



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

**Financial Statement Announcement for 1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2016**

**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 1<sup>st</sup> quarter and three months ended 31<sup>st</sup> March 2016.

	Group					
	1st Qtr	1st Qtr	Increase / (Decrease)	Jan to Mar	Jan to Mar	Increase / (Decrease)
	2016	2015		2016	2015	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
<b>Revenue</b>	<b>91,317</b>	<b>100,234</b>	<b>(8.9%)</b>	<b>91,317</b>	<b>100,234</b>	<b>(8.9%)</b>
Cost of sales	(28,021)	(45,066)	(37.8%)	(28,021)	(45,066)	(37.8%)
<b>Gross profit</b>	<b>63,296</b>	<b>55,168</b>	<b>14.7%</b>	<b>63,296</b>	<b>55,168</b>	<b>14.7%</b>
Other income	13,854	14,918	(7.1%)	13,854	14,918	(7.1%)
Selling expenses	(13,704)	(14,178)	(3.3%)	(13,704)	(14,178)	(3.3%)
Administrative expenses	(16,651)	(30,344)	(45.1%)	(16,651)	(30,344)	(45.1%)
Administrative expenses - Share based payment expense	-	(2,911)	n.m.	-	(2,911)	n.m.
Finance costs	(21,542)	(22,020)	(2.2%)	(21,542)	(22,020)	(2.2%)
<b>Profit before Income Tax</b>	<b>25,253</b>	<b>633</b>	<b>3,887.5%</b>	<b>25,253</b>	<b>633</b>	<b>3,887.5%</b>
<b>Taxation - Current</b>	<b>(6,270)</b>	<b>(4,568)</b>	<b>37.3%</b>	<b>(6,270)</b>	<b>(4,568)</b>	<b>37.3%</b>
- Deferred	(66)	2,930	n.m.	(66)	2,930	n.m.
<b>Profit for the period</b>	<b>18,917</b>	<b>(1,005)</b>	<b>n.m.</b>	<b>18,917</b>	<b>(1,005)</b>	<b>n.m.</b>
Foreign currency translation differences(at nil tax)	(20,057)	1,955	n.m.	(20,057)	1,955	n.m.
<b>Total comprehensive income for the period</b>	<b>(1,140)</b>	<b>950</b>	<b>n.m.</b>	<b>(1,140)</b>	<b>950</b>	<b>n.m.</b>
<b>Profit attributable to:</b>						
Ordinary shareholders of the company	16,793	(455)	n.m.	16,793	(455)	n.m.
Non-Controlling Interest (NCI)	2,124	(550)	n.m.	2,124	(550)	n.m.
	<b>18,917</b>	<b>(1,005)</b>	<b>n.m.</b>	<b>18,917</b>	<b>(1,005)</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>						
Ordinary shareholders of the company	(3,264)	1,500	n.m.	(3,264)	1,500	n.m.
Non-Controlling Interest (NCI)	2,124	(550)	n.m.	2,124	(550)	n.m.
	<b>(1,140)</b>	<b>950</b>	<b>n.m.</b>	<b>(1,140)</b>	<b>950</b>	<b>n.m.</b>

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-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)	31-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)
<b>ASSETS</b>				
<b>Non-current assets:</b>				
Property, plant and equipment	59,200	60,598	1,778	1,820
Investment in subsidiaries	-	-	2,827,257	2,827,257
Investment properties	4,392,710	4,391,519	-	-
Other investment	602,000	602,000	-	-
Deferred assets	16,733	22,840	-	-
<b>Total non-current assets</b>	<b>5,070,643</b>	<b>5,076,957</b>	<b>2,829,035</b>	<b>2,829,077</b>
<b>Current assets:</b>				
Development properties	4,946,967	4,651,332	-	-
Trade and other receivables	904,225	872,515	1,000	801
Amount due from subsidiaries	-	-	2,295,638	2,201,757
Cash and cash equivalents	1,062,406	1,322,708	10,043	16,482
<b>Total current assets</b>	<b>6,913,598</b>	<b>6,846,555</b>	<b>2,306,681</b>	<b>2,219,040</b>
<b>Total assets</b>	<b>11,984,241</b>	<b>11,923,512</b>	<b>5,135,716</b>	<b>5,048,117</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves:</b>				
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	68,444	68,444	-	-
Convertible bond reserve	42,458	42,458	42,458	42,458
Perpetual convertible security	878,970	878,970	878,970	878,970
Share-based compensation reserve	19,707	19,707	19,707	19,707
Exchange fluctuation reserve	14,985	35,042	(51,806)	(115,276)
Retained profits	1,941,183	1,946,524	(668,823)	(668,717)
	<b>5,000,407</b>	<b>5,025,805</b>	<b>4,248,878</b>	<b>4,185,514</b>
<b>Non-Controlling Interest</b>	<b>59,110</b>	<b>56,986</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>5,059,517</b>	<b>5,082,791</b>	<b>4,248,878</b>	<b>4,185,514</b>
<b>Non-current liabilities:</b>				
Deferred taxation	542,894	549,019	-	-
Borrowings-secured	2,277,826	2,263,230	-	-
<b>Total non-current liabilities</b>	<b>2,820,720</b>	<b>2,812,249</b>	<b>-</b>	<b>-</b>
<b>Current liabilities:</b>				
Trade and other payables	1,470,091	1,033,222	83,121	58,473
Amount owing to subsidiaries	-	-	746,274	749,008
Provision for taxation	175,749	172,830	-	-
Borrowings-secured	2,458,164	2,822,420	57,443	55,122
<b>Total current liabilities</b>	<b>4,104,004</b>	<b>4,028,472</b>	<b>886,838</b>	<b>862,603</b>
<b>Total equity and liabilities</b>	<b>11,984,241</b>	<b>11,923,512</b>	<b>5,135,716</b>	<b>5,048,117</b>

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-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)	31-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)
Trade receivables	36,515	50,362	-	-
Other receivables:				
- Deposit for land acquisition	7,418	7,418	-	-
- Deposit for land tenders	460,824	423,678	-	-
- Rental deposits	601	577	582	558
- Prepayments	174,473	169,201	104	49
- Security deposits placed with contractors, suppliers and authorities	152,731	141,309	-	-
- Refundable deposits	27,744	27,744	-	-
- Advances to property management agents	9,600	9,600	-	-
- Others	34,319	42,626	314	194
<b>Total receivables</b>	<b>904,225</b>	<b>872,515</b>	<b>1,000</b>	<b>801</b>

Trade and other payables comprise of the following:

	Group		Company	
	31-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)	31-Mar-16 RMB ('000)	31-Dec-15 RMB ('000)
Trade payables	874,075	778,090	-	-
Other payables:				
- Accrued expenses	125,135	87,985	83,121	58,473
- Advance payment from customers	446,328	136,464	-	-
- Rental and option deposits	374	1,459	-	-
- Project deposits	23,238	23,238	-	-
- Others	941	5,986	-	-
<b>Total payables</b>	<b>1,470,091</b>	<b>1,033,222</b>	<b>83,121</b>	<b>58,473</b>

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

	Group			
	31-Mar-16		31-Dec-15	
	Secured RMB ('000)	Unsecured RMB ('000)	Secured RMB ('000)	Unsecured RMB ('000)
Borrowings				
Amount repayable during its operating cycle, within twelve months, or on demand	2,458,164	-	2,822,420	-
	2,458,164	-	2,822,420	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	2,277,826	-	2,263,230	-
	4,735,990	-	5,085,650	-

**Details of any collateral**

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

In accordance with Singapore FRS 1, the company has adopted the practice to record loans with repayment periods that falls within its operating cycle as current liabilities. The operating cycle is defined as the development period of its properties. As such, current bank borrowings have repayment periods between 1 and 4 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>			
	1st Qtr 2016	1st Qtr 2015	Jan to Mar 2016	Jan to Mar 2015
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
<b>Operating activities</b>				
Profit before taxation	25,253	635	25,253	635
Adjustments for:				
Depreciation of property, plant and equipment	1,897	1,186	1,897	1,186
Amortisation of other non-current assets	67	107	67	107
Interest expense	21,542	22,020	21,542	22,020
Interest income	(12,845)	(14,626)	(12,845)	(14,626)
Share based payment expense	-	2,912	-	2,912
Loss/(gain) on disposal of property, plant and equipment	-	(66)	-	(66)
Unrealised exchange loss	(74)	1	(74)	1
Operating profit before working capital changes	35,840	12,169	35,840	12,169
Increase in development properties	(295,635)	(214,409)	(295,635)	(214,409)
Increase in trade and other receivables	(32,084)	(366,272)	(32,084)	(366,272)
Increase/(decrease) in trade and other payables	478,127	(53,447)	478,127	(53,447)
Cash used in operations	186,248	(621,959)	186,248	(621,959)
Interest paid	(84,931)	(41,684)	(84,931)	(41,684)
Interest received	11,961	14,626	11,961	14,626
Income tax paid	(3,435)	9,276	(3,435)	9,276
<b>Net cash used in operating activities</b>	<b>109,843</b>	<b>(639,741)</b>	<b>109,843</b>	<b>(639,741)</b>
<b>Cash flow from investing activities</b>				
Acquisition of property, plant and equipment	(425)	(901)	(425)	(901)
<b>Net cash used in investing activities</b>	<b>(425)</b>	<b>(901)</b>	<b>(425)</b>	<b>(901)</b>
<b>Cash flow from financing activities</b>				
Bank balance subject to restriction	272,302	(245,974)	272,302	(245,974)
Proceed from loans and borrowings	105,036	1,877,936	105,036	1,877,936
Repayment of borrowings	(454,150)	(672,242)	(454,150)	(672,242)
<b>Net cash generated from financing activities</b>	<b>(76,812)</b>	<b>959,720</b>	<b>(76,812)</b>	<b>959,720</b>
<b>Net increase in cash and cash equivalents</b>	<b>32,606</b>	<b>319,078</b>	<b>32,606</b>	<b>319,078</b>
Effects of exchange rate changes on cash and cash equivalents	(20,606)	13,764	(20,606)	13,764
Cash and cash equivalents at beginning of period	178,120	198,807	178,120	198,807
<b>Cash and cash equivalents at end of period</b>	<b>190,120</b>	<b>531,649</b>	<b>190,120</b>	<b>531,649</b>

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 March 2016*

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)
<b>Balance at 1 January 2016</b>	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)
<b>Balance at 31 March 2016</b>	<b>4,028,372</b>	<b>(1,993,712)</b>	<b>42,458</b>	<b>68,444</b>	<b>19,707</b>	<b>878,970</b>	<b>14,985</b>	<b>1,941,183</b>	<b>5,000,407</b>	<b>59,110</b>	<b>5,059,517</b>
<b>Balance at 1 January 2015</b>	4,028,372	(1,993,711)	42,458	68,444	19,705	878,970	28,543	1,929,242	5,002,023	54,564	5,056,587
Total comprehensive income for the year	-	-	-	-	-	-	1,954	(455)	1,499	(550)	949
Perpetual convertible security interest	-	-	-	-	-	-	-	(1,418)	(1,418)	-	(1,418)
Equity-settled share-based payment transactions	-	-	-	-	2,912	-	-	-	2,912	-	2,912
<b>Balance at 31 March 2015</b>	<b>4,028,372</b>	<b>(1,993,711)</b>	<b>42,458</b>	<b>68,444</b>	<b>22,617</b>	<b>878,970</b>	<b>30,497</b>	<b>1,927,369</b>	<b>5,005,016</b>	<b>54,014</b>	<b>5,059,030</b>

**Statement of Changes in Equity of the Company for the period ended 31 March 2016**

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)
<b>Balance at 1 January 2015</b>	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
Perpetual convertible security interest	-	-	-	-	-	(22,134)	(22,134)
<b>Balance at 31 March 2015</b>	<b>4,028,372</b>	<b>42,458</b>	<b>19,707</b>	<b>(51,806)</b>	<b>878,970</b>	<b>(668,823)</b>	<b>4,248,878</b>
<b>Balance at 1 January 2015</b>	4,028,372	42,458	19,705	(73,770)	878,970	(344,455)	4,551,280
Total comprehensive income for the year	-	-	-	(74,554)	-	(10,231)	(84,785)
Transfer to statutory common reserve	-	-	-	-	-	(1,418)	(1,418)
Equity-settled share-based payment transactions	-	-	2,912	-	-	-	2,912
<b>Balance at 31 March 2015</b>	<b>4,028,372</b>	<b>42,458</b>	<b>22,617</b>	<b>(148,324)</b>	<b>878,970</b>	<b>(356,104)</b>	<b>4,467,989</b>

**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.

The utilization of the proceeds from the share issuance as announced previously are as follows:

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	10.86	
Payment for resettlement costs for Wei Yuan land parcel	37.21	
Construction costs for San Ya Wan Phase 2 project	4.41	
Working capital		
- Interest repayment	3.26	
- Office rental expense	0.61	
- Directors' fees	0.67	
- Wages and salaries	0.79	
Total utilised		98.09
Balance to be utilised		0.87

**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 March 2016	As at 31 March 2015
	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.

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

As at 31 March 2016, the number of outstanding share options granted under the Ying Li ESOS was 6,101,536 (31 March 2015: 13,323,480). 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	Number of Options Lapsed / Revoked	Options outstanding at 31 Mar 2015	Number of Options Lapsed / Revoked	Number of Options Exercised	Options outstanding at 31 Mar 2016
2 Apr 2012	S\$0.278	14,746,765	(4,209,101)	10,537,664	(5,760,903)	-	4,776,761
23 Apr 2012	S\$0.263	1,514,000	-	1,514,000	(757,000)	-	757,000
14 Mar 2013	S\$0.360	1,081,040	(1,081,040)	-	-	-	-
31 Mar 2013	S\$0.371	1,847,163	(575,347)	1,271,816	(704,041)	-	567,775
29 Sep 2013	S\$0.370	910,000	(910,000)	-	-	-	-
<b>Total:</b>		<b>20,098,968</b>	<b>(6,775,488)</b>	<b>13,323,480</b>	<b>(7,221,944)</b>	<b>-</b>	<b>6,101,536</b>

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

As at 31 March 2016, the number of outstanding share awards granted (but not yet vested) under the Ying Li PSP was 425,831 (31 December 2015: 425,831). Further details of the share awards granted under the Ying Li PSP are as follows:

Date of grant	Granted	No. of Performance Shares Vested	Number of Performance Shares Lapsed / Revoked	Balance at 31 Mar 2015	No. of Performance Shares Vested	Number of Performance Shares Lapsed / Revoked	Balance at 31 Mar 2016
2 Apr 2012	22,120,148	(11,043,205)	(3,173,859)	7,903,084	-	(7,903,084)	-
23 Apr 2012	2,271,000	(1,135,548)	-	1,135,452	-	(1,135,452)	-
14 Mar 2013	1,081,040	(250,000)	(831,040)	-	-	-	-
31 Mar 2013	2,770,744	(664,297)	(675,654)	1,430,793	-	(1,004,962)	425,831
29 Sep 2013	1,360,000	-	(1,360,000)	-	-	-	-
<b>Total</b>	<b>29,602,932</b>	<b>(13,093,050)</b>	<b>(6,040,553)</b>	<b>10,469,329</b>	<b>-</b>	<b>(10,043,498)</b>	<b>425,831</b>

**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 March 2016 was 2,557,040,024 (31 March 2015: 2,557,040,024).

The Company did not hold any treasury shares as at 31 March 2016 (31 March 2015: 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 year compared to the audited financial statements for the year ended 31 December 2015.

**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>			
	1st Qtr 2016	1st Qtr 2015	Jan to Mar 2016	Jan to Mar 2015
<b>Earnings per ordinary share:</b>				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.007	(0.002)	0.007	(0.002)
(ii) On a fully diluted basis (RMB per share)	0.007	(0.002)	0.007	(0.002)
<b>Number of shares in issue:</b>				
(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 three categories of dilutive potential ordinary shares: share options granted under the Ying Li ESOS, conditional performance shares granted under the Ying Li PSP and perpetual convertible securities.

Share options under the Ying Li ESOS are anti-dilutive as the average market price of ordinary shares during the period exceeds the exercise price of the options.

Performance shares under the Ying Li PSP are treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time. Contingently issuable shares are treated as outstanding and included in the calculation of diluted earnings per share if the conditions are satisfied (i.e. the events have occurred).

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

The following table indicates the profit and share numbers used in the basic and fully diluted basis for earning per share computations:

	1st Qtr 2016 RMB ('000)	1st Qtr 2015 RMB ('000)	Jan to Mar 2016 RMB ('000)	Jan to Mar 2015 RMB ('000)
Profit attributable to equity holders of the parent	16,793	(455)	16,793	(455)
(Less)/add: Effect of dilutive potential ordinary shares				
- Share based payment expense	-	2,912	-	2,912
	<u>16,793</u>	<u>2,457</u>	<u>16,793</u>	<u>2,457</u>
Weighted average number of ordinary shares in issued	2,557,040	2,557,040	2,557,040	2,557,040
Number of ordinary shares used to calculate the diluted earning per share	<u>2,557,040</u>	<u>2,557,040</u>	<u>2,557,040</u>	<u>2,557,040</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	
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Net Assets Value (RMB'000)	5,000,407	5,025,805	4,248,878	4,185,514
Based on existing issued share capital (RMB per share)	1.96	1.97	1.66	1.64
Net Assets 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 three months and quarter ended 31 March 2016

#### Revenue

	Group					
	1st Qtr 2016	1st Qtr 2015	Increase / (Decrease)	Jan to Mar 2016	Jan to Mar 2015	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	36,734	49,144	(25.3%)	36,734	49,144	(25.3%)
Rental Income	54,583	51,090	6.8%	54,583	51,090	6.8%
	<b>91,317</b>	<b>100,234</b>	<b>(8.9%)</b>	<b>91,317</b>	<b>100,234</b>	<b>(8.9%)</b>

Revenue of the Group for 1QFY2016 decreased by RMB8.9 million (8.9%) to RMB91.3 million as compared with that of 1QFY2015. The decrease was mainly due to lower revenue being recognized from the Sale of Properties. In 1QFY2016, revenue from the Sale of Properties were driven by the handover of units at Sa Yan Wan Phase 2 and the value of these residential units are lower than those of Ying Li International Plaza office units handed over in the same period last year.

Rental income increased by RMB3.5 million (6.8%) in 1QFY2015 to RMB54.6 million as compared to the same period last year. The increase is mainly due to increased rental contribution from both Ying Li IMIX Park – Jiefangbei and Ying Li IMIX Park – Daping due to higher occupancy rate.

**Gross profit**

	Group					
	1st Qtr		%	Jan to Mar		%
	2016	2015		2016	2015	
RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	
Sale of Properties	17,377	11,048	57.3%	17,377	11,048	57.3%
Rental Income	45,919	44,120	4.1%	45,919	44,120	4.1%
	<b>63,296</b>	<b>55,168</b>	<b>14.7%</b>	<b>63,296</b>	<b>55,168</b>	<b>14.7%</b>

Gross profit of the Group for 1QFY2015 increased by RMB8.1 million (14.7%) to RMB63.3 million as compared to the same period last year. Both Sale of properties and Rental Income had increased in Gross profit, with higher increase came from Sale of properties.

**Gross profit margin**

	Group							
	1st Qtr		1st Qtr		Jan to Mar		Jan to Mar	
	2016		2015		2016		2015	
RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	
Sale of Properties	17,377	47.3%	11,048	22.5%	17,377	47.3%	11,048	22.5%
Rental Income	45,919	84.1%	44,120	86.4%	45,919	84.1%	44,120	86.4%
	<b>63,296</b>	<b>69.3%</b>	<b>55,168</b>	<b>55.0%</b>	<b>63,296</b>	<b>69.3%</b>	<b>55,168</b>	<b>55.0%</b>

The Group's gross profit margin for 1QFY2016 increased by 14.3 percentage points to 69.3%. Gross profit margin from Sale of Properties rose as the units that were handed over in 1QFY2015 comprised some retail units at San Ya Wan Phase 2 that tend to have a higher gross profit margin as compared to that of Ying Li International Plaza office units that were handed over in 1QFY2015.

**Other income**

	Group			
	1st Qtr		Jan to Mar	
	2016	2015	2016	2015
RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)	
Interest income	12,845	14,626	12,845	14,626
Government grant	-	23	-	23
Others	1,009	269	1,009	269
	<b>13,854</b>	<b>14,918</b>	<b>13,854</b>	<b>14,918</b>

The year-on-year decrease in Other Income was mainly due to lower interest income received from deposits placed with financial institutions as collaterals for loans taken out by the Group. A portion of the loans were repaid during the quarter and the corresponding deposits that were placed as collaterals were released.

**Selling expenses**

Selling expenses decreased marginally by RMB0.4 million in 1QFY2016 to RMB13.7 million (3.3%) as compared to 1QFY2015 mainly due to a decline in advertising and promotion activities during the quarter under review.

**Administrative expenses**

During the quarter under review, Administrative expenses were RMB13.7 million (45.1%) lower compared to 1QFY2015. The significant decrease in Administrative Expenses was mainly due to:

- i. a decrease in wages and salaries amounting to RMB2.1million due to a reduction in the amount of bonuses paid to employees.
- ii. a decrease of RMB8.4 million on upfront fees paid to financial institutions due to a lower quantum of new loans drawn down in 1QFY2016 compare to 1QFY15; and
- iii. an increase in foreign exchange gain amounting to RMB3.6 million arising from Group's USD denominated loans as a result of SGD strengthening against the USD.

Administrative expenses – Share based payment expense decreased by RMB2.9 million Y-o-Y due to the revocation of Performance Shares and Share Options to be vested.

**Finance costs**

For the quarter under review, finance costs were RMB0.5 million lower as compared to 1QFY2015. Interest expense directly attributable to projects would generally be capitalised as part of the project costs.

**Taxation**

	Group					
	1st Qtr 2016	1st Qtr 2015		Jan to Mar 2016	Jan to Mar 2015	
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Income tax	(6,270)	(4,568)	37.3%	(6,270)	(4,568)	37.3%
Deferred tax	(66)	2,930	n.m.	(66)	2,930	n.m.
	<b>(6,336)</b>	<b>(1,638)</b>	<b>286.8%</b>	<b>(6,336)</b>	<b>(1,638)</b>	<b>286.8%</b>

n.m. - not meaningful

During the quarter under review, tax expense increased by RMB4.7 million as compared with 1QFY2015 mainly due to higher taxable profits generated from the sale of properties in 1QFY2016.

**Profit attributable to ordinary shareholders of the Company**

	Group					
	1st Qtr 2016	1st Qtr 2015	Increase / (Decrease)	Jan to Mar 2016	Jan to Mar 2015	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
<b>Profit attributable to:</b>						
Ordinary shareholders of the Company	16,793	(455)	n.m.	16,793	(455)	n.m.
Non-Controlling Interest (NCI)	2,124	(550)	n.m.	2,124	(550)	n.m.
	<b>18,917</b>	<b>(1,005)</b>	<b>n.m.</b>	<b>18,917</b>	<b>(1,005)</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 RMB17.2 million from a net loss of RMB455k in 1QFY2015 to a net profit of RMB16.8million in 1QFY2016.

**STATEMENT OF FINANCIAL POSITION**

Total Assets of the Group increased by RMB60.7 million to RMB11,984.2 million during the period under review. The increase in assets was mainly attributable to i) an increase in development properties amounting to RMB295.6 million as progress is being made on both the Ying Li International Commercial Centre, Ying Li International Electrical and Hardware Centre and San Ya Wan Phase 2 projects ii) an increase in deposits placed with government agencies for land tenders amounting to RMB37.1 million. This was off-set by a decrease in cash and cash equivalents of RMB260.3 million mainly due to the repayment of borrowings.

The Group's total liabilities increased by RMB84.0 million to RMB6,924.7 million during the period under review. The increase in liabilities was mainly due to i) an increase in trade and other payables of RMB436.9 million arising from projects under development and pre-sales proceeds received. This was off-set by a reduction in borrowings amounting to RMB349.8 million due to repayment of loans.

The Group's total equity decreased by RMB23.3 million to RMB5,059.5 million during the period under review, due to a reduction in Exchange fluctuation reserve.

**STATEMENT OF CASH FLOW**

The increase in cash and cash equivalent of RMB32.6 million for the quarter under review was mainly due to:

- i) net cash inflow of RMB109.8 million from operating activities;
- ii) net cash outflow of RMB0.4 million from investing activities; and
- iii) net cash outflow of RMB76.8 million from financing activities.

The net cash generated from operating activities of RMB109.8 million include cash generated from the operating profit of RMB35.8 million and an increase in payables of RMB478.1 million mainly arising from projects under development and pre-sale proceeds received. This was off-set by i) a decrease in receivables of RMB32.1 million due to deposits paid for land tender; ii) increase in development costs amounting to RMB295.6 million incurred mainly on the ongoing construction of San Ya Wan Phase 2, the Ying Li Financial Street project and the Ying Li International Electrical and Hardware Centre; and iii) net interest and income tax payment of RMB76.4 million.

Net cash used in financing activities of RMB76.8 million includes: (i) increase in borrowing by RMB105 million to fund the construction of the Group's ongoing projects; ii) release of cash collaterals that were previously pledged upon loan repayment amounting to RMB272.3 million; and iii) repayment of borrowings amounting to RMB454.2 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.**

As recorded by Chongqing Statistics Bureau, Chongqing achieved a robust start to the year with a GDP growth of 10.7% Y-o-Y to RMB377.3 billion in 1Q2016. Aided by the city's thriving economy, disposal income per capital rose by 8.7% Y-o-Y to RMB8,651 while total retail sales of consumer goods expanded by 13.0% Y-o-Y to RMB176.5 billion in 1Q2016.

**Chongqing Office Market**

With the first quarter being a historically off-peak period, the net absorption for Grade A offices decreased 33.6% Q-o-Q and 71.1% Y-o-Y to 19,373 sqm in 1Q2016. With the ongoing short-term weakness in the leasing market, the average rental for offices decreased 1.1% Q-o-Q to RMB83.8 sqm per month. However, Jiefangbei, being the Chongqing's traditional CBD, continues to be the leading option for MNCs to establish their presence in Chongqing. As such, demand in the area remains healthier and rentals stood firmer with average rental at RMB 96.2 per sqm per month.

*(Sources: JLL Research, 1Q16 Chongqing Property Market Overview; CBRE Research, Chongqing Property Market Overview Q1 2016)*

**Chongqing Retail Market**

Only one prime retail mall, located in Daping with a GFA of 50,000 sqm, was completed in 1Q2016. This resulted in a decrease of 83.1% Q-o-Q and 42.3% Y-o-Y on the new retail areas available. Overall vacancy rate increased 3.4 percentage points (ppts) Q-o-Q and 4.8 ppts Y-o-Y to 16.1% in 1Q2016. This was mainly attributable to the closure of two departmental stores as well as the ongoing tenant adjustment for some of the retail malls.

In 1Q2016, F&B and fashion sectors topped the demand for retail spaces in Chongqing. F&B brands such as Costa Coffee expanded with more outlets, while fashion brands such as Calvin Klein Jeans and Guess opened new stores in IMIX Park at Guanyinqiao.

*(Sources: JLL Research, 1Q16 Chongqing Property Market Overview; CBRE Research, Chongqing Property Market Overview Q1 2016)*

**Chongqing Residential Market**

The short-term oversupply in the residential market prompted developers to focus on destocking their inventory with only 600 new units launched in 1Q2016, a decrease of 83.3% Q-o-Q and 78.6% Y-o-Y. These new units are located in Jiangbei, Yuzhong and Nan'an. On the other hand, prevailing favourable policies continue to spur demand with 2,500 units sold in 1Q2016. Aided by the improved market sentiment, prices for majority of the high-end residential projects started to show gradual increase in 1Q2016.

*(Source: JLL Research, 1Q16 Chongqing Property Market Overview)*

**Beijing Market**

Beijing's vacancy rate for Grade A offices decreased 0.04% Q-o-Q and 1.1% Y-o-Y to 2.6% in 1Q2016 while average rental increased 0.9% Q-o-Q and 4.8% Y-o-Y to RMB373.0 psm per month.

The capital's retail market remained stable with no new supply added in 1Q2016 and vacancy rate remained at a low level of 4.8%.

In the same quarter, with the strengthening activity in the residential market bolstered by incentives policies to support owner-occupation and upgrading demand, the average selling price rose by 3.0% Q-o-Q and 16.0% Y-o-Y according to National Bureau of Statistics of China. In addition, the leasing demand for serviced apartments was stable on a Q-o-Q basis and average rental remained flat at RMB223.3 psm per month.

According to data from PRC real estate agency Homelink Real Estate Co., the average price of resale housing in the Beijing Tongzhou district had jumped by more 50% on a Y-o-Y basis in April 2016 to over RMB34,200 psm.

*(Sources: JLL Research, Beijing Grade A Office Market; CBRE Research, Beijing Property Market Overview Q1 2016; CBRE Marketview North China, Beijing; National Bureau of Statistics of China, Sales Prices of Residential Buildings in 70 Medium and Large-sized Cities in March 2016)*

## Outlook

According to CBRE Research, majority of the new office supply will concentrate in Jiangbeizui, Chongqing. As such, the average rental in non-prime locations may be negatively affected. For Chongqing's retail market, the new supply will mostly be situated in non-core, yet-to-mature districts, such as Zhaomushan and Xinpaifang. In addition, CBRE Research anticipates mid-range fashion and lifestyle consumption to regain popularity and the high-end market to cool down. For Chongqing's residential market in 2016, developers will continue to destock their inventory, supported by favourable policies which are expected to continue uplift the market sentiment.

In view of the above market outlook, the Group continues to implement formulated strategies that mitigate against the headwinds in the different markets. The Group has a diversified portfolio of properties in prime locations in Chongqing. The Group's ongoing projects include Lion City Garden, Ying Li International Hardware and Electrical Centre, Ying Li International Commercial Centre and Future Beijing. These projects are all located in prime locations with clear target customers. They have either started pre-sales or are on track for pre-sales in phases throughout FY2016 and FY2017. The Group is also currently in the midst of repositioning two of its malls to better target the audiences it wants to bring into the malls.

On a positive note, the One Belt, One Road initiative and China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity project could spur further economic growth, property demand (both office and residential) and retail consumption, even though these policy initiatives are at a nascent stage.

Barring any unforeseen circumstances, the Directors expect the Group to remain profitable in FY2016.

## 11 Dividend

### (a) Current Financial Period Reported On

#### Any dividend declared for the current financial period reported on?

No dividend was declared or recommended. As previously explained, the Company is currently in its growth phase and thus has need for and can generate significant returns on the cash it retains. However, the Company is committed to start paying dividends once such a situation changes.

### (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 31 March 2016 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD**

**Fang Ming**  
Executive Chairman  
12 May 2016

**Yang Xiao Yu**  
Executive Director