

**UNAUDITED FINANCIAL STATEMENTS FOR SECOND HALF 2020
 AND FINANCIAL YEAR ENDED 31 DECEMBER 2020**
Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF SECOND 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 second half ("2H2020") and the 12 months ended 31 December 2020 ("FY2020"). The comparable periods are defined as 2H2019 and FY2019 respectively in this announcement.

	Group					
	July to December 2020 RMB ('000)	July to December 2019 RMB ('000)	Increase / (Decrease) %	January to December 2020 RMB ('000)	January to December 2019 RMB ('000)	Increase / (Decrease) %
Revenue	153,387	143,446	6.9%	231,035	358,925	(35.6%)
Cost of sales	(65,885)	(61,691)	6.8%	(92,783)	(152,061)	(39.0%)
Gross profit	87,502	81,755	7.0%	138,252	206,864	(33.2%)
Other income	4,592	17,305	(73.5%)	18,320	27,307	(32.9%)
Selling expenses	(18,418)	(49,170)	(62.5%)	(34,584)	(70,192)	(50.7%)
Administrative expenses	(52,760)	(85,672)	(38.4%)	(95,730)	(140,864)	(32.0%)
Fair value loss on investment properties	(19,000)	(4,600)	>100%	(19,000)	(371,690)	(94.9%)
Fair value loss on other investments	(100,000)	(138,201)	(27.6%)	(100,000)	(138,201)	(27.6%)
Finance costs	(72,565)	(79,583)	(8.8%)	(150,129)	(171,279)	(12.3%)
Other gains/(losses) - net	82,313	6,220	>100%	58,311	(17,440)	n.m.
Loss before Income Tax	(88,336)	(251,946)	(64.9%)	(184,560)	(675,495)	(72.7%)
Taxation - current tax	37	(5,745)	n.m.	(1,091)	(6,184)	(82.4%)
- deferred tax	(9,636)	61,419	n.m.	(10,208)	155,755	n.m.
Loss for the period	(97,935)	(196,272)	(50.1%)	(195,859)	(525,924)	(62.8%)
Foreign currency translation differences (at nil tax)	41,639	(26,389)	n.m.	60,140	(39,687)	n.m.
Total comprehensive loss for the period	(56,296)	(222,661)	(74.7%)	(135,719)	(565,611)	(76.0%)
Loss attributable to:						
Ordinary shareholders of the company	(90,484)	(195,235)	53.7%	(187,848)	(523,432)	(64.1%)
Non-Controlling Interest (NCI)	(7,451)	(1,037)	>100%	(8,011)	(2,492)	>100%
	(97,935)	(196,272)	(50.1%)	(195,859)	(525,924)	(62.8%)
Total comprehensive loss attributable to:						
Ordinary shareholders of the company	(48,845)	(221,624)	(78.0%)	(127,708)	(563,119)	(77.3%)
Non-Controlling Interest (NCI)	(7,451)	(1,037)	>100%	(8,011)	(2,492)	>100%
	(56,296)	(222,661)	(74.7%)	(135,719)	(565,611)	(76.0%)

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 December 2020 RMB ('000)	31 December 2019 RMB ('000)	31 December 2020 RMB ('000)	31 December 2019 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	35,745	38,534	13	77
Investment in subsidiaries	-	-	2,966,325	2,966,325
Investment properties	4,128,528	4,162,080	-	-
Other investment	769,799	869,799	-	-
Deferred assets	27,529	27,529	-	-
Total non-current assets	4,961,601	5,097,942	2,966,338	2,966,402
Current assets:				
Development properties	1,055,780	1,131,959	-	-
Trade and other receivables	459,580	490,365	511	1,562
Amount due from subsidiaries	-	-	2,720,541	2,812,930
Cash and cash equivalents	757,838	1,002,498	97,225	150,043
Total current assets	2,273,198	2,624,822	2,818,277	2,964,535
Total assets	7,234,799	7,722,764	5,784,615	5,930,937
EQUITY AND LIABILITIES				
Capital and reserves:				
Capital contribution	4,028,372	4,028,372	4,028,372	4,028,372
Reverse acquisition reserve	(2,034,754)	(2,034,754)	-	-
Statutory common reserve	91,018	91,018	-	-
Convertible bonds reserve	42,458	42,458	42,458	42,458
Perpetual convertible securities	878,970	878,970	878,970	878,970
Translation reserve	(18,570)	(78,710)	(17,354)	(21,055)
(Accumulated losses)/retained earnings	(372,840)	63,724	(1,510,676)	(1,177,448)
	2,614,654	2,991,078	3,421,770	3,751,297
Non-Controlling Interest	4,635	12,646	-	-
Total equity	2,619,289	3,003,724	3,421,770	3,751,297
Non-current liabilities:				
Deferred taxation	531,114	566,459	-	-
Borrowings	2,272,893	1,518,020	-	-
Total non-current liabilities	2,804,007	2,084,479	-	-
Current liabilities:				
Trade and other payables	1,253,499	1,104,738	462,422	213,568
Amount due to subsidiaries	-	-	1,453,355	1,490,513
Provision for taxation	180,085	221,044	-	-
Borrowings	377,919	1,308,779	447,068	475,559
Total current liabilities	1,811,503	2,634,561	2,362,845	2,179,640
Total Liabilities	4,615,510	4,719,040	2,362,845	2,179,640
Total equity and liabilities	7,234,799	7,722,764	5,784,615	5,930,937

Notes to the Statement of Financial Position

Trade and other receivables comprise of the following:

	Group		Company	
	31 December 2020 RMB ('000)	31 December 2019 RMB ('000)	31 December 2020 RMB ('000)	31 December 2019 RMB ('000)
Trade receivables	30,964	28,380	-	-
Other receivables:				
- Prepayments	129,749	160,837	240	289
- Refundable deposits	17,236	18,058	236	874
- Proceed receivable from disposal of subsidiaries/land	262,710	262,710	-	-
- Others	18,921	20,380	35	399
Total receivables	459,580	490,365	511	1,562

Trade and other payables comprise of the following:

	Group		Company	
	31 December 2020 RMB ('000)	31 December 2019 RMB ('000)	31 December 2020 RMB ('000)	31 December 2019 RMB ('000)
Trade payables	101,030	157,657	-	-
Other payables:				
- Other tax payables	71,107	50,011	64,157	30,681
- Accrued expenses	457,090	241,150	398,265	182,887
- Advance payment from customers	58,963	47,492	-	-
- Rental and option deposits	43,097	43,577	-	-
- Advances from sub-contractors	12,816	14,251	-	-
- Other payables	131,298	122,323	-	-
- Provisions	378,098	428,277	-	-
Total payables	1,253,499	1,104,738	462,422	213,568

1(c) Aggregate amounts of group's borrowings and debt securities

	Group			
	31 December 2020		31 December 2019	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable within twelve months	214,800	163,119	1,134,380	174,399
Amount repayable after twelve months from the reporting date	2,272,893	-	1,518,020	-
	2,487,693	163,119	2,652,400	174,399

Details of any collateral

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

In accordance with Singapore SFRS(I)1-1, the Company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities.

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

	Group			
	July to December 2020 RMB ('000)	July to December 2019 RMB ('000)	January to December 2020 RMB ('000)	January to December 2019 RMB ('000)
Operating activities				
Loss before taxation	(88,336)	(251,946)	(184,560)	(675,495)
Adjustments for:				
Depreciation of property, plant and equipment	1,484	1,738	3,053	4,596
Amortisation of other non-current assets	3,434	3,852	6,379	7,474
Fair value loss on investment properties	19,000	4,600	19,000	371,690
Fair value loss on other investments	100,000	138,201	100,000	138,201
Interest expense	72,565	79,583	150,129	171,279
Interest income	(2,467)	(8,633)	(10,636)	(15,176)
(Written back)/provision for liabilities on legal cases	(36,332)	424	(36,332)	3,899
(Gain)/loss on disposal of property, plant and equipment	(31)	458	(140)	460
Impairment loss on other receivables	-	-	-	24,223
Unrealised exchange (gain)/loss	(20,489)	(16,410)	3,072	(35,821)
Operating profit before working capital changes	48,828	(48,133)	49,965	(4,670)
Investment properties	8,173	-	8,173	-
Development properties	65,374	20,440	76,179	81,176
Trade and other receivables	(2,831)	30,594	(1,336)	1,143,098
Trade and other payables	(105,237)	(80,514)	(128,291)	(238,835)
Cash generated from / (used in) operations	14,307	(77,613)	4,690	980,769
Interest paid	(71,881)	(77,054)	(139,461)	(179,625)
Interest received	832	8,633	9,001	14,964
Income tax refund/(paid) - net	154	(435)	154	(435)
Net cash (used in) / generated from operating activities	(56,588)	(146,469)	(125,616)	815,673
Cash flow from investing activities				
Acquisition of property, plant and equipment	(147)	(637)	(627)	(934)
Proceed from disposal of property, plant and equipment	167	-	500	-
Acquisition of non-controlling interest	-	(92,162)	-	(92,162)
Net cash generated from / (used in) investing activities	20	(92,799)	(127)	(93,096)
Cash flow from financing activities				
Bank balance subject to restriction	(1,861)	(184,079)	10,106	(8,343)
Proceed from loans and borrowings	1,132,040	671,881	1,255,096	998,160
Repayment of borrowings	(1,193,327)	(653,273)	(1,387,573)	(1,465,561)
Net cash used in financing activities	(63,148)	(165,471)	(122,371)	(475,744)
Net (decrease)/increase in cash and cash equivalents	(119,716)	(404,739)	(248,114)	246,833
Effects of exchange rate changes on cash and cash equivalents	16,178	(2,947)	13,562	(3,188)
Cash and cash equivalents at beginning of period	491,688	1,030,388	622,702	379,057
Cash and cash equivalents at end of period	388,150	622,702	388,150	622,702
Restricted cash	369,688	379,796	369,688	379,796
Cash and cash equivalents in the statement of financial position	757,838	1,002,498	757,838	1,002,498

- 1(e) 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 2020

Group	Capital contribution RMB ('000)	Reverse acquisition reserve RMB ('000)	Statutory common reserve RMB ('000)	Convertible bonds reserve RMB ('000)	Perpetual convertible securities RMB ('000)	Translation reserve RMB ('000)	(Accumulated losses) / retained earnings RMB ('000)	Total attributable to ordinary shareholders of the Company RMB ('000)	Non-controlling interest RMB ('000)	Total equity RMB ('000)
Balance at 31 December 2019	4,028,372	(2,034,754)	91,018	42,458	878,970	(78,710)	63,724	2,991,078	12,646	3,003,724
Total comprehensive loss for the period	-	-	-	-	-	18,501	(97,364)	(78,863)	(560)	(79,423)
Perpetual convertible securities interest	-	-	-	-	-	-	(110,351)	(110,351)	-	(110,351)
Balance at 30 June 2020	4,028,372	(2,034,754)	91,018	42,458	878,970	(60,209)	(143,991)	2,801,864	12,086	2,813,950
Total comprehensive loss for the period	-	-	-	-	-	41,639	(90,484)	(48,845)	(7,451)	(56,296)
Perpetual convertible securities interest	-	-	-	-	-	-	(138,365)	(138,365)	-	(138,365)
Balance at 31 December 2020	4,028,372	(2,034,754)	91,018	42,458	878,970	(18,570)	(372,840)	2,614,654	4,635	2,619,289
Balance at 31 December 2018	4,028,372	(1,993,712)	91,018	42,458	878,970	(39,023)	750,806	3,758,889	15,138	3,774,027
Total comprehensive loss for the period	-	-	-	-	-	(13,298)	(328,197)	(341,495)	(1,455)	(342,950)
Perpetual convertible security interest	-	-	-	-	-	-	(48,601)	(48,601)	-	(48,601)
Balance at 30 June 2019	4,028,372	(1,993,712)	91,018	42,458	878,970	(52,321)	374,008	3,368,793	13,683	3,382,476
Total comprehensive loss for the period	-	-	-	-	-	(26,389)	(195,235)	(221,624)	(1,037)	(222,661)
Perpetual convertible security interest	-	-	-	-	-	-	(63,929)	(63,929)	-	(63,929)
Acquisition of non-controlling interests	-	(41,042)	-	-	-	-	(51,120)	(92,162)	-	(92,162)
Balance at 31 December 2019	4,028,372	(2,034,754)	91,018	42,458	878,970	(78,710)	63,724	2,991,078	12,646	3,003,724

1(f) Statement of Changes in Equity of the Company for the period ended 31 December 2020

Company	Capital contribution RMB ('000)	Convertible bonds reserve RMB ('000)	Translation reserve RMB ('000)	Perpetual convertible securities RMB ('000)	Accumulated losses RMB ('000)	Total equity RMB ('000)
Balance at 31 December 2019	4,028,372	42,458	(21,055)	878,970	(1,177,448)	3,751,297
Total comprehensive loss for the period	-	-	(3,066)	-	(47,330)	(50,396)
Perpetual convertible securities interest	-	-	-	-	(110,351)	(110,351)
Balance at 30 June 2020	4,028,372	42,458	(24,121)	878,970	(1,335,129)	3,590,550
Total comprehensive loss for the period	-	-	6,767	-	(37,182)	(30,415)
Perpetual convertible securities interest	-	-	-	-	(138,365)	(138,365)
Balance at 31 December 2020	4,028,372	42,458	(17,354)	878,970	(1,510,676)	3,421,770
Balance at 31 December 2018	4,028,372	42,458	(9,470)	878,970	(1,012,302)	3,928,028
Total comprehensive loss for the period	-	-	(7,271)	-	(29,655)	(36,926)
Perpetual convertible securities interest	-	-	-	-	(48,601)	(48,601)
Balance at 30 June 2019	4,028,372	42,458	(16,741)	878,970	(1,090,558)	3,842,501
Total comprehensive loss for the period	-	-	(4,314)	-	(22,961)	(27,275)
Perpetual convertible securities interest	-	-	-	-	(63,929)	(63,929)
Balance at 31 December 2019	4,028,372	42,458	(21,055)	878,970	(1,177,448)	3,751,297

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

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

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

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

	As at 31 December 2020	As at 31 December 2019
	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.

The Company did not hold any treasury shares as at 31 December 2020 (31 December 2019: Nil).

None of the subsidiaries held shares in the Company as at 31 December 2020 (31 December 2019: Nil).

- 1(h)(i) 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 2020 was 2,557,040,024 (31 December 2019: 2,557,040,024).

- 1(h)(ii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(h)(iii) A statement showing all sales, transfers, 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.**

Not applicable.

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

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is material uncertainty relating to going concern.

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 2019.

- 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			
	July to December 2020	July to December 2019	January to December 2020	January to December 2019
Earnings per ordinary share:				
Based on weighted average no. of ordinary shares in issue (RMB per share)	(0.035)	(0.076)	(0.073)	(0.205)
Number of shares in issue:				
Based on weighted average no. of ordinary shares in issue ('000)	2,557,040	2,557,040	2,557,040	2,557,040

Earnings per ordinary share equals to the Group's loss 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.

For the purpose of calculating diluted loss per share, net loss attributable to equity holders of the Company and 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 2020. As the effect is anti-dilutive, the diluted loss per share is the same as the basic loss per share.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the: -**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Net Asset Value (RMB'000)	2,614,654	2,991,078	3,421,770	3,751,297
Based on existing issued share capital (RMB per share)	1.02	1.17	1.34	1.47
Net Asset Value has been computed based on the number of shares 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 ended 31 December 2020

Revenue

	Group					
	July to December 2020	July to December 2019	Increase / (Decrease)	January to December 2020	January to December 2019	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	54,649	32,175	69.8%	63,996	141,580	(54.8%)
Rental Income	98,738	111,271	(11.3%)	167,039	217,345	(23.1%)
	153,387	143,446	6.9%	231,035	358,925	(35.6%)

2H2020 vs 2H2019

Revenue for 2H2020 increased by 6.9 % Y-o-Y, or RMB9.9 million to RM153.4million (2H2019: RMB143.5 million), was due to an increase in sale of properties by RMB22.5 million, partially offset by a decrease in rental income by RMB12.5 million.

Revenue from the sales of properties increased by 69.8% Y-o-Y, or RMB22.5 million, to RMB54.6 million (2H2019: RMB32.2 million), mainly attribute to more car parking spaces of Ying Li International Plaza and Bashu Cambridge Project being sold and handed over in 2H2020.

Rental income decreased by 11.3% Y-o-Y, or RMB12.5 million to RMB98.7 (2H2019: RMB111.2 million), was mainly due to the leasing competition and rental reliefs granted to support tenant's business recovery after the Covid-19 outbreak.

FY2020 vs FY2019

For the full year, revenue of Group decreased by 35.6 % Y-o-Y, or RMB127.9 million to RMB231.0 million (FY2019: RMB358.9 million). The decline was due to decrease in sales of properties by RMB77.6 million and decrease in rental income by RMB50.3 million.

Revenue from the Sales of Properties decreased by 54.8% Y-o-Y, or RMB77.6 million to RMB64.0 (FY2019: RMB141.6 million), mainly attribute to lesser commercial and residential units at Ying Li International Plaza, Lion City Garden and Ying Li International Hardware and Electrical Centre ("IEC") being sold and recognition of a lower sales revenue in FY2020.

Rental income decreased by 23.1% Y-o-Y or RMB50.3 million to RMB167.0 (FY2019: RMB217.3 million), is mainly due to the temporary closure of retail malls and retail spaces amid the Covid-19 outbreak to support the China Government and local authorities' objective to curb the spread of the virus. The malls and retails spaces closed at 1H2020 and reopened gradually, rental income decreased and affected by rental reliefs to support their business recovery.

Gross profit

	Group					
	July to December 2020	July to December 2019	Increase / (Decrease)	January to December 2020	January to December 2019	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	14,914	2,836	425.9%	17,711	39,272	(54.9%)
Rental Income	72,588	78,919	(8.0%)	120,541	167,592	(28.1%)
	87,502	81,755	7.0%	138,252	206,864	(33.2%)

2H2020 vs 2H2019

Gross profit of the Group for 2H2020 increased by 7.0% Y-o-Y or RMB5.7 million, to RMB87.5 million (2H2019: RMB81.8 million) in tandem with the increase in the profit margin contributed by higher sales of properties.

FY2020 vs FY2019

Gross profit for the full year decreased by 33.2% Y-o-Y or RMB68.6 million, to RMB138.3 million (FY2019: RMB206.9 million) in tandem with the decrease in both sales of properties and rental income in FY2020.

Gross profit margin

	Group							
	July to December 2020		July to December 2019		January to December 2020		January to December 2019	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	14,914	27.3%	2,836	8.8%	17,711	27.7%	39,272	27.7%
Rental Income	72,588	73.5%	78,919	70.9%	120,541	72.2%	167,592	77.1%
	87,502	57.0%	81,755	57.0%	138,252	59.8%	206,864	57.6%

2H2020 vs 2H2019

Overall gross profit margin for 2H2020 remain consistent as compared with the corresponding period. The increased in gross profit margin from sales of properties by 18.5 percentage point due to the properties sold in 2H2020 contributed higher margin as compared to the properties sold in 2H2019.

FY2020 vs FY2019

Overall gross profit margin for FY2020 increased by 2.2 percentage point, to 59.8% (FY2019: 57.6%), primarily due to higher proportion of revenue contributed by leasing segment which generated higher gross profit margin.

Other income

	Group			
	July to December 2020	July to December 2019	January to December 2020	January to December 2019
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income	2,467	8,633	10,636	15,176
Advertisement income	665	647	1,251	1,324
Others	1,460	8,025	6,433	10,807
	4,592	17,305	18,320	27,307

The Y-o-Y decreased in other income mainly due to lesser interest income earned in FY 2020 and recognition of one-off tenant's contract breaching income amounted to RMB7.4 million in 2H2019.

Selling expenses

Selling expenses for FY2020 decreased by 50.7% Y-o-Y or RMB35.6million, to RMB34.6 million (FY2019: RMB70.2 million), mainly due to (i) a decrease in variable components of advertising and promotion activities amounting of RMB 19.9 million which was consistent with the decrease in revenue for FY2020 and (ii) a reclassification of staff costs amounting of RMB15.7 million from selling expenses to administrative expenses due to the restructuring in last year.

Administrative expenses

For FY2020, administrative expenses decreased by 32.0% Y-o-Y or RMB45.2million, to RMB95.7 million (FY2019: RMB140.9million), mainly due to a decrease by RMB60.9 in staff related costs as well as legal and professional fees. The decreases in such costs are partly off-set by the reclassification of RMB15.7 million as mentioned in the section "Selling Expenses" above.

Change in fair value of investment properties

As at 31 December 2020, independent valuation is carried out by the Group by Colliers International (Hong Kong) Limited on the investment properties held by the Group. Based on the completed valuation report, the Group recognised a fair value loss of RMB19.0 million in FY2020 in regarding of slightly weakening of commercial property market in Chongqing in year 2020.

Change in fair value on other investment

As at 31 December 2020, KPMG Advisory (Hong Kong) Limited was commissioned to provide an updated and independent valuation on Beijing New Everbright Centre. Based on the completed valuation report, the Group recognised a fair value loss of RMB100.0 million in FY2020 that is mainly due to the negative impact from COVID-19 and tougher policies maintained by local authorities in property sector, prolonging the property development and sales period. These factors have also resulted in higher development expenditures such as finance costs, leading to reduction of forecasted margin of the project.

Finance costs

Finance costs in FY2020 decreased by 12.3% Y-o-Y or RMB21.1 million to RMB150.1 million (FY2019: RMB171.3 million), mainly due to lower weighted average interest rates in FY2020 and the decrease in outstanding loan principal.

Other gains/(losses)

	Group			
	July to December 2020	July to December 2019	January to December 2020	January to December 2019
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Impairment loss on other receivables	-	-	-	(24,223)
Written back/(provision) for liabilities on legal cases	36,332	(424)	36,332	(3,899)
Others	5,612	(7,007)	5,114	(7,007)
Reversal of accrued payables	24,295	-	33,579	-
Exchange gains/(losses), net	16,074	13,651	(16,714)	17,689
	82,313	6,220	58,311	(17,440)

For FY2020, other gains were recognised as compared to other losses recorded in FY2019, mainly due to written back for liabilities on legal cases based on latest assessment and written back for provision on trade payables based on progressive negotiation with trade payables on completed projects.

Taxation

	Group					
	July to December 2020	July to December 2019	Increase / (Decrease)	January to December 2020	January to December 2019	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Tax expense/(benefit):						
Current income tax	(37)	5,745	n.m.	1,091	6,184	(82.4%)
Deferred income tax	9,636	(61,419)	n.m.	10,208	(155,755)	n.m.
	9,599	(55,674)	n.m.	11,299	(149,571)	n.m.

Tax expense for FY 2020 increased by RMB160.9 million as compared to tax benefit for FY2019, mainly due to lesser deferred tax credit on fair value losses were recognized in FY2020.

Loss attributable to ordinary shareholders of the Company

	Group					
	July to December 2020	July to December 2019	Increase / (Decrease)	January to December 2020	January to December 2019	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Loss attributable to:						
Ordinary shareholders of the Company	90,484	195,235	(53.7%)	187,848	523,432	(64.1%)
Non-Controlling Interest	7,451	1,037	>100%	8,011	2,492	>100%
	97,935	196,272	(50.1%)	195,859	525,924	(62.8%)

FY2020 vs FY2019

Overall, the Group reported loss attributable to the ordinary shareholders of the Company decreased by 62.8% or RMB330.0 million, to RMB195.9 million (FY2019: RMB525.9 million), mainly due to recognition of lower revenue which was directly and indirectly caused by the COVID-19 pandemic and lesser fair value loss of investment properties and other investment recognised in 2H2020.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group decreased by 6.3% or RMB488.0 million, to RMB7,234.8 million (31 December 2019: RMB7,722.8 million), mainly due to (i) a decrease in fair value of investment properties and other investment for RMB119.0 million and disposal of partial investment properties of RMB10.0 million, (ii) a decrease in development properties of RMB76.2 million arising from the handover of completed properties, (iii) a decrease in prepaid tax and other prepayment of RMB31.1 million; and (iv) a decrease in cash and cash equivalents of RMB 244.7 million mainly for the loan principal and interest repayment.

The Group's total liabilities decreased by 2.2% or RMB103.5 million, to RMB4,615.5 million (31 December 2019: RMB4,719.0 million), mainly due to (i) a decrease in bank loan of RMB176.0 million as a result of loan principal repayments, (ii) a decrease in deferred taxation liabilities of RMB35.3 million from fair value loss of investment properties and other investment, (iii) a decrease of provision of taxation from land appreciate tax of RMB40.9 million, off-set by an increase in trade and other payable of RMB148.8 million.

The Group's total equity decreased by RMB384.4 million to RMB2,619.3 million (31 December 2019: RMB3,003.7 million), mainly due to a decrease in retained profits of RMB436.6 million, offset by a decrease in translation deficit of RMB60.1 million.

STATEMENT OF CASH FLOW

In 2H2020, the decrease in unrestricted cash and cash equivalent of RMB119.7 million was mainly due to:

- i) net cash outflow of RMB56.6 million from operating activities; and
- ii) net cash outflow of RMB63.1 million from financing activities.

The net cash outflow from operating activities of RMB56.6 million was mainly attributable to the net settlement to trade and other payables of RMB104.7 million, an increased trade and other receivables of RMB5.1 million and net interest paid of RMB71.0 million, offset by (i) a decrease from development properties of RMB53.4 million arising from the handover of completed properties and a decrease from partial disposal of investment properties of RMB10.0 million, and (ii) cash from operating profit before working capital changes of RMB60.8 million.

Net cash used in financing activities of RMB63.1 million was due to the net repayment of borrowings amounting to RMB61.2 million and an increase in restricted cash of RMB1.9 million.

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

There was no forecast made.

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.

Outlook

Generally linked to the country's economic growth, the real estate market forms an integral part of the domestic economy.

Amidst the COVID-19 pandemic, China remains the only major economy for which its Gross Domestic Product ("GDP") is expected to grow in 2020, however it achieved the lowest rate of annual growth in more than 40 years with the nationwide shutdowns of businesses, factories and manufacturing plants that formed part of the pandemic containment efforts.

The Group's core real estate business activities are based in Chongqing and the Group's investment property portfolio comprises integrated office and retail developments, residential properties and commercial properties.

Retail real estate accounted for approximately 64% of the Group's total gross floor area under our investment properties portfolio as at 31 December 2019. According to Savills Research reports issued in January 2021 ("Savills Research Reports"), Chongqing's total retail sales of consumer goods reached RMB 1,059.7 billion, a nominal increase of 0.4% from January to November 2020. However, the overall leasing demand in Chongqing's retail real estate market has weakened due to the lingering fallout from COVID-19. In 2021, more than 500,000 square metres of new supply is expected to enter Chongqing's retail property market.

For the office real estate market in Chongqing, the vacancy rate of Grade A office was approximately 30%, with rising market demand and limited supply, the current supply pressure in Chongqing Grade A office market is expected will be maintained at high level. With the central government positioning the Chengdu-Chongqing Economic Circle as "two centres with national influence", Chongqing is expected to see high-quality development opportunities, and the leasing demand for office market will be further released, according to the Savills Research Reports.

The Group currently has two real estate projects in Chongqing which the new phases of the two projects are still at planning stage, namely (i) Lion City Garden which is a retail/SOHO property project, and (ii) IEC which is a commercial property project. The Lion City Garden is at Phase 2D of development, while the bespoke development IEC project is at Phase 2B. The management is also evaluating the options and appropriate timing to develop the unutilised land portions of these two projects.

On the retail rental segment, retailers are looking to improve consumer engagement through additional touchpoints and more meaningful experiences to enhance differentiation in an increasingly competitive retail market. Hence the Group continues to closely monitor new retail trends and create new retail concepts with its tenants so that its retail properties continue to be relevant and interesting to its targeted group of consumers at various locations.

On the office rental segment, the Group continues to focus on retaining existing quality tenants and attracting new tenants by integrating new innovations, creating conducive spaces and more agile workspaces.

The Group's investment in Beijing New Everbright Centre, located at Beijing Tongzhou, has been undergoing construction with a total of 3 Phases. Construction of Phase 1, which comprises 4 SOHO towers, has been completed. Construction of Phase 2, which comprises two office towers and a retail podium, has been in progress with the completion of the two office towers. One of the office towers of Phase 2 has been sold while the remaining office tower has been put up for sale to prospective buyers. Phase 3 comprises one premium office tower and retail podium, the management team is re-visiting the development plan in consistent with the policies maintained by local authorities in property sector.

On 3 February 2021, the Company announced a litigation and as highlighted in the announcement, based on the preliminary legal advice from the Company's Chinese legal counsel, the Company is of the view that the litigation will not have any material impact on the financial position of the Company. More details can be found in the Company's SGX net announcement issued on 3 February 2021. The Board will make further announcements as and when there are any material developments in relation to the legal proceedings.

11 Dividend

a. Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared or recommended.

b. (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No interim dividend was declared or recommended in the previous corresponding period.

- c. **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- d. **The date the dividend is payable.**

Not applicable.

- e. **The date on which Registrable Transfer received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 12 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial 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 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 31 December 2020 to be false or misleading in any material aspect.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) 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 Half Year Results)

16 **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	Property	Property	Others	Total
	Investment	Development		
31 December 2020	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Revenue	167,039	63,996	-	231,035
Segment result	66,459	15,854	(12,136)	70,177
Interest expense	-	(24,711)	(125,418)	(150,129)
Interest income	-	-	10,636	10,636
Government grant	1,865	500	-	2,365
Advertisement income	1,251	-	-	1,251
Changes in fair value of investment properties	(19,000)	-	-	(19,000)
Changes in fair value of other investment	-	(100,000)	-	(100,000)
Gain on disposal of property, plant and equipment	-	-	140	140
Loss before tax	50,575	(108,357)	(126,778)	(184,560)
ASSETS				
Segment assets	4,166,770	2,188,913	851,587	7,207,270
Unallocated assets	-	-	27,529	27,529
Total assets	-	-	-	7,234,799
LIABILITIES				
Segment liabilities	2,096,088	722,253	1,085,970	3,904,311
Unallocated liabilities	-	-	711,199	711,199
Total liabilities	-	-	-	4,615,510
OTHER INFORMATION				
Capital expenditure	-	-	627	627
Depreciation	-	-	3,053	3,053

Business segments 31 December 2019	Property Investment	Property Development	Others	Total
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Revenue	217,345	141,580	-	358,925
Segment result	45,180	(7,129)	(35,026)	3,025
Interest expense	(24,165)	(37,940)	(109,174)	(171,279)
Interest income	-	-	15,176	15,176
Sublet rental income	-	-	188	188
Advertisement income	1,324	-	-	1,324
Sundry incomes	9,973	-	646	10,619
Changes in fair value of investment properties	(371,690)	-	-	(371,690)
Changes in fair value of other investment	-	(138,201)	-	(138,201)
Impairment loss on other receivables	-	-	(24,223)	(24,223)
Loss on disposal of property, plant and equipment	-	-	(434)	(434)
Loss before tax	(339,378)	(183,270)	(152,847)	(675,495)
ASSETS				
Segment assets	4,180,841	2,547,673	966,721	7,695,235
Unallocated assets	-	-	27,529	27,529
Total assets	-	-	-	7,722,764
LIABILITIES				
Segment liabilities	2,171,296	681,940	1,213,421	4,066,657
Unallocated liabilities	-	-	652,383	652,383
Total liabilities	-	-	-	4,719,040
OTHER INFORMATION				
Capital expenditure	-	-	934	934
Depreciation	-	-	4,596	4,596

17 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.

18 Breakdown of sales as follows: -

	Group		
	January to December 2020	January to December 2019	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%
(a) Sales reported for first half year	77,648	215,479	(64.0%)
(b) Operating loss after tax before deducting non-controlling interest reported for first half year	(97,924)	(329,652)	(70.3%)
(c) Sales reported for second half year	153,387	143,446	6.9%
(d) Operating loss after tax before deducting non-controlling interest reported for second half year	(97,935)	(196,272)	(50.1%)

19. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: -**
- (a) **Ordinary**
 - (b) **Preference**
 - (c) **Total**

Not applicable.

- 20 **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**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Yang Haishan

Non-Executive and Non-Independent Director

26 February 2021