<b>1,350,922</b>
<b>Total equity and liabilities</b>	<b>8,511,815</b>	<b>7,992,946</b>	<b>4,868,094</b>	<b>4,684,862</b>

Trade and other receivables is made up of the following:

	Group		Company	
	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)
Trade receivables	167,303	106,006	-	-
Other receivables:				
- Deposit for land acquisition	7,418	7,418	-	-
- Rental deposits	459	457	441	438
- Prepayments	27,007	27,030	215	102
- Staff advances and allowances	2,130	933	-	-
- Advance to sub-contractors	8,100	3,072	-	-
- Advance to management agents	9,600	9,600	-	-
- Advance to legal services	7,288	10,898	6,830	10,398
- Refundable deposits	28,657	9,997	-	-
- Reimbursement expenses	729	462	-	-
- Others	7,668	1,372	147	126
	<u>266,359</u>	<u>177,245</u>	<u>7,632</u>	<u>11,064</u>

Trade and other payables comprise of the following:

	Group		Company	
	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)	30-Sep-14 RMB ('000)	31-Dec-13 RMB ('000)
Trade payables	455,469	363,863	-	-
Other payables:				
- Accrued expenses	31,072	36,947	11,927	11,525
- Advances from customers	138,416	673,557	-	-
- Rental and option deposits	239,234	83,389	-	-
- Others	1,220	1,327	-	1
	<u>865,412</u>	<u>1,159,083</u>	<u>11,927</u>	<u>11,526</u>

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

	Group			
	30-Sep-14		31-Dec-13	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable in one year or less, or on demand	2,128,356	102,426	1,892,344	96,112
	<u>2,128,356</u>	<u>102,426</u>	<u>1,892,344</u>	<u>96,112</u>
Amount repayable after one year	814,375	-	814,375	-
	<u>2,942,731</u>	<u>102,426</u>	<u>2,706,719</u>	<u>96,112</u>

**Details of any collateral**

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

In accordance with IAS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties. As such, current bank borrowings have repayment periods between 1 and 3 years from the balance sheet date.

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

	<b>Group</b>			
	3rd Qtr 2014	3rd Qtr 2013	Jan to Sep 2014	Jan to Sep 2013
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
<b>Operating activities</b>				
Profit/(loss) before taxation	28,489	(14,510)	106,295	(4,383)
Adjustments for:				
Depreciation of property, plant and equipment	601	538	1,645	1,072
Amortisation of other non-current assets	602	648	1,809	1,471
Interest expense	17,335	12,006	76,138	32,900
Interest income	(1,865)	(507)	(2,699)	(876)
Share based payment expense	3,616	6,909	9,833	13,818
Loss on disposal of property, plant and equipment	33	-	55	-
Unrealised exchange loss	(31)	1	(42)	2
Operating profit before working capital changes	48,779	5,085	193,033	44,004
Decrease in investment properties	(12,970)	1,863	(12,149)	1,863
Increase in development properties	(139,795)	(165,118)	(219,985)	(314,618)
(Increase)/decrease in trade and other receivables	24,652	46,200	(96,123)	(78,253)
(Decrease)/increase in trade and other payables	(200,330)	169,754	(296,848)	629,273
Cash (used in)/from operations	(279,665)	57,784	(432,072)	282,269
Interest paid	(63,985)	(29,778)	(148,702)	(55,996)
Interest received	1,865	507	2,699	876
Income tax paid	(1,019)	(25,234)	(20,006)	(12,079)
Net cash (used in)/ from operating activities	(342,803)	3,279	(598,081)	215,070
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	78	(148)	-	(155)
Proceed from disposal of PPE	-	-	6	-
Net cash used in investing activities	78	(148)	6	(155)
<b>Cash flow from financing activities</b>				
New capital issued	481,659	-	481,659	-
Bank balance subject to restriction	-	35,554	-	151,261
Payment of interest expense on convertible bonds	-	-	-	(49,444)
Proceed from loans and borrowings	348,580	31,639	693,140	926,451
Repayment of loan from a shareholder	-	-	-	(8,298)
Repayment of borrowings	(269,483)	(17,500)	(392,744)	(1,095,799)
Net cash generated from/(used in) financing activities	560,755	49,693	782,055	(75,829)
Net increase/(decrease) in cash and cash equivalent	218,030	52,824	183,980	139,086
Effects of exchange rate changes on cash and cash equivalents	(70,309)	25,639	(54,283)	36,947
Cash and cash equivalent at beginning of period	709,109	705,283	727,132	607,713
Cash and cash equivalent at end of period	856,829	783,746	856,829	783,746

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 2014*

Group	Capital contribution	Reverse acquisition reserve	Statutory common reserve	Convertible bonds (equity component)	Share-based compensation reserve	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)
<b>Balance at 1 January 2014</b>	3,536,776	(1,993,711)	68,444	-	18,526	49,117	1,717,678	3,396,830	54,969	3,451,799
Total comprehensive income for the year	-	-	-	-	-	(33,887)	33,676	(211)	(224)	(435)
Equity-settled share-based payment transaction	442	-	-	-	3,559	-	-	4,001	-	4,001
<b>Balance at 31 March 2014</b>	3,537,218	(1,993,711)	68,444	-	22,085	15,230	1,751,354	3,400,620	54,745	3,455,365
Total comprehensive income for the year	-	-	-	-	-	(7,901)	13,979	6,078	(225)	5,853
Equity-settled share-based payment transaction	8,894	-	-	-	(6,678)	-	-	2,216	-	2,216
<b>Balance at 30 June 2014</b>	3,546,112	(1,993,711)	68,444	-	15,407	7,329	1,765,333	3,408,914	54,520	3,463,434
Total comprehensive income for the year	-	-	-	-	-	34,219	11,036	45,255	(214)	45,041
Equity-settled share-based payment transaction	-	-	-	-	3,615	-	-	3,615	-	3,615
Issue of shares	481,659	-	-	-	-	-	-	481,659	-	481,659
<b>Balance at 30 September 2014</b>	4,027,771	(1,993,711)	68,444	-	19,022	41,548	1,776,369	3,939,443	54,306	3,993,749
<b>Balance at 1 January 2013</b>	3,528,339	(1,993,711)	13,138	49,444	20,728	(7,373)	1,567,320	3,177,885	55,473	3,233,358
Total comprehensive income for the year	-	-	-	-	-	12,687	7,707	20,394	(135)	20,259
Equity-settled share-based payment transaction	-	-	-	-	6,910	-	-	6,910	-	6,910
Equity component of convertible bonds	-	-	-	(49,444)	-	-	-	(49,444)	-	(49,444)
<b>Balance at 31 March 2013</b>	3,528,339	(1,993,711)	13,138	-	-	5,314	1,575,027	3,155,745	55,338	3,211,083
Total comprehensive income for the year	-	-	-	-	-	30,100	(17,191)	12,909	(79)	12,830
Equity-settled share-based payment transaction	8,437	-	-	-	(1,735)	-	-	6,702	-	6,702
<b>Balance at 30 June 2013</b>	3,536,776	(1,993,711)	13,138	-	(1,735)	35,414	1,557,836	3,175,356	55,259	3,230,615
Total comprehensive income for the year	-	-	-	-	-	(4,090)	(12,133)	(16,223)	(96)	(16,319)
Share-based compensation	-	-	-	-	(12,580)	-	-	(12,580)	-	(12,580)
<b>Balance at 30 September 2013</b>	3,536,776	(1,993,711)	13,138	-	(14,315)	31,324	1,545,703	3,146,553	55,163	3,201,716

## Statement of Changes in Equity of the Company for the period ended 30 September 2014

Company	Capital contribution	Convertible bonds (equity component)	Share-based compensation reserve	Translation reserve	Retained profits	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
<b>Balance at 1 January 2014</b>	3,536,776	-	18,526	(19,375)	(201,987)	3,333,940
Total comprehensive income for the year	-	-	-	18,386	(20,219)	(1,833)
Equity-settled share-based payment transactions	442	-	3,560	-	-	4,002
<b>Balance at 31 March 2014</b>	3,537,218	-	22,086	(989)	(222,206)	3,336,109
Total comprehensive income for the year	-	-	-	4,883	(14,944)	(10,061)
Equity-settled share-based payment transactions	8,894	-	(6,677)	-	-	2,217
<b>Balance at 30 June 2014</b>	3,546,112	-	15,409	3,894	(237,150)	3,328,265
Total comprehensive income for the year	-	-	-	(21,916)	(34,204)	(56,120)
Equity-settled share-based payment transactions	-	-	3,615	-	-	3,615
Issue of shares	481,659	-	-	-	-	481,659
<b>Balance at 30 September 2014</b>	4,027,771	-	19,024	(18,022)	(271,354)	3,757,419
<b>Balance at 1 January 2013</b>	3,528,339	49,444	20,728	22,861	(156,671)	3,464,701
Total comprehensive income for the year	-	-	-	(13,085)	(10,662)	(23,747)
Equity-settled share-based payment transactions	-	-	6,910	-	-	6,910
Equity component of convertible bonds	-	(49,444)	-	-	-	(49,444)
<b>Balance at 31 March 2013</b>	3,528,339	-	27,638	9,776	(167,333)	3,398,420
Total comprehensive income for the year	-	-	-	(20,763)	(18,118)	(38,881)
Equity-settled share-based payment transactions	8,437	-	(1,735)	-	-	6,702
<b>Balance at 30 June 2013</b>	3,536,776	-	25,903	(10,987)	(185,451)	3,366,241
Total comprehensive income for the year	-	-	-	3,214	5,239	8,453
Share-based compensation	-	-	(12,580)	-	-	(12,580)
<b>Balance at 30 September 2013</b>	3,536,776	-	13,323	(7,773)	(180,212)	3,362,114

**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**

On 17 September 2014, the Company had allotted and issued 381,000,000 Ordinary Shares to Everbright Hero Limited, the nominee of Everbright Hero Holdings Limited pursuant to the Share Subscription Agreement dated 30 June 2014.

Description	SGD (mil)	SGD (mil)
Net proceeds		98.96
Repayment of existing loans	24.74	
Payment for additional land costs for San Ya Wan Phase 2 land parcel due to change in plot ratio	15.54	
Payment for land infrastructure costs for San Ya Wan Phase 2	8.73	
Payment for resettlement costs for Wei Yuan land parcel	20.31	
Working capital		
- Interest repayment	1.66	
Total utilised		70.98
Balance to be utilised		27.98

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

As at 30 September 2014, the number of outstanding share options granted under the Ying Li ESOS was 15,367,472 (31 December 2013: 20,098,968). Further details of the options granted under the Ying Li ESOS are as follows:

Date of grant of options	Exercise price per share	Number of options granted	Options outstanding at 31 December 2013	Number of Options Lapsed	Number of Options Exercised	Options outstanding at 30 September 2014
2 Apr 2012	S\$0.278	14,746,765	14,746,765	2,467,923	-	12,278,842
23 Apr 2012	S\$0.263	1,514,000	1,514,000	-	-	1,514,000
14 Mar 2013	S\$0.360	1,081,040	1,081,040	1,081,040	-	-
31 Mar 2013	S\$0.371	1,847,163	1,847,163	272,533	-	1,574,630
29 Sep 2013	S\$0.370	910,000	910,000	910,000	-	-
Total:		20,098,968	20,098,968	4,731,496	-	15,367,472

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

As at 30 September 2014, the number of outstanding share awards granted (but not yet vested) under the Ying Li PSP was 11,661,660 (31 December 2013: 23,505,039). Further details of the share awards granted under the Ying Li PSP are as follows:

Date of grant	Granted	Vested on 1 April 2013	Balance at 31 December 2013	Vested on 15 March 2014	Vested on 3 April 2014	Number of Performance Shares Lapsed	Balance at 30 September 2014
2 Apr 2012	22,120,148	5,530,119	16,590,029	-	5,058,866	2,776,413	8,754,750
23 Apr 2012	2,271,000	567,774	1,703,226	-	567,774	-	1,135,452
14 Mar 2013	1,081,040	-	1,081,040	250,000	-	831,040	-
31 Mar 2013	2,770,744	-	2,770,744	-	664,297	334,989	1,771,458
29 Sep 2013	1,360,000	-	1,360,000	-	-	1,360,000	-
Total:	29,602,932	6,097,893	23,505,039	250,000	6,290,937	5,302,442	11,661,660

**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.**

On 17 September 2014, the Company had allotted and issued 381,000,000 Ordinary Shares to Everbright Hero Limited, the nominee of Everbright Hero Holdings Limited pursuant to the Share Subscription Agreement dated 30 June 2014.

The total number of issued shares as at 30 September 2014 was 2,556,585,804 (31 December 2013: 2,169,044,867).

The Company did not hold any treasury shares as at 30 September 2014 (31 December 2013: Nil).

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

Not applicable.

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

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

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

Not applicable.

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

The Group had adopted the same accounting policies and method of computation in the financial statements for the current financial period compared to the audited financial statements for the year ended 31 December 2013.

**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).**

	<b>Group</b>			
	3rd Otr 2014	3rd Otr 2013	Jan to Sep 2014	Jan to Sep 2013
<b><i>Earnings per ordinary share:</i></b>				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.005	(0.006)	0.027	(0.010)
(ii) On a fully diluted basis (RMB per share)	0.005	(0.006)	0.027	(0.010)
<b><i>Number of shares in issue:</i></b>				
(i) Based on weighted ave no. of ordinary shares in issue ('000)	2,233,564	2,169,045	2,192,937	2,169,045
(ii) On a fully diluted basis ('000)	2,296,628	2,238,650	2,258,189	2,241,219

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

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

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

The following table indicates the profit and share numbers used in the basic and diluted earnings per share computations:

	3rd Qtr 2014 RMB ('000)	3rd Qtr 2013 RMB ('000)	Jan to Sep 2014 RMB ('000)	Jan to Sep 2013 RMB ('000)
Profit attributable to equity holders of the parent	11,036	(12,133)	58,690	(21,616)
Add: Effect of dilutive potential ordinary shares				
- Interest on Convertible bonds	-	-	-	(13,193)
- Share based payment expense	3,616	12,580	9,833	(1,239)
	<u>14,652</u>	<u>447</u>	<u>68,523</u>	<u>(36,048)</u>
Weighted average number of ordinary shares in issued	2,233,564	2,169,045	2,192,937	2,169,045
Add: Effect of dilutive potential ordinary shares				
- Share based compensation reserve	63,064	69,605	65,250	72,174
Number of ordinary shares used to calculate the diluted earning per share	<u>2,296,628</u>	<u>2,238,650</u>	<u>2,258,189</u>	<u>2,241,219</u>

- 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 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net Assets Value (RMB'000)	<u>3,939,443</u>	<u>3,396,830</u>	<u>3,757,419</u>	<u>3,333,940</u>
Based on existing issued share capital (RMB per share)	<u>1.54</u>	<u>1.57</u>	<u>1.47</u>	<u>1.54</u>
Net Assets Value has been computed based on the number of share issued (000')	<u>2,556,586</u>	<u>2,169,045</u>	<u>2,556,586</u>	<u>2,169,045</u>

- 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 2014

#### Revenue

	Group					
	3rd Qtr 2014	3rd Qtr 2013	Increase / (Decrease)	Jan to Sep 2014	Jan to Sep 2013	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	209,930	-	n.m.	656,240	139,029	372.0%
Rental Income	50,769	28,209	80.0%	130,498	82,145	58.9%
	<u>260,699</u>	<u>28,209</u>	<u>824.2%</u>	<u>786,738</u>	<u>221,174</u>	<u>255.7%</u>

Revenue of the Group for 3QFY2014 increased by RMB232.5 million to RMB260.7 million as compared with 3QFY2013. The increase in Revenue was due to the following:

- i. increase in revenue from the Sale of Properties due to revenue recognition upon the handover of the remaining completed SOHO units in Blocks 2 and the office units in Block 1 of the Ying Li International Plaza project in the third quarter of 2014. The Group had previously handed over Blocks 4 and 5 in 4QFY2013, most of Block 3 in 1QFY2014 as well as part of Block 2 in 2QFY2014; and
- ii. increase in Rental income for the Group by RMB22.6 million (80.0%) to RMB50.8 million in 3QFY2014 as compared to 3QFY2013. The increase is primarily due to more IFC office space being leased out in 3QFY2014 (44,254 sqm) compared to 3QFY2013 (29,371 sqm) coupled with the rental contribution from the Ying Li International Plaza mall that was completed at the end of 2013.

### Gross profit

	Group							
	3rd Qtr 2014		3rd Qtr 2013		Jan to Sep 2014		Jan to Sep 2013	
	RMB ('000)		RMB ('000)	%	RMB ('000)	RMB ('000)	%	
Sale of Properties	58,991	-	n.m.		189,662	60,711	212.4%	
Rental Income	43,221	22,212	94.6%		110,278	65,402	68.6%	
	<b>102,212</b>	<b>22,212</b>	<b>360.2%</b>		<b>299,940</b>	<b>126,113</b>	<b>137.8%</b>	

n.m. - not meaningful

Gross profit of the Group for 3QFY2014 increased by RMB80.0 million (360.2%) to RMB102.2 million as compared with the same period last year due to:

- a. Revenue recognition upon the partial handover of residential units in Blocks 1 and the remainder of Block 2 of the Ying Li International Plaza project; and
- b. Increase in gross profit from rental income for 3Q2014 by RMB21.0 million (94.6%) to RMB43.2 million mainly from the contribution from increased leasing income from IFC office units and Ying Li International Plaza mall.

### Gross profit margin

	Group							
	3rd Qtr 2014		3rd Qtr 2013		Jan to Sep 2014		Jan to Sep 2013	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	58,991	28.1%	-	n.m.	189,662	28.9%	60,711	43.7%
Rental Income	43,221	85.1%	22,212	78.7%	110,278	84.5%	65,402	79.6%
	<b>102,212</b>	<b>39.2%</b>	<b>22,212</b>	<b>78.7%</b>	<b>299,940</b>	<b>38.1%</b>	<b>126,113</b>	<b>57.0%</b>

n.m. - not meaningful

The Group's gross profit margin for 3QFY2014 decreased by 39.5 percentage points to 39.2%. The revenue from the sales of residential properties at Ying Li International Plaza made up the bulk of the Sale of Properties for the quarter under review. Sales of residential units generally have a lower gross profit margin compared to premium IFC offices sold in 2013.

**Other income**

	Group			
	3rd Qtr	3rd Qtr	Jan to Sep	Jan to Sep
	2014	2013	2014	2013
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	1,865	695	2,699	1,574
Advertisement income	581	-	1,246	-
Government grant	-	-	-	466
Others	570	308	1,300	872
	<u>3,016</u>	<u>1,003</u>	<u>5,245</u>	<u>2,912</u>

Increase in other income mainly arises from advertising and promotion fees collected from the tenants of the Ying Li International Plaza mall.

**Selling expenses**

Selling expenses increased by RMB 4.5 million in 3QFY2014 to RMB12.8 million (54.2%) as compared to 3Q2013. This was mainly due to new operating expenses such as utilities, property management fees and staff cost of Ying Li International Plaza mall that commenced operations at the end of 2013.

**Administrative expenses**

During the quarter under review, Administrative expenses - Normal recurring were RMB19.8 million (149.9%) higher compared with 3QFY2013. The increase was due to an increase in foreign exchange losses by RMB19.4 million which took a gain of RMB4.5 million recorded last year to a loss of RMB14.9 million in 3QFY2014. This was mainly attributable to foreign exchange losses that arose from adverse movements in the USD-SGD rate for a USD denominated loan drawn down in 2013.

**Finance costs**

For the quarter under review, finance costs were RMB2.4 million (8.0%) lower than 2QFY2013. The lower interest expense was mainly due to an increase in the capitalization of interest expense associated with the construction of the Ying Li Chongqing Financial Street project. (Please see our comments under "Statement of Financial Position" below for more information).

**Taxation**

	Group					
	3rd Qtr	3rd Qtr		Jan to Sep	Jan to Sep	
	2014	2013		2014	2013	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(17,291)	1,989	n.m.	(47,771)	(14,674)	225.5%
Deferred tax	(375)	1,168	n.m.	(497)	9,360	n.m.
	<u>(17,666)</u>	<u>3,157</u>	<u>(659.6%)</u>	<u>(48,268)</u>	<u>(5,314)</u>	<u>808.3%</u>

n.m. - not meaningful

During the quarter under review, current income tax expense increased by RMB20.8 million to RMB17.7 million as compared with 3QFY2013 mainly due to an increase in the taxable profits generated from the sale of properties in 3QFY2014.

**Profit / (Loss) attributable to ordinary shareholders of the Company**

	<b>Group</b>					
	3rd Qtr 2014	3rd Qtr 2013	Increase / (Decrease)	Jan to Sep 2014	Jan to Sep 2013	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
<b>Profit attributable to:</b>						
Ordinary shareholders of the Company	11,036	(12,133)	n.m.	58,690	(21,616)	n.m.
Non-Controlling Interest (NCI)	(214)	(96)	122.9%	(663)	(311)	113.2%
	<b>10,822</b>	<b>(12,229)</b>	<b>n.m.</b>	<b>58,027</b>	<b>(21,927)</b>	<b>n.m.</b>

n.m. - not meaningful

Overall, net profit attributable to the ordinary shareholders of the Company for the quarter under review increased by RMB23.1 million to RMB11.0 million in 3Q2014.

**STATEMENT OF FINANCIAL POSITION**

Total Assets of the Group increased by RMB518.9 million to RMB8,511.8 million during the period under review. The increase in assets was mainly due to: (i) capitalisation of construction costs incurred on the San Ya Wan Phase 2 and the Ying Li Chongqing Financial Street Project, (ii) increase in trade and other receivables due to a refundable tender deposit and an increase in the amount due from a customer and (iii) increase in the cash and cash equivalents from equity issuance proceeds.

The Group's total liabilities decreased by RMB23.1 million to RMB4,518.1 million during the period under review. The decrease in liabilities was mainly due to a decrease in trade and other payables due to a reduction in advance payments received from the pre-sales of Ying Li International Plaza as the units were handed over. The decrease was off-set by an increase in net borrowings for Ying Li Financial Street project construction cost.

The Group's total equity increased by RMB542.6 million to RMB3,993.7 million during the period under review. The net increase was due to an increase in the share capital due to an equity placement and profit achieved for the current quarter under review.

**STATEMENT OF CASH FLOW**

The increase in cash and cash equivalent of RMB218.0 million for the quarter under review was mainly due to:

- i) net cash outflow of RMB342.8 million from operating activities; and
- ii) net cash inflow of RMB560.8 million from financing activities.

The net cash used in operating activities of RMB342.8 million include cash generated from the operating profit of RMB45.7 million (i.e. include changes in Investment Properties) which was offset by a net decrease in receivables and payables of RMB175.7 million, RMB149.7 million development costs incurred mainly on San Ya Wan Phase 2 and the Ying Li Financial Street project and interest and income tax payment of RMB63.1 million.

Net cash generated from financing activities of RMB560.8 million includes: (i) net increase in borrowing by RMB79.1 million mainly for the development cost of Ying Li Financial Street project; and (ii) proceeds from the equity issuance to Everbright Hero Limited.

**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. Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2014.

**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 the latest figures released by the Chongqing Statistics Bureau and the National Bureau of Statistics, Chongqing's economy achieved a nominal GDP of RMB 950.1 billion, an increase of 10.8% year-on-year ("y-o-y") and 3.5 percentage points higher than the national average level of 7.3%. Total retail sales achieved a 13.0% increase y-o-y to RMB 370.6 billion. Total import and export accelerated 52.9% y-o-y to RMB 451.4 billion.

**Chongqing Office Market**

Chongqing's Grade A offices outperformed the overall market with a continuing trend of strong absorption observed in 3Q 2014. Net absorption volume improved 4,597 sqm q-o-q to 52,446 sqm and overall vacancy rate dropped from 34.3% of second quarter to 30.0%.

The strong demand was generated from the Finance industry which was up 3% q-o-q. New setup, expansion and upgrade continued to make major contribution to net take-up. Chongqing's average Grade A rent achieved a 2.6% increased q-o-q to RMB 96.6 per sqm per month. The oversupply situation, resulted from short-term concentrated large supply, lead to the diminishing rent increment. In addition, capital value growth has tightened as it faced oversupply pressure. As at 3Q 2014, the average capital value decreased 1.0% to RMB 20,260 per sqm. Wholly-owned premium properties are expected to dominate the market and will consequently level up the supply quality in 2015.

(Source: Jones Lang LaSalle 3Q 2014)

#### **Chongqing Retail Mall Market**

In 3Q 2014, Chongqing premium retail mall market's total stock increased by 359,113 sqm q-o-q to reach 3,134,158 sqm. The overall vacancy rate dropped to 11.2%, down by 1% q-o-q. Net absorption improved 293,003 sqm q-o-q to 345,533 sqm with fast fashion brands' expansion remaining active in key retail submarkets. Net effective rent was down 1.1% q-o-q to RMB 479 sqm per month. This slight decrease was recorded due to the comparatively low rental level of MIXC Phase 1 compared with that of core retail areas. In terms of future supply, both traditional and emerging retail areas will see a considerable level of prime supply going forward and this large future supply will lead to intense competition among shopping centers. The proportion of experience-oriented stores and multi-branded stores will keep growing and the operation management of shopping centers will become increasingly critical for long-term sustainability.

(Source: Jones Lang LaSalle 3Q 2014)

#### **Chongqing Residential Market**

In Chongqing, rigid government policy, tightened credit market and declining sales volume have place pressure on developers to clear their inventories. From January to August 2014, new supply achieved a significant increase y-o-y to reach 15,992,920 sqm. Transaction volume for commodity housing in the urban areas of Chongqing decreased 12.3% y-o-y to 12,855,700 sqm. Increases in purchasing cost, due to tightened credit and interest rate hikes, and uncertainty in the property market have muted demand for both owner-occupation and investment. The average residential price in the first eight months increased 6.9% y-o-y to reach RMB 7,615 per sqm. Price growth has slowed as developers tend to offer more incentives to promote sales as they faced financial pressure due to dropping sales volume. All in all, improvements in the market require confidence from potential buyers as well as support on the credit policy front.

(Source: DTZ 3Q 2014)

Given that the Group focuses on development of integrated properties in Chongqing, particularly in the Yuzhong district, the Group believes it will continue to benefit from the strong fundamentals and rapid urbanisation of Chongqing.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2014.

## **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 2014 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Fang Ming**

Executive Chairman and Group Chief Executive Officer  
12 November 2014

**Yang Xiao Yu**

Executive Director