



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

Financial Statement Announcement for 3rd Quarter ended 30th Sept 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 3rd quarter and nine months ended 30th September 2016.

	Group					
	3rd Qtr	3rd Qtr	Increase /	Jan to Sept	Jan to Sept	Increase /
	2016	2015	(Decrease)	2016	2015	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Revenue	251,016	111,850	124.4%	511,627	309,906	65.1%
Cost of sales	(190,737)	(50,158)	280.3%	(319,517)	(128,145)	149.3%
Gross profit	60,279	61,692	(2.3%)	192,110	181,761	5.7%
Other income	8,999	16,160	(44.3%)	39,108	37,339	4.7%
Selling expenses	(20,732)	(20,594)	0.7%	(52,460)	(45,620)	15.0%
Administrative expenses	(26,289)	(27,724)	(5.2%)	(69,269)	(75,139)	(7.8%)
Administrative expenses - Share based payment expense	319	3,363	(90.5%)	-	(2,459)	(100.0%)
Finance costs	(24,269)	(29,605)	(18.0%)	(71,516)	(79,440)	(10.0%)
(Loss)/profit before Income Tax	(1,693)	3,292	n.m.	37,973	16,442	131.0%
Taxation - Current	(5,047)	(2,417)	108.8%	(20,342)	(8,394)	142.3%
- Deferred	4,457	1,532	190.9%	7,306	1,900	284.5%
(Loss)/profit for the period	(2,283)	2,407	n.m.	24,937	9,948	150.7%
Foreign currency translation differences(at nil tax)	4,943	7,421	(33.4%)	(32,886)	11,853	n.m.
Total comprehensive income for the period	2,660	9,828	(72.9%)	(7,949)	21,801	n.m.
Profit/(loss) attributable to:						
Ordinary shareholders of the company	7	2,919	(99.8%)	21,802	11,343	92.2%
Non-Controlling Interest (NCI)	(2,290)	(512)	347.3%	3,135	(1,395)	n.m.
	(2,283)	2,407	n.m.	24,937	9,948	150.7%
Total comprehensive income attributable to:						
Ordinary shareholders of the company	4,950	10,340	(52.1%)	(11,084)	23,196	n.m.
Non-Controlling Interest (NCI)	(2,290)	(512)	347.3%	3,135	(1,395)	n.m.
	2,660	9,828	(72.9%)	(7,949)	21,801	n.m.

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	
	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)
ASSETS				
Non-current assets:				
Property, plant and equipment	56,120	60,598	1,572	1,820
Investment in subsidiaries	-	-	2,827,257	2,827,257
Investment properties	4,388,625	4,391,519	-	-
Other investment	602,000	602,000	-	-
Deferred assets	27,354	22,840	-	-
Total non-current assets	5,074,099	5,076,957	2,828,829	2,829,077
Current assets:				
Development properties	5,240,753	4,651,332	-	-
Trade and other receivables	1,024,731	872,515	7,598	801
Amount due from subsidiaries	-	-	2,542,691	2,201,757
Cash and cash equivalents	521,255	1,322,708	9,874	16,482
Total current assets	6,786,739	6,846,555	2,560,163	2,219,040
Total assets	11,860,838	11,923,512	5,388,992	5,048,117
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	68,444	68,444	-	-
Convertible bond reserve	42,458	42,458	42,458	42,458
Perpetual convertible securities	878,970	878,970	878,970	878,970
Share-based compensation reserve	19,707	19,707	19,707	19,707
Exchange fluctuation reserve	2,156	35,042	(21,130)	(115,276)
Retained profits	1,902,173	1,946,524	(724,447)	(668,717)
	4,948,568	5,025,805	4,223,930	4,185,514
Non-Controlling Interest	60,120	56,986	-	-
Total equity	5,008,688	5,082,791	4,223,930	4,185,514
Non-current liabilities:				
Deferred taxation	518,893	549,019	-	-
Borrowings-secured	2,340,807	2,263,230	-	-
Bonds	333,561	-	333,561	-
Total non-current liabilities	3,193,261	2,812,249	333,561	-
Current liabilities:				
Trade and other payables	1,378,985	1,033,222	42,719	58,473
Amount owing to subsidiaries	-	-	760,449	749,008
Provision for taxation	182,862	172,830	-	-
Borrowings-secured	2,097,042	2,822,420	28,333	55,122
Total current liabilities	3,658,889	4,028,472	831,501	862,603
Total equity and liabilities	11,860,838	11,923,512	5,388,992	5,048,117

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	
	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)
Trade receivables	136,824	50,362	-	-
Other receivables:				
- Deposit for land acquisition	7,418	7,418	-	-
- Deposit for land tender	487,731	423,678	-	-
- Rental deposits	606	577	594	558
- Prepayments	252,189	169,201	6,779	49
- Security deposits placed with contractors, suppliers and authorities	59,824	141,309	-	-
- Refundable deposits	37,164	27,744	-	-
- Advances to property management agents	9,600	9,600	-	-
- Others	33,375	42,626	225	194
Total receivables	1,024,731	872,515	7,598	801

Trade and other payables comprise of the following:

	Group		Company	
	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)	30-Sep-16 RMB ('000)	31-Dec-15 RMB ('000)
Trade payables	711,723	683,180	-	-
Other payables:				
- Accrued expenses	62,575	87,985	42,719	58,473
- Advance payment from customers	509,164	136,464	-	-
- Rental and option deposits	79,908	96,369	-	-
- Project deposits	15,085	23,238	-	-
- Others	530	5,986	-	-
Total payables	1,378,985	1,033,222	42,719	58,473

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

	Group			
	30-Sep-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	2,097,042	-	2,822,420	-
	2,097,042	-	2,822,420	-
Amount repayable beyond its normal operating cycle or after twelve months from the balance sheet date	2,340,807	333,561	2,263,230	-
	4,437,849	333,561	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.

	Group			
	3rd Qtr 2016	3rd Qtr 2015	Jan to Sept 2016	Jan to Sept 2015
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Operating activities				
(Loss)/profit before taxation	(1,693)	3,293	37,973	16,442
Adjustments for:				
Depreciation of property, plant and equipment	1,702	1,792	5,196	3,781
Amortisation of other non-current assets	111	126	320	353
Interest expense	24,269	29,605	71,516	79,440
Interest income	(7,781)	(13,492)	(35,601)	(32,284)
Share based payment expense	(319)	(3,363)	-	2,459
Loss/(gain) on disposal of property, plant and equipment	-	1	-	(12)
Unrealised exchange loss/(gain)	14	(8)	(110)	(8)
Operating profit before working capital changes	16,303	17,954	79,294	70,171
Decrease in investment properties	295	-	6,328	-
Increase in development properties	(85,840)	(520,363)	(589,421)	(950,965)
(Increase)/decrease in trade and other receivables	(37,018)	26,799	(155,628)	(476,906)
(Decrease)/increase in trade and other payables	(7,015)	134,141	510,822	222,763
Cash used in operations	(113,275)	(341,469)	(148,605)	(1,134,937)
Interest paid	(69,806)	(10,695)	(224,466)	(88,386)
Interest received	7,581	13,492	35,260	32,284
Income tax paid	(26,982)	(1,469)	(37,644)	(11,746)
Net cash used in operating activities	(202,482)	(340,141)	(375,455)	(1,202,785)
Cash flow from investing activities				
Acquisition of property, plant and equipment	(7)	(3,313)	(608)	(5,842)
Acquisition of other investment	-	-	-	(59,000)
Net cash used in investing activities	(7)	(3,313)	(608)	(64,842)
Cash flow from financing activities				
Bank balance subject to restriction	135,314	(6,063)	797,631	(198,161)
Proceed from loans and borrowings	340,420	421,768	967,341	2,427,020
Proceed from bond issuance	-	-	323,799	-
Payment of interest on perpetual convertible securities	-	-	(78,261)	(65,412)
Repayment of borrowings	(361,769)	(38,150)	(1,628,870)	(729,392)
Net cash generated from financing activities	113,965	377,555	381,640	1,434,055
Net (decrease)/increase in cash and cash equivalents	(88,524)	34,101	5,577	166,428
Effects of exchange rate changes on cash and cash equivalents	7,547	13,895	(9,399)	36,859
Cash and cash equivalents at beginning of period	255,275	354,098	178,120	198,807
Cash and cash equivalents at end of period	174,298	402,094	174,298	402,094

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity for the period ended 30 September 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)
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 securities 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 transactions	-	-	-	-	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 transactions	-	-	-	-	(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
Balance at 1 January 2015	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
Equity-settled share-based payment transactions	-	-	-	-	2,912	-	-	-	2,912	-	2,912
Balance at 31 March 2015	4,028,372	(1,993,711)	42,458	68,444	22,617	878,970	30,497	1,928,787	5,006,434	54,014	5,060,448
Total comprehensive income for the year	-	-	-	-	-	-	2,477	8,883	11,360	(335)	11,025
Equity-settled share-based payment transactions	-	-	-	-	2,911	-	-	-	2,911	-	2,911
Perpetual convertible securities interest	-	-	-	-	-	-	-	(65,412)	(65,412)	-	(65,412)
Balance at 30 June 2015	4,028,372	(1,993,711)	42,458	68,444	25,528	878,970	32,974	1,872,258	4,955,293	53,679	5,008,972
Total comprehensive income for the year	-	-	-	-	-	-	7,421	3,058	10,479	(509)	9,970
Equity-settled share-based payment transactions	-	-	-	-	(3,363)	-	-	-	(3,363)	-	(3,363)
Perpetual convertible securities interest	-	-	-	-	-	-	-	(22,134)	(22,134)	-	(22,134)
Balance at 30 September 2015	4,028,372	(1,993,711)	42,458	68,444	22,165	878,970	40,395	1,853,182	4,940,275	53,170	4,993,445

Statement of Changes in Equity of the Company for the period ended 30 September 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)
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
Perpetual convertible securities interest	-	-	-	-	-	(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
Balance at 1 January 2015	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
Balance at 31 March 2015	4,028,372	42,458	22,617	(148,324)	878,970	(356,104)	4,467,989
Total comprehensive income for the year	-	-	-	27,057	-	(3,831)	23,226
Equity-settled share-based payment transactions	-	-	2,911	-	-	-	2,911
Perpetual convertible securities interest	-	-	-	-	-	(65,412)	(65,412)
Balance at 30 June 2015	4,028,372	42,458	25,528	(121,267)	878,970	(425,347)	4,428,714
Total comprehensive income for the year	-	-	-	(44,510)	-	(31,245)	(75,755)
Equity-settled share-based payment transactions	-	-	(3,363)	-	-	-	(3,363)
Perpetual convertible securities interest	-	-	-	-	-	(22,134)	(22,134)
Balance at 30 September 2015	4,028,372	42,458	22,165	(165,777)	878,970	(478,726)	4,327,462

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	0.87	
- Wages and salaries	1.46	
Total utilised		98.96
Balance to be utilised		-

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 30 September 2016	As at 30 September 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 30 September 2016, the number of outstanding share options granted under the Ying Li ESOS was nil (30 September 2015: 11,632,573). 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 30 September 2015	Number of Options Lapsed / Revoked	Number of Options Exercised	Options outstanding at 30 September 2016
2 Apr 2012	S\$0.278	14,746,765	(5,226,249)	9,520,516	(9,520,516)	-	-
23 Apr 2012	S\$0.263	1,514,000	-	1,514,000	(1,514,000)	-	-
14 Mar 2013	S\$0.360	1,081,040	(1,081,040)	-	-	-	-
31 Mar 2013	S\$0.371	1,847,163	(1,249,106)	598,057	(598,057)	-	-
29 Sep 2013	S\$0.370	910,000	(910,000)	-	-	-	-
Total:		20,098,968	(8,466,395)	11,632,573	(11,632,573)	-	-

On 30 September 2016, the Remuneration Committee – the committee in charge of administering the Scheme, is of the view that certain aspects of performance was not up to expectations, and had decided to revoke the Share Options granted.

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

As at 30 September 2016, the number of outstanding share awards granted (but not yet vested) under the Ying Li PSP was nil (30 September 2015: 5,642,422). 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 30 September 2015	No. of Performance Shares Vested	Number of Performance Shares Lapsed / Revoked	Balance at 30 September 2016
2 Apr 2012	22,120,148	(11,043,205)	(6,837,963)	4,238,980	-	(4,238,980)	-
23 Apr 2012	2,271,000	(1,135,548)	(567,774)	567,678	-	(567,678)	-
14 Mar 2013	1,081,040	(250,000)	(831,040)	-	-	-	-
31 Mar 2013	2,770,744	(664,297)	(1,270,683)	835,764	-	(835,764)	-
29 Sep 2013	1,360,000	-	(1,360,000)	-	-	-	-
Total	29,602,932	(13,093,050)	(10,867,460)	5,642,422	-	(5,642,422)	-

On 30 September 2016, the Remuneration Committee – the committee in charge of administering the Plan, is of the view that certain aspects of performance was not up to expectations, and had decided to revoke the Performance Shares granted.

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 30 September 2016 was 2,557,040,024 (30 September 2015: 2,557,040,024).

The Company did not hold any treasury shares as at 30 September 2016 (30 September 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).

	Group			
	3rd Qtr 2016	3rd Qtr 2015	Jan to Sept 2016	Jan to Sept 2015
Earnings per ordinary share:				
(i) Based on weighted average no. of ordinary shares in issue (RMB per share)	0.000	0.001	0.009	0.004
(ii) On a fully diluted basis (RMB per share)	0.000	0.001	0.009	0.004
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

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

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

Diluted earnings per ordinary share is calculated based on the similar basis as the earnings per share, except that the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: perpetual convertible securities, as of 30 Sep 2016.

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	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
Net Asset Value (RMB'000)	4,948,568	5,025,805	4,223,930	4,185,514
Based on existing issued share capital (RMB per share)	1.94	1.97	1.65	1.64
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 nine months and quarter ended 30 September 2016

Revenue

	Group					
	3rd Qtr 2016	3rd Qtr 2015	Increase / (Decrease)	Jan to Sept 2016	Jan to Sept 2015	Increase / (Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Sale of Properties	201,625	55,210	265.2%	354,353	141,211	150.9%
Rental Income	49,391	56,640	(12.8%)	157,274	161,733	(2.8%)
Consultancy income	-	-	n.m.	-	6,962	n.m.
	251,016	111,850	124.4%	511,627	309,906	65.1%

n.m. - not meaningful

Revenue of the Group for 3QFY2016 increased by RMB139.2 million (124.4%) to RMB251.0 million as compared with that of 3QFY2015. The increase was mainly due to higher revenue from the Sale of Properties segment that were mainly driven by the continued handover of completed residential units at Sa Yan Wan Phase 2.

Rental Income decreased by RMB7.2 million (12.8%) in 3QFY2016 to RMB49.4 million as compared to the same period last year. The decrease was partially due mainly due to the introduction of the Value Added Tax ("VAT") regime in China, and certain tenants not renewing their leases and rent free periods that had to be provided to new tenants at the IFC office, Ying Li IMIX Park Jiefangbei and Ying Li IMIX Park Daping. With effect from 1 May 2016, VAT will be imposed on the revenue received from customers in place of business tax. Revenue received will be inclusive of VAT and the tax will be deducted directly from revenue and paid to the tax authorities.

Gross profit

	Group							
	3rd Qtr		3rd Qtr		Jan to Sept		Jan to Sept	
	2016	2015			2016	2015		
	RMB ('000)	RMB ('000)	%		RMB ('000)	RMB ('000)	%	
Sale of Properties	16,984	15,227	11.5%		56,668	39,458	43.6%	
Rental Income	43,295	46,465	(6.8%)		135,442	135,341	0.1%	
Consultancy income	-	-	n.m.		-	6,962	n.m.	
	60,279	61,692	(2.3%)		192,110	181,761	5.7%	

n.m. - not meaningful

Gross profit of the Group for 3QFY2016 decreased by RMB1.4 million (2.3%) to RMB60.3 million as compared to the same period last year. The decrease was mainly due to the decline in gross profit from the Rental Income due to certain tenants not renewing their leases and rent free periods that had to be provided to new tenants at the IFC office, Ying Li IMIX Park Jiefangbei and Ying Li IMIX Park Daping.

Gross profit margin

	Group							
	3rd Qtr		3rd Qtr		Jan to Sept		Jan to Sept	
	2016		2015		2016		2015	
	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%	RMB ('000)	%
Sale of Properties	16,984	8.4%	15,227	27.6%	56,668	16.0%	39,458	27.9%
Rental Income	43,295	87.7%	46,465	82.0%	135,442	86.1%	135,341	83.7%
Consultancy income	-	n.m.	-	n.m.	-	-	6,962	n.m.
	60,279	24.0%	61,692	55.2%	192,110	37.5%	181,761	58.7%

n.m. - not meaningful

The Group's gross profit margin for 3QFY2016 decreased by 31.2 percentage points to 24.0%. Gross profit margin from Sale of Properties decreased as the units that were handed over in 3QFY2016 mainly comprised high-rise residential units at San Ya Wan Phase 2. Suburban high-rise residential units enjoy far lower gross profit margins as compared to those of prime office units such as those at Ying Li International Plaza that were handed over in the same period last year.

Other income

	Group			
	3rd Qtr	3rd Qtr	Jan to Sept	Jan to Sept
	2016	2015	2016	2015
	RMB ('000)	RMB ('000)	RMB ('000)	RMB ('000)
Interest income		7,781	13,492	35,601
Government grant		-	177	353
Others		1,218	2,491	3,154
		8,999	16,160	39,108
				37,339

The year-on-year decrease in Other Income was mainly due to lower interest income from deposits placed with financial institutions and others.

Selling expenses

Selling expenses increased marginally by RMB0.1 million in 3QFY2016 to RMB20.7 million as compared to 3QFY2015 mainly due to ongoing advertising and promotional activities for ongoing projects.

Administrative expenses

During the quarter under review, Administrative expenses were RMB1.4 million (5.2%) lower compared to 3QFY2015. The decrease in Administrative Expenses was mainly due to an absence of a bad debt amounting to RMB3.8 million that was written off during the same period in the previous financial year.

Finance costs

For the quarter under review, finance costs were RMB5.3 million (18.0%) lower as compared to 3QFY2015. This is mainly due to a reduction in borrowing cost at the Group. Interest expense directly attributable to projects would generally be capitalised as part of the project costs.

Taxation

	Group					
	3rd Qtr	3rd Qtr	%	Jan to Sept	Jan to Sept	%
	2016	2015		2016	2015	
	RMB ('000)	RMB ('000)		RMB ('000)	RMB ('000)	
Income tax	(5,047)	(2,417)	108.8%	(20,342)	(8,394)	142.3%
Deferred tax	4,457	1,532	190.9%	7,306	1,900	284.5%
	(590)	(885)	(33.3%)	(13,036)	(6,494)	100.7%

n.m. - not meaningful

During the quarter under review, current income tax expense increased by RMB2.6 million (108.8%) as compared with 3QFY2015 mainly due to an increase in taxable profits generated from the Sale of Properties in 3QFY2016.

Total comprehensive income for the period

Total comprehensive income for the period decreased by RMB7.2 million as compared to 3QFY2015. The decrease is mainly due to a net loss after tax recorded for the period. This was due to lower gross profits generated from the Sale of Properties due to the nature of the properties that were handed over. In addition, gross profit from the Rental income was lower during the quarter due to certain tenants not renewing their leases and rent free periods that had to be provided to new tenants at the IFC office, Ying Li IMIX Park Jiefangbei and Ying Li IMIX Park Daping. This was offset by unrealised exchange gains arising from the translation of the financial statements of the entities where the functional currency differs from the presentation currency of the Group. The functional currency of the offshore holding companies are denominated in Singapore Dollars ("SGD") while the presentation currency of the Group is denominated in Chinese Yuan ("RMB"). The translation gains arose due to the strengthening of the RMB against SGD during the quarter.

Profit attributable to ordinary shareholders of the Company

	Group					
	3rd Qtr	3rd Qtr	Increase /	Jan to Sept	Jan to Sept	Increase /
	2016	2015	(Decrease)	2016	2015	(Decrease)
	RMB ('000)	RMB ('000)	%	RMB ('000)	RMB ('000)	%
Profit attributable to:						
Ordinary shareholders of the Company	7	2,919	(99.8%)	21,802	11,343	92.2%
Non-Controlling Interest (NCI)	(2,290)	(512)	347.3%	3,135	(1,395)	n.m.
	(2,283)	2,407	n.m.	24,937	9,948	150.7%

n.m. - not meaningful

Overall, net profit attributable to the ordinary shareholders of the Company decreased by RMB2.9 million to RMB0.01 million in 3QFY2016.

STATEMENT OF FINANCIAL POSITION

Total Assets of the Group decreased by RMB62.3 million to RMB11.9 billion during the period under review. The decrease in assets was mainly attributable to a decrease in cash and cash equivalents of RMB801.5 million mainly due to the repayment of borrowings. This was offset by: i) an increase in development properties amounting to RMB589.4 million as progress is being made on the Ying Li International Commercial Centre and Ying Li International Electrical and Hardware Centre; ii) an increase in deposits placed with

government agencies for land tenders amounting to RMB64.1million; (iii) an increase in prepayments of RMB83.0 million which was mainly due to prepaid taxes for the pre-sales at the Ying Li Lion City Garden and Ying Li International Electrical and Hardware projects, transfer to sinking funds in accordance with prevailing government regulations upon the handover of the Ying Li Lion City Garden project and loan upfront fees paid to financial institutions in accordance with loan agreements; and (iv) an increase in refundable deposits of RMB9.4 million arising from deposits paid to a financial institution pursuant to a loan agreement.

The Group's total liabilities increased by RMB11.4 million to RMB6.9 billion during the period under review. The increase in liabilities was mainly due to: i) an increase in trade and other payables of RMB345.8 million that was mainly attributable to an increase in pre-sales proceeds received of RMB372.7 million; ii) an increase in unsecured borrowings amounting to RMB333.6 million arising from the issuance of a bond in April 2016; and iii) an increase in trade payables of RMB28.5 million arising from projects under development. This was offset by a reduction in borrowings amounting to RMB314.2 million due to repayment of loans.

The Group's total equity decreased by RMB74.1 million to RMB5,009.0 million during the period under review, due to i) a reduction in Retained profits mainly due to the payment of distributions on the Perpetual Convertible Securities; and ii) a decrease in the Exchange fluctuation reserve because of RMB devaluation in FY2016. The Exchange fluctuation reserve mainly comprises cumulative unrealised exchange gains/losses arising from the translation of the financial statements of the entities where the functional currency differs from the presentation currency which is the Chinese Yuan ("RMB").

STATEMENT OF CASH FLOW

The decrease in cash and cash equivalent of RMB88.5 million for the quarter under review was mainly due to:

- i) net cash outflow of RMB202.5 million from operating activities;
- ii) net cash outflow of RMB0.7 million from investing activities; and
- iii) net cash inflow of RMB114.0 million from financing activities.

The net cash used in operating activities of RMB202.5 million included cash generated from operating profit of RMB16.0 million. This was offset by i) a increase in trade and other receivables of RMB37.0 million mainly due to deposits paid for land tender; ii) decrease in trade and other payables of RMB7.0 million mainly due to the handover of the completed units at the San Ya Wan Phase 2 project; iii) increase in development costs amounting to RMB85.8 million incurred in the ongoing construction of the Ying Li International Commercial Centre project and the Ying Li International Electrical and Hardware Centre; and iv) net interest and income tax paid of RMB89.2 million.

Net cash from financing activities of RMB114.0 million includes: (i) release of cash collaterals that were previously pledged to financial institutions amounting to RMB135.3 million; ii) proceeds from loan drawdowns amounting to RMB340.4 million which was mainly used for repayment and iii) repayment of borrowings amounting to RMB361.8 million.

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

Barring any unforeseen circumstances, including any adverse movements in the forex market or a further deterioration of China's macroeconomic environment, the Directors expect the Group to remain profitable in FY2016.

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 maintained its growth momentum in 3Q2016 with a GDP growth of 10.7% Y-o-Y to RMB1.3 trillion. In comparison, China's overall GDP grew by 6.7% Y-o-Y to RMB53.0 trillion. Along with Chongqing's robust GDP growth, disposal income per capital rose by 8.7% Y-o-Y to RMB22,840 while total retail sales of consumer goods increased by 13.1% Y-o-Y to RMB527.5 billion in 3Q2016.

Chongqing Office Market

In 3Q2016, only one office project located in Jiangbeizui with a gross floor area (GFA) of 40,800 sqm was released while net absorption remained healthy at 79,900 sqm. Demand was mainly driven by the financial sector and local enterprises. The average rental for offices, including both grade A and non-grade A offices, in the core CBD area of Jiefangbei continues to command a premium at RMB93.6 per sqm per month, as compared to the average office rental in Chongqing, which was at RMB83.2 per sqm per month.

Jiefangbei, as Chongqing's traditional CBD, remains as the undisputed centre of Chongqing and the primary choice for foreign companies to set up offices in Chongqing. Currently, Jiefangbei has the highest concentration of Fortune 500 enterprises as compared to other CBDs due to its prime location and quality offices.

(Sources: JLL Research, 3Q16 Chongqing Property Market Overview; CBRE Research, Chongqing Property Market Overview Q3 2016)

Chongqing Retail Market

After no new release of retail spaces in 2Q2016, two retail projects located in Daping and Nan'an with a combined GFA of 114,100 sqm opened in 3Q2016. This lumpy release contributed to an increase of 88.0% Y-o-Y in new supply in 3Q2016. Despite the ongoing repositioning at various retail malls and the resulting adjustments to their tenancy mix, overall vacancy rates remained low at 15.0% in 3Q2016. This was due to the active expansion of tenants with preferences toward quality retail malls in mature shopping districts such as Jiefangbei and Guanyinqiao.

Fashion and F&B sectors continue to drive the demand in the retail market while entertainment, children-related concepts and lifestyle concepts such as fitness centres are becoming key to improving occupancy rates. In 3Q2016, concept F&B outlet Taoyuan Village Restaurant made its first foray into Chongqing at Guanyinqiao and Will's Fitness Centre – a well-known chain with 150 outlets across Chongqing debuted at Jiefangbei's Ying Li IMIX Park Jiefangbei. Outlets offering children's enrichment classes are also on the rise in community-based malls located in non-core districts.

(Sources: JLL Research, 3Q16 Chongqing Property Market Overview; CBRE Research, Chongqing Property Market Overview Q3 2016)

Chongqing Residential Market

New supply in the premium segment of residential market fell 86.7% Y-o-Y to 600 units in 3Q2016 as several developers continued to delay new project launches. However, Chongqing's strong economic growth has driven the demand for its high-end residential properties as sales increased by 29.4% Y-o-Y to 2,200 units in 3Q2016. With demand gaining momentum, the average selling price rose by 1.7% Y-o-Y to RMB11,900 per sqm in 3Q2016.

(Source: JLL Research, 3Q16 Chongqing Property Market Overview)

Beijing Market

In 3Q2016, there were no new high-end residential apartments or serviced apartments released in the market even as demand continue to rise. The overall transaction volume of Beijing's residential market increased by 5.0% Q-o-Q, while the high-end residential market surged by 41.0% Q-o-Q. Spurred by the growing demand, prices of the overall residential market increased by 4.5% Q-o-Q and 27.8% Y-o-Y.

According to a report by South China Morning Post, quoting Midland China's Director, the property curbs enforced in Tongzhou has eased the overheated market to a certain extent since May 2016 although there was no significant drop in property prices. Based on data collected by Midland China, Tongzhou secondary market witness a 47.7% Y-o-Y price growth to an average of RMB32,140 per square meter in May 2016.

(Source: Colliers International, Beijing Residential Q3 2016, National Bureau of Statistics of China)

Outlook

With Chongqing's robust economic development, JLL Research expects demand for office upgrading to remain strong, thereby providing short-term support for gradual inventory destocking. Continual strong economic growth will also bode well for the serviced apartment sector with an influx of both domestic and foreign enterprises. On the retail front, JLL Research anticipates community and neighbourhood malls that caters specifically to the needs of the region's population will continue drawing a large measure of success. In addition, the continual rise in disposal income per capita is also likely to provide an uplift to the city's retail sector. For Chongqing's residential market, as there is no existing property purchase restriction in the city, JLL Research expects the positive market sentiment to persist in the near-term.

The Group is poised to be benefit directly or indirectly from Chongqing's buoyant economic growth as the development of its three Chongqing projects (Lion City Garden, Ying Li International Hardware and Electrical Centre, and Ying Li International Commercial Centre) is still ongoing and on track for completion at the respective stipulated periods. Riding on the city's retail consumption trends, the Group continues to concentrate its efforts on repositioning two of its three malls- Ying Li IMIX Park Jiefangbei and Ying Li IMIX Park Daping, with an emphasis on in-store experiences, lifestyle and entertainment concepts tailored to the needs of their respective target audiences.

Notwithstanding Chongqing's positive macroeconomic environment as support to the Group's business, the Directors are cautiously optimistic of the city's property market due to its short-term oversupply. Barring any unforeseen circumstances, including any adverse movements in the forex market or a further deterioration of China's macroeconomic environment, 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. Given the extensive developments being undertaken by the Group and thus the significant demand for cash this year, the Group is unlikely to declare a cash dividend for FY2016.

(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/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for IPTs.

14 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company for the financial period ended 30 September 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
10 November 2016

Yang Xiao Yu
Executive Director