



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

Financial Statement Announcement for the 4th Quarter ended 31st December 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 4th quarter and twelve months ended 31st December 2017.

	Group					
	4th Qtr	4th Qtr	Increase / (Decrease)	Jan to Dec	Jan to Dec	Increase / (Decrease)
	2017	2016		2017	2016	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	339,882	567,916	(40.2%)	1,100,189	1,079,543	1.9%
Cost of sales	(253,497)	(421,961)	(39.9%)	(798,222)	(741,478)	7.7%
Gross profit	86,385	145,955	(40.8%)	301,967	338,065	(10.7%)
Other income	123,708	15,409	702.8%	155,868	54,517	185.9%
Selling expenses	(28,978)	(27,683)	4.7%	(72,333)	(80,144)	(9.7%)
Administrative expenses	(38,292)	(59,443)	(35.6%)	(110,883)	(128,712)	(13.9%)
Fair value gain on investment properties	39,327	24,273	62.0%	39,327	24,273	62.0%
Fair value gain on other investments	260,000	18,000	1,344.4%	260,000	18,000	1,344.4%
Finance costs	(61,368)	(21,501)	185.4%	(136,281)	(93,017)	46.5%
Profit/(loss) before Income Tax	380,782	95,010	300.8%	437,665	132,982	229.1%
Taxation - Current	(5,541)	(4,272)	29.7%	(30,290)	(24,543)	23.4%
- Deferred	(59,039)	(26,344)	124.1%	(56,573)	(19,109)	196.1%
Profit for the period	316,202	64,394	391.0%	350,802	89,330	292.7%
Foreign currency translation differences(at nil tax)	(11,765)	11,312	n.m.	(28,237)	(21,574)	30.9%
Total comprehensive profit for the period	304,437	75,706	302.1%	322,565	67,756	376.1%
Profit attributable to:						
Ordinary shareholders of the company	317,254	65,870	381.6%	350,244	87,672	299.5%
Non-Controlling Interest (NCI)	(1,052)	(1,476)	(28.7%)	558	1,658	(66.3%)
	316,202	64,394	391.0%	350,802	89,330	292.7%
Total comprehensive profit/(loss) attributable to:						
Ordinary shareholders of the company	305,489	77,182	295.8%	322,007	66,098	387.2%
Non-Controlling Interest (NCI)	(1,052)	(1,476)	(28.7%)	558	1,658	(66.3%)
	304,437	75,706	302.1%	322,565	67,756	376.1%

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	
	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	48,493	54,656	979	1,431
Investment in subsidiaries	-	-	2,966,190	2,966,258
Investment properties	4,486,742	4,457,926	-	-
Other investment	880,000	620,000	-	-
Deferred assets	27,529	28,108	-	-
Total non-current assets	5,442,764	5,160,690	2,967,169	2,967,689
Current assets:				
Development properties	2,099,791	5,187,210	-	-
Trade and other receivables	2,917,625	841,759	879,921	6,691
Amount due from subsidiaries	-	-	1,368,768	2,417,534
Cash and cash equivalents	626,910	676,315	9,184	12,109
Total current assets	5,644,326	6,705,284	2,257,873	2,436,334
Total assets	11,087,090	11,865,974	5,225,042	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	(14,769)	13,468	(24,383)	(45,503)
Retained profits	2,212,618	1,953,241	(886,274)	(749,635)
	5,234,507	5,003,367	4,039,143	4,154,662
Non-Controlling Interest	59,202	58,644	-	-
Total equity	5,293,709	5,062,011	4,039,143	4,154,662
Non-current liabilities:				
Deferred taxation	566,723	573,209	-	-
Borrowings	2,820,427	1,804,559	325,997	347,503
Total non-current liabilities	3,387,150	2,377,768	325,997	347,503
Current liabilities:				
Trade and other payables	1,098,922	1,265,015	69,555	62,380
Amount owing to subsidiaries	-	-	762,056	786,139
Provision for taxation	214,647	156,958	-	-
Borrowings	1,092,662	3,004,222	28,291	53,339
Total current liabilities	2,406,231	4,426,195	859,902	901,858
Total equity and liabilities	11,087,090	11,865,974	5,225,042	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	
	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)
Trade receivables	32,222	78,272	-	-
Other receivables:				
- Deposit for land tender	519,748	477,946	-	-
- Rental deposits	605	586	593	585
- Prepayments	181,666	165,602	6,405	5,954
- Security deposits placed with contractors, suppliers and authorities	30,749	36,188	-	-
- Refundable deposits	43,624	53,435	-	-
- Proceeds receivable from disposal of subsidiary	2,035,350	-	872,859	-
- Others	73,661	29,730	64	152
Total receivables	2,917,625	841,759	879,921	6,691

Trade and other payables comprise of the following:

	Group		Company	
	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)	31-Dec-17 RMB ('000)	31-Dec-16 RMB ('000)
Trade payables	437,452	644,232	-	-
Other payables:				
- Accrued expenses	143,101	91,525	69,555	62,380
- Advance payment from customers	411,034	442,476	-	-
- Rental and option deposits	60,526	64,474	-	-
- Project deposits	15,000	15,085	-	-
- Advances from sub-contractors	29,759	6,278	-	-
- Others	2,050	945	-	-
Total payables	1,098,922	1,265,015	69,555	62,380

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

	Group			
	31-Dec-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	1,092,662	-	3,004,222	-
	1,092,662	-	3,004,222	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	2,494,430	325,997	1,457,056	347,503
	3,587,092	325,997	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, 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 2017	4th Qtr 2016	Jan to Dec 2017	Jan to Dec 2016
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
Profit before taxation	380,782	95,010	437,665	132,982
Adjustments for:				
Depreciation of property, plant and equipment	1,227	1,556	6,581	6,647
Amortisation of other non-current assets	1,516	110	3,738	430
Fair value gain on investment properties	(39,327)	(24,273)	(39,327)	(24,273)
Fair value gain on other investments	(260,000)	(18,000)	(260,000)	(18,000)
Interest expense	61,368	21,501	136,281	93,017
Interest income	(2,499)	(10,944)	(31,017)	(46,545)
Gain on disposal of subsidiaries	(118,355)	-	(118,355)	-
Loss on disposal of property, plant and equipment	178	20	386	20
Operating profit before working capital changes	24,890	64,980	135,952	144,278
Decrease in investment properties	3,038	(41,801)	13,153	(35,473)
Decrease/(increase) in development properties	2,907,016	198,338	3,059,174	(528,460)
(Increase)/decrease in trade and other receivables	(2,647,336)	172,408	(2,772,485)	16,780
(Decrease)/increase in trade and other payables	(145,649)	(257,531)	(192,333)	253,291
Cash generated from/(used in) operations	141,959	136,394	243,461	(149,584)
Interest paid	(56,716)	(37,699)	(130,333)	(124,788)
Interest received	2,499	10,753	12,905	46,013
Income tax paid	(12,041)	(2,958)	(36,170)	(40,602)
Net cash generated from/(used in) operating activities	75,701	106,490	89,863	(268,961)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(182)	(137)	(781)	(640)
Net cash used in investing activities	(182)	(137)	(781)	(640)
Cash flow from financing activities				
Bank balance subject to restriction	42,262	(92,260)	279,444	705,372
Proceeds from loans and borrowings	1,332,665	959,995	2,032,665	1,927,337
Proceeds from bond issuance	-	-	-	323,799
Payment of interest on perpetual convertible securities	-	-	(91,156)	(78,261)
Repayment of borrowings	(1,263,165)	(951,965)	(2,080,673)	(2,580,835)
Net cash generated from/(used in) financing activities	111,762	(84,230)	140,280	297,412
Net increase in cash and cash equivalents	187,281	22,123	229,362	27,811
Effects of exchange rate changes on cash and cash equivalents	486	40,677	677	31,167
Cash and cash equivalents at beginning of period	265,396	174,298	223,125	178,120
Cash and cash equivalents at end of period	453,163	237,098	453,164	237,098

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 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
Total comprehensive income for the year	-	-	-	-	-	-	(11,765)	317,254	305,489	(1,052)	304,437
Perpetual convertible securities interest	-	-	-	-	-	-	-	(23,719)	(23,719)	-	(23,719)
Balance at 31 December 2017	4,028,372	(1,993,712)	42,458	80,570	-	878,970	(14,769)	2,212,618	5,234,507	59,202	5,293,709
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 transaction	-	-	-	-	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 transaction	-	-	-	-	(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
Total comprehensive income for the year	-	-	-	12,126	(19,707)	-	11,312	73,451	77,182	(1,476)	75,706
Perpetual convertible security interest	-	-	-	-	-	-	-	(22,383)	(22,383)	-	(22,383)
Balance at 31 December 2016	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

Statement of Changes in Equity of the Company for the period ended 31 December 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
Total comprehensive income for the year	-	-	-	(9,631)	-	(11,882)	(21,513)
Perpetual convertible securities interest	-	-	-	-	-	(23,719)	(23,719)
Balance at 31 December 2017	4,028,372	42,458	-	(24,383)	878,970	(886,274)	4,039,143
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
Total comprehensive income for the year	-	-	(19,707)	(24,373)	-	(2,805)	(46,885)
Perpetual convertible securities interest	-	-	-	-	-	(22,383)	(22,383)
Balance at 31 December 2016	4,028,372	42,458	-	(45,503)	878,970	(749,635)	4,154,662

- 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 2017	As at 31 December 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 31 December 2017 (31 December 2016: Nil).

The Company did not hold any treasury shares as at 31 December 2017 (31 December 2016: Nil).

None of the subsidiaries held shares in the Company as at 31 December 2017 (31 December 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 31 December 2017 was 2,557,040,024 (31 December 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			
	4th Qtr 2017	4th Qtr 2016	Jan to Dec 2017	Jan to Dec 2016
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.124	0.026	0.137	0.034
(ii) On a fully diluted basis (RMB per share)	0.124	0.026	0.137	0.034
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 31 December 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	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Net Asset Value (RMB'000)	5,234,507	5,003,367	4,039,143	4,154,662
Based on existing issued share capital (RMB per share)	2.05	1.96	1.58	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 twelve months and quarter ended 31 December 2017

Revenue

	Group					
	4th Qtr 2017	4th Qtr 2016	Increase / (Decrease)	Jan to Dec 2017	Jan to Dec 2016	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	289,115	513,250	(43.7%)	892,968	867,603	2.9%
Rental Income	50,767	54,666	(7.1%)	207,221	211,940	(2.2%)
	339,882	567,916	(40.2%)	1,100,189	1,079,543	1.9%

In 4QFY2017, the Group recorded lower revenue from the Sale of Properties of RMB224.1million (43.7%) as compared to 4QFY2016 mainly due to fewer units handed over from the Ying Li International Electrical and Hardware Centre and San Ya Wan Phase 2 project. The decrease was partially negated by sales at some of the older completed projects and Investment Properties. Rental income of the Group for 4QFY2017 also experienced a slight decrease of RMB3.9million (7.1%) as compared to the same period last year mainly due to some tenants had opted not to renew their leases upon expiry and rent-free periods for fitting out had to be granted to new tenants, and some Sale of Properties were sold with rental contracts. Thus, rental income from those properties sold ceased to be recognized by the Group.

For the full year 2017, Revenue of the Group increased by RMB20.7 million (1.9%) to RMB1.1 billion as compared with FY2016. Revenue from the Sale of Properties increased RMB25.3 million (2.9%) compared to FY2016 which was mainly driven by the sales of existing units from older completed projects, Investment properties as well as 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 during the year. Rental income decreased marginally by RMB4.7 million (2.2%) mainly due to loss of revenue from some Sale of Properties were sold with rental contracts.

Gross profit

	Group					
	4th Qtr 2017	4th Qtr 2016		Jan to Dec 2017	Jan to Dec 2016	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	42,202	97,332	(56.6%)	122,452	154,000	(20.5%)
Rental Income	44,183	48,623	(9.1%)	179,515	184,065	(2.5%)
	86,385	145,955	(40.8%)	301,967	338,065	(10.7%)

Gross profit of the Group for 4QFY2017 decreased by RMB59.6million (40.8%) to RMB86.4 million as compared to the same period last year in line with the decrease in revenue (40.2%) during the quarter under review. Gross profit for the full year from the Sales of Properties decreased by RMB31.5 million mainly due to the mix of properties that were handed over in FY2017 where gross profits are difference, as well as sale of Investment Properties where the carrying values had been revalued annually to their fair values.

Gross profit margin

	Group							
	4th Qtr 2017		4th Qtr 2016		Jan to Dec 2017		Jan to Dec 2016	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	42,202	14.6%	97,332	19.0%	122,452	13.7%	154,000	17.9%
Rental Income	44,183	87.0%	48,623	88.9%	179,515	86.6%	184,065	86.8%
	86,385	25.4%	145,955	25.7%	301,967	27.4%	338,065	31.3%

Gross profit margin of the Group for 4QFY2017 decreased marginally by 0.3 percentage point to 25.4% as compared to the same period last year. The Group's gross profit margin for FY2017 decreased by 3.9 percentage point year-on-year to 27.4%. Gross profit margin from the Sale of Properties decreased by 4.2 percentage point due to mix of properties sold, including older completed projects, handed over in 2017 where the gross profit margins are difference, as well as sale of Investment Properties where the carrying values had been revalued annually to their fair values.

Other income

	Group			
	4th Qtr	4th Qtr	Jan to Dec	Jan to Dec
	2017	2016	2017	2016
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	2,500	10,944	31,017	46,545
Advertisement income	284	381	1,209	989
Gain on disposal of subsidiaries	118,355	-	118,355	-
Government grant	17	65	803	418
Others	2,551	4,019	4,484	6,565
	<u>123,708</u>	<u>15,409</u>	<u>155,868</u>	<u>54,517</u>

The decrease in Interest income mainly arose from the withdrawal of fixed deposits pledged to financial institutions and others. The year-on-year increase in Other Income was mainly due to a one-off gain on the disposal of subsidiaries.

Selling expenses

Selling expenses increased marginally by RMB1.3 million (4.7%) in 4QFY2017 to RMB29.0 million as compared to 4QFY2016 mainly due to an increase in marketing agency fees and amount of renovation subsidies paid to new tenants during the period under review.

Selling expenses decreased by RMB7.8 million as compared to FY2016 mainly due to lower expenditures incurred on advertising and promotion activities, and lower property management expenses.

Administrative expenses

Administrative expenses were RMB21.1 million (35.6%) lower for the quarter under review as compared to 4QFY2016. The decrease is mainly due to foreign exchange gains on foreign currency denominated loans arising from USD denominated loans as compared to a loss in the same period last year.

Administrative expenses for the full year 2017 also decreased by RMB17.8 million (13.9%) as compared to the prior year mainly due to a reversal from foreign exchange losses recorded in 2016 to foreign exchange gains in 2017 due to the weakening of the USD.

Fair value gain on investment properties

For the full year FY2017, the total fair value gain on investment properties was RMB39.3 million. This gain is the difference between the fair values of investment properties as at 31 December 2017 as compared to the carrying value of investment properties as at the equivalent period in 2016, adjusted for those Investment Properties sold during the year. The increase in fair value gain was generally due to the increase in property prices in the PRC during the year.

Fair value on other investments

For the full year FY2017, the fair value gain from investment in Beijing Tongzhou project amounted to RMB260.0 million, as compared to RMB18.0 million in FY2016. The Other investment refers to the Group's investment in Shanghai Zhao Li Investment Centre LLP where it invested directly in Shanghai Sheng Ke Investment Centre LLP. The objective of the investment is to jointly participate in the Beijing Tongzhou Project as Shanghai Sheng Ke Investment Centre LLP directly owns the project companies holding the Beijing Tongzhou Project. The fair valuation of other investment is based on the fair value of the underlying Beijing Tongzhou project.

Finance costs

For the quarter under review, finance costs were RMB39.9 million (185.4%) higher as compared to 4QFY2016 due to a decrease in the amount of capitalised finance costs on the Ying Li International Commercial Centre upon the disposal of the project in 4QFY2017.

Taxation

	Group					
	4th Qtr 2017	4th Qtr 2016	%	Jan to Dec 2017	Jan to Dec 2016	%
	RMB ('000)	RMB ('000)		RMB ('000)	RMB ('000)	
Income tax	(5,541)	(4,272)	29.7%	(30,290)	(24,543)	23.4%
Deferred tax	(59,039)	(26,344)	124.1%	(56,573)	(19,109)	196.1%
	(64,580)	(30,616)	110.9%	(86,863)	(43,652)	99.0%

Tax expense of the Group increased by RMB43.2 million (99.0%) year-on-year to RMB86.9 million mainly due to higher deferred tax provision arose from Fair value gain on Investment properties and other investments.

Profit attributable to ordinary shareholders of the Company

	Group					
	4th Qtr 2017	4th Qtr 2016	Increase / (Decrease)	Jan to Dec 2017	Jan to Dec 2016	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Ordinary shareholders of the Company	317,254	65,870	381.6%	350,244	87,672	299.5%
Non-Controlling Interest (NCI)	(1,052)	(1,476)	(28.7%)	558	1,658	(66.3%)
	316,202	64,394	391.0%	350,802	89,330	292.7%

Overall, profit attributable to the ordinary shareholders of the Company increased by RMB251.4 million (381.6%) to RMB317.3 million in 4QFY2017. For FY2017, profit attributable to the ordinary shareholders of the Company increased by RMB262.6 million as compared to FY2016. The increase in profits was mainly due to one-off gains recognized on the disposal of the subsidiary holding the Ying Li International Commercial Centre project in the last quarter of FY2017 and fair value gains on other investments.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group decreased by RMB778.9 million to RMB11.1 billion during the year mainly due to a decrease in development properties of RMB3.1 billion arising from the disposal of a subsidiary that held the Ying Li International Commercial Centre project ("Ying Li ICC") and the handover of completed properties to purchasers. The decrease was off-set by i) an increase in trade receivables of RMB2.1 billion from the disposal of the subsidiary that held the Ying Li ICC; and ii) an increase in Investment properties and Other investments amounting to RMB288.8 million that mainly arose from fair value gains on these assets, negated by the sales of some investment properties.

The Group's total liabilities decreased by RMB1.01 billion to RMB5.8 billion during the period under review. The decrease in liabilities was mainly due to i) a reduction in borrowings amounting to RMB895.7 million; and ii) a decrease in trade and other payables of RMB166.1million mainly due to progress payment made for construction costs.

The Group's total equity increased by RMB231.7 million to RMB5.3 billion during the period under review mainly due to an increase in Retained profits that is attributable to the gains on disposal of a subsidiary and fair value gains on Investment Properties and Other investments held by the Group.

STATEMENT OF CASH FLOW

The increase in unrestricted cash and cash equivalent of RMB187.3 million for the quarter under review was mainly due to:

- i) net cash inflow of RMB75.7 million from operating activities;
- ii) net cash outflow of RMB0.2 million from investing activities; and
- iii) net cash inflow of RMB111.8 million from financing activities.

The net cash inflow from operating activities of RMB75.7 million was mainly attributable to (1) cash generated from operating profit of RMB24.9 million and (2) a decrease of RMB2,907.0 million in development properties mainly due to the disposal of the Ying Li ICC subsidiary, handover of completed units at Ying Li IEC and San Ya wan Phase 2. This was off-set by (1) an increase in trade and other receivables of RMB2,647.3 million mainly due to receivables from disposal of the Ying Li ICC subsidiary; and (2) a decrease in trade and other payables of RMB145.7 million mainly due to the payment made to suppliers, as well as net interest and income tax paid of RMB66.3 million.

Net cash generated from financing activities of RMB111.8 million includes a net increase in borrowings of RMB69.5 million mainly due to the refinancing of loans, and the release of cash collaterals pledged to financial institutions to secure loan facilities amounting to RMB42.3 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 9.3% Y-o-Y to RMB1,950.0 billion in 2017. Although the People's Republic of China ("PRC") exceeded expectations with a GDP growth of 6.9% Y-o-Y in 2017, Chongqing's steady economic growth surpassed the country's overall growth while maintaining its lead as one of the fastest growing cities in the PRC. In line with the positive economic development, Chongqing's disposable income per capita grew by 8.7% Y-o-Y to RMB32,193 while total retail sales of consumer goods expanded by 11.0% Y-o-Y to RMB806.8 billion in 2017.

Chongqing Office Market

Underpinned by the city's healthy economic growth, Chongqing's office market progressed steadily in 2017 boosted by demand from finance and professional services sectors. In the year, eight new office projects located mainly in Jiangbeizui entered the market and contributed a new supply of 651,300 sqm, of which 482,700 sqm were Grade A office spaces. In spite of the new supply, overall net absorption increased by 49.8% Y-o-Y to 502,900 sqm in 2017. Notably, the net absorption of Grade A office improved by 89.0% Y-o-Y to 331,200 sqm aided by strong office upgrade demand. As such, vacancy rate for Grade A office dropped positively by 4.2 percentage points Y-o-Y. Out of all the core business districts, Jiefangbei continued to outperform with the lowest vacancy rate and highest average rental in 2017, testament to its strategic and prominent location favored by multinational corporations.

(Source: JLL Research, 2017 Chongqing Property Review)

Chongqing Retail Market

2017 was a vibrant year for the retail market. A total of seven new retail projects were launched in the year, added 833,600 sqm to the retail scene. Albeit the new projects, net absorption increased by 43.4% Y-o-Y to 711,300 sqm while vacancy rate declined by 0.9 percentage points Y-o-Y. As F&B and fashion segments continued to dominate retail malls, the discernible shift in consumer spending largely driven by the burgeoning middle class and the prevalence of e-commerce necessitate the transformation of the retail landscape. Evidently, the retail market witnessed several major developments in the year. Firstly, retail malls are providing consumers well-beyond traditional shopping options. Value-added elements such as service-based retailers were rapidly expanding their presence in retail malls. These service-based retailers include spas, fitness centres, entertainment facilities and childcare centres. Further to that, entertainment, experiential and children-focused concepts were fast becoming important keys to attracting foot traffic. Lastly, the deployment of online-to-offline business strategies by retailers to enhance shopping experience was also a vital development in the year.

(Source: JLL Research, 2017 Chongqing Property Review)

Chongqing Residential Market

To address surging home prices and sales, Chongqing's municipal government rolled out its first purchase restrictions where selling of residential properties are banned for two years from date of purchase with effect from 23 September 2017. The measures prompted a slowdown of new launches by developers in 4Q2017 with new supply tapering off to 8,400 premium units by the end of 2017. Although demand was active throughout the year, the purchase restrictions and mortgage tightening policies led to a 23.3% decrease Y-o-Y to 7,900 premium units in 2017. However, with the launch of several premium projects during the year, the average selling price recorded a significant increase of 38.7% Y-o-Y to RMB 18,000 per sqm at the end of 2017.

(Source: JLL Research, 2017 Chongqing Property Review)

Beijing Market

Following the enforcement of a price cap policy whereby the selling price of residential projects are controlled by the Beijing government, home prices faltered by 0.7% Q-o-Q in 4Q2017 on the back of 772 units new supply of premium apartments. Although successful in keeping a lid on price escalation, the policy was simultaneously fanning the flames of the overheated market as buyers were enticed by the new project launches which were selling at below market rates. As a result, sales volume of premium apartments increased 76.5% Q-o-Q in 4Q2017.

Prior to the price cap policy, the average selling price of residential projects in Beijing Tongzhou had risen from RMB 16,950 per sqm in 2010 to more than RMB 50,000 in 2017, based on statistics from Centaline Property.

(Source: JLL Research, Beijing Property News)

Outlook

The Group currently has two existing projects under-development. The Lion City Garden is at Phase 2D of development while the bespoke development Ying Li International Hardware and Electrical Centre (IEC) is progressing in accordance with development plans, particularly with the handover of IEC Phase 2A which commenced from 3Q2017. The commencement of Metro Line 10 at the end of 2017 will benefit the Lion City Garden project Phase 2D as Metro Line 10 San Ya Wan station is situated directly in front of the project.

On the retail front, the Group recognises the trends advancing through the retail space and has made targeted efforts to broaden the value proposition for consumers through repositioning and tenant-mix adjustments. Apart from optimising retail spaces and emphasizing on experiential retailing for both its IMIX Park malls, the Group increased the proportion of service-based retailers, such as popular wellness group Changle Foot Massage, spa chain The Ivy and fitness centre Will's in Ying Li IMIX Park Jiefangbei. While for Ying Li IMIX Park Daping, in order to better serve the residential catchment of Daping district, the Group maintained its focus on family/children and leisure/entertainment concepts which saw the opening of several education centres, indoor entertainment facilities and children-related stores throughout the year. In addition, Ying Li IMIX Park Daping hosted numerous events throughout the year aimed at creating the mall as a hub for the local community.

Over at Beijing Tongzhou, the district had become the city's new municipal administration centre. According to the plan released by the Beijing government in March 2017, Beijing Tongzhou is expected to accommodate a population of 1.3 million by 2030 and will also serve as a hub for business, culture and tourism. With the commencement of one of the new railway lines linking Beijing's CBD with Tongzhou at the end of 2017, commuters only require 28 minutes of travelling time between the two districts.

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. Construction for SOHO towers is progressing as planned with handover set in 2018 while the construction has commenced on the office/retail land site.

Looking ahead, the Group will remain watchful on the macro uncertainty and market volatility while continuing to scout for sound development 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.

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 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 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	47,553	118,928
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	-	570	4,079
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	-	-	(178)	(178)
Profit before tax	99,791	134,787	203,087	437,665
ASSETS				
Segment assets	4,592,097	4,812,674	1,654,792	11,059,563
Unallocated assets			27,528	27,528
Total assets				11,087,090
LIABILITIES				
Segment liabilities	64,765	4,622,503	324,742	5,012,010
Unallocated liabilities			781,371	781,371
Total liabilities				5,793,381
OTHER INFORMATION				
Capital expenditure	-	-	781	781
Depreciation	-	-	6,581	6,581
Exchange loss, net	-	(30,228)	-	(30,228)
Amortisation of deferred lease incentives	3,738	-	-	3,738

Business segments

31 December 2016	Property Investment RMB ('000)	Property Development RMB ('000)	Others RMB ('000)	Total RMB ('000)
Revenues	211,940	867,603	-	1,079,543
Segment result	52,586	135,946	(59,303)	129,229
Interest expense	-	-	(93,017)	(93,017)
Interest income	-	-	46,545	46,545
Government grant	-	413	-	413
Sublet rental income	-	-	235	235
Advertisement income	989	-	-	989
Sundry incomes	56	6,279	-	6,335
Changes in fair value of investment property	24,273	-	-	24,273
Changes in fair value of unquoted investments	-	-	18,000	18,000
Loss on disposal of property, plant and equipment	-	-	(20)	(20)
Profit before tax	77,904	142,638	(87,560)	132,982
ASSETS				
Segment assets	4,482,967	6,653,512	701,387	11,837,866
Unallocated assets			28,108	28,108
Total assets				11,865,974
LIABILITIES				
Segment liabilities	65,090	5,888,009	120,697	6,073,796
Unallocated liabilities			730,167	730,167
Total liabilities				6,803,963
OTHER INFORMATION				
Capital expenditure	-	-	640	640
Depreciation	-	-	6,647	6,647
Exchange loss, net	-	18,589	-	18,589
Amortisation of deferred lease incentives	-	-	2,392	2,392

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:-

	<u>Group</u>		Increase/ (Decrease)
	<u>2017</u> RMB ('000)	<u>2016</u> RMB ('000)	
(a) Sales reported for first half year	445,748	260,611	71.0%
(b) Operating profit after tax before deducting minority interest reported for first half year	17,529	27,219	(35.6%)
(c) Sales reported for second half year	654,441	818,932	(20.1%)
(d) Operating profit after tax before deducting minority interest reported for second half year	333,273	62,111	436.6%

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")	57	Mr Fang is the brother of Mr Fang Ming.	Mr Fang is the General Manager of the Operations Management Department. 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.	Mr Fang relinquished his position as the Manager of the Materials Department during the year.

BY ORDER OF THE BOARD

Fang Ming
Executive Chairman
1 March 2018

Hu Bing
Executive Director

Yang Xiao Yu
Executive Director