

BUILDING

A D I V E R S I F I E D P O R T F O L I O



RESIDENTIAL | RETAIL | COMMERCIAL | BESPOKE DEVELOPMENT

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CORPORATE PROFILE



Ying Li International Real Estate Limited (“Ying Li” and together with its subsidiaries, the “Group”) is a premier Chongqing-based property developer, principally engaged in the development, sale, rental, management and long-term ownership of high quality commercial, residential and bespoke properties in the prime locations of Chongqing.

Established in 1993, Ying Li has a strong reputation for innovative design and urban renewal, having transformed areas of an old city into high-value urban integrated commercial developments of office space and shopping malls. In the process, it has successfully modernised the landscape of Chongqing’s main business districts, with several landmark commercial buildings such as New York New York, Zou Rong Plaza, Future International and Ying Li International Financial Centre which are occupied by prestigious companies.

Ying Li is a well-recognised brand for its outstanding design, premium quality, eco-friendly features and rich user-experience in commercial property developments, and is well-positioned to capitalise on the strong market growth in Chongqing as well as other regions of China. With China Everbright Limited on board as its strategic partner and shareholder, Ying Li is poised to achieve long-term sustainable growth.

Over the years, Ying Li has won numerous industry awards and accolades including “Chongqing Real Estate Development Industry Trustworthy Brand Award (AAA-highest category)” and Chongqing’s “Top 50 Real Estate Development Enterprises Award” for 2001, 2003, 2005, 2007, 2009, 2011, 2013 and 2015. Ying Li was also conferred the 2015 Most Outstanding Commercial Real Estate Business by China Index Academy, Development Research Centre of the State Council and Institute of Real Estate Studies of Tsinghua University. Ying Li’s strong track record and reputation have provided the Group an edge in securing land in prime locations, for building premier commercial and residential developments.

Ying Li is listed on the Mainboard of the Singapore Exchange (“SGX-ST”) under the stock code 5DM.

YEAR IN REVIEW

JANUARY



- Signed MOU to develop Ying Li International Hardware and Electrical Centre ("Ying Li IEC"), a build-to-order integrated one-stop hardware and electrical appliances hub in Jiangjin District, Chongqing.

MARCH



- Awarded 2015 China's Most Outstanding Commercial Real Estate Business by China Index Academy, Development Research Centre of the State Council and Institute of Real Estate Studies of Tsinghua University.



- Foreign Minister of Italy, Paolo Gentiloni visited Chongqing Italy Visa Application Centre at Ying Li International Financial Centre.

JULY



- Rebranding of retail malls to Ying Li IMIX Park.



- Ground breaking ceremony of Ying Li IEC with representatives from the nine Trade Associations representing the various trades from the hardware and electrical industry.



- Completed Phase 1 land acquisition of 199,773 sqm land site in Jiangjin District for Ying Li IEC.

- Pre-sold more than 75% of Ying Li San Ya Wan Phase 2A (Ying Li Lion City Garden project), with a cumulative contracted pre-sales of approximately RMB259 million.
- Ying Li's Executive Chairman and Group CEO, Mr Fang Ming invited for Singapore's Golden Jubilee 50th National Day Celebration Dinner in Chongqing.
- Hosted property tour for sell-side analysts in Chongqing and Beijing.
- Awarded 2015 Chongqing's Top 50 Real Estate Enterprises by Chongqing Municipality's Real Estate Development Association.
- Pre-sold approximately 58% of Ying Li Lion City Garden project Phase 2B with a cumulative contracted pre-sales of approximately RMB175 million.
- Completed and handed over of a portion of Ying Li Lion City Garden Phase 2A.
- Pre-sold 100% of SOHO Tower 1 for Future Beijing project on first day of launch.
- Awarded 2014-2015 Chongqing Real Estate Development Industry Trustworthy Brand Award (5th consecutive win) by Chongqing Municipality's Real Estate Development Association.



AUGUST

SEPTEMBER

NOVEMBER

DECEMBER

RESULTS AT A GLANCE

04

- Increase due to revaluation gains and inclusion of new investment properties
- Increase due to fair value gain and additional investment in Future Beijing project
- Increase as progress is made on Ying Li International Commercial Centre, Lion City Garden and Ying Li International Electrical and Hardware Centre
- Increase mainly due to deposits placed with government agency for land tenders and advance payment to sub-contractors

- Increase mainly to fund the development of existing projects
- Increase due to three projects under development

(RMB '000)	As at 31 Dec 2015	As at 31 Dec 2014
Non-current assets:		
Property, plant and equipment	60,598	60,052
Investment properties	4,391,519	4,263,786
Other investment	602,000	500,000
Deferred assets	22,840	26,910
Total non-current assets	5,076,957	4,850,748
Current assets:		
Development properties	4,651,332	3,408,627
Trade and other receivables	872,515	319,109
Cash and cash equivalents	1,322,708	965,136
Total current assets	6,846,555	4,692,872
Total assets	11,923,512	9,543,620
(RMB '000)		
Non-current liabilities		
Deferred tax liabilities	549,019	527,047
Borrowings	2,263,230	1,428,720
Other payables	-	113,130
Total non-current liabilities	2,812,249	2,068,897
Current assets:		
Trade and other payables	1,033,222	541,435
Current tax payables	172,830	160,792
Borrowings	2,822,420	1,715,772
Total current liabilities	4,028,472	2,417,999
Total liabilities	6,840,721	4,486,896
Capital and reserves	5,025,805	5,002,160
Non-controlling interests	56,986	54,564
Total equity	5,082,791	5,056,724
Total equity and liabilities	11,923,512	9,543,620

- **Revenue decreased:**
 - Mainly due to Sale of Properties revenue, which decreased 53.1% Y-o-Y to RMB399.1 million as there were significant amount of SOHO and office units at Ying Li International Plaza handed over and recognized in FY2014.
- **Gross profit decreased:**
 - Completed properties handed over and recognised in FY2015 were primarily residential developments which traditionally possess lower margins as compared to the higher-margin SOHO and office units handed over in FY2014.
- **Other income increased:**
 - Mainly due to revaluation of existing and newly included investment properties, and fair value gains arising from the revaluation of the investment in Future Beijing project.
- **Selling expenses increased:**
 - Mainly due to an increase in advertising and promotion expenses and agent's commission due to ongoing sales at San Ya Wan Phase 2 and impending launch of the Ying Li International Hardware and Electrical Centre Phase 1.
 - Higher operating expenses incurred at the retail malls.
- **Administrative expenses (share based payment) decreased:**
 - Due to revocation of Performance Shares and Share Options.
- **Finance cost increased:**
 - Mainly due to a higher quantum of loans drawn down as compared to FY2014.
- **Tax expense decreased:**
 - Primarily due to lower taxable profits generated from the sale of properties for FY2015.
- **Profit attributable to ordinary shareholders of the company declined:**
 - Mainly due to lower revenue and gross profit, increased expenses and finance cost.

(RMB '000)	FY2015	FY2014	Change %
Revenue	616,838	1,030,491	(40.1)
Cost of sales	(355,931)	(552,494)	(35.6)
Gross profit	260,907	477,997	(45.4)
Other income	211,089	133,305	58.4
Selling expenses	(73,162)	(56,228)	30.1
Administrative expenses	(119,160)	(117,120)	1.7
Administrative expenses – Share based payment	-	(11,116)	n.m.
Finance costs	(102,296)	(68,494)	49.4
Profit before income tax	177,378	358,344	(50.5)
Tax expense	(48,753)	(102,998)	(52.7)
Profit for the year	128,625	255,346	(49.6)
Profit attributable to ordinary shareholders of the company	126,203	255,751	(50.7)

CHAIRMAN'S STATEMENT

At Ying Li, we endeavour to become a versatile developer in managing macroeconomic challenges tactfully while **driving sustainable value for stakeholders.**

Dear Shareholders,

On behalf of the Board, I am pleased to present Ying Li International Real Estate Limited's ("Ying Li" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2015 ("FY2015").

2015 Macro Perspectives

2015 was a challenging year for corporations in the People's Republic of China ("China"). Amidst structural economic reforms to move towards a consumer-driven growth model, the Chinese economy progressed at slower gear with a gross domestic product ("GDP") growth rate of 6.9% year-on-year ("Y-o-Y") for 2015¹.

With a slowing down economy, China's real estate industry inevitably faced strong headwinds in 2015. However, it showed signs of recovery in late 2015, led by the easing of housing restrictions previously implemented, such as lowering of down-payment for first and second time home buyers, waiver of registration fee for foreign individuals and institutions borrowing

domestic and foreign property loans; and reduction of banks' lending rate and reserve-requirement ratios. As such, housing sales exhibited a nascent turnaround with an increase of 16.6%² Y-o-Y across China. This initial pick-up was mainly limited to tier-one cities such as Beijing, Shanghai, Shenzhen and Guangzhou.

As the key manufacturing, trade and logistics base for Western China, Chongqing's economic growth outpaced the country's as it delivered an 11.0%³ Y-o-Y GDP growth. Maintaining double digit growth for a third consecutive year, it is evident that Chongqing, as the focal city of the central government's Go-West policy, is the fastest growing city in China.

In Chongqing, investor confidence was relatively steady towards its property sector as real estate development investment expanded 3.3%⁴ Y-o-Y versus 1.0%¹ Y-o-Y nationally in 2015. The demand for residential property remained relatively stable due to urbanisation. Admittedly, the office market in certain districts of Chongqing, such as Jiangbeizui, is facing a short-term oversupply

situation, and the proliferation of smartphones and internet usage has increased the frequency of online shopping, thereby affecting retail malls all over China. These had added further challenges to commercial real estate developers like us.

FY2015 Performance

Navigating through a challenging economic climate, 2015 was certainly not an easy year for Ying Li. In tandem with the revenue recognition cycle, the Group's revenue decreased by 40.1% Y-o-Y to RMB616.8 million for FY2015 as a result of lower revenue contribution from our Sales of Properties segment as compared to FY2014. In spite of that, the handover of a portion of the completed units at San Ya Wan Phase 2A ("Lion City Garden") Phase 2A had contributed positively to our top line in 4Q FY2015.

The Group continued to concentrate its efforts to build a diversified portfolio of properties. Occupancy rate improvement, tenant profile adjustment and ongoing revitalisation of our malls aided the rise in rental income as it grew 17.8% Y-o-Y to

¹ National Bureau of Statistics China - China's Economy Realized a Moderate but Stable and Sound Growth in 2015

² National Bureau of Statistics China - National Real Estate Development and Sales in 2015

³ Chongqing Statistics Bureau - 2015 Economic Performance of Chongqing

⁴ Chongqing Statistics Bureau - 2015 Economic Performance of Chongqing

RMB210.8 million in FY2015. This initial improvement is a testament to our strategic shareholder, China Everbright Limited's ("CEL") strong mall management expertise after six months of repositioning to our newly rebranded IMIX Park malls. This is in addition to the capital and clout that they have brought to our strategic partnership.

Overall, net profit attributable to shareholders dropped 50.7% Y-o-Y to RMB126.2 million for FY2015.

Versatility towards Changes, Opportunities and Risks

Adapting to changes, seizing opportunities and managing risks are hallmarks of a successful and

stable organisation, particularly during precarious times. At Ying Li, we endeavour to become a versatile developer in managing macroeconomic challenges tactfully while driving sustainable value for stakeholders. To that end, several key strategies were implemented during the year to sharpen our competitive edge.

In adapting to changes, we recognised that the historical lumpy revenue

profile had created volatility in the Group's revenue. To address that, we have introduced a phased approach for the projects undertaken, and complement it with a balanced mix of various sized projects. By doing so, the Group aims to deliver a more stable revenue on an annual basis. In addition, the Group will continue to increase the recurring revenue base by further improving the occupancy and rental rates through continual adjustments to our tenant mix to cater to changing consumer preferences.



Fang Ming

Executive Chairman & Group CEO

CHAIRMAN'S STATEMENT

Turning challenges into opportunities, we have repositioned an office tower at our upcoming project, the Ying Li International Commercial Centre ("ICC"), to a futuristic SOHO tower. Through this strategy, we navigate away from the short-term oversupply situation in Chongqing's office market, and at the same time address the underserved SOHO segment in Chongqing's Jiefangbei CBD area. The Group is also enhancing the value proposition of its product offerings by incorporating an innovative smart SOHO concept, where customers can control their household appliances remotely through their mobile phones, as well as monitor the air and water quality within their homes to ensure a healthy living environment.

The Group has always been well-positioned to tap on new opportunities arising from development plans enacted by the municipal government. A case in point is our latest project - Ying Li International Hardware and Electrical Centre ("IEC") which is a build-to-order project to support the government's plans to relocate the tradition hardware and electrical distribution industry from within urban city to suburban region. The Group is also benefitting from an opportunity brought forth by CEL, supported by the central government's 12th Five-Year Plan to develop Beijing Tongzhou as Beijing's second CBD. Our investment in the Future Beijing project which is our maiden expansion outside Chongqing is a definitive example. This project had started pre-sales activities within the first year of our investment and the result so far has been very encouraging.

For our risk management, the Group has diversified from the high-end commercial and integrated projects by branching into other property



segments. Apart from the traditional commercial, residential and retail projects, we have established a fourth segment - bespoke development, a low-risk build-to-order model customisable to customers' needs. Collectively, these four strategies will gradually create a well-balanced property portfolio and reduce the overall risks assumed by the Group.

Strong Project Pipeline and Pre-Sales Interest

The Group is currently embarking on three mixed-development projects, namely the Lion City Garden, IEC and ICC projects. Construction for these projects is on track for completion and handover in various phases and sub-phases from end-2015 to 2019.

During the year, we have successfully launched the Lion City Garden Phase 2A and 2B. Units launched in these two phases achieved robust pre-sales of 84% and 68% respectively as of 31 December 2015. The handover of Phase 2A commenced in 4Q 2015 while the handover of Phase 2B will be in phases throughout 2016. Spurred by the positive demand, we have started launching selective units under Lion City Garden Phase 2C. Similarly, we have also started pre-sales of IEC Phase 1A in Jan 2016.

Over at Beijing, the highly-anticipated Future Beijing SOHO Tower 1 was fully taken-up on the first day of launch in December 2015. To address the strong demand, Tower 2 had been launched ahead of schedule.



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1. Jiefangbei CBD in Chongqing, with Ying Li International Financial Centre ("IFC") in the centre
2. Ying Li International Hardware and Electrical Centre ("IEC"), Chongqing
3. San Ya Wan Phase 2 ("Lion City Garden"), Chongqing
4. Future Beijing, Beijing Tongzhou

Outlook For 2016

We expect the tough operating conditions to persist in 2016, given China's slowing economic growth, margin pressures and high inventory levels in low-tier cities. Although the property supply glut remains a concern, majority of the unsold apartments are in third and fourth tier cities. China's central government is also likely to introduce more measures gradually to overcome the arduous inventory issue.

On a brighter note, as a linchpin of China's "One Belt, One Road" initiative, Chongqing's vast prospects paved way for the third government-to-government project between Singapore

and China, namely the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity ("Chongqing-SG"). This project aims to enhance modern connectivity and services in Western China through collaboration in four priority areas-financial services, aviation, transport and logistics, and information and communication technology. Favourable policies and resources from the central government in support of the Chongqing-SG collaboration will benefit the Group directly or indirectly. Optimistically, we envisage Chongqing's continual high economic growth to prompt multinational companies to establish or expand their presence in the city, thereby increasing

the demand for office spaces in Chongqing. The rising disposable income could possibly spur retail consumption and increase demand for service apartments, and residential properties. The recent reduction in the interest rates will also augur well for the Group.

In view of the present macro uncertainties and market volatility, we will keep a watchful eye on the risks as we stay on course while taking measured steps when presented with viable opportunities.

CHAIRMAN'S STATEMENT

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Acknowledgements

On behalf of the Group, I would like to extend my utmost appreciation to our shareholders for their unwavering support and confidence in us throughout the years. I would like to urge the shareholders to continue their support as the Group navigates through this challenging period. I would also like to thank the Board of Directors for the guidance and trust that they have placed in us. The diligence and commitment of the management and employees continue to spur my dedication in delivering results for the Group.

I am confident that with the continued support of the shareholders, customers and business partners, the Group would be able to rise up to the numerous challenges to deliver stronger performances in the coming years.

Yours sincerely,

Fang Ming

Executive Chairman & Group CEO



董事局主席 致辞

尊敬的各位股东：

本人在此代表董事会，欣然呈报英利国际置业股份有限公司（“英利”，连同其附属公司统称“集团”）截至2015年12月31日（“2015财年”）的年度报告。

2015年宏观经济

2015年对于在中国运营业务的企业而言是极具挑战性的一年。在这一年里，世界经济形势错综复杂，复苏乏力，而中国经济正深入推进结构性改革，从投资驱动型转变为消费驱动型的发展模式。受此影响，中国经济增长有所放缓，2015年中国国内生产总值(GDP)同比增长6.9%。但是整体来说，中国经济运行保持了总体平稳、稳中有进、稳中有好的发展态势。

在经济增长放缓的大环境下，中国的房地产市场也不可避免地遭遇极大的挑战。但是，在2015年末，房地产市场迎来了复苏。中央政府出台了一系列刺激房地产市场的措施，包括放宽限购、下调首套房和二套房购房者的首付款比例，以及适当放宽对外资投资房地产和购房的限制。另外，在2015年，中国央行先后多次下调银行贷款基准利率和存款准备金率。受这些利好的刺激，中国房地产市场，尤其是北京、上海和深圳等一线城市出现回暖，2015年全国住宅销售额同比增长16.6%²。

作为中国西部的重要制造业和现代贸易物流基地，重庆的经济增速超过中国。2015年，重庆地区生产总值(GDP)同比增

长11.0%³，较全国高4.1个百分点；同时，重庆GDP已经连续3年保持两位数的增长，这些数据充分证明重庆作为中国“西部大开发战略”的龙头城市，毋庸置疑已成为中国发展最快的城市！

2015年，重庆市房地产开发投资同比增长3.3%⁴，高于全国的1.0%¹，因此，对于重庆的房地产板块，投资者的信心相对比较稳定。同时，鉴于重庆的城镇化水平不断提高，市场对住宅的需求保持相对稳定。当然，我们不可否认重庆部分区域的写字楼市场，比如江北嘴中央商务区，面临着短期内供量过大的情况。另外，伴随着智能手机的普及和互联网的广泛应用，网上购物已经非常普及，这对整个中国的实体店都造成了冲击。这些都对商业房地产开发企业，比如英利，带来了更大的挑战。

2015年度业绩表现

面对极具挑战性的经济环境，2015年对于英利而言，也不是轻松的一年。在关于收入确认的情况，2015年度集团收入同比下降40.1%，为人民币6.168亿元。这是因为和2014年度相比，2015年度来自物业销售的收入较低。尽管如此，英利狮城花园项目2A期部分洋房的成功交房，为集团在2015年第四季度的收入确认做出了积极贡献。

集团将继续努力打造多样化的投资组合。伴随我们商场的入住率的不断提高，以及对商户进

行调整和优化，2015年的租赁收入有了大幅增加，同比增长17.8%，增至人民币2.108亿元。这次进步证明了我们的战略股东—中国光大控股有限公司（“中国光大控股”）强大的商场管理能力。在2015年，我们旗下的购物中心更名为大融城，并且由中国光大控股对商场进行重新定位之后短短6个月就达到令人振奋的成绩。这是除了资金和影响力之外，我们和中国光大控股的战略伙伴关系带来的又一优势。

面对变化、机遇和风险的 多元化发展

能够充分适应变化、抓住机遇和管理风险，特别是在不稳定的环境下做到这三点，是一家成功、稳定的企业的特征。英利不断致力于成为一家多元化的开发企业，不仅能巧妙应对宏观和微观的环境挑战，同时还为利益关联者创造可持续发展的价值。为了达到这个目标，我们实施了几项关键战略以提高核心竞争力。

在积极适应变化方面，我们认识到以前的收入波动已经对集团的整体收入带来影响。为了解决这个问题，我们对在建项目进行分期开发，并且对各种规模的项目进行综合平衡。通过这种方式，集团旨在每年可以产生更加稳定的收入。除此之外，通过不断调整商户来迎合消费者的喜好，集团将进一步提高商场的入住率和租金水平，从而增加经常性收入。

在把挑战转换成机遇方面，我们对正在精心打造的“英利环贸中心(ICC)项目”进行重新

¹ 中国国家统计局—2015年国民经济运行稳中有进、稳中有好

² 中国国家统计局—2015年全国房地产开发投资和销售情况

³ 重庆市统计局—2015年重庆经济运行情况

⁴ 重庆市统计局—2015年重庆经济运行情况

定位，从写字楼调整为精装SOHO公寓。通过这个战略性决定，一方面，我们避开了短期内重庆写字楼市场供应量过大的情况，另一方面，我们弥补了解放碑核心CBD地区缺乏高品质SOHO公寓的市场空隙。同时，集团还引入创新智能公寓的概念，极大地提升了项目价值。客户不但可以通过智能手机远程遥控家用电器，还能监控室内空气和水的质量，轻松享受健康生活。

长久以来，集团善于从重庆市政府制定的发展规划中挖掘新的发展机遇。面对新的机遇，我们的最新项目—英利国际五金机电城（“IEC”）项目应运而生。英利国际五金机电城项目采用了根据客户需求量身定制的创新模式，同时也符合重庆市政府将盘踞在重庆核心区内的传统五金机电专业批发市场向外迁移到二环区域的意图。另外，公司也受益于和中国光大控股合作带来的新机遇。在中国光大控股的助力下，我们成功投资位于北京通州区“新北京中心”项目，这是集团首次跨出重庆市场，进军其他一线城市的里程碑。该项目在我们投资的第一年就已经启动销售，并且到目前为止，销售成果令人备受鼓舞。

在风险管理方面，集团已经从高端商业和综合性项目开发转变为多元化开发，打造其他的房地产类型。除了传统的写字楼、住宅和商业项目，我们已修建了第四种类型—量身定制类项目，这是一种低风险的模式，可根据客户的需要进行量身定制。总的来说，集团采取的这四项目战略将逐渐打造均衡发展的资产组合，同时可减少集团的整体风险。

在建项目进展顺利，销售收益强劲

公司目前正倾力打造3个综合性项目，即英利狮城花园2期项目，英利国际五金机电城项目和英利环贸中心项目。上述项目的施工进展顺利，预计从2015年至2019年分期建成和交付。

这一年来，我们已经成功销售狮城花园2A期和2B期。截止2015年12月，这两期项目的销售强劲，去化率分别达84%和68%。狮城花园2A期已经在2015年第四季度交付给购房者，而狮城花园2B期将在2016年分期交付。鉴于市场的热烈反响，我们已开始对狮城花园2C期的部分单元进行预售。同样，我们也已经在2016年1月开始对英利国际五金机电城项目1A期进行预售。关于新北京中心项目，万众瞩目的SOHO公寓1号塔楼在2015年12月开盘，并且在开盘首日即售罄，为迎合强劲的市场需求，2号塔楼将提前进行销售。

2015年前景展望

鉴于中国的经济增长放缓，房地产行业的利润空间不断压缩，以及在部分二、三、四线城市库存量高，我们预计2016年仍然会比较艰难。虽然房地产库存过高依然是一个问题，但是大多数未售出的房源集中在三、四线城市。中国政府很有可能推出更多措施来加大“去库存”力度。

令人欣慰的是，作为中国内陆唯一的直辖市和国家中心城市，以及“一带一路”战略下的开放前沿，重庆拥有广阔的发展前景。在2015年末尾，重庆迎来重磅利好，中新第三个政府间合作项目花落重庆，即“中新（重庆）战略性互联互通示范

项目”。该项目合作将以重庆市为运营中心，以金融服务、航空、交通物流和信息通讯技术为重点合作领域，辐射整个中国西部地区，通过互利合作带动整个中国西部地区发展。中央政府为支持该项目合作出台的一系列优惠扶持政策，可令集团直接或间接地受益。

我们继续看好重庆的发展前景。重庆经济将保持较快发展，并吸引越来越多的跨国企业和金融机构在重庆设立总部或分公司，同时也增加了对办公空间的市场需求。另外，重庆居民可支配收入增加不但能够刺激消费，还能增加对服务式公寓和住宅的需求。最近，房贷利率的进一步下调也对集团有利。

面对当前不确定的宏观经济环境，以及不稳定的市场情况，我们将继续警惕潜在风险，执行严谨的企业治理和稳健的发展策略，积极把握新的发展机遇，将各项工作顺利推进。

致谢

在此，我代表公司衷心地感谢各位股东长久以来对我们的坚定支持。希望各位股东能继续给予我们关心和支持。与此同时，我亦衷心感谢各位董事的宝贵指导和信任，以及高级管理层团队和员工的辛勤工作和奉献。

在踏入新的一年之际，我们依然面对诸多挑战。但我坚信，在诸位股东、客户和业务合作伙伴的支持下，凭借已经付诸实施的策略，我们有信心、有决心迎接各种挑战。英利国际置业定会迎来更美好的明天！

方明

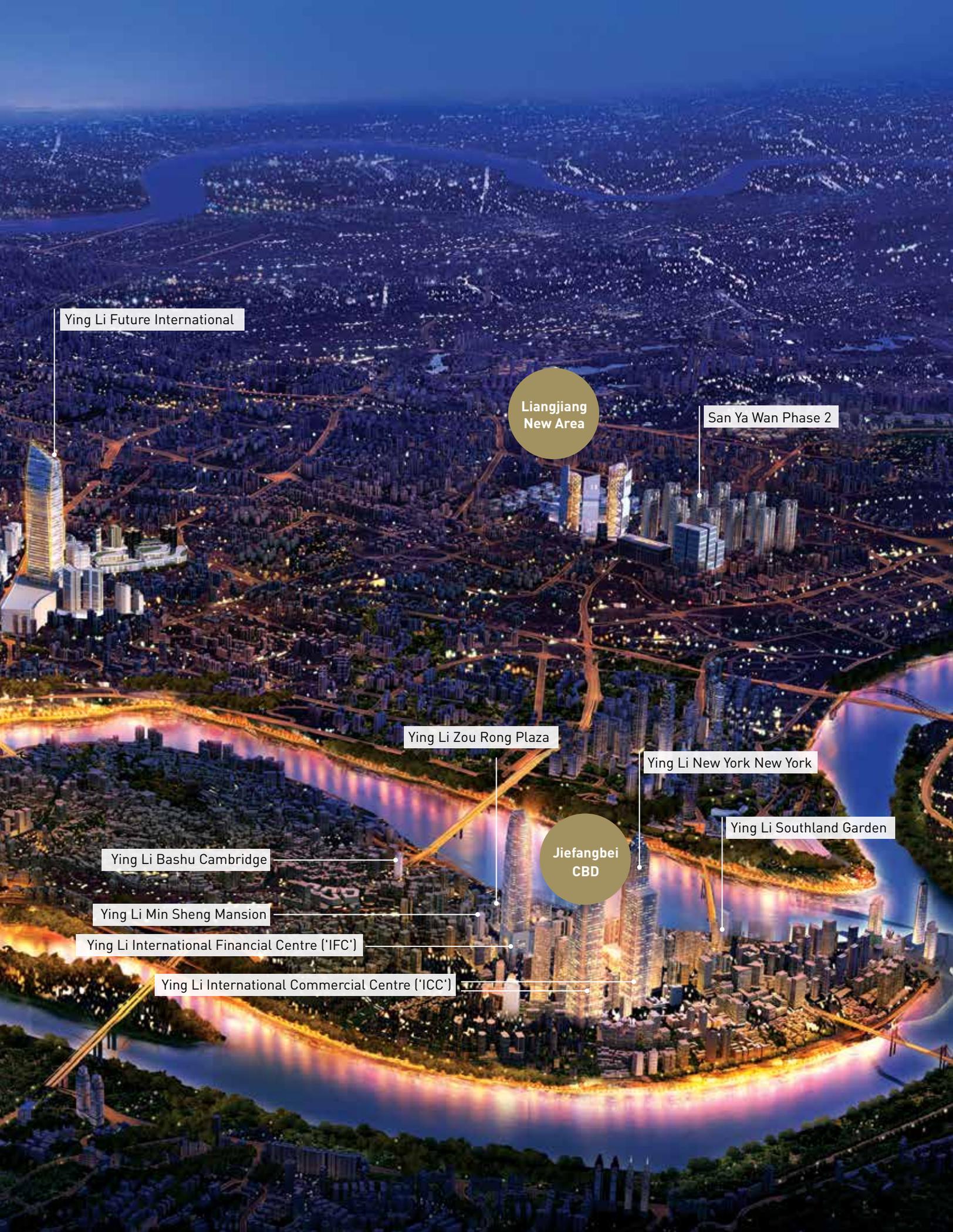
执行董事长兼集团总裁



Daping
CBD

Ying Li International Plaza

Guanyinqiao
CBD



Ying Li Future International

Liangjiang
New Area

San Ya Wan Phase 2

Ying Li Zou Rong Plaza

Ying Li New York New York

Ying Li Southland Garden

Jiefangbei
CBD

Ying Li Bashu Cambridge

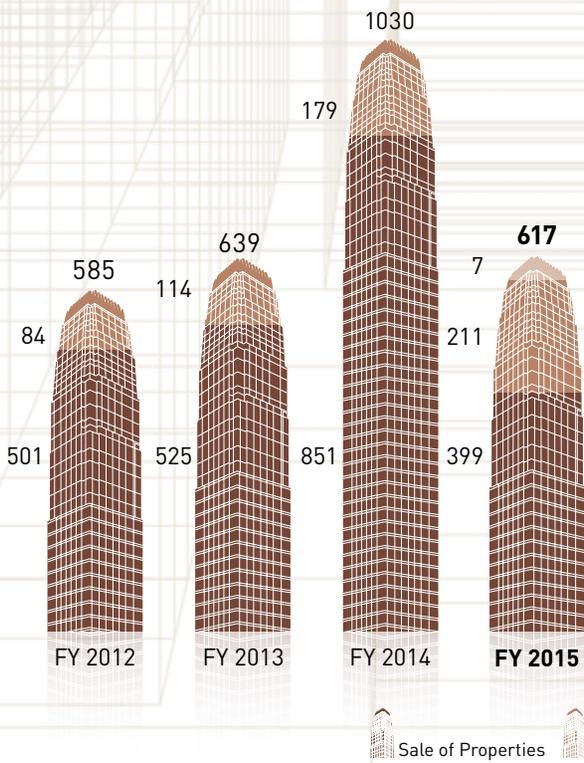
Ying Li Min Sheng Mansion

Ying Li International Financial Centre ('IFC')

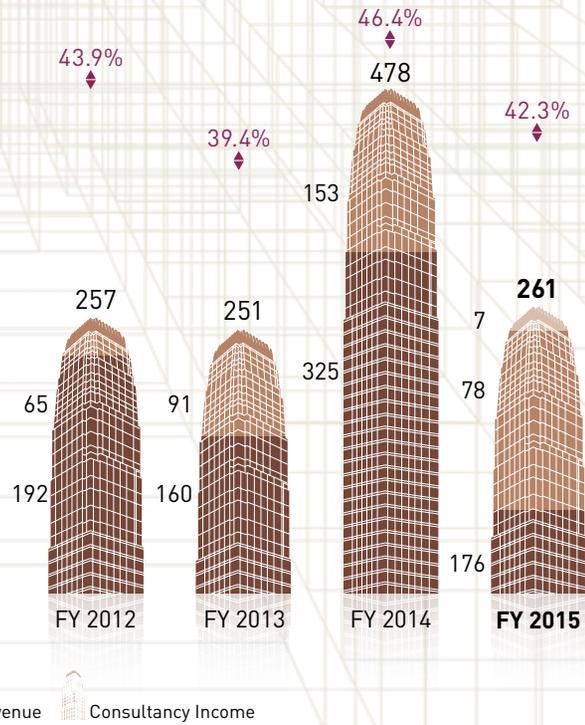
Ying Li International Commercial Centre ('ICC')

FINANCIAL REVIEW

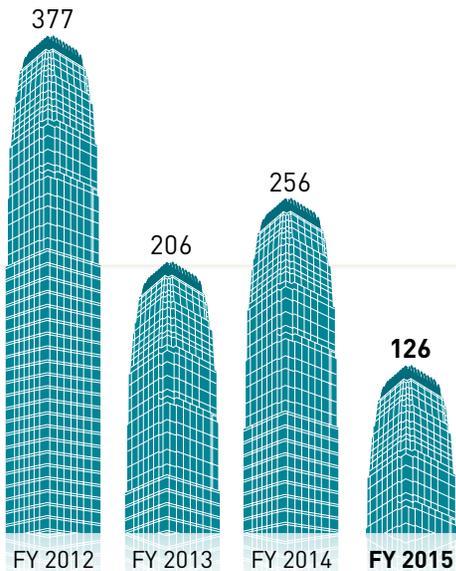
Revenue (RMB million)



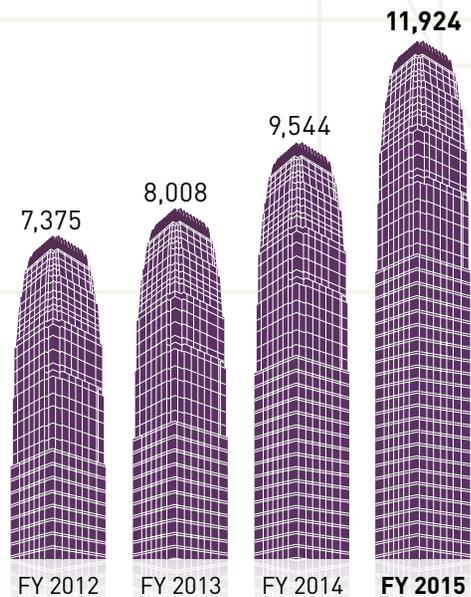
Gross Profit (RMB million) & Gross Profit Margin (%)



Profit Attributable to Ordinary Shareholders of the Company (RMB million)



Total Assets (RMB million)





FINANCIAL DETAILS

For FY2015, the Group recorded revenue of RMB616.8 million, a decrease of 40.1% year-on year ("Y-o-Y") mainly due to a decrease in revenue from Sale of Properties segment. The revenue from Sale of Properties segment decreased by 53.1% Y-o-Y to RMB399.1 million mainly due to a smaller portion of Lion City Garden project pre-sold and handed over in 4QFY2015 as compared to the significant amount of SOHO and Office units at Ying Li International Plaza pre-sold handed over and recognized in FY2014. Rental income increased by 17.8% Y-o-Y to RMB210.8 million for FY2015 as compared to FY2014 due to an increase in occupancy rates for IMX Park malls and IFC office.

Gross profit decreased by 45.4% Y-o-Y to RMB260.9 million in FY2015. The gross profit margin for FY2015 dropped 4.1 percentage points Y-o-Y to 42.3%. This was mainly due to the lower gross profit margin of residential properties (Lion City Garden) in comparison with that of commercial properties (SOHO and office units at Ying Li International Plaza).

Fair value gain on investment properties amounted to RMB114.9 million in FY2015. This gain is the difference between the value as at 31 December 2015 as compared to the carrying value as at the equivalent period in 2014.

The fair value gain on other investment (Beijing Tongzhou project – Future Beijing) amounted to RMB43.0 million for FY2015.

Selling expenses increased by 30.1% Y-o-Y to RMB73.2 million in FY2015 as

compared to FY2014. This was mainly due to an increase in advertising and promotion expenses and agent's commission due to ongoing sales at Lion City Garden project and increased promotional activities in preparation of the impending launch of the Ying Li International Hardware and Electrical Centre Phase 1A, as well as higher operating expenses incurred at the retail malls.

Finance costs increased by 49.4% Y-o-Y to RMB102.3 million for FY2015. This was due to a higher quantum of loans drawn down as compared to FY2014.

Tax expense decreased by 52.7% Y-o-Y to RMB48.8 million, primarily due to lower taxable profits generated from the Sale of Properties for FY2015.

As a result of the above factors, net profit attributable to ordinary shareholders decreased by 50.7% Y-o-Y to RMB126.2 million in FY2015. Earnings per share decreased by RMB0.06 cents Y-o-Y to RMB0.05 cents in FY2015.

Financial Position

The Group's total assets increased by RMB 2.4 billion, from RMB9.5 billion as at 31 December 2014 to RMB11.9 billion as at 31 December 2015. The increase was mainly attributable to an increase in development properties by RMB1,242.7 million to RMB4.7 billion as progress was made on the Group's three projects, namely Ying Li International Commercial Centre, Lion Garden City, and Ying Li International Electrical and Hardware Centre projects; as well as deposits placed with government agencies for land tenders amounting to RMB414.5 million; and a increase in cash and cash equivalents by RMB 357.6 million to RMB1.3 billion. The total cash and cash equivalent included cash deposits of RMB1.1 billion placed with financial institutions as collateral for loans drawn down.

The Group's total liabilities increased by RMB2.3 billion, from RMB4.5 billion as at 31 December 2014 to RMB6.8

billion as at 31 December 2015. The increase was mainly attributable to an increase in borrowings by RMB1.9 billion to RMB5.1 billion to finance the development of the Group's projects; and an increase in trade and other payables by RMB491.8 million to RMB1,033 million arising from the three projects that the Group is currently developing.

The Group's total equity grew by RMB26.1 million, from RMB5,056.7 million as at 31 December 2014 to RMB5,082.8 million as at 31 December 2015.

Net assets attributable to shareholders increased by RMB25.1 million, from RMB5,000.6 million as at 31 December 2014 to RMB5,025.8 million as at 31 December 2015. This represents a net asset value per share of RMB1.97 as at 31 December 2015 as compared to RMB1.96 as at 31 December 2014.

Cash Flow

The Group's net cash used in operating activities increased by RMB540.5 million to RMB1.5 billion for FY2015 as compared to FY2014. This was primarily due to an increase in development properties by RMB795.2 million to RMB1.3 billion, as well as increases in trade and other receivables and payables by RMB416.4 million and RMB922.1 million respectively to RMB558.3 million and RMB422.9 million.

Net cash used in investing activities amounted to RMB67.8 million for FY2015, largely from the Group's investment in the Beijing Tongzhou project.

Net cash generated from financing activities of RMB1.5 billion for FY2015 comprised an increase in borrowing by RMB1.4 billion to RMB3.8 billion to finance the construction of the Group's ongoing projects, as well as for repayment of borrowings amounting to RMB1.8 billion.

Overall, cash and cash equivalents decreased by RMB20.7 million to RMB178.1 million as at 31 December 2015.

OPERATIONS REVIEW

The Group's continued focus on its twin engine businesses – sales of properties and leasing of properties, enabled the Group to chart a steady course in choppy waters during 2015. Despite the challenging macroeconomic environment and precarious property market, the Group sharpened its competitive edge by mustering resources to expand its portfolio with projects of innovative design and premium quality. Drawing on its enhanced value proposition, strong reputation and strengths as an established property developer, the Group's projects continue to be highly sought after by customers.

For its sale of properties segment, the Group currently has three properties under development. These projects are San Ya Wan Phase 2 ("Lion City Garden"), Ying Li International Hardware and Electrical Centre, and Ying Li International Commercial Centre. The focus for this segment in 2015 was towards building and delivering high-quality products efficiently and prudently. The successful launch of Phase 2A and 2B of the Group's Lion City Garden project and the subsequent handover of a portion of Phase 2A, coupled with the overwhelming registered interest for the Group's Ying Li International Hardware and Electrical Centre ("IEC") project are testament of customers' trust in the quality and reliability of Ying Li's projects.

On the leasing of properties front, the Group is seeing improved returns from efforts in its mall management. In 2015, together with its strategic partner, China Everbright Limited, the Group embarked on a rebranding initiative for its retail malls. Aimed at enhancing the overall shopping experience of customers, thereby extracting greater value from our investment properties portfolio, Ying Li International Financial Centre retail

mall was rebranded as Ying Li IMIX Park Jiefangbei. Likewise, Ying Li International Plaza retail mall located in Daping CBD is now known as Ying Li IMIX Park Daping. Both retail malls are currently undergoing gradual tenant profile adjustment and revitalisation. The Group has since made some headway, as seen from the 17.8% Y-o-Y increase in rental revenue for FY2015.

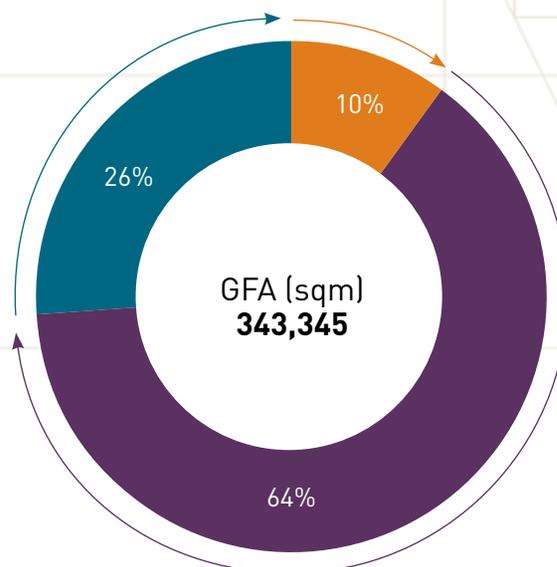
The Group has always been on the lookout for new growth areas to achieve a diversified portfolio in order to be more resilient to cyclical changes in the economy. During the year, the Group established and embarked on a new segment - bespoke development, a low-risk build-to-order model customisable to customers' needs.

The Ying Li IEC epitomizes the built-to-order model where construction of the project commenced only when sufficient interest is registered from potential customers.

In FY2015, the asset value of the Group's development properties and investment properties increased by 36.5% Y-o-Y to RMB4.7 billion and 3.0% Y-o-Y to RMB4.4 billion respectively. As at 31 December 2015, investment properties held by the Group amounted to 48.6% of the total value of the Group's properties. Recurring rental income from these properties form a sustainable earnings base of the Group's second growth engine.

Proportion of GFA by different types of investment properties as at 31 December 2015.

● Office ● Retail ● Others⁽¹⁾



As at 31 Dec 2015

⁽¹⁾ Others are mainly carparks

STATUS AND SNAPSHOT OF PROJECTS AS AT 31 DECEMBER 2015

YING LI INTERNATIONAL FINANCIAL CENTRE ("IFC") / YING LI IMIX PARK JIEFANGBEI

An integrated development with a retail mall and Grade A offices located in the prime Jiefangbei area. The premium and diversified tenant mix for the offices includes Samsung, DBS, OCBC, Capitaland, Alibaba Group, CBRE, KFC and JCDecaux. Ying Li IMIX Park Jiefangbei currently houses popular brands such as H&M, G-Star, Lush, Rimowa and Evisu. As part of its strategy to draw a younger demographic, the Group brought in popular fashion labels into the mall such as Under Armour and La Chapelle in the second half of 2015.

Project Description

Type	Retail / Office
Land Area (sqm)	8,927
Total GFA (sqm)	177,327
• Office	89,971
• Retail Mall	49,873
• Car Park/Others	37,483



OPERATIONS *REVIEW*

YING LI INTERNATIONAL PLAZA / YING LI IMIX PARK DAPING



Ideally situated in the most densely populated area of Yuzhong District, this integrated development has frontage exposure and access to two main roads - Da Ping Main Street and Changjiang 2nd Road which are supported by a comprehensive public transport infrastructure, including subway.

Repositioned as a family-oriented retail mall, Ying Li IMIX Park Daping has introduced new popular F&B outlets and changed its movie operator to Wanda Film during the year. As part of its tenant profile adjustment, the mall will bring in Chongqing's first snow theme park and entertainment centre targeting at children, as well as a local delicacy-themed F&B outlet in 2016.

Project Description

Type	Retail / Office / Residential
Land Area (sqm)	28,226
Total GFA (sqm)	409,141
• Residential/SOHO	116,445
• Office	78,695
• Retail Mall	100,524
• Car Park/Others	113,477



SAN YA WAN PHASE 2 ("LION CITY GARDEN")

Strategically located in the heart of Liangjiang New Area, Ying Li Lion City Garden project comprises premium residential townhouses, high-rise apartments as well as retail spaces. As the only inland and third sub-provincial new area enacted by the State Council after Shanghai Pudong New Area and Tianjin Binhai New Area, the Liangjiang New Area is a vital gateway connecting Chongqing's trade hub with the rest of the country through its four-dimensional transport network of air, sea, rail and road.

The Lion City Garden project is well-surrounded by neighbouring amenities, including a subway station which is currently under-construction. Targeted at the emerging middle class population and those in pursuit of higher standard of living at affordable prices, construction at Phase 2A was successfully completed in November 2015. The Group handed over almost 90% of total contracted pre-sales for Phase 2A, thereby recognising RMB252 million in 4Q FY2015. The construction for the only two high-rise buildings of the project has reached structural completion and exterior painting works are currently underway.

Project Description	
Type	Retail / Office / Residential
Land Area (sqm)	approx. 89,726
Total GFA (sqm)	approx. 290,000
Targeted Commencement of Pre-sale	
Phase 2A	3Q2015
Phase 2B	4Q2015
Phase 2C and 2D	2016
Targeted Handover	
Phase 2A	4Q2015
Phase 2B	2016
Phase 2C	2016 - 2017
Phase 2D	2017



OPERATIONS *REVIEW*

YING LI INTERNATIONAL COMMERCIAL CENTRE ("ICC")

The Group is also concurrently developing ICC, an integrated development located along Chongqing Financial Street. Leveraging on its extensive experience in building sophisticated landmark projects, the Group is developing ICC as a high-end luxury integrated project comprising SOHO units, Grade A offices and a retail mall. Construction of ICC progressed according to plan with the structural completion of the whole 47 storey SOHO Tower in early 2016. Adding an innovative touch, the SOHO units will also boast a smart home concept where specific devices and appliances are incorporated into the design to achieve a higher quality of living. Targeted to complete in phases in 2017 and 2019, ICC is set to transform the landscape of Financial Street as an iconic architecture of Chongqing.

Project Description

Type	SOHO / Office / Retail
Land Area (sqm)	approx. 18,400
Total GFA (sqm)	approx. 297,000
Targeted Commencement of Pre-sale	
Phase 1	2Q2016
Phase 2	2017
Targeted Handover	
Phase 1	2017
Phase 2	2019



YING LI INTERNATIONAL HARDWARE AND ELECTRICAL CENTRE ("IEC")

On 14 January 2015, the Group signed a Memorandum of Understanding with Chongqing City Shuangfu New Area Administrative Committee and Chongqing Hardware & Electrical Industry Association Alliance ("CHEIAA") to develop Ying Li IEC. This large scale mixed-development property in Jiangjin Shuangfu District is the Group's first bespoke project that aims to relocate various hardware and electrical centers scattered around Chongqing urban city under one roof. Constructing on a build-to-order basis, the mixed-development comprises of a wholesale centre, retail shops, hotels, residential units and a logistics distribution centre. Strategically perched on Chongqing's key transportation line and main supply route, Chongqing's government aim to establish Shuangfu district as the city's secondary central business district (CBD) to cater for more medium and large-sized enterprises.

In July 2015, the Group successfully acquired the 199,773 sqm land site in Jiangjin District for Phase 1 of IEC. With a total gross floor area of 481,560 sqm for Phase 1, the Group has started pre-sales for IEC Phase 1A in January 2016. Completion and handover for Phase 1A are expected to take place in 2016. Upon registration of interest by customers, construction for Phase 2 is on track as planned with pre-sale expected to launch between 2016 and 2017, barring any unforeseen circumstances.



Project Description	
Type	Commercial (Build-to-order Wholesale Centre, Retail, Hotels, Residential, Logistics Distribution Centre)
Land Area (sqm)	approx. 667,000
Total GFA (sqm)	approx. 1.32 million
Phase 1 GFA (sqm)	approx. 481,560
Targeted Commencement of Pre-sale	
Phase 1	1Q2016
Phase 2 & 3	2016 - 2017
Targeted Handover	
Phase 1	2016
Phase 2 & 3	2017 - 2018



OPERATIONS *REVIEW*

FUTURE BEIJING – BEIJING TONGZHOU



Marking its foray outside of its home-base of Chongqing, the Group jointly invested in Future Beijing with China Everbright Limited and other esteemed partners. This project, situated in the heart of Beijing Tongzhou District, sits on an area of approximately 57,000 sqm with a planned GFA of 750,000 sqm .

Construction is on track with completion of the main structure for one of the SOHO blocks. In December 2015, the Group and its partners successfully launched the pre-sales of SOHO Tower One with 100% of the 585 SOHO units taken up on the first day. This represents a total pre-sales consideration of RMB1.06 billion. With such robust demand, Tower Two was launched ahead of schedule.

Project Description

Type	Residential / Office / Retail
Land Area (sqm)	approx. 57,000
Total GFA (sqm)	approx. 750,000
Targeted Commencement of Pre-sale	
SOHO Block1	4Q2015
Targeted Handover	
Phase 1 (Residential)	2017
Phase 2 (Office)	2019
Phase 3 (Office & Retail)	2021



OUR PEOPLE

At Ying Li, we firmly believe that talent is the most vital resource in building a successful and respectable business. Our dedicated and competent group of employees has always been the backbone of Ying Li's continuous drive towards organisational excellence. As such, we are committed in retaining, retraining and recruiting individuals who are eager to grow with the Group.

Over the years, Ying Li has built a healthy and tenacious relationship with employees by placing importance on their physical and emotional well-being, apart from their professional development. To that end, we emphasize on creating a healthy work environment that allows employees to present and expand their strengths and abilities. We encourage unity and team spirit among employees with each supervisor advocating good working attitudes and ensuring a cooperative culture amongst colleagues. In providing a healthy work-life environment, we ensure that employees can balance their personal and professional commitments by promoting bonding between employees and their family members.

Ying Li has established a set of effective human resource management system to ensure that the goals of the Group and individual employees are aligned. We focus on the personal development of employees because we firmly believe that the benefits derived from skills upgrading will be beneficial to the Group's development. This includes setting internal guidelines for fair pay, incentives and competition.

Ying Li also introduced a set of performance appraisal system to track individual employee's key performance indicators on an annual basis to ensure that the Group's strategic thrusts are carried out. We constantly review and adjust upwards, if criteria is met, the remuneration packages to motivate and rewards employees.

We strive to make every employee's journey in Ying Li a rewarding and satisfying one. Apart from ensuring that employees can fully develop their full potential at a comfortable and healthy working environment, we also adopt measures to promote employee bonding. To that end, we organise recreational activities in a bid to improve employees' physical and mental health, as well as to enhance teamwork and cohesiveness among colleagues.



CARING FOR THE COMMUNITY AND ENVIRONMENT

Engaging the Community

We are appreciative of what the society has graciously given to us. As such, we pay it forward by upholding our corporate social responsibility. During the year, we have participated actively in charity and social groups, helping socially-disadvantaged people, natural disaster assistance programs, education aid projects and environmental improvement activities. We continue to assist Liangping Ying Li Yucai Primary School (梁平英利育才小) in providing care and support to ensure our future generation grow up to be joyful, healthy and intelligent beings.

Apart from reaching out to vulnerable groups in the society, our employees extended their caring side by visiting families of sick or distraught employees. They have lent a helping hand to these families by providing a listening ear, and if possible, recommend practical solutions.



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Protecting the Environment

While the Group is focused on business growth, we are also committed to reduce our environmental footprint. With that in mind, we strive to integrate environmental-friendly design and features in our projects. In line with our cause, we have been purchasing low carbon-emission construction materials and at every project site, we strive to reduce activities that will cause damage to the environment. Notably, Ying Li International Financial Centre was awarded Silver by Leadership in Energy and Environmental Design ("LEED") certification, while the under-construction Ying Li International Commercial Centre was pre-rated Platinum by LEED certification.



AWARDS AND ACCOLADES

2015 Most Outstanding Commercial Real Estate Business

2015 中国商业地产优秀企业

By China Index Academy, Development Research Centre of the State Council and Institute of Real Estate Studies of Tsinghua University
国务院发展研究中心企业研究所, 清华大学房地产研究所, 中国指数研究院

2015 Chongqing's Top 50 Real Estate Enterprises (8th consecutive win)

2015 重庆市房地产开发企业五十强

By Chongqing Municipality's Real Estate Development Association
重庆市房地产开发协会

2014 - 2015 Chongqing Real Estate Development Industry Trustworthy Brand Award (5th consecutive win)

2014 - 2015 年度重庆市房地产开发行业信用品牌企业

By Chongqing Municipality's Real Estate Development Association
重庆市房地产开发协会

Trustworthy Real Estate Enterprise of China

中国房地产诚信企业

By the National Union of Real Estate Chamber of Commerce
全国房地产商会联盟

Famous Real Estate Enterprise of China

中国房地产名牌企业

By the National Union of Real Estate Chamber of Commerce
全国房地产商会联盟



PROJECTS *AT A GLANCE*

1997

Minsheng Mansion

- First skyscraper in Yuzhong district
- Completion Date: Dec 1997
- GFA: 63,342 sqm



2004

Southland Garden

- Chongqing's first high-end residential project
- Completion Date: Dec 2004
- GFA: 57,009 sqm



2006

Future International

- First landmark skyscraper in Guanyinqiao CBD
- Completion Date: Dec 2006
- GFA: 136,370 sqm



2007

Bashu Cambridge

- One of first enterprise educational institution partnerships
- Completion Date: Feb 2007
- GFA: 43,086 sqm



2000

Zou Rong Plaza

- Chongqing's first financial industry focused project
- Completion Date: 2000
- GFA: 102,502 sqm



2005

New York New York

- Received one of China's highest architectural accolades
- Completion Date: Mar 2005
- GFA: 41,337 sqm



2009

San Yan Wan Phase 1 and 1A

- Largest integrated seafood wholesale center in western PRC
- Completion Date: Apr 2009
- GFA: 72,000 sqm



2011

Ying Li International Financial Centre / Ying Li IMIX Park Jiefangbei

- Highest skyscraper and landmark property in Chongqing and Southwest upon completion
- Completion Date: Dec 2011
- GFA: 177,327 sqm



2014

Ying Li International Plaza / Ying Li IMIX Park Daping

- Landmark integrated project in the heart of Yuzhong's bustling Da Ping area
- Completion Date: 2013/2014
- GFA: 409,141 sqm



San Ya Wan Phase 2 (Lion City Garden)

- Development of quality apartments
- Completion Date: Phase 2A completed in 2015. Remaining phases expected to complete in 2016/17
- GFA: approx. 292,410 sqm



Ying Li International Hardware and Electrical Centre

- Commercial - Build-to order wholesale centre, retail, hotels, residential, logistics distribution centre
- Expected Completion Date: 2016/17/18 in 3 phases
- GFA: approx. 1.32 million



Ying Li International Commercial Centre

- Development of integrated SOHO, Grade A office and retail mall
- Expected Completion Date: 2017/19
- GFA: approx. 297,000 sqm



INVESTMENT PROPERTIES PORTFOLIO

AS AT DECEMBER 31 2015

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1 MINSHENG MANSION

Address

No. 181 Minsheng Road,
Yuzhong Yuzhong District, Chongqing

Usage

Office, Retail and Car Park

Gross Floor Area (sqm)

9,175

Gross Rented Area (sqm)

8,186

Land Use Right Expiry

Commercial - Sep 2033
Residential - Sep 2043

Market Valuation (RMB)

53,650,000

Completion Date

Dec 1997



2 ZOU RONG PLAZA

Address

Nos. 141 to 155 Zourong Road,
Yuzhong District, Chongqing

Usage

Retail, Office and Car Park

Gross Floor Area (sqm)

6,806

Gross Rented Area (sqm)

6,637

Land Use Right Expiry

Commercial - Jan 2046

Market Valuation (RMB)

36,620,000

Completion Date

Dec 2000

3 SOUTHLANDGARDEN

Address

Nos. 46 to 52 Cangbai Road, Yuzhong
District, Chongqing

Usage

Office, Retail and Car Park

Gross Floor Area (sqm)

13,243

Gross Rented Area (sqm)

11,380

Land Use Right Expiry

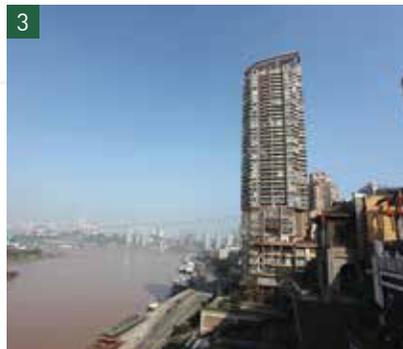
Commercial - Nov 2042
Residential - Nov 2052

Market Valuation (RMB)

79,580,000

Completion Date

Dec 2004



4 NEW YORK NEW YORK

Address

No. 108 Bayi Road, Yuzhong District,
Chongqing

Usage

Car Park

Gross Floor Area (sqm)

277

Gross Rented Area (sqm)

277

Land Use Right Expiry

Commercial - Jan 2042

Market Valuation (RMB)

6,550,000

Completion Date

Mar 2005

5 FUTURE INTERNATIONAL

Address

No. 6 Guanyinqiao Pedestrian Street,
Jiangbei District, Chongqing

Usage

Retail and Car Park

Gross Floor Area (sqm)

82,227

Gross Rented Area (sqm)

81,986

Land Use Right Expiry

Commercial - Mar 2045

Market Valuation (RMB)

989,600,000

Completion Date

Dec 2006



6 BASHU CAMBRIDGE

Address

No. 8 Bashu Road, Yuzhong District,
Chongqing

Usage

Retail and Car Park

Gross Floor Area (sqm)

7,026

Gross Rented Area (sqm)

6,894

Land Use Right Expiry

Commercial - Sep 2044

Residential - Sept 2054

Market Valuation (RMB)

17,990,000

Completion Date

Feb 2007

7 YING LI INTERNATIONAL FINANCIAL CENTRE / YING LI IMIX PARK JIEFANGBEI

Address

No. 28 Minquan Road, Yuzhong
District, Chongqing

Usage

Office, Retail and Car Park

Gross Floor Area (sqm)

91,345

Gross Rented Area (sqm)

88,907

Land Use Right Expiry

Commercial - Dec 2044

Market Valuation (RMB)

1,635,500,000

Completion Date

Dec 2011



8 YING LI INTERNATIONAL PLAZA / YING LI IMIX PARK DAPING

Address

No. 19 Zheng Jie Road, Yuzhong
District, Chongqing

Usage

Retail and Car Park

Gross Floor Area (sqm)

133,246

Gross Rented Area (sqm)

115,599

Land Use Right Expiry

Commercial - Jul 2050

Residential - Jul 2060

Market Valuation (RMB)

1,567,500,000

Completion Date

Dec 2013

BOARD OF DIRECTORS

MS. YANG XIAO YU
Executive Director

MR. TAN SEK KHEE
Independent Director

MR. PAN YING
Non-Executive and
Non-Independent Deputy Chairman

MR. FANG MING
Executive Chairman and
Group Chief Executive Officer



**MR. CHRISTOPHER
CHONG MENG TAK**
Lead Independent Director



MR. XIAO ZU XIU
Independent Director



MR. AI YU
Non-Executive and
Non-Independent Director



BOARD OF DIRECTORS

MR. FANG MING

Executive Chairman and Group Chief Executive Officer

Mr. Fang Ming is the Executive Chairman and Group Chief Executive Officer. He is also the President and General Manager of Chongqing Yingli Real Estate Development Co., Ltd. Mr. Fang is responsible for the overall management since its inception in 1993. He also oversees the Audit & Supervision Department. With more than 20 years of experience in the property sector, Mr. Fang has been instrumental in introducing international designs and quality standards into the real estate sector in Chongqing, gaining recognition from both city and state governments. Under his leadership, the Group has developed a number of award winning buildings in Chongqing's core central business district and established good long-term relationships with the local government authorities and business partners. The Group successfully established a long-term strategic cooperative partnership with China Everbright Limited - one of China's most influential financial enterprises in 2014.

Prior to establishing Chongqing Yingli, Mr. Fang held a senior position in Chongqing Yunji Company. Mr. Fang is also a member of the Chongqing Committee of Chinese People's Political Consultative Conference ("CPPCC"), Vice President of Chongqing General Chamber of Commerce, President of the Real Estate Chamber of the Chongqing Federation of Industry and Commerce, and the Executive Vice President of the Yuzhong District Federation of Industry and Commerce.

Mr. Fang graduated from Chongqing Broadcasting University School of Management and has a MBA from the Chongqing Technology and Business University.

MR. PAN YING

Non-Executive and Non-Independent Deputy Chairman

Mr. Pan was appointed to the Board in September 2014. He has more than 17 years of experience in private equity and investment. Mr. Pan is a member of the Management Decision Committee of China Everbright Limited ("CEL") and is responsible for the real estate fund, institutional sales and financing business of CEL. Mr Pan is also a Non-Executive Independent Director of Sinopec Oilfield Service Corporation.

Prior to joining CEL, he worked for the Foreign Exchange Reserve Department of China's State Administration of Foreign Exchange ("SAFE"), and established SAFE Investment Company, Ltd., a wholly-owned subsidiary of the People's Bank of China which had assets under management of more than HKD20 billion, based in Hong Kong.

Mr. Pan joined Seagate Global Advisory Group, an asset management company in Los Angeles in 1998. In 2004, he co-founded SeaBright China Special Opportunities Fund ("SeaBright"), where he acted as CEO, with CEL. At SeaBright, he set up two funds that focused on investment opportunities in China, which invested more than USD150 million.

Mr. Pan holds a Bachelor of Arts in Economics from the Management School of Xi'an Jiaotong University in China.

MS. YANG XIAO YU

Executive Director

Ms. Yang Xiao Yu is an Executive Director of the Group, and the Deputy General Manager of Chongqing Yingli. She oversees the Human Resources Department and Administration Department. Prior to joining the Group, Ms. Yang held various positions,

including Deputy Editor of Chongqing Municipal Committee Magazine ("Dang Dai Dang Yuan"), Standing Director of Chongqing Publication Institution, Director and President of Chongqing Dang Hong Cultural Communication Company and Director of the Chongqing Municipal Government Office for Economic Cooperation.

Ms. Yang has obtained the Senior Economist certification from Chongqing Municipal Personnel Bureau, a college degree in Chinese and Economic Management, a Bachelor degree in Law and a postgraduate in Psychology from Southwest Normal University.

MR. AI YU

Non-Executive and Non-Independent Director

Mr. Ai Yu was appointed to the Board in September 2014. He is a Deputy General Manager of Everbright Prestige Capital Asset Management Co. Ltd where he is responsible for deal sourcing, execution and has closed multi-billion US dollar transactions. Mr. Ai was a Managing Director of EBA Investments (Advisory) Limited ("EBA Investments"), a real estate private equity firm and a subsidiary of China Everbright Limited. Prior to joining EBA Investments in 2008, Mr. Ai worked at JP Morgan's Hong Kong office in Real Estate Investment Banking. Before that, he worked at JP Morgan's New York Investment Banking team.

Mr. Ai received his Master of Science in Finance from Washington University in St. Louis and graduated with a Bachelor of Arts in Economics from Simon Fraser University.

**MR. CHRISTOPHER
CHONG MENG TAK**

Lead Independent Director

Mr. Christopher Chong was first appointed to the Board in 2007 and is the Lead Independent Director. He brings to the Group significant experience in corporate strategy, capital markets, securities law and corporate governance. Mr. Chong is a founding partner of ACH Investments Pte Ltd, a corporate advisory firm. Prior to this, and for some 12 years, he was with the Hongkong Bank Group where he held the position of CEO of HSBC Securities (Singapore), Executive Director of Kay Hian James Capel (now known as UOB Kay Hian) and was a multi award-winning analyst. Prior to joining the Hongkong Bank Group, Mr. Chong trained with Ernst & Young, London. Mr. Chong is a director of five other public companies listed on the Stock Exchanges of Australia and Singapore.

Mr. Chong is a Member of the Institute of Chartered Accountants of Scotland. He is also a Fellow of the Hong Kong Institute of Certified Public Accountants; the Australian Institute of CPAs; the Singapore Institute of Directors; and the Australian Institute of Company Directors. Mr. Chong is also a Senior Stockbroker of the Securities & Derivatives Industry Association. He has a Bachelor of Science in Economics (1st Hon) degree from the University College of Wales and a MBA from the London Business School.

MR. TAN SEK KHEE

Independent Director

Mr. Tan Sek Khee is an Independent Director of the Group. He is currently an Independent Director of SGX-listed Eurotronic Group Ltd and ASL Marine Holdings Limited. Mr. Tan is also currently an Executive Director of several private companies in Singapore, Indonesia, Thailand and China. Mr. Tan brings to the Group an extensive experience in general management, business development, marketing, procurement and logistics. He has more than 30 years of corporate and business experience in Singapore, Indonesia, Thailand and China.

Mr. Tan graduated with a Bachelor Degree of Commerce from Nanyang University in 1979. He is also a registered member of Singapore Institute of Directors.

MR. XIAO ZU XIU

Independent Director

Mr. Xiao Zu Xiu is an Independent Director of the Group. He has been the Chairman of the Chinese Nation Cultural Promotion Association since 1995. He was also Chairman of the Chongqing Veteran's Sports Association from 1997 to 2003 and the Chairman of the Association of Researching the System of the People's Congress from 2003 to 2009. He has been serving successively as the Vice Chairman and the Chairman of the Committee for Care of the Next Generation since 2004. Mr. Xiao has also been the Director-General of Chongqing Education Development Foundation since 2010. Mr. Xiao was elected as a representative to the Chongqing Municipal People's Congress and chosen as the Vice Chairman of the Chongqing Municipal People's Congress Standing Committee in 1997. Prior to that, he was elected as Executive Deputy

Mayor of Chongqing in 1993, mainly overseeing the financial, taxation, auditing, educational and monitoring aspects. Mr. Xiao was with the Agricultural Economy Department of Southwest Agricultural University for 23 years before he was appointed as Director of the Committee for Peasants and Workers in 1985, a post he held till 1988.

Mr. Xiao studied Agricultural Economics in the Southwest College of Agriculture and the Beijing Agricultural University and graduated in 1960 and 1963 respectively.

KEY MANAGEMENT

MR. LIM GEE KIAT

Group Chief Financial Officer

Mr. Lim Gee Kiat was appointed as Group Chief Financial Officer of Ying Li International Real Estate Ltd on 2 July 2015. He oversees the Group's financial functions, including financial and management reporting, cashflow management, corporate finance, tax and treasury planning, investor relation as well as other finance-related matters. Mr. Lim was previously Senior Vice President (Finance) of the Group from 2011 to 2013. He was Chief Financial Officer of Nera Telecommunications Limited from 2013 to 2015 before rejoining the Group.

Mr. Lim's extensive experience in the finance industry spans more than 15 years, including stints in GIC Special Investments, SembCorp Industries and DBS. Mr. Lim graduated with a Bachelor of Engineering (First Class Honors) in Electrical & Electronics from Nanyang Technological University and has a Master of Business Administration from Nanyang Business School. He is also a Chartered Accountant with the Institute of Singapore Chartered Accountants. In addition, he is an Independent Director of China Minzhong Food Corporation Ltd.

MR. CAI MINGYI

Group Financial Controller

Mr. Cai Mingyi is the Group Financial Controller and Company Secretary. He oversees the Group's financial functions in relation to accounting, internal controls, financial and management reporting, tax, treasury, financial analysis, M&A support and risk management. In addition, he is also responsible for liaising with external parties in respect of the Group's financial matters. Prior to joining the Group, Mr. Cai was with PricewaterhouseCoopers LLP for more than five years, serving as manager with the advisory practice before leaving in 2012. Mr. Cai holds a Bachelor of Accountancy Degree and a Bachelor of Business Management Degree from the Singapore Management University. He is a Chartered Accountant (Singapore) since 2012 and is an associate member of the Singapore Institute of Directors.

MR. YANG FANG HENG

Deputy General Manager

Mr. Yang Fang Heng is the Deputy General Manager in charge of the Bidding & Purchasing Department and Cost Management Department. He is overall responsible for the works of cost control, bidding and purchasing. He joined the Group since its inception and has participated in the development of various projects of the Company such as New York New York and Future International with more than 20 years of experience in real estate project development and management. Prior to joining the Group, Mr. Yang was the General Manager of the Nan'an Department Store.

MR. HOU BAO JUN

Deputy General Manager

Mr. Hou Bao Jun is the Deputy General Manager of Chongqing Yingli and a Senior Engineer. Mr. Hou oversees the Development Department and is responsible for land acquisitions, initial project development management and liaising with the government and relevant authorities. Prior to joining the Group, he held senior positions in the Chongqing Fire Safety Department. Mr. Hou holds a Bachelor degree in Fire Control Automation from the Chinese People's Armed Police Force Institute of Technology and has a postgraduate degree from Chongqing Municipal Administration School of Law.

MS. DAI LING

Deputy General Manager

Ms. Dai Ling is the Deputy General Manager of Chongqing Yingli and a qualified accountant. Ms. Dai joined the Group since its inception and oversees the Company's Finance Department and Corporate Finance Department. She is in charge of the development, supervision and maintenance of the accounting system and policies as well as the financial management and corporate tax planning. Ms. Dai has over 30 years of experience in finance and accounting, including 20 years of experience in real estate financial management. During her tenure with the Group, she has established firm relationships with principal banks. Prior to joining the Group, she was the Chief Accountant of Nan'an Department Store and Nan'an District Federation of Industry and Commerce. Ms. Dai graduated with an accounting certification from Chongqing Business College.

MR. HUANG YEYAO

Chief Designer

Mr. Huang Yeyao is the Chief Engineer Designer of Chongqing Yingli and a national first-class registered architect and national registered planner. He is responsible for technical management works on architecture design of the Group's projects. Mr. Huang is highly-accomplished in architecture design, planning management, basic construction process and possesses deep understanding of relevant regulations. He accumulated five years of experience in architecture design and planning in Chongqing Planning & Design Institute, as well as 12 years of experience in examination and approval of buildings, land management and planning management of sub-districts in Chongqing Urban Planning Bureau. Mr. Huang holds a Bachelor of Engineering degree in Architecture from China University of Mining and Technology.

MR. WU SHAOMING

Deputy General Manager

Mr. Wu Shao Ming is the Deputy General Manager and a qualified Senior Engineer. He is in charge of the engineering, construction, quality control and safety aspects of the Group's properties. Prior to joining the Group, he held senior positions at Chongqing Heng Wei Real Estate, Chongqing Jiali Real Estate and was also an architect at Chongqing Iron and Steel Designing Institute and the Deputy General Engineer in Hainan Bonded Zone Development Co., Ltd. Mr. Wu holds a Bachelor degree from the Xian Highway College (now known as Chang'an University).

MR. LI JING HUAN

Deputy General Manager

Mr. Li Jing Huan is the Deputy General Manager for Investment Development and a Senior Engineer. Mr. Li has an extensive experience in the research and development of real estate projects. He is also well-versed with various government policies and has good relationships with the local government authorities. Prior to joining the Group, he was a lecturer at Staff University of Ministry of Weapons Industry, Manager of Beibei Three Gorges Store, Head and Representative of many foreign companies in Shenzhen, as well as Deputy General Manager of Chongqing Sinosteel Investment Group. Mr. Li holds a Bachelor degree in Engineering from Chongqing Architectural Engineering College.

MR. ZHANG GUANG WEI

Deputy General Manager

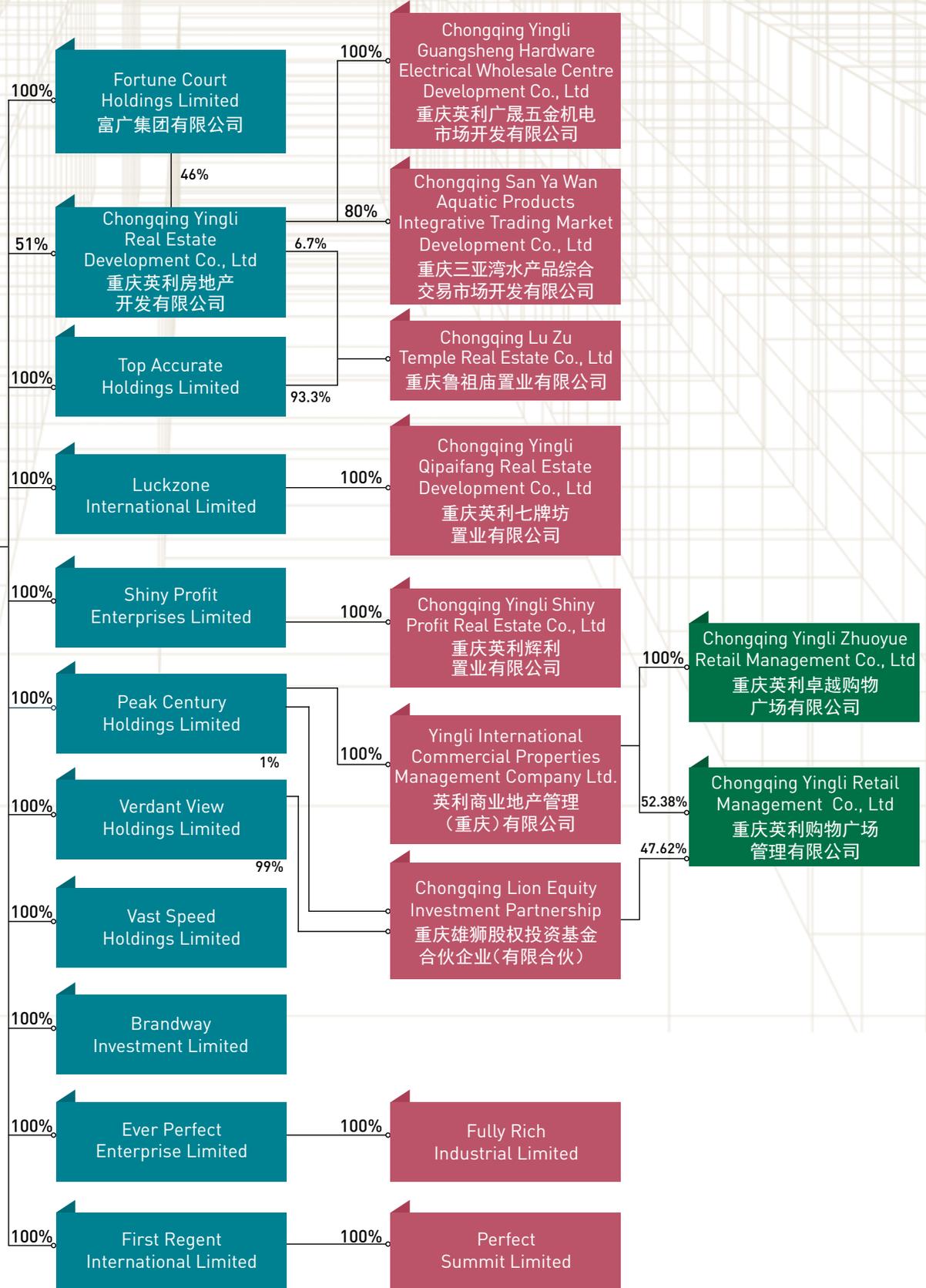
Mr. Zhang Guang Wei is the Deputy General Manager in charge of marketing and sales operations for the Group. He holds a Real Estate Broker license and possesses more than 17 years of real estate marketing experience, particularly in product positioning, sales strategy formulation and execution. Mr. Zhang oversees the marketing management as well as the sales, leasing and promotions for the Group's projects. Prior to joining the Group, he was an Assistant Sales Manager of Chongqing Jinshan Real Estate Development Co., Ltd, and a Marketing Director of Dun'an Real Estate Development Co., Ltd. Mr. Zhang graduated with a Bachelor degree in Real Estate Management from Chongqing Broadcasting University.

MR. DENG LU ZHONG

General Manager, Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd.

Mr. Deng Lu Zhong is the General Manager of Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd (San Ya Wan Project). Mr. Deng is a trained economist. Since joining the Group in 2011, he has been responsible for the overall management and development of the San Ya Wan project. He is familiar with various governmental policies and has vast experience working with the government and the relevant authorities. Prior to joining the Group, he served as the Office Deputy Director of the People's Government of Chongqing Yuzhong District, Deputy Director of the United Front Work Department of Chongqing Yuzhong District, Secretary of Party Committee and First Vice President of Yuzhong District Federation of Industry and Commerce.

CORPORATE STRUCTURE



CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

199106356W

BOARD OF DIRECTORS

Fang Ming
(Executive Chairman and Group Chief Executive Officer)

Pan Ying
(Non-Executive and Non-Independent Deputy Chairman)

Yang Xiao Yu
(Executive Director)

Christopher Chong Meng Tak
(Lead Independent Director)

Tan Sek Khee
(Independent Director)

Xiao Zu Xiu
(Independent Director)

Ai Yu
(Non-Executive and Non-Independent Director)

AUDIT COMMITTEE

Christopher Chong Meng Tak
(Chairman)

Tan Sek Khee

Pan Ying

RISK COMMITTEE

Pan Ying
(Chairman)

Tan Sek Khee

Xiao Zu Xiu

NOMINATING COMMITTEE

Christopher Chong Meng Tak
(Chairman)

Xiao Zu Xiu

Yang Xiao Yu

REMUNERATION COMMITTEE

Tan Sek Khee
(Chairman)

Xiao Zu Xiu

Ai Yu

COMPANY SECRETARY

Cai Mingyi

REGISTERED OFFICE

12 Marina Boulevard #18-05
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6334 9052
Fax: (65) 6334 9058
Email address: ir@yingligj.com

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

AUDITOR

Foo Kon Tan LLP
Certified Public Accountants
47 Hill Street, #05-01
Singapore Chinese Chamber of
Commerce & Industry

AUDIT PARTNER-IN-CHARGE

Toh Kim Teck, CPA
Appointed from the financial year ended
31 December 2014

PRINCIPAL BANKERS

China Construction Bank
DBS Bank
Huaxia Bank
Ping An Bank
Shanghai Pudong Development Bank
Standard Chartered Bank



Future Beijing

Beijing
Tongzhou
(Artist Impression)



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CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to ensuring that the highest standards of corporate governance are practiced throughout Ying Li International Real Estate Limited (the “Company”) and its subsidiaries (the “Group”), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

Although the Code of Corporate Governance 2012 (the “2012 Code”) is not mandatory, however listed companies are required under the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual to disclose their corporate governance practices and give explanations for deviations from the 2012 Code in their annual reports.

This report describes the Group’s corporate governance practices and structures that were put in place during the financial year ended 31 December 2015, with specific reference to the principles and guidelines of the 2012 Code, and where applicable, the SGX-ST Listing Manual, the Singapore Companies Act and the Audit Committee Guidance Committee Guidebook, focusing on areas such as internal controls, risk management, financial reporting, internal and external audits.

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BOARD MATTERS

The Board of Directors as at the date of this Annual Report comprises the following:

Mr. Fang Ming (Executive Chairman and Group Chief Executive Officer)
Mr. Pan Ying (Non-Executive and Non-Independent Deputy Chairman)
Ms. Yang Xiao Yu (Executive Director)
Mr. Christopher Chong Meng Tak (Lead Independent Director)
Mr. Tan Sek Khee (Independent Director)
Mr. Xiao Zu Xiu (Independent Director)
Mr. Ai Yu (Non-Executive and Non-Independent Director)

Principle 1: Board’s Conduct of Its Affairs

The Board is responsible for setting the Group’s strategic direction, executing these strategies and strengthening the robustness of the Group.

The principal duties and responsibilities of the Board include:

- Approving the Company’s overall long-term strategies and financial objectives;
- Monitoring the implementation of such strategies and the business performance and results of the Group;
- Approving the appointment of Directors and other key management personnel;
- Establishing and maintaining a framework of good corporate governance within the Group, including risk management systems and internal controls to safeguard shareholders’ interests and the Group’s assets; and

CORPORATE GOVERNANCE

- Approving material acquisitions and disposals of assets, mergers and acquisitions, major corporate policies in key areas of operations, annual budgets, major funding and investment proposals, issuance of shares, dividends and proposals relating to shareholder returns, the Group's quarterly, half yearly and full year results and material interested person transactions.

The Company has put in place a set of guidelines and clear directions to the management on matters reserved for the Board's decision and approval, and such matters are set out as follows:

- Matters involving a conflict of interest for a substantial shareholder or Director;
- Annual capital expenditure budget or any unbudgeted capital expenditure exceeding 10% of the budgeted capital expenditure;
- Corporate governance policies;
- All new projects or additional investments;
- Disposal of assets or investments with net book value or fair value exceeding S\$5 million;
- Pledging of assets or investments for financing purposes;
- Write-off of bad debts of more than S\$5 million; and
- Provision of corporate guarantees or letters of comfort.

The Board objectively makes decisions in the interests of the Group and has delegated specific responsibilities to four Board Committees, namely, the Audit Committee ("AC"), the Board Risk Committee ("BRC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Information on each of the four Board Committees is set out below. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board. The effectiveness of each Board Committee is also constantly monitored by the Board.

During the financial year under review, the Board conducted regular and scheduled meetings. Ad-hoc meetings were convened where circumstances required as such. The Company's Constitution allows board meetings to be conducted by way of telephone conference or other similar means of communication whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors' physical presence at the meeting. The Board and Board Committees may also make decisions through circulating resolutions.

The number of meetings of the Board and Board Committees held in respect of the financial year ended 31 December 2015, as well as the attendance of every Board member at these meetings are disclosed in the following table:

CORPORATE GOVERNANCE

	BOARD OF DIRECTORS ("BOD")		AUDIT COMMITTEE ("AC")			BOARD RISK COMMITTEE ("BRC")			REMUNERATION COMMITTEE ("RC")			NOMINATING COMMITTEE ("NC")		
	No. of meetings		Pos	No. of meetings		Pos	No. of meetings		Pos	No. of meetings		Pos	No. of meetings	
	held	attended		held	attended		held	attended		held	attended		held	attended
Fang Ming (Executive Chairman and Group Chief Executive Officer)	4	4												
Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	4	2	M ⁽¹⁾	-	-	C ⁽¹⁾	-	-						
Yang Xiao Yu (Executive Director)	4	3										M ⁽²⁾	1	1
Christopher Chong Meng Tak (Lead Independent Director)	4	4	C	4	4							C	1	1
Tan Sek Khee (Independent Director)	4	4	M	4	4	M	1	1	C	1	1			
Xiao Zu Xiu (Independent Director)	4	4				M ⁽³⁾	-	-	M	1	1	M	1	1
Ai Yu (Non-Executive and Non-Independent Director)	4	3							M ⁽⁴⁾	1	1			
He Zhao Ju @ Danny Ho ⁽⁵⁾ (Non-Executive and Non-Independent Director)	3	3	M ⁽⁵⁾	3	3	M ⁽⁵⁾	1	1						
Ho Sheng ⁽⁶⁾ (Independent Director)	3	1				C ⁽⁶⁾	1	1				M ⁽⁶⁾	-	-

C denotes Chairman; M denotes Member

Notes:

- (1) Mr. Pan Ying was appointed as Chairman of the BRC on 3 June 2015 and a member of the AC on 29 February 2016. His attendances at the BRC and AC meetings respectively were recorded since his date of appointments thereof.
- (2) Ms. Yang Xiao Yu was appointed as a member of the NC on 31 December 2015. Her attendance at the NC meeting was recorded since her date of appointment thereof.
- (3) Mr. Xiao Zu Xiu was appointed as a member of the BRC on 29 February 2016. His attendance at the BRC meeting was recorded since his date of appointment thereof.
- (4) Mr. Ai Yu was appointed as a member of the RC in place of Mr. Tan Kim Seng who stepped down pursuant to his retirement as a Non-Executive and Non-Independent Director of the Company at the conclusion of the Annual General Meeting held on 28 April 2015. Mr. Ai Yu's attendance at the RC meeting was recorded since his date of appointment thereof.
- (5) Mr. He Zhao Ju @ Danny Ho resigned as a Non-Executive and Non-Independent Director of the Company and members of the AC and BRC on 1 January 2016. His attendances at the AC, BRC and Board meetings respectively were recorded up to the date of his resignations thereof.
- (6) Mr. Ho Sheng resigned as Chairman of the BRC on 3 June 2015, an Independent Director of the Company and a member of the NC on 31 December 2015. His attendances at the BRC, NC and Board meetings respectively were recorded up to the date of his resignations thereof.

CORPORATE GOVERNANCE

A formal letter is provided to each Director upon his or her appointment, setting out his or her duties and obligations. The Director will then undergo an orientation program and familiarize himself or herself with the business activities of the Group, its strategic direction and corporate governance practices. Directors will also be invited to meet the management in order to have a better understanding of the business and operations of the Group.

In order to keep themselves abreast of new laws, regulations, changing commercial risks and accounting standards, all existing and new Directors will be informed of and encouraged to attend relevant courses, conferences and seminars conducted by the Singapore Institute of Directors, the SGX-ST, business and financial consultants, and external professionals on a regular basis at the Company's expense. All Directors are encouraged to undergo at least three hours of training every year. During the year under review, the Directors attended seminars on updates relating to best practice guidance on the role of Directors, industry-related trends and developments, and legal and regulatory requirements.

Principle 2: Board Composition and Guidance

The Board comprises seven members of whom two are Executive Directors and five are Non-Executive Directors of whom three are independent. Accordingly, pursuant to Guideline 2.1 of the 2012 Code, at least one-third of the Board is made up of Independent Directors.

The Board is cognizant of the need to comply, with Guideline 2.2 of the 2012 Code which provides that where, *inter alia*, the Chairman is also the CEO, the Independent Directors should make up at least half of the Board, by its Annual General Meeting ("AGM") in year 2018.

In determining the independence of each Director, the Board, taking into account the views of the NC, evaluates whether a Director is independent in character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, a Director's judgment. All Directors are required to disclose to the Board any such relationships or appointments, as and when they arise, which would affect their independence, as defined in the 2012 Code. Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm his independence based on the guidelines set out in the 2012 Code.

None of the Independent Directors have served on the Board for a period exceeding nine years from the date of his first appointment.

The Board reviews the size of the Board on an annual basis, and is of the view that the current size of the Board is appropriate for the current scope and nature of the Group's operations. No individual or small group of individuals dominates the Board's decision-making process as both the Independent Directors and the Non-Executive and Non-Independent Directors make up more than two-thirds of the Board.

The Board is satisfied that it has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each Director has been appointed based on his or her strength, experience and stature. They are expected to bring a valuable range of experience and expertise, and contribute to the development of the Group's strategy and business performance. Together, the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender (1 female Director) and knowledge of the Company. They also bring with themselves a

CORPORATE GOVERNANCE

wide range of core competencies such as accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge. The diversity of the directors' background allows for the useful exchange of ideas and views.

Key information regarding the Directors is given in the "Board of Directors" section of this annual report.

Principle 3: Executive Chairman and Chief Executive Officer

The principal duties and responsibilities of the Executive Chairman include:

- Leading the Board to ensure its effectiveness on all aspects of its roles;
- Scheduling meetings for the Board to discharge its duties;
- Promoting a culture of openness and debate at the Board;
- Coordinating activities of the Independent Directors and Non-Executive Directors;
- Exercising control over quality, quantity and timeliness of the flow of information between the management and the Board;
- Encouraging constructive relations within the Board and between the Board and Management;
- Ensuring effective communication with shareholders; and
- Assisting in ensuring compliance with the Company's guidelines on corporate governance.

The Group Chief Executive Officer ("Group CEO") is responsible for the overall daily operations, management, sales and marketing functions of the Group.

Mr. Fang Ming serves concurrently as Executive Chairman and Group CEO and accordingly, the roles and responsibilities of both the Executive Chairman and Group CEO are vested in Mr. Fang Ming. The Board is of the opinion that there is a sufficiently strong independent element in the Board, in view that all resolutions of the Board are passed collectively after due consideration and that no single individual exercised any concentration of power or influence.

In accordance with Guideline 3.3 of the 2012 Code, the Group appointed Mr. Christopher Chong Meng Tak as the Lead Independent Director. As the Lead Independent Director, he leads and co-ordinates the activities of the Non-Executive Directors of the Group and aids the Independent and Non-Executive Directors to: (i) constructively challenge the management; (ii) assist the management in developing goals and objectives; and (iii) review and monitor the management's performance. Led by the Lead Independent Director, the Independent Directors will meet periodically without the presence of the other Directors and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

Shareholders with concerns are invited to contact the Lead Independent Director, Mr. Christopher Chong Meng Tak, directly when contact through normal channels via management has failed to provide a satisfactory resolution, or when such contact is inappropriate.

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Principle 4: Board Membership

The NC comprises three Directors, majority of whom including the NC Chairman are Independent Directors, as out below:

Mr. Christopher Chong Meng Tak (Lead Independent Director)	- NC Chairman
Mr. Xiao Zu Xiu (Independent Director)	- NC member
*Ms. Yang Xiao Yu (Executive Director)	- NC member

* *Ms. Yang Xiao Yu, an Executive Director of the Company, was appointed as a member of the NC of the Company in place of Mr. Ho Sheng who resigned as an Independent Director of the Company and a member of the NC on 31 December 2015.*

The NC Chairman is not associated in any way with the 10% shareholders of the Company.

The principal duties and responsibilities of the NC include:

- To review Board succession plans for directors, in particular, the Chairman and CEO;
- To assist the Board in maximizing shareholders value;
- To develop a process for board performance evaluation and assessing annually the effectiveness of the Board as a whole and the contribution and performance of each individual Directors;
- To identify new candidates and review all nominations for the appointment, re-appointment or re-election of Directors;
- To conduct review of training and professional development programs for the Board; and
- To determine annually, and as and when circumstances require, whether or not a Director is independent pursuant to the guidelines set out in the 2012 Code, and by such amendments made thereto from time to time.

When appointing new Directors, the NC will, in consultation with the Board, evaluate and determine the selection criteria with due consideration to the mix of skills, knowledge and experience of the existing Board. The NC will evaluate potential candidates by undertaking background checks, assessing individual competency, knowledge, management skills, financial literacy, experience and qualifications, thereby ensuring the fulfilment of every requirement. The NC will seek candidates from a wide pool of individuals not limited to persons known to the Directors directly, and is empowered to engage professional search firms to aid in this process. Short-listed candidates will be invited to meet the Independent Directors separately and may also be invited to meet the Board as a whole to discuss the duties of a Director. This is to ensure that there are no misunderstandings or a mismatch of expectations. The new Directors will be briefed by the management, the AC Chairman and the NC Chairman, and are also provided with opportunities to speak to the external auditors, the internal auditors and the Company's legal advisers. The new Directors are also flown to Chongqing for meetings with the staff, site visits and to inspect the Company's projects, and to meet with the Company's property consultants.

Each year, the NC reviews and affirms the independence of the Company's Independent Directors. Each Independent Director is required to complete a Confirmation of Independence Form annually to confirm their independence. This form is based on guidelines provided in the 2012 Code and requires each Independent Director to assess whether they consider themselves independent despite being involved in any relationships which may interfere or

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be reasonably perceived to interfere with their exercise of independent judgment in carrying out their duties as an Independent Director of the Company. Among the items included in the form are as follows:

- Relationships with the Company, its related corporations, its 10% shareholders or its officers;
- Employment received from the Company or any of its related corporations, for the current financial year or any of the past three financial years;
- Immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations whose remuneration is determined by the RC;
- Significant compensation for the provision of services (other than compensation for board service) received by the Director or an immediate family member, from the Company or any of its related corporations, in the current financial year or the financial year immediately preceding it;
- Shareholdings, partnerships, offices or directorships (including those held by immediate family members) in an organization to which the Company or its subsidiaries made, or from which the Company or its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current financial year or the financial year immediately preceding it;
- 10% shareholdings in the Company held by the Director or an immediate family member; and
- Directly associated with a 10% shareholder of the Company, in the current financial year or the financial year immediately preceding it.

The NC will then review the form completed by each Independent Director to determine whether the Director is independent.

The Board recognises the contributions of its Independent Directors who over time, have developed deep insights into the Group's businesses and operations, and who are therefore able to provide valuable contributions to the Group. The Board, with the concurrence of the NC, having considered the Confirmation of Independence forms submitted by Mr. Christopher Chong Meng Tak, Mr. Tan Sek Khee and Mr. Xiao Zu Xiu concluded that they are independent and free from any relationships outlined in the 2012 Code. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

The NC determines if a Director is able to and has been adequately carrying out his duties as Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

The NC notes the requirement under the 2012 Code for companies to fix the maximum number of listed company board representations that their directors may hold and to disclose this in their annual report. No maximum number of listed company board representations has been fixed as time requirements are subjective and the NC recognises that its assessment of each Director's ability to discharge his or her duties adequately should not be confined to the sole criterion of the number of his or her board representations. Thus, in assessing each Director's ability to discharge his or her duties adequately, the Board will also take into account contributions by Directors during Board and Board Committee meetings, and their attendance at such meetings, in addition to each of their principal commitments.

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Directorships or chairmanships held by the Company's Directors in other listed companies are as follows:

Name of Director	Date of first appointment / last re-election	Directorships in other listed companies ⁽¹⁾	
		Current	Past 3 Years
Fang Ming (Executive Chairman and Group CEO)	26 September 2008 / 28 April 2015	Nil	Nil
Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	23 September 2014 / 28 April 2015	- Sinopec Oilfield Service Corporation ⁽²⁾	Nil
Yang Xiao Yu (Executive Director)	31 May 2011 / 28 April 2014	Nil	Nil
Christopher Chong Meng Tak (Lead Independent Director)	19 December 2007 ⁽⁴⁾ / 28 April 2015	- ASL Marine Holdings Ltd - GLG Corp Ltd ⁽³⁾ - Forise International Limited (Formerly known as Great Group Holdings Limited) - Cedar Strategic Holdings Limited - Singapore O&G Limited	- Koda Ltd - Lorenzo International Limited - Koon Holdings Limited
Tan Sek Khee (Independent Director)	29 April 2013 / 28 April 2015	- ASL Marine Holdings Ltd - Europtronic Group Ltd	Nil
Xiao Zu Xiu (Independent Director)	26 September 2008 / 28 April 2015	Nil	Nil
Ai Yu (Non-Executive and Non-Independent Director)	23 September 2014 / 28 April 2015	Nil	Nil

Notes:

- (1) The principal commitment of each Director is set out in the "Board of Directors" section of this annual report.
- (2) Listed on The Stock Exchange of Hong Kong Limited.
- (3) Listed on the Australian Securities Exchange Ltd.
- (4) Prior to 26 September 2008 and the reverse take-over, the Company was previously known as Showy International Limited.

Mr. Christopher Chong Meng Tak, Mr. Pan Ying and Mr. Tan Sek Khee hold concurrent directorships in other listed companies for the financial year ended 31 December 2015.

The NC is satisfied that Mr. Christopher Chong Meng Tak, Mr. Pan Ying and Mr. Tan Sek Khee can and have been able to, devote sufficient time and attention to the affairs of the Group and adequately discharge their duties.

In accordance with the Company's Constitution, all Directors are required to retire from office at least once every three years and submit themselves for re-election at the next AGM. A new Director appointed in between annual general meetings must also submit himself for re-election at the AGM following his appointment. The retiring Directors are eligible to offer themselves for re-election.

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The NC, having considered the attendance and participation of the following Directors at Board and Board Committees meetings, in particular, their contributions to the business and operations of the Company as well as Board processes, had recommended to the Board the re-election of Ms. Yang Xiao Yu and Mr. Ai Yu who will be retiring pursuant to Article 106 at the forthcoming AGM. The NC had also recommended to the Board the re-appointment of Mr. Xiao Zu Xiu, who was previously re-appointed to hold office until this AGM pursuant to Section 153(6) of the Companies Act, Cap. 50 which was in force immediately before 3 January 2016.

Section 153(6) of the Companies Act, Cap. 50 which was in force immediately before 3 January 2016 was to re-appoint a person of or over the age of 70 years as a director of the company to hold office, or be authorised to continue in office as a director of the company, until the next AGM of the company. Consequent to Mr. Xiao Zu Xiu's re-appointment at the forthcoming AGM, he will then be subject to retirement by rotation under the Company's Constitution.

All Directors retiring by rotation or subject to re-appointment have consented to continue in office and the Board had accepted the recommendation of the NC and accordingly, the above Directors will be offering themselves for re-election/re-appointment.

Each member of the NC had abstained from voting on any resolution and making any recommendation and/or participated in respect of his re-election/re-appointment, if any, as Director.

The information on each Director's academic and professional qualifications and other principal commitments is presented in the "Board of Directors" section of this annual report and their shareholdings in the company and its related corporations, relationships (if any) is presented in the "Directors' Statement" section of this annual report.

Principle 5: Board Performance

The Board has implemented a process for assessing its effectiveness as a whole and for assessing the contribution by each Director to the effectiveness of the Board. Currently, the Board does not assess the performance of each Director or at the Board Committees' level. The evaluation of the Board's performance is conducted by means of an evaluation questionnaire completed by each Director on the Board, which is then collated and analyzed. The results of the Board's performance evaluation will be reviewed by the NC and circulated to the Board for consideration thereafter. To-date, no external facilitator has been used.

When performing such appraisal, the NC and the Board will also take into consideration comparisons with peers in the real estate development industry and appropriate recommendations to further enhance the effectiveness of the Board will be implemented. The Board also considers the following key performance criteria:

- Board size and composition;
- Board information;
- Board processes;

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- Board accountability;
- Performance benchmark; and
- Board performance in discharging its principal functions.

For FY2015, each of the Directors had completed an evaluation questionnaire and forwarded the same to the Company Secretary to collate the results of the evaluation exercise. The evaluation exercise will seek feedback from each director, his/her views on the Board process and procedures as well as the effectiveness of the Board as a whole. The NC was generally satisfied with the results of the Board performance evaluation for FY2015, which indicated areas of strengths and those that could be improved further. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be improved further. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

In order to improve the Board's performance, the NC encourages all Directors to attend relevant courses, the expense of which will be borne by the Company. These include courses conducted by the SGX-ST and other relevant courses in the People's Republic of China ("PRC") and in Singapore. The NC is also supportive of any Directors who wish to attend any diploma or certified courses such as those held by the Singapore Institute of Directors.

When considering the re-election/re-appointment of a Director, the NC will evaluate the performance of the Director by considering his or her attendance record at meetings of the Board and Board Committees, active participation during these meetings and the quality of his or her contributions.

Through the NC, the Board will endeavour to ensure that Directors appointed to the Board, whether individually or collectively, possess the experience, knowledge and expertise critical to the Group's business. It has also ensured that each Director, with his special contributions, brings to the Board an objective perspective to enable sound, balanced and well-considered decisions to be made. Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his or her performance or re-nomination as Director of the Company.

Principle 6: Access to Information

In order to ensure that the Board is able to discharge its responsibilities effectively, the Company provides the Directors with regular updates on the operational and financial performance of the Company, and furnishes the Directors with complete and adequate information on matters that require their consideration. Board papers with the relevant background (such as Progress Report of the Group's projects) and financial information (with a variance analysis of the financials based on the actual versus budgeted and the financial performance by projects) are circulated prior to the respective meetings every quarter. However, to maintain confidentiality, sensitive matters may occasionally only be tabled at the meeting itself or discussed without papers being distributed. The notice(s) of additional meetings, with the relevant board papers, will be circulated prior to the meetings, as and when these meetings are required to be convened.

All Directors have separate, unrestricted and independent access to the Company's senior management and the Company Secretary. The responsibilities of the Company Secretary include ensuring a smooth flow of information between the Board and its Board Committees, the senior management and non-executive Directors. The Company

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Secretary attends all Board and Board Committee meetings, and is responsible for ensuring that proper Board procedures are being followed and that applicable rules and regulations are complied with.

Under the Constitution of the Company, the decision to appoint or remove the Company Secretary can only be taken by the Board as a whole.

In situations where the Directors, whether individually or as a group, need to seek independent professional advice, they can select the professional advisor to be engaged by the Company. The cost of such professional advice will be borne by the Company.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises three Directors, majority of whom including the RC Chairman are Independent Directors, as out below:

Mr. Tan Sek Khee (Independent Director)	– RC Chairman
Mr. Xiao Zu Xiu (Independent Director)	– RC member
*Mr. Ai Yu (Non-Executive and Non-Independent Director)	– RC member

* *Mr. Ai Yu, Non-Executive and Non-Independent Director, was appointed as a member of the RC of the Company in place of Mr. Tan Kim Seng who stepped down pursuant to his retirement as a Non-Executive and Non-Independent Director of the Company and a member of the RC at the conclusion of the AGM held on 28 April 2015.*

The RC Chairman is not associated in any way with the 10% shareholders of the Company.

The principal duties and responsibilities of the RC include:

- Reviewing and recommending to the Board for its endorsement a general framework of remuneration for the Board and key management personnel including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- Reviewing and recommending to the Board for its endorsement the specific remuneration packages for each Executive Director as well as for the key management personnel, and where necessary, obtaining advice from external remuneration consultants in relation to such contracts;
- Reviewing the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- Proposing appropriate measures and identifying key performance indicators for assessing the performance of the Executive Directors; and
- Administering the Ying Li Performance Share Plan ("PSP") and Ying Li Employee Share Option Scheme ("ESOS") adopted at the Extraordinary General Meeting held on 28 April 2010 in accordance with their terms.

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Each member of the RC will abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his own remuneration.

For the financial year ended 31 December 2015, the Company has in place service contracts for every Executive Director which sets out their remuneration framework. Such service contracts are for a fixed period of up to five years, do not contain onerous removal clauses and provide for a notice period of up to six months.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration is designed to be aligned with the long-term interest and risk policies of the Company, and is sufficiently competitive to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company. In determining the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their performance, as well as the financial, commercial and business outlook of the Company.

The remuneration packages of the Executive Directors and other key management personnel (individuals who occupy the position of deputy general manager or its equivalent, or more senior positions) consist of the following components:

(a) Fixed and Variable Wage Components

The fixed component consists of a basic salary and annual wage supplement. To ensure that the remuneration packages of Executive Directors and key management personnel is consistent and comparable with market practice, the RC regularly compares this fixed component with those of companies in similar industries, while continuing to be mindful of the fact that there is a general correlation between increased remuneration and incentives, and improvement in performance.

The variable component comprises a variable bonus based on the Group's and individual's performance, as well as the monthly variable component of the basic salary. To link rewards to performance, the more senior the executive is within the Group, the higher the percentage of the variable component against total remuneration. A comprehensive and structured assessment of the performance of key executives is undertaken each year. Bonuses payable to key executives are reviewed by the RC and approved by the Board to ensure the alignment of their interests with those of shareholders. The Company has incorporated appropriate "claw-back mechanisms" to allow it to reclaim the variable component of remuneration from Executive Directors and key management personnel in the exceptional circumstances of: (i) misstatement of financial results; or (ii) misconduct resulting in financial loss to the Company.

(b) Benefits

Benefits provided are consistent with market practice and include medical benefits and transport allowances. Eligibility to enjoy these benefits will depend on individual salary grade and length of service.

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(c) *Share Options and Performance Share*

On 28 April 2010, the Company adopted the ESOS and PSP which are intended to inculcate in all participants a stronger and more lasting sense of identification with the Group. The purpose of adopting more than one share plan is to give the Company greater flexibility to align the interest of employees, especially Executive Directors and key management personnel, with those of the shareholders. The ESOS and PSP will complement each other in the Company's continuing efforts to reward, retain and motivate employees to achieve superior performance, and will allow the Company give recognition for past contributions and services, as well as motivating participants to generally contribute towards the Group's long-term prosperity. The ESOS and PSP will further strengthen the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group.

The PSP contemplates the award of fully-paid shares to participants after certain performance targets have been met. These performance targets may be set by the committee comprising Directors of the Group appointed by the Board to administer the ESOS and PSP ("Committee"), taking into account factors such as the Company's and Group's business goals and directions to each financial year, the participant's actual job scope and duties and the prevailing economic conditions. As such, the PSP is targeted at key employees who are in the best position to drive the growth of the Company through superior performance.

In contrast, the assessment criteria for granting options under the ESOS are more general (e.g. length of service and general performance of the Group) as it is intended as a loyalty-driven time-based incentive program.

ESOS

Subject to the absolute discretion of the Committee, employees and Executive Directors of the Company are eligible to participate in the ESOS. If deemed eligible under the terms of the ESOS, a Controlling Shareholder (as defined in the SGX-ST Listing Manual) and his associates may also participate in the ESOS, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, "**ESOS Participants**").

In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares over which options may be granted on any date under the ESOS, when aggregated with the number of shares issued and/or issuable in respect of all options granted under the ESOS, all awards granted under the PSP and all shares, options or awards granted under any other share option or share scheme of the Company then in force, shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which options may be granted under the ESOS to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the ESOS, and the number of shares over which an option may be granted under the ESOS to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the ESOS.

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The options that are granted under the ESOS may have exercise prices that are set: (i) at a price equal to the average of the last dealt prices for an ordinary share determined by reference to the daily official list published by the SGX-ST for a period of five consecutive days on which the SGX-ST is open for trading in securities immediately prior to the relevant date on which an offer to grant an option is made ("Market Price"); or (ii) at a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price and is approved by shareholders in a general meeting in a separate resolution.

The ability to offer options at a discount to the Market Price will give the Company flexibility in structuring the options granted, and ensures that the Company maintains the competitiveness of its compensation strategy. The Company may also utilise the options as a means to reward the ESOS Participants for their outstanding performance and to motivate them to continue to excel, as well as attract new talent for the Company. The grant of options at a discount to the Market Price operate as a form of cashless reward from the Company which is an effective manner of motivating participants to maximise their performance, which will in turn create better value for shareholders.

An option granted which is exercisable at Market Price and at a discount to the Market Price shall be exercisable at any time by the ESOS Participant after the 2nd anniversary and the 3rd anniversary respectively of the date the option was granted ("Option Grant Date"), provided that such option must be exercised before the 4th anniversary of the Option Grant Date (or such earlier date as determined by the Committee), failing which the unexercised option shall immediately lapse and become null and void. In view of the longer vesting period for options that are granted at a discount to the Market Price, holders of such options are encouraged to have a long term view of the Company, thereby promoting staff and employee retention and reinforcing their commitment to the Company.

As at 31 December 2015, the number of outstanding share options granted under the ESOS to selected long-term employees of the Company based on their length of service and the performance of the Group was 6,101,536 (31 December 2014: 13,323,480). None of these options have been exercised.

Further details of the options granted under the ESOS are as follows:

Date of grant of options	Exercise price per share	Number of options granted	Options outstanding at 31 December 2014	Number of Options Lapsed/ Revoked	Number of Options Exercised	Options outstanding at 31 December 2015
2 Apr 2012	S\$0.278	14,746,765	14,746,765	(9,970,004)	-	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	(1,081,040)	-	-
31 Mar 2013	S\$0.371	1,847,163	1,847,163	(1,279,388)	-	567,775
29 Sep 2013	S\$0.370	910,000	910,000	(910,000)	-	-
Total:		20,098,968	20,098,968	(13,997,432)	-	6,101,536

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PSP

The Company has on 28 April 2010 adopted the PSP to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieved increased performance.

Subject to the absolute discretion of the Committee, employees and Executive Directors of the Company are eligible to participate in the PSP. If deemed eligible under the terms of the PSP, a Controlling Shareholder (as defined in the SGX-ST Listing Manual) and his associates may also participate in the PSP, subject to the absolute discretion of the Committee and provided that their participation and each grant of an option to any of them may only be effected with the specific prior approval of shareholders in a general meeting by a separate resolution (collectively, "**PSP Participants**").

An award under the PSP represents the right of a PSP Participant to receive fully paid shares of the Company free of charge upon the PSP Participant achieving the relevant performance target. Subject to limitations under the rules of the PSP, the number of shares which are the subject of an award to be granted to each PSP Participant shall be determined by the Committee in its absolute discretion, taking into consideration, where applicable, factors such as his rank, past performance, length of service, contribution to the success and development of the Group, potential for future development and prevailing market and economic conditions.

In compliance with the requirements of the SGX-ST Listing Manual, the aggregate number of shares for which an award may be granted on any date under the PSP, when added to the number of shares issued and/or issuable in respect of all awards granted under the PSP and all options granted under the ESOS and all shares, options or awards granted under any other share option or share scheme of the Company then in force shall not exceed 5% of the total number of issued shares (excluding treasury shares) on the day preceding the date of the relevant grant. Furthermore, the aggregate number of shares over which awards may be granted under the PSP to Controlling Shareholders and their associates shall not exceed 25% of the shares available under the PSP, and the number of shares over which an option may be granted under the PSP to each Controlling Shareholder or his associate shall not exceed 10% of the shares under the PSP.

The PSP shall be continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted.

Subject to the Committee being satisfied at its absolute discretion that a PSP Participant has achieved his performance target, the shares granted will vest over a four-year period of service with the Group, commencing from the date of grant.

As at 31 December 2015, the total number of share awards granted under the PSP is 29,602,932. Details of the share awards vested on the following dates for the selected employees who fulfilled certain performance targets based on the Company's performance and individual performance appraisal, and the number of share awards granted (but not vested) as at 31 December 2015 is 425,831 (31 December 2014: 10,469,329) are set out below:

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Date of grant	Granted	Balance at 31 December 2013	Vested on 15 March 2014	Vested on 3 April 2014	Vested on 18 December 2014	Number of Performance Shares Lapsed / Revoked	Balance at 31 December 2015
2 Apr 2012	22,120,148	16,590,029	-	(5,058,866)	(454,220)	(11,076,943)	-
23 Apr 2012	2,271,000	1,703,226	-	(567,774)	-	(1,135,452)	-
14 Mar 2013	1,081,040	1,081,040	(250,000)	-	-	(831,040)	-
31 Mar 2013	2,770,744	2,770,744	-	(664,297)	-	(1,680,616)	425,831
29 Sep 2013	1,360,000	1,360,000	-	-	-	(1,360,000)	-
Total	29,602,932	23,505,039	(250,000)	(6,290,937)	(454,220)	(16,084,051)	425,831

The Independent and Non-Executive Directors receive fees which are reviewed by the RC to ensure commensuration with the contributions, responsibilities and time spent by such individuals. Such fees are paid subject to shareholders' approval being obtained at the Company's AGM.

In addition to their basic fee, each Director will also receive an allowance, the sum of which is determined by his or her role in the Board and in the various Board Committees for the relevant financial year.

Principle 9: Disclosure of Remuneration

The remuneration of the Directors of the Group for the financial year ended 31 December 2015 is as follows:

	Salary / Directors' fees %	Bonus %	Share options ⁽¹⁾ %	Share-based incentives ⁽¹⁾ %	Total compensation (S\$'000)
Executive Directors					
Fang Ming (Executive Chairman and Group CEO)	66	34	-	-	888
Yang Xiao Yu	100	-	-	-	216
Non-Executive and Non-Independent Directors					
Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	100	-	-	-	46
He Zhao Ju @ Danny Ho (resigned on 1 January 2016)	100	-	-	-	66
Tan Kim Seng (retired on 28 April 2015)	100	-	-	-	15
Ai Yu	100	-	-	-	41
Independent Directors					
Christopher Chong Meng Tak	100	-	-	-	85
Tan Sek Khee	100	-	-	-	88
Xiao Zu Xiu	100	-	-	-	59
Ho Sheng (resigned on 31 December 2015)	100	-	-	-	54

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Note

(1) On 31 December 2015, the reconstituted RC – the committee in charge of administering the ESOS and PSP, is of the view that certain aspects of performance was not up to expectations, and had decided to revoke part of the Performance Shares and Share Options granted.

The remuneration bands of the top five key management personnel of the Group (who are not Directors or the Group CEO) for the financial year ended 31 December 2015 is as follows:

	Salary and Bonus %	Share options ⁽¹⁾ %	Share-based incentives ⁽¹⁾ %
Key management personnel Below \$250,000			
Yang Fang Heng	100	-	-
Hou Bao Jun	100	-	-
Zhang Guang Wei	100	-	-
Lim Gee Kiat	100	-	-
Cai Mingyi	100	-	-

Note

(1) On 31 December 2015, the reconstituted RC – the committee in charge of administering the ESOS and PSP, is of the view that certain aspects of performance was not up to expectations, and had decided to revoke part of the Performance Shares and Share Options granted.

The aggregate remuneration paid to the top five key management personnel (who are not Directors or the Group CEO) for the financial year ended 31 December 2015 is S\$0.96 million.

None of the employees who are immediate family members of a Director or the Group CEO received more than S\$50,000 in remuneration for the financial year ended 31 December 2015.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is aware of its responsibilities to provide shareholders with a balanced, understandable and comprehensive view of the Company's performance, financial position and prospects on a timely basis. The quarterly and full year results announcements are released via the SGXNET within the mandatory period. Price sensitive information is publicly released either before the Company meets with any group of investors or analysts, or simultaneously with such meetings.

In order to comply with the 2012 Code, the Board has established written policies to ensure compliance with legislative and regulatory requirements where appropriate.

Currently, the management will provide all members of the Board, including Non-Executive Directors, with management accounts and such explanation and information on a quarterly basis in order to allow effective monitoring and decision making by the Board.

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Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk. The Board approves the key risk management policies and ensures that the management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and will also determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. The Company has established a risk matrix to document risk impact, risk response and follow-up. Risk assessment and control issues are communicated to employees.

As a property developer of prime commercial and office space, the Company's principal operating risks includes but is not limited to:

- Completion of its developments on time and within specifications;
- Achievement of minimum levels of occupancy and average per square meter rental rates and sales price;
- Access to adequate and reasonably priced funding;
- Ability to source for new and reasonably priced land; and
- Local or central government's policies and regulations that are adverse to the interests of the Group.

In addition to the above, the Company is also subject to the following risks:

- Changes in PRC laws and regulations that are adverse to the interests of the Group;
- Foreign exchange losses due to currency conversions (RMB-S\$-US\$);
- Compliance with government requirements and debt covenants; and
- Negative perceptions about the countries in which the Group has its principal operations and properties.

The Board is aware that there are many types of risk other than financial risks. In this respect, the Board formed the BRC in May 2014. The BRC comprises three Directors, majority of whom are Independent Directors, as out below:

*Mr. Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	- BRC Chairman
Mr. Tan Sek Khee (Independent Director)	- BRC member
**Mr. Xiao Zu Xiu (Independent Director)	- BRC member

* Mr. Pan Ying, Non-Executive and Non-Independent Deputy Chairman, was appointed as the Chairman of the BRC in place of Mr. Ho Sheng who resigned as the Chairman of the BRC on 3 June 2015.

** Mr. Xiao Zu Xiu, an Independent Director, was appointed as a member of the BRC on 29 February 2016 in place of Mr. He Zhao Ju @ Danny Ho who resigned as a Non-Executive and Non-Independent Director of the Company and members of the AC and BRC on 1 January 2016.

Following the formation of the BRC, the AC is responsible for overseeing financial risk and the BRC is responsible for overseeing operational, policy, compliance and other risks.

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The Board, with the assistance of the AC and the BRC, undertakes periodic reviews and a formal annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment for the financial year ended 2015 considered issues dealt with in reports reviewed by the Board during the year, together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for the Group for the financial year ended 31 December 2015.

The AC and BRC continuously assess these risks but formally undertake a review of such risks with the management and the internal auditors once a year. The AC and BRC use a methodology to identify, judge and assess risks similar to that used by enterprise risk management systems. Once all identified risks are classified, the internal auditor is charged with assessing the adequacy of such controls: (i) annually for high risk sectors or risks with significant potential negative impacts; (ii) once every two years for medium risks sectors; and (iii) once every three years for low risk sectors.

The internal auditor is required to apply and has confirmed that the standards applied meet the equivalent of the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. In addition, the AC has put in place certain additional controls with respect to cash management and monitoring and feedback mechanisms, and the AC Chairman meets with the audit partner privately at least twice a year.

While the AC understands the importance of ensuring that the management maintains a sound internal control framework, it also recognizes that no internal control system will preclude all errors and irregularities as a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it can only provide a reasonable but not absolute assurance against material misstatements or losses. In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board conducted an overview of the risks which the Group is exposed to and reviewed the countermeasures and internal controls implemented to manage such risks.

The Board has obtained a written confirmation from the Group CEO and the Group Chief Financial Officer that as at 31 December 2015:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) regarding the effectiveness of the Group's risk management systems and internal control systems.

Based on the internal controls including financial, operational and compliance controls, established and maintained by the Group, work performed by the internal and external auditors, and reviews undertaken by the management, the various Board Committees and the Board are of the opinion that the Group's internal controls addressing material financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 31 December 2015 to meet the needs of the Group, taking into account the nature and scope of its operations.

Principle 12: Audit Committee

The AC comprises three Directors, majority of whom including the AC Chairman are Independent Directors, as set out below:

CORPORATE GOVERNANCE

Mr. Christopher Chong Meng Tak (Independent Director)	- AC Chairman
Mr. Tan Sek Khee (Independent Director)	- AC member
*Mr. Pan Ying (Non-Executive and Non-Independent Deputy Chairman)	- AC member

* *Mr. Pan Ying, Non-Executive and Non-Independent Deputy Chairman, was appointed as a member of the AC on 29 February 2016 in place of Mr. He Zhao Ju @ Danny Ho who resigned as a Non-Executive and Non-Independent Director of the Company and members of the AC and BRC on 1 January 2016.*

Mr. Christopher Chong Meng Tak is a Chartered Accountant and Mr. Tan Sek Khee has extensive experience in general corporate management, business development, marketing, procurement and logistics. Mr. Pan Ying has more than 17 years of experience in private equity and investment. The AC Chairman is not associated in any way with the 10% shareholders of the Company. The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. None of the members nor the AC Chairman are former partners or Directors of the Group's auditing firm nor does any of them has any financial interest in the auditing firm.

The principal duties and responsibilities of the AC include:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal auditors and external auditors for the purpose of evaluating the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls;
- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;
- Appraising and reporting to the Board on the audit works undertaken by the internal auditors and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;
- Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;
- Reviewing the cost effectiveness of the audit, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;
- Recommending to the Board the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;
- Reviewing with the Board, management and the auditors the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimize such risk to the Company;
- Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have an impact on the financials and any other announcements relating to the financials of the Company before recommending them to the Board for approval; and

CORPORATE GOVERNANCE

- Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual.

Besides assisting the Board in discharging its responsibilities in safeguarding the shareholders' investment and the Company's assets, the AC is constantly involved in developing and maintaining an effective system of internal controls, with an overall objective of ensuring that the management creates and maintains an effective control environment in the Company.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the management, full discretion to invite any Executive Director or officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC meets with both the internal auditors and external auditors, without the presence of management, at least once a year to review any matter that might be raised.

For the financial year ended 31 December 2015, the aggregate amount of fees paid to the external auditors is S\$225,000 and there were no fees paid for non-audit services. Pursuant to their annual review of the independence of the external auditors, the AC is also satisfied with their independence for the financial year ended 31 December 2015.

The AC has recommended to the Board the re-appointment of Foo Kon Tan LLP as the Company's external auditors at the forthcoming AGM.

The Board and the AC, having reviewed the adequacy of the resources and experience of Foo Kon Tan LLP, the audit engagement partners assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with Rules 712 and 715 of the SGX-ST Listing Manual.

WHISTLE-BLOWING POLICY

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Company has put in place a whistle-blowing policy and procedures duly endorsed by the AC, where employees of the Group and any other persons may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters such as suspected fraud, corruption, dishonest practices etc. All reports, including anonymous reports, reports that are lacking in details and verbal reports, will all be investigated into. All complaints will be treated as confidential and will be brought to the attention of the AC.

Assessment, investigation and evaluation of complaints are conducted by or, at the direction of the AC if it deems appropriate, independent advisors engaged at the Group's expense. Following investigation and evaluation of a complaint, the AC will then decide on recommended disciplinary or remedial action, if any. Appropriate actions that are determined by the AC shall then be brought to the Board or to the appropriate senior executive of the Group for authorization or implementation respectively.

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In the event that the report is about a Director, that Director will not be involved in the review and any decision making with respect to that report. The policy aims to encourage reporting of such matters in good faith, with the confidence that any employees and any other persons making such reports will be treated fairly and be protected from reprisals. Details of the whistle-blowing policy have been made available to all employees. The Company will also be making arrangements to upload its whistle-blowing policy onto its website.

Principle 13: Internal Audit

The Company recognises the importance of establishing an internal audit function that is independent of the activities it audits. The internal audit function is currently outsourced to Ernst & Young LLP which reports directly to the AC Chairman. The team leader in-charge is a Certified Internal Auditor and the audit work is carried out in accordance with the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC has reviewed the work of the internal auditors and is satisfied that the existing internal controls in the Company are adequate. The AC also provides a communication channel between the Board, the management and the external auditors on matters relating to audit.

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(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

The Company is mindful of its obligations to provide material information in a fair and organized manner and on a timely basis to its shareholders. The Company strives to ensure regular, effective and fair communication with its shareholders, and be as descriptive, detailed and forthcoming as possible in disclosing the information and to inform shareholders of changes in the Company or its business which would likely to materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure of material information. Press releases in relation to material developments, quarterly and full year results announcements and presentation slides are always released through the SGXNET on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST. All materials on the quarterly and full year financial results, as well as the latest annual report of the Company, are available on the Company's website at www.yingliqj.com. The website also contains various other investor-related information about the Company which serves as an important resource for investors and its shareholders.

In order to solicit and understand the views of the shareholders, briefings for analysts are held in conjunction with the release of the Company's quarterly and full year results, with the Executive Chairman and Group CEO, the Group Chief Financial Officer and senior executive officers are available to answer the questions which the media and analysts may have. The Company meets with institutional and retail investors at least once every quarter for its results briefing. The corporate presentation slides are uploaded onto the SGXNET and the Company's website concurrently before these briefings to ensure that they are made also available to all shareholders. Road shows in respect of the Group's developments are held as and when necessary to keep the market abreast of the Group's developments.

CORPORATE GOVERNANCE

All shareholders will receive the annual report of the Company and notice of AGM by post and through notices published in the newspapers within the mandatory period and will be informed of the rules, including voting procedures, which govern general meetings of shareholders.

The Group has a dedicated investor relations team which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. This dedicated investor relations team manages our website and ensures that it is comprehensive and that all our financial information, announcements, policies, and developments are uploaded in a timely manner. All shareholders are invited to write to the Company c/o our Investor Relations team at ir@yingligj.com on any questions/concerns which they may have. The Company strives to reply to emails received between two to three working days. The team also manages the dissemination of corporate information to the media, public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties.

The Board has via the Company's full-year results announcement released on 29 February 2016 informed that it has not recommended any dividend. No dividends was declared for FY2015 as the Company is currently in its growth phase and thus has need for and can generate significant returns on the cash it retains. The Company is committed to start paying dividends once such a situation changes.

(E) PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

The Group believes in encouraging shareholder participation at general meetings. All registered shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy forms will be sent with the notice of general meeting to all shareholders. If any shareholder is unable to attend the general meeting in person, he is allowed to appoint up to two proxies to vote on his behalf. The Company also allows CPF investors to attend general meetings as observers. Voting in absentia by mail, facsimile or e-mail is currently not possible as such voting methods would need to be cautiously evaluated to ensure that the authenticity of the vote and the shareholder's identity is not compromised.

Every matter requiring shareholders' approval will be proposed as a separate resolution. Each item of special business included in the meeting notice will be accompanied by, where appropriate, an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

All resolutions are put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be made available through SGXNET. The Company has employed electronic polling at its general meetings since September 2014.

The Executive Chairman and all Directors including the Board Committees' Chairmen will attend the AGM and be available to take questions from the shareholders. The external auditors are also invited to attend the AGM and are available to assist the Directors in addressing any relevant queries from the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

Minutes of the AGM and/or Extraordinary General Meeting will be made available to shareholders upon their request.

DEALINGS IN SECURITIES

In line with Rule 1207(19) of the SGX-ST Listing Manual, the Company has adopted a compliance code to issue a notification to all Directors, key executives of the Group and their officers that they are not allowed to deal in the Company's securities during the "black-out" period, being two weeks and one month immediately preceding the announcement of the Company's quarterly and full-year results respectively, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key executives and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's securities on short-term considerations.

The Board confirms that for FY2015, the Company has complied with Rule 1207(19) of the SGX-ST Listing Manual.

INTERESTED PERSON TRANSACTIONS

All interested person transactions ("IPTs") to be entered into by the Company will be reviewed by the AC to ensure that the terms are fair and reasonable prior to recommending them to the Board for approval.

When a potential conflict of interest arises, the Director concerned will not participate in the discussion and will refrain from exercising any influence over other members of the Board.

As a listed company on the SGX-ST, the Company is required to comply with Chapter 9 of the SGX-ST Listing Manual on IPTs. To ensure compliance with Chapter 9, the following practices have been implemented:

- The AC meets once every three months to review if the Company will be entering into any IPTs. If the Company intends to do so, the AC will ensure that the Company complies with the requisite rules under Chapter 9; and
- The AC will then recommend the approval of the IPTs, if any, to the Board for review and approval. The Board will review and ensure that the Company complies with the requisite rules under Chapter 9 before such approval.

In accordance with Rule 907 of the SGX-ST Listing Manual, there was no IPT entered for the financial year ended 31 December 2015.

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

MATERIAL CONTRACTS

Pursuant to Rule 1207(8) of the SGX-ST Listing Manual, save as disclosed above, the Company confirms that there was no material contract entered into between the Company and its subsidiaries, which the Group CEO, any of the Directors or controlling shareholders, has an interest in, either still subsisting at the end of the financial year, or was entered into since the end of the previous financial year.

CORPORATE GOVERNANCE

USE OF PROCEEDS

(I) Proceeds from Share Subscription

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 September 2014.

The utilisation of the proceeds from the Share Subscription as at 31 December 2015 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	1.66	
Total utilised		94.42
Balance to be utilised		4.45

(II) Proceeds from the Perpetual Subordinated Convertible Callable 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 utilisation of the proceeds from the Perpetual Convertible Securities as at 31 December 2015 are as follows:

Description	SGD (mil)	SGD (mil)
Net proceeds		180.79
Repayment of existing loans	46.25	
Payment for investment in Shanghai Zhao Li Partnership	102.54	
Payment of resettlement costs for Ying Li Chongqing Financial Street Project	32.00	
Total utilised		180.79
Balance to be utilised		0.01

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

We are pleased to submit this annual report to the members of the Company together with the audited consolidated financial statements for the financial year ended 31 December 2015.

In our opinion:

- (a) the accompanying financial statements of the Group and Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

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NAME OF DIRECTORS

The directors of the Company to office at the date of this report are:

Fang Ming (Executive Chairman and Group Chief Executive Officer)

Pan Ying (Non-Executive and Non-Independent Deputy Chairman)

Yang Xiao Yu (Executive Director)

Ai Yu (Non-Executive and Non-Independent Director)

Christopher Chong Meng Tak (Lead Independent Director)

Tan Sek Khee (Independent Director)

Xiao Zu Xiu (Independent Director)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>As at 1.1.2015</u>	<u>As at 31.12.2015</u>	<u>As at 1.1.2015</u>	<u>As at 31.12.2015</u>
Ordinary shares of the Company (Ying Li International Real Estate Limited)				
Fang Ming ⁽¹⁾	94,735,548	94,735,548	820,153,014	825,739,014
Yang Xiao Yu	340,664	340,664	-	-

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(cont'd)*

	Direct interest		Deemed interest	
	As at 1.1.2015	As at 31.12.2015	As at 1.1.2015	As at 31.12.2015
Ordinary shares of USD1 each of the significant shareholder <u>(Newest Luck Holdings Limited)</u>				
Fang Ming	10,000	10,000	-	-
Options to subscribe for ordinary shares exercisable from 22/4/2014 to 22/4/2016 at an exercise price of Singapore dollars (S\$) 0.263 per share <u>(Ying Li International Real Estate Limited)</u>				
Fang Ming	1,514,000	757,000	-	-
Award of performance shares of the Company to be delivered after 21 April 2013 <u>(Ying Li International Real Estate Limited)</u>				
Fang Ming	1,135,452	-	-	-
Options to subscribe for ordinary shares exercisable from 12/4/2014 to 2/4/2016 at an exercise price of Singapore dollars (S\$) 0.278 per share <u>(Ying Li International Real Estate Limited)</u>				
Yang Xiao Yu	454,000	227,000	-	-
Award of performance shares of the Company to be delivered after 1 April 2013 <u>(Ying Li International Real Estate Limited)</u>				
Yang Xiao Yu	340,336	-	-	-

Note:

(1) Mr. Fang Ming is deemed to have an interest in the shares of the Company through his shareholding in Newest Luck Holdings Limited, a significant shareholder of Ying Li International Real Estate Limited.

Mr Fang Ming, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, is deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of Ying Li International Real Estate Limited and Newest Luck Holdings Limited.

There are no changes to the above shareholdings as at 21 January 2016.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

SHARE OPTION SCHEME

(a) Ying Li Employee Share Option Scheme

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

The exercise price will be determined by the Remuneration Committee at:

- (1) market price of the Company's shares; or
- (2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price.

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Other information regarding the Option Scheme:

- (1) Options granted to employees and executive directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the fourth anniversary of the date of grant.
- (2) The options vest on the second anniversary and third anniversary of the date of grant.
- (3) All options are settled by physical delivery of shares.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

SHARE OPTION SCHEME *(cont'd)*

(a) Ying Li Employee Share Option Scheme *(cont'd)*

Details of the share options are as follows:

Option grant date	Exercise price (S\$)	Options outstanding at 1 January 2015	Options granted	Options forfeited/expired/lapsed	Options exercised	Options outstanding at 31 December 2015	Exercise period
2/4/2012 ⁽¹⁾	0.278	10,537,664	-	(5,760,903)	-	4,776,761	1/4/2014 - 1/4/2016
23/4/2012	0.263	1,514,000	-	(757,000)	-	757,000	22/4/2014 - 22/4/2016
13/3/2013	0.360	-	-	-	-	-	12/3/2015 - 12/3/2017
31/3/2013	0.371	1,271,816	-	(704,041)	-	567,775	30/3/2015 - 30/3/2017
29/9/2013	0.370	-	-	-	-	-	28/9/2015 - 28/9/2017
		13,323,480	-	(7,221,944)	-	6,101,536	

Note:

(1) While the Company had on 2 April 2012 announced the grant of 28,767,257 options under the Option Scheme, only 14,746,765 options were issued by the Company.

No share options were granted during the financial year ended 31 December 2015. In 2015, the reconstituted Remuneration Committee – the committee in charge of administering the Scheme, is of view that certain aspects of performance was not up to expectations, and had decided to revoke some of the Share Options granted.

At 31 December 2015, 5,533,761 were exercisable (2014: 10,786,435).

The weighted average remaining contractual life of share options outstanding at 31 December 2015 was 0.35 (2014 : 1.35) years.

Details of options granted to directors of the Company under the Option Scheme are as follows:

Participants	Options granted in financial year ended 31 December 2015	Aggregate options granted since commencement of the Option Scheme to 31 December 2015	Aggregate options lapsed since commencement of the Option Scheme to 31 December 2015	Aggregate options exercised since commencement of the Option Scheme to 31 December 2015	Aggregate options outstanding as at 31 December 2015
<u>Group Executive Directors</u>					
Fang Ming	-	1,514,000	(757,000)	-	757,000
Yang Xiao Yu	-	454,000	(227,000)	-	227,000
	-	1,968,000	(984,000)	-	984,000

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

SHARE OPTION SCHEME *(cont'd)*

(a) Ying Li Employee Share Option Scheme *(cont'd)*

Other than as disclosed above, there have been no options granted to the controlling shareholders of the Company or their associates (as defined in the Listing Manual of Singapore Exchange Securities Trading Limited). No director or employee has received 5% or more of the total number of options available under each of the share plans.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company and its subsidiaries.

No options to take up unissued shares of the subsidiaries have been granted during the financial year and no unissued shares of the subsidiaries under options granted by its subsidiaries as at the end of the financial year.

(b) Ying Li Performance Share Plan

The Ying Li Performance Share Plan (the "Share Plan") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards will vest over a period of four years, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

SHARE OPTION SCHEME *(cont'd)*

(b) Ying Li Performance Share Plan *(cont'd)*

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S\$)	Balance as at 1 January 2015	Share awards granted	Share awards cancelled/lapsed	Share awards vested	Balance as at 31 December 2015
2/4/2012 ⁽¹⁾	0.278	7,903,084	-	(7,903,084)	-	-
23/4/2012	0.263	1,135,452	-	(1,135,452)	-	-
14/3/2013	0.360	-	-	-	-	-
31/3/2013	0.371	1,430,793	-	(1,004,962)	-	425,831
29/9/2013	0.370	-	-	-	-	-
		10,469,329	-	(10,043,498)	-	425,831

Note:

(1) While the Company had on 2 April 2012 announced the grant of 43,150,886 share awards under the Share Plan, only 22,120,148 share awards were issued by the Company.

Details of awards granted to directors of the Company under the Share Plan are as follows:

Participants	Awards granted in financial year ended 31 December 2015	Aggregate awards granted since commencement of the Share Plan to 31 December 2015	Aggregate awards lapsed since commencement of the Share Plan to 31 December 2015	Aggregate awards released since commencement of the Share Plan to 31 December 2015	Aggregate awards outstanding as at 31 December 2015
<u>Group Executive Directors</u>					
Fang Ming	-	2,271,000	(1,135,452)	(1,135,548)	-
Yang Xiao Yu	-	681,000	(340,336)	(340,664)	-
	-	2,952,000	(1,475,788)	(1,476,212)	-

The Company did not grant any share awards under the Share Plan and released nil share awards via the issuance of ordinary shares to those employees and directors during the financial year ended 31 December 2015.

In 2015, the reconstituted Remuneration Committee – the committee in charge of administering the Scheme, is of view that certain aspects of performance was not up to expectations, and had decided to revoke some of the Performance Shares granted.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDIT COMMITTEE

The audit committee at the end of the financial year comprises the following members:

Christopher Chong Meng Tak (Chairman)

Tan Sek Khee

He Zhao Ju@Danny Ho*

* Mr. He Zhao Ju@Danny Ho resigned as a Non-Executive and Non-Independent Director of the Company and members of the AC and BRC on 1 January 2016. Mr Pan Ying, Non-Executive and Non-Independent Deputy Chairman, was appointed as a member of the AC on 29 February 2016 in place of Mr. Danny Ho.

The audit committee performs the functions set out in Section 201B(5) of the Singapore Companies Act, Chapter 50, the Listing Manual of the Singapore Exchange and the Code of Corporate Governance. Responsibilities of the AC include:

- Reviewing the audit plans and the proposed scope of audit examination to be conducted by the internal and external auditors; for the purpose of evaluating the effectiveness and adequacy of the Company's material internal controls including financial, operational, compliance and information technology controls;
- Reviewing the internal auditors' evaluation of internal accounting controls system and approving changes or new internal controls implemented by the Company;
- Appraising and reporting to the Board of Directors on the audit works undertaken by the internal and external auditors, adequacy of information disclosed and the appropriateness and quality of the internal controls system;
- Reviewing the assistance given by management to the internal auditors and external auditors to ensure that there is no restriction hindering on their work;
- Reviewing the cost effectiveness of the audits, the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;
- Recommending to the Board of Directors the appointment, re-appointment or removal of the external auditors for the ensuring year and approving their remuneration and terms of engagement;
- Reviewing with the Board of Directors and management the possible risks or exposures that may exist and identifying the necessary steps to take in order to minimise such risks to the Company;
- Reviewing the quarterly and full year results announcements, the audited annual financial statements, key areas of management's judgments applied for adequate provisioning and disclosure, critical accounting policies and any significant changes to be made that would have an impact on the financial statements and any other announcements relating to the financial results of the Company before recommending them to the Board of Directors for approval; and
- Reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of SGX-ST.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDIT COMMITTEE *(cont'd)*

The audit committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director or executive officer to attend its meetings. The external and internal auditors have unrestricted access to the audit committee.

The audit committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Further details regarding the audit committee are provided in the Report on Corporate Governance.

In appointing auditors of the Company and subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
FANG MING

.....
YANG XIAO YU

Date: 31 March 2016

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Ying Li International Real Estate Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT *AUDITOR'S REPORT*

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
Date: 31 March 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	The Group			The Company		
		31-Dec 2015 RMB('000)	31-Dec 2014 RMB('000) Re-stated	1-Jan 2014 RMB('000) Re-stated	31-Dec 2015 RMB('000)	31-Dec 2014 RMB('000) Re-stated	1-Jan 2014 RMB('000) Re-stated
ASSETS							
Non-Current							
Property, plant and equipment	3	60,598	60,052	8,748	1,820	40	59
Investment properties	4	4,391,519	4,263,786	4,130,685	-	-	-
Subsidiaries	5	-	-	-	2,827,257	2,827,257	2,827,257
Other investment	6	602,000	500,000	-	-	-	-
Deferred tax assets	15	22,840	26,910	14,953	-	-	-
Other receivables		-	-	208	-	-	-
		5,076,957	4,850,748	4,154,594	2,829,077	2,827,297	2,827,316
Current							
Development properties	7	4,651,332	3,408,627	2,948,703	-	-	-
Trade and other receivables	8	872,515	319,109	177,246	801	7,577	11,065
Amounts owing from subsidiaries	9	-	-	-	2,201,757	2,328,847	1,663,266
Cash and cash equivalents	10	1,322,708	965,136	727,132	16,482	26,407	29,877
		6,846,555	4,692,872	3,853,081	2,219,040	2,362,831	1,704,208
Total assets		11,923,512	9,543,620	8,007,675	5,048,117	5,190,128	4,531,524
EQUITY							
Share capital	12	4,028,372	4,028,372	3,536,777	4,028,372	4,028,372	3,536,777
Perpetual convertible securities	13	878,970	878,970	-	878,970	878,970	-
Retained earnings/(Accumulated losses)		1,946,524	1,929,379	1,675,052	(668,717)	(496,189)	(397,784)
Other reserves	14	(1,828,061)	(1,834,561)	(1,815,167)	(53,111)	(11,606)	41,609
Equity attributable to owners of the Company		5,025,805	5,002,160	3,396,662	4,185,514	4,399,547	3,180,602
Non-controlling interests		56,986	54,564	54,969	-	-	-
Total equity		5,082,791	5,056,724	3,451,631	4,185,514	4,399,547	3,180,602
LIABILITIES							
Non-Current							
Deferred tax liabilities	15	549,019	527,047	498,492	-	-	-
Borrowings	16	2,263,230	1,428,720	814,375	-	44,470	-
Other payables	17	-	113,130	51,987	-	-	-
		2,812,249	2,068,897	1,364,854	-	44,470	-
Current							
Amount owing to subsidiaries	9	-	-	-	749,008	722,127	706,504
Trade and other payables	17	1,033,222	541,435	1,107,094	58,473	10,701	11,526
Borrowings	16	2,822,420	1,715,772	1,988,456	55,122	13,283	632,892
Current tax payables		172,830	160,792	95,640	-	-	-
		4,028,472	2,417,999	3,191,190	862,603	746,111	1,350,922
Total liabilities		6,840,721	4,486,896	4,556,044	862,603	790,581	1,350,922
Total equity and liabilities		11,923,512	9,543,620	8,007,675	5,048,117	5,190,128	4,531,524

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The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015 RMB('000)	Year ended 31 December 2014 RMB('000) Re-stated
Revenue	18	616,838	1,030,491
Cost of sales		(355,931)	(552,494)
Gross profit		260,907	477,997
Other income	19	211,089	133,305
Selling expenses		(73,162)	(56,228)
Administrative expenses		(119,160)	(128,236)
Finance costs	20	(102,296)	(68,494)
Profit before taxation		177,378	358,344
Tax expense	21	(48,753)	(102,998)
Profit for the year		128,625	255,346
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences (at nil tax)		6,500	(20,575)
Other comprehensive income/(loss) for the year		6,500	(20,575)
Total comprehensive income for the year		135,125	234,771
Profit/(Loss) attributable to:			
Owners of the Company		126,203	255,751
Non-controlling interests		2,422	(405)
		128,625	255,346
Total comprehensive income/(loss) attributable to:			
Owners of the Company		132,703	235,176
Non-controlling interests		2,422	(405)
		135,125	234,771
Earnings per share (RMB):			
Basic	22	0.05	0.11
Diluted	22	0.05	0.11

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Attributable to owners of the Company										
	Share capital RMB('000)	Perpetual convertible securities RMB('000)	Retained earnings RMB('000)	Equity compensation reserve RMB('000)	Reverse acquisition reserve RMB('000)	Bonds Reserve RMB('000)	Statutory common reserve RMB('000)	Translation reserve RMB('000)	Total RMB('000)	Non-controlling interests RMB('000)	Total equity RMB('000)
At 1 January 2015, as reported	4,028,372	878,970	1,970,280	19,707	(1,993,712)	-	68,444	28,542	5,000,603	54,564	5,055,167
Prior year adjustment/ reclassification (Note 30)	-	-	(40,901)	-	-	42,458	-	-	1,557	-	1,557
At 1 January 2015, as restated	4,028,372	878,970	1,929,379	19,707	(1,993,712)	42,458	68,444	28,542	5,002,160	54,564	5,056,724
Total comprehensive income for the year:											
Profit for the year			126,203						126,203	2,422	128,625
Other comprehensive income:											
- Foreign currency translation differences								6,500	6,500		6,500
Total comprehensive income for the year			126,203					6,500	132,703	2,422	135,125
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners:											
- Distribution to holder of perpetual convertible securities			(109,058)						(109,058)		(109,058)
Total transactions with owners, recognised directly in equity			(109,058)						(109,058)		(109,058)
At 31 December 2015	4,028,372	878,970	1,946,524	19,707	(1,993,712)	42,458	68,444	35,042	5,025,805	56,986	5,082,791

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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	Attributable to owners of the Company										
	Share capital RMB('000)	Perpetual convertible securities RMB('000)	Retained earnings RMB('000)	Equity compensation reserve RMB('000)	Reverse acquisition reserve RMB('000)	Convertible Bonds Reserve RMB('000)	Statutory common reserve RMB('000)	Translation reserve RMB('000)	Total RMB('000)	Non-controlling interests RMB('000)	Total equity RMB('000)
At 1 January 2014, as reported	3,536,777	-	1,717,679	18,526	(1,993,712)	-	68,444	49,117	3,396,831	54,969	3,451,800
Prior year adjustment/reclassification (Note 30)	-	-	(42,627)	-	-	42,458	-	-	(169)	-	(169)
At 1 January 2014, as restated	3,536,777	-	1,675,052	18,526	(1,993,712)	42,458	68,444	49,117	3,396,662	54,969	3,451,631
Total comprehensive income/(loss) for the year:											
Profit/(Loss) for the year	-	-	255,751	-	-	-	-	-	255,751	(405)	255,346
Other comprehensive loss:											
- Foreign currency translation differences	-	-	-	-	-	-	-	(20,575)	(20,575)	-	(20,575)
Total comprehensive income/(loss) for the year	-	-	255,751	-	-	-	-	(20,575)	235,176	(405)	234,771
Transactions with owners, recognised directly in equity:											
Contributions by and distributions to owners:											
- Issue of shares	481,659	-	-	-	-	-	-	-	481,659	-	481,659
- Issue of shares pursuant to Performance Share Plan	9,936	-	-	(9,936)	-	-	-	-	-	-	-
- Share-based payment transactions	-	-	-	11,117	-	-	-	-	11,117	-	11,117
- Issue of perpetual convertible securities	-	878,970	-	-	-	-	-	-	878,970	-	878,970
- Distribution to holder of perpetual convertible securities	-	-	(1,424)	-	-	-	-	-	(1,424)	-	(1,424)
Total transactions with owners, recognised directly in equity	491,595	878,970	(1,424)	1,181	-	-	-	-	1,370,322	-	1,370,322
At 31 December 2014	4,028,372	878,970	1,929,379	19,707	(1,993,712)	42,458	68,444	28,542	5,002,160	54,564	5,056,724

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015 RMB('000)	Year ended 31 December 2014 RMB('000) Re-stated
Cash Flows from Operating Activities			
Profit before taxation		177,378	358,344
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	3	8,228	3,379
Amortisation of deferred lease incentives		484	1,065
Amortisation of prepaid legal consultancy service fee		208	500
Equity-settled share-based payment transactions	20	-	11,117
Change in fair value gain of investment properties	19	(114,910)	(117,725)
Change in fair value of financial asset	19	(43,000)	-
Interest income	19	(48,569)	(8,011)
Interest expense	20	102,296	68,494
Loss on disposal of property, plant and equipment		2	4
Operating profit before working capital changes		82,117	317,166
Change in investment properties		(31,346)	-
Change in development properties		(1,313,276)	(518,042)
Change in trade and other receivables		(558,306)	(141,863)
Change in trade and other payables		422,922	(499,223)
Cash used in operations		(1,397,889)	(841,961)
Interest paid		(109,146)	(73,429)
Interest received		48,569	8,011
Income tax paid		(10,673)	(21,248)
Net cash used in operating activities		(1,469,139)	(928,627)
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	3	(8,779)	(20,850)
Proceeds from disposal of investment properties		-	7,824
Proceeds from disposal of property, plant and equipment		-	10
Acquisition of other investment	6	(59,000)	(500,000)
Net cash used in investing activities		(67,779)	(513,016)
Cash Flows from Financing Activities			
Issue of shares	12	-	481,659
Cash at bank – restricted	10	(378,259)	(223,983)
Proceeds from loans and borrowings		3,764,902	2,350,462
Repayment of loans and borrowings		(1,843,043)	(2,027,160)
Repayment of perpetual convertible securities		(65,411)	-
Proceeds of loan from a shareholder		-	209,944
Repayment of loan from a shareholder		-	(209,944)
Issue of perpetual convertible securities	13	-	878,970
Net cash from financing activities		1,478,189	1,459,948
Net (decrease)/increase in cash and cash equivalents		(58,729)	18,305
Cash and cash equivalents at beginning of year		198,807	184,786
Effects of exchange rate changes on cash and cash equivalents		38,042	(4,284)
Cash and cash equivalents at end of year	10	178,120	198,807

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The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

1 GENERAL INFORMATION

Ying Li International Real Estate Limited (the "Company") is a limited liability company incorporated in the Republic of Singapore. The Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (SGX-ST) on 24 October 2008.

The registered office of the Company is located at 12 Marina Boulevard, #18-05 Marina Bay Financial Centre Tower 3, Singapore 018982. Its principal place of business is located at Level 57, Yingli International Financial Centre, No. 28, Minquan Road, Yuzhong District, Chongqing 400010, the People's Republic of China (the "PRC").

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

The consolidated financial statements for the year ended 31 December 2015 relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

2(a) BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

First Adoption of Singapore Financial Reporting Standards ("FRS")

These financial statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with Singapore Financial Reporting Standards ("FRS"). For periods up to and including the year ended 31 December 2014, the Group prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS").

Accordingly, the Group has prepared financial statements which comply with FRS applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014, as described in the accounting policies. In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 January 2015, the Group's date of transition to FRS.

The adoption of FRS did not result in any adjustments to the previously published IFRS financial statements as at and for the year ended 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Renminbi (RMB) to the nearest thousand, RMB'000. The functional currency of the Company is Singapore dollars. All financial information has been presented in RMB, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical assumptions and accounting estimates used in applying accounting policies and areas involving significant judgement are described below.

(a) Significant judgements in applying accounting policies

(i) Identification of functional currencies

The functional currency for each entity in the Group, and for jointly controlled entities and associates, is the currency of the primary economic environment in which it operates. These financial statements are presented in RMB, which is the functional and presentational currency of most of the Group entities. Determination of functional currency involves significant judgment and other companies may make different judgments based on similar facts. The functional currency of each of the Group entities is principally determined by the primary economic environment in which the respective entity operates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Significant accounting estimates and judgements *(cont'd)*

(a) Significant judgements in applying accounting policies *(cont'd)*

(i) Identification of functional currencies *(cont'd)*

The Group reconsiders the functional currency of its entities if there is a change in the underlying transactions, events and conditions which determine their primary economic environment. The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement.

(ii) Income tax

Significant judgement is involved in determining the provision for income taxes. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is probable that that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Group has recognised a deferred tax asset in respect of unabsorbed tax losses of certain subsidiaries in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The recognition involves best estimation and judgement, including the subsidiaries' future financial performance based on the latest available profit forecasts. As at 31 December 2015, the carrying amounts of the Group's deferred tax assets, deferred tax liabilities and current tax payables amounted to RMB22,840,000, RMB549,019,000 and RMB172,830,000. (2014: RMB26,910,000, RMB527,047,000 and RMB160,792,000), respectively.

(iii) Classification of development properties as current assets

The Group's current assets include assets which are expected to be realised, or are intended for sale in the Group's normal operating cycle. The Group engages in development of properties for sale which has an operating cycle of over one year. Significant judgement is involved in determining the length of the normal operating cycle which is the basis for classifying development properties as current assets when those development activities have commenced and are expected to be completed within the normal operating cycle. Similarly, the bank loans which are directly attributable to these properties under development and are expected to be settled within the normal course of the Group's operating cycle are classified as current liabilities. The carrying amounts of the development properties and borrowings are disclosed in Note 7 and 16 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Significant accounting estimates and judgements *(cont'd)*

(a) Significant judgements in applying accounting policies *(cont'd)*

(iv) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, management has determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of investment properties. The carrying amount of deferred tax liabilities is disclosed in Note 15 to the financial statements.

(v) Reclassification from Development Properties to Investment Properties

From time to time, the Group will transfer some of its properties held under Properties under Development to Investment Properties. In determining the amount of the properties to be classified as Investment Properties, the Group has consistently used the financial means test to evaluate whether it has the ability to retain these properties as the main criteria for the reclassification. On the date of the reclassification to Investment Properties, the property is measured at fair value by an independent firm of professional valuers. Any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss. The carrying amount of Investment Properties is disclosed in Note 4 to the financial statements.

(vi) Unquoted investment in limited partnership

An entity is accounted for using the equity method in the consolidated financial statements where the Group has significant influence over the entity. Significant influence arises where the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an investor holds directly or indirectly 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Significant judgement is applied by management in assessing where significant influence exists. This involves assessment of the purpose and design of the entity, identification of the activities which significant affect the entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Although the Group holds more than 20% of the interest in a limited partnership entity, the Group does not have any significant influence over the investee in accordance with the partnership agreement. The Group has classified as other investments as disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Significant accounting estimates and judgements *(cont'd)*

(a) Significant judgements in applying accounting policies *(cont'd)*

(vii) Perpetual convertible securities

Pursuant to the terms of the Perpetual Convertible Securities, the Company, as an issuer of the Perpetual Convertible Securities, can at its option redeem the Perpetual Convertible Securities and at its discretion defer distributions on the Perpetual Convertible Securities. However, the Company will not be able to declare or pay any dividends if any distributions on the Perpetual Convertible Securities are unpaid or deferred. In the opinion of the Directors of the Company, this restriction does not result in the Company having the obligation to redeem the Perpetual Convertible Securities or pay distributions on the Perpetual Convertible Securities. Accordingly, the Perpetual Convertible Securities are classified as equity instruments. The carrying amount of the Perpetual Convertible Securities is RMB 878,970,000 (2014: RMB878,970,000). Details of which are set out in Note 13.

(viii) Going concern

Management has assessed for the assumptions of the use of going concern by performing a profitability and cash flow projection for the next one year based on sales and related forecast and sales of development properties of existing projects. Management has also reviewed the Group's ability to source of re-financing of borrowings. Based on these assessments, the use of going concern is appropriate.

(b) Critical accounting estimates and assumptions used in applying accounting policies

(i) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires the determination of the most appropriate valuation model, and is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The cost of equity-settled share-based payment transactions are Nil (2014: RMB11,117,000) for the year ended 31 December 2015. Further detailed information regarding the binomial option pricing model and relevant inputs used to determine the fair value of share options are disclosed in Note 11 to the financial statements. If different assumptions had been used, the fair value of the options would have been different from the amount we computed and recorded, which would have resulted in either an increase or decrease in the compensation expense in 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Significant accounting estimates and judgements *(cont'd)*

(b) Critical accounting estimates and assumptions used in applying accounting policies *(cont'd)*

(ii) Estimation of net realisable value of development properties

Significant judgement is required in assessing the recoverability of the carrying value of properties for sale under development. Significant judgement is required in assessing the expected date of project completion and determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the total estimated construction costs exceeds estimated selling price.

A 5% increase in the contract costs to be incurred from management's estimates would increase the costs of completion of the projects by approximately RMB202,787,000 (2014: RMB270,352,000). The Group's carrying amount of properties under development at the reporting date amounted to RMB4,651,332,000 (2014: RMB3,408,627,000).

(iii) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment is disclosed in Note 3 to the financial statements. A 5% difference in the estimated useful lives of property, plant and equipment from management's estimates will result in approximately 1.8% (2014: 0.9%) variance in the Group's profit for the year.

(iv) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating-unit (or group of cash-generating-units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors. The carrying amounts of property, plant and equipment and investments in subsidiaries are RMB60,598,000 (2014: RMB60,052,000) and RMB2,827,257,000 (2014: RMB2,827,257,000) respectively. A reasonably possible change in key assumptions (1% increase in discount rate and 1% decrease in annual growth rate) would not cause the carrying amounts to exceed the recoverable amounts. The net carrying amount of property, plant and equipment is disclosed under Note 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) BASIS OF PREPARATION *(cont'd)*

Significant accounting estimates and judgements *(cont'd)*

(b) Critical accounting estimates and assumptions used in applying accounting policies *(cont'd)*

(v) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets. The carrying amount of investment properties is disclosed in Note 4 to the financial statements. If the market value used to estimate the fair value of the investment properties decreases/increases by 5% from management's estimates, the Group's profit for the year will decrease/increase by RMB4,309,000 (2014: RMB4,414,000).

(vi) Impairment of loans and receivables

Impairment loss of loans and receivables are based on an assessment of the recoverability of trade and other receivables and amounts due from subsidiaries. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible.

A significant degree of judgement is applied by management when considering whether a trade receivable is impaired. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The carrying amounts of trade and other receivables and amounts due from subsidiaries are disclosed in Note 8 and 9 to the financial statements respectively. If the present value of estimated future cash flows from trade and other receivables and amounts due from subsidiaries decreases by 5% from management's estimates, the Group's and the Company's profit for the year will decrease by approximately RMB3,710,000 and RMB16,519,000 (2014: RMB501,000 and RMB17,476,000) respectively, where applicable.

(vii) Valuation of unquoted investment in limited partnership

The fair value of unquoted investment in limited partnership is based on generally accepted valuation techniques. Valuation techniques use a maximum of market inputs and include the use of discounted cash flow analysis and other valuation techniques commonly used by market participants. Because of the inherent valuation uncertainty, those estimated fair values may differ significantly from the values that would be used if a ready market for the financial assets existed, and those differences could be material. These fair value measurement is categorised as level 3 within the fair value hierarchy. The carrying amount of the unquoted equity investment is disclosed in Note 6 to the financial statements. If the market value used to estimate the fair value of the investment in limited partnership decreases/increases by 5% from management's estimates, the Group's profit for the year will decrease/increase by RMB2,150,000. For financial year ended 31 December 2014, the carrying amount of the investment in limited partnership approximated its fair value as the investment was made on 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(b)(i) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2015

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2015. Information on these new standards, which are applicable to the Group and Company, is presented below. The adoption of these new and revised standards which are relevant to the Group and the Company does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

Reference	Description
Amendments to FRS 19	Defined Benefit Plan: Employee Contributions
Amendments to FRSs (January 2014) FRS 24 FRS 108	Related Party Transactions Operating segments
Amendments to FRS (February 2014) FRS 40	Investment property

The directors do not anticipate that the adoption of the above FRSs will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

Improvements to FRS (January 2014) FRS 24 Related Party Disclosures

Improvements to FRSs (January 2014) FRS 24 *Related Party Disclosures* is amended to include, as a related party an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity. The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose amounts charged to the reporting entity by the management entity for services provided. The improvements to FRSs (January 2015) FRS 24 *Related Party Disclosures* are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and Company when implemented.

Improvements to FRS (January 2014) FRS 108 Operating Segments

The Improvements to FRSs (January 2014) FRS 108 *Operating Segments* clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. The improvements to FRSs (January 2014) FRS 108 *Operating Segments* are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group when implemented.

Improvements to FRS (February 2014) FRS 40 Investment Property

FRS 40 *Investment Property* has been amended to clarify that an entity should assess whether an acquired property is an investment property under FRS 40 and perform a separate assessment under FRS 103 Business Combination to determine whether the acquisition of the investment property constitutes a business combination. The Group has no record of acquiring investment property and thus the improvement to FRS 40 does not have any impact on the financial performance or the financial position of the Group when implemented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(b)(ii) FRS NOT YET EFFECTIVE

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue Contract from Customer	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 1	Presentation of Financial Statements	1 January 2016

FRS 115 Revenue Contracts from Customers

FRS 115 *Revenue from Contracts with Customers* establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard replaces FRS 11 *Construction Contracts*, FRS 18 *Revenue*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for Construction of Real Estate*, INT FRS 118 *Transfer of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions involving Advertising Services*. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards. FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

FRS 109 Financial Instruments

FRS 109 *Financial Instruments* replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking “expected loss” impairment model and
- A substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements

FRS 1 Presentation of Financial Statements

The amendments to FRS 1 *Presentation of Financial Statements* clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

As this is a disclosure requirements, there is no impact to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(b)(ii) FRS NOT YET EFFECTIVE *(cont'd)*

FRS 12 Income Taxes

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

FRS 7 Statement of Cash Flows

An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Consolidation *(cont'd)*

- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Consolidation *(cont'd)*

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is Singapore Dollars.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Renminbi. The choice of presentation currency is to better reflect the currency that mainly determines economic effects of transactions, events and conditions of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Conversion of foreign currencies

Foreign currency transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the date of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of reporting period are recognised in the profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the translations.

Group entities

The results and financial position of all the Group entities (*none of which has the currency of a hyperinflationary economy*) and the Company that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities (including comparatives) are translated at the closing exchange rates at the end of reporting period;
- (ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of transactions; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Leasehold building	20 – 30 years
Furniture and fittings	20 years
Office equipment	3 to 5 years
Motor vehicles	5 years
Computers	3 to 5 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Property, plant and equipment and depreciation *(cont'd)*

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before that expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Group. Investment properties are treated as non-current investments and are initially carried at cost and subsequently carried at fair value, representing open market value determined on annual basis by an independent firm of professional valuers. The Group has consistently reclassified properties as investment properties when it has the financial resources to do so. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Investment properties *(cont'd)*

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- possession of financial means to retain the properties with a view to earn rental income and capital appreciation, for a transfer from properties under development to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Development properties

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties, exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs, aggregate cost of development, materials and supplies, wages and other direct expenses, less any allowance considered necessary by the directors.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceases upon completion of development. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted average as applicable.

Properties for sale under development are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Completed properties are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The Group does not hold any held-to-maturity investments or available-for-sale financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Financial assets *(cont'd)*

Loans and receivables *(cont'd)*

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date the impairment is reversed.

Any reversal is recognised in profit or loss.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Loans and receivables comprise cash and cash equivalents and trade and other receivables, excluding prepayments and advance payments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include non-derivative financial assets that are acquired principally for the purpose of selling or repurchasing in the near term.. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period. At inception, investment in limited partnership, originally designated as a financial asset at fair value through profit or loss, was presented as an available-for-sale financial asset instead of a financial asset at fair value through profit or loss.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in profit or loss, net of any effects arising from income taxes, until the financial assets are disposed of.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. For the purpose of the statement of cash flows, pledged bank balances are excluded while bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties and properties under development, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation.

Impairment losses recognised for cash-generating units, are charged pro rata to the assets in the cash-generating unit.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Financial liabilities

The Group's financial liabilities include bank borrowings, and trade and other payables, excluding advances from customers and contractors. They are included in the statement of financial position items under "non-current financial liabilities", "current financial liabilities" and "trade and other payables".

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in profit or loss. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any.

Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments.

Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of borrowing using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the reporting date are included in current borrowings in the statement of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than 12 months after the reporting date are included in non-current borrowings in the statement of financial position.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to shares at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When a convertible bond is being repurchased before its maturity date, the purchase consideration (including directly attributable costs, net of tax effects) are allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss.

Interest and gains and losses related to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Financial guarantee

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statement of financial position.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Share capital *(cont'd)*

Perpetual convertible securities issued by the Group, which includes no contractual obligation for the Group to deliver cash or another financial asset to the holders or to exchange financial assets or financial liabilities with the holders under conditions that are potentially unfavourable to the Group, are classified as equity instruments and are initially recorded at the proceeds received.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared because of the articles of association of the Company which grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Operating leases

Where the Group is a lessor

Assets leased out under operating leases are included in investment properties and are stated at fair value and not depreciated. Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Where the Group is a lessee

Where the Group has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as a reduction of rental expense on a straight-line over the term of the lease term.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected costs of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Borrowing costs

Borrowing costs are recognised in profit or loss as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in the profit or loss with a corresponding increase in the share option reserve over the vesting period during which the employees become unconditionally entitled to the equity instrument. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At the end of each reporting period, the Group revises its estimates of the number of shares under options

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Employee benefits *(cont'd)*

Share-based payments *(cont'd)*

that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in the profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued.

The fair value of performance shares award granted to employees is recognised as an expense in profit or loss over the vesting period of the share award with a corresponding credit to equity under the equity compensation reserve. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense and as a corresponding adjustment to equity over the remaining vesting period.

When the award shares are issued, the related balance previously recognised in the equity compensation reserve is credited to share capital.

The fair value of the employee share options and is measured using the binomial option pricing model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on an estimation of general option holder behaviour), expected dividends, and the risk free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Income taxes *(cont'd)*

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the asset.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Related parties *(cont'd)*

- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Revenue

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the purchaser. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of the goods.

Sale of properties

Revenue from sale of properties is recognised when the control and risk and rewards of the properties have been transferred to the buyer, i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers and are classified as current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

Revenue *(cont'd)*

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms.

Rental income from sub-leased property is recognised as other income.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Consultancy fee income

Consultancy fee income is recognised when services are rendered.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise perpetual convertible securities and share options.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3 PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold buildings RMB('000)	Office equipment, furniture and fittings RMB('000)	Motor vehicles RMB('000)	Computers RMB('000)	Total RMB('000)
<u>Cost:</u>					
At 1 January 2014	2,105	2,212	11,855	3,334	19,506
Additions	12,776	7,314	–	760	20,850
Transfer from investment properties (Note 4)	33,852	–	–	–	33,852
Disposals	–	(35)	–	(46)	(81)
Exchange difference on translation	–	(5)	–	(2)	(7)
At 31 December 2014	48,733	9,486	11,855	4,046	74,120
Additions	–	7,256	–	1,523	8,779
Disposals	–	(9)	–	(4)	(13)
Exchange difference on translation	–	(6)	–	(2)	(8)
At 31 December 2015	48,733	16,727	11,855	5,563	82,878
<u>Accumulated depreciation/ impairment loss:</u>					
At 1 January 2014	291	1,442	7,881	1,144	10,758
Depreciation for the year	944	711	1,261	463	3,379
Disposals	–	(22)	–	(41)	(63)
Exchange difference on translation	–	(5)	–	(1)	(6)
At 31 December 2014	1,235	2,126	9,142	1,565	14,068
Depreciation for the year	2,338	4,107	816	967	8,228
Disposals	–	(7)	–	(4)	(11)
Exchange difference on translation	–	(4)	–	(1)	(5)
At 31 December 2015	3,573	6,222	9,958	2,527	22,280
<u>Net book value:</u>					
At 31 December 2015	45,160	10,505	1,897	3,036	60,598
At 31 December 2014	47,498	7,360	2,713	2,481	60,052

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

3 PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

The Company	Office equipment, furniture and fittings RMB('000)	Computers RMB('000)	Total RMB('000)
<u>Cost:</u>			
At 1 January 2014	250	95	345
Additions	-	25	25
Disposals	-	(46)	(46)
Exchange difference on translation	(5)	(2)	(7)
At 31 December 2014	245	72	317
Additions	2,184	12	2,196
Exchange difference on translation	(6)	(2)	(8)
At 31 December 2015	2,423	82	2,505
<u>Accumulated depreciation/impairment loss:</u>			
At 1 January 2014	229	57	286
Depreciation for the year	17	22	39
Disposals	-	(42)	(42)
Exchange difference on translation	(5)	(1)	(6)
At 31 December 2014	241	36	277
Depreciation for the year	393	19	412
Exchange difference on translation	(2)	(2)	(4)
At 31 December 2015	632	53	685
<u>Net book value:</u>			
At 31 December 2015	1,791	29	1,820
At 31 December 2014	4	36	40

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4 INVESTMENT PROPERTIES

The Group	2015 RMB('000)	2014 RMB('000)
At 1 January	4,263,465	4,129,299
Transfer from completed properties for sale (Note 7)*	8,739	58,118
Properties sold	(124)	(7,825)
Transfer to property, plant and equipment (Note 3)	–	(33,852)
Net fair value gain recognised in profit or loss	114,910	117,725
At 31 December	4,386,990	4,263,465
Deferred lease incentives **	4,529	321
Total investment properties	4,391,519	4,263,786

* During the year, due to changes in business conditions and business strategies, certain completed properties for sale were re-designated as investment properties for rental income and future capital appreciation. Arising therefrom, amounts of RMB8,739,000 (2014: RMB58,118,000) were transferred from completed properties for sale to investment properties.

** Deferred lease incentives relate to costs assumed by the Group on leasehold improvements to investment properties leased to tenants under operating leases. The lease incentives are recognised as an expense over the lease term on the same basis as the lease income.

The fair value of investment properties is determined by Jones Lang LaSalle Corporate Appraisal and Advisory, an independent firm of professional valuers who have appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.

The investment properties are leased to non-related parties under operating leases.

The following amounts are recognised in profit or loss:

The Group	2015 RMB('000)	2014 RMB('000)
Rental income	210,772	178,986
Direct operating expenses arising from investment properties that generated rental income	(21,976)	(19,688)
Direct operating expenses arising from investment properties that did not generate rental income	(10,153)	(5,446)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4 INVESTMENT PROPERTIES *(cont'd)*

Details of the investment properties are as follows:

Location (Chongqing, PRC)	Name of project	Description	Total net lettable area (sq. meters)	Group's effective interest in the property	Tenure (Years)
No.46 to 52 Cangbai Road, Yuzhong District	Southland Garden	Commercial and residential units, car parks	13,242.93	97%	40-year and 50-year land use rights for commercial and residential units expiring in November 2042 and November 2052, respectively.
No.108 Bayi Road, Yuzhong District, Chongqing	New York, New York	Car parks	277.15	97%	40-year land use rights for commercial units expiring in January 2042.
No.181 Minsheng Road, Yuzhong District	Minsheng Mansion	Commercial and residential units, car parks	9,174.63	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2033 and September 2043, respectively.
No.6 Guanyinqiao, Pedestrian Street, Jiang Bei District	Future International	Commercial units, car parks	82,227.46	97%	40-year land use rights for commercial units expiring in March 2045.
No.141 to 155 Zourong Road, Yuzhong District	Zou Rong Plaza	Commercial units, car parks	6,805.51	97%	50-year land use rights for commercial units expiring in January 2046.
No.8 Bashu Road, Yuzhong District	Bashu Cambridge	Commercial and residential units, car parks	7,026.25	97%	40-year and 50-year land use rights for commercial and residential units expiring in September 2044 and September 2054, respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

4 INVESTMENT PROPERTIES *(cont'd)*

Location (Chongqing, PRC)	Name of project	Description	Total net lettable area (sq. meters)	Group's effective interest in the property	Tenure (Years)
No.19 Daping Zheng Jie Yuzhong District	Ying Li International Plaza	Retail units, car parks	133,245.80	100%	40-year and 50-year land use rights for commercial and residential units expiring in July 2050 and July 2060, respectively.
No. 26 & 28 Minquan Road, Yuzhong District	Ying Li International Financial Centre	Commercial and retail units, car parks	91,344.78	97%	40-year land use rights for commercial units expiring in 20 December 2044.

* At 31 December 2015, investment properties with carrying value of approximately RMB4,287,426,000 (2014 - RMB3,760,859,000) are mortgaged to banks to secure the bank loans granted to the Group (Note 16).

5 SUBSIDIARIES

The Company	2015 RMB('000)	2014 RMB('000)
Unquoted equity investments, at cost	2,827,257	2,827,257

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2015 %	2014 %
Held by the Company:				
Fortune Court Holdings Limited	Hong Kong	Investment holding	100	100
Chongqing Yingli Real Estate Development Co., Ltd ("CQYL")	PRC	Property development	97	97
Luckzone International Limited	British Virgin Islands ("BVI")	Investment holding	100	100
Shiny Profit Enterprises Limited	BVI	Investment holding	100	100
Peak Century Holdings Limited	BVI	Investment holding	100	100
Top Accurate Holdings Limited	BVI	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 SUBSIDIARIES *(cont'd)*

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2015 %	2014 %
Held by the Company: <i>(cont'd)</i>				
Verdant View Limited	BVI	Investment holding	100	100
Vast Speed Limited	BVI	Investment holding	100	100
Brandway Investment Limited	BVI	Investment holding	100	100
Ever Perfect Enterprise Limited	BVI	Investment holding	100	100
First Regent International Limited	Hong Kong	Investment holding	100	100
Held by Ever Perfect Enterprise Limited:				
Fully Rich Industrial Limited	Hong Kong	Purchasing of construction material and equipment	100	100
Held by Luckzone International Limited:				
Chongqing Yingli Qipaifang Real Estate Development Co., Ltd	PRC	Property development	100	100
Held by Fortune Court Holdings Limited:				
Chongqing Yingli Real Estate Development Co., Ltd	PRC	Property development	97	97
Held by Chongqing Yingli Real Estate Development Co., Ltd:				
Chongqing San Ya Wan Aquatic Products Integrative Trading Market Development Co., Ltd ("San Ya Wan")	PRC	Property development	77.6	77.6
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	99.8	99.8
Chongqing Ying Li Guang Sheng Hardware and Electrical Market Development Co., Ltd ("Guang Sheng")	PRC	Property development, property management, property leasing and carpark services	97	97

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 SUBSIDIARIES *(cont'd)*

Name of subsidiary	Country of incorporation	Principal activities	Effective interest held by the Group	
			2015 %	2014 %
<u>Held by Shiny Profit Enterprises Limited:</u>				
Chongqing Yingli Shiny Profit Real Estate Co., Ltd	PRC	Property development	100	100
<u>Held by Peak Century Holdings Limited:</u>				
Yingli International Commercial Properties Management Co., Ltd.	PRC	Property consultancy, sale, marketing and management services	100	100
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	100	100
<u>Held by Yingli International Commercial Properties Management Co., Ltd:</u>				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	100	100
Chongqing Yingli Zhuoyue Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	100	100
<u>Held by Top Accurate Holdings Limited:</u>				
Chongqing Lu Zu Temple Real Estate Co., Ltd	PRC	Property development	99.8	99.8
<u>Held by Verdant View Limited:</u>				
Chongqing Lion Equity Investment Partnership	PRC	Investment holding	100	100
<u>Held by Chongqing Lion Equity Investment Partnership</u>				
Chongqing Yingli Retail Management Co., Ltd	PRC	Property consultancy, sale, marketing and management services	100	100
<u>Held by First Regent International Limited:</u>				
Perfect Summit Limited	Hong Kong	Investment holding	100	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 SUBSIDIARIES *(cont'd)*

All subsidiaries of the Group, as listed above, are audited by Foo Kon Tan LLP for consolidation purposes.

Summarised financial information in respect of the Group's subsidiaries in the PRC that have non-controlling interests (NCI) are set out below:

	CQYL RMB('000)	San Ya Wan RMB('000)	Guang Sheng RMB('000)	Total RMB('000)
2015				
Current assets	2,257,122	1,087,880	451,489	3,796,491
Non-current assets	2,424,661	538	110	2,425,309
Total assets	4,681,783	1,088,418	451,599	6,221,800
Current liabilities	2,857,958	763,909	440,098	4,061,965
Non-current liabilities	269,600	19,814	–	289,414
Total liabilities	3,127,558	783,723	440,098	4,351,379
Net assets	1,554,225	304,695	11,501	1,870,421
Net assets attributable to NCI	(3,542)	60,939	339	57,736
2014				
Current assets	1,705,836	799,072	19,860	2,524,768
Non-current assets	3,288,187	708	–	3,288,895
Total assets	4,994,023	799,780	19,860	5,813,663
Current liabilities	2,327,810	473,172	6	2,800,988
Non-current liabilities	487,250	37,863	–	525,113
Total liabilities	2,815,060	511,035	6	3,326,101
Net assets	2,178,963	288,745	19,854	2,487,562
Net assets attributable to NCI	(3,542)	58,102	586	55,146

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 SUBSIDIARIES *(cont'd)*

	CQYL RMB('000)	San Ya Wan RMB('000)	Guang Sheng RMB('000)	Total RMB('000)
2015				
Revenue	146,836	252,292	-	399,128
Profit/(Loss) for the year	24,788	13,339	(8,353)	29,774
Other comprehensive income	-	-	-	-
Total comprehensive income	24,788	13,339	(8,353)	29,774
Attributable to NCI:				
- Profit/(Loss) for the year	*	(2,668)	246	(2,422)
Other comprehensive income	*	-	-	-
Total comprehensive income/(Loss)	*	(2,668)	246	(2,422)
2014				
Revenue	90,888	205	-	91,093
Profit/(Loss) for the year	55,739	(2,004)	(146)	53,589
Other comprehensive income	-	-	-	-
Total comprehensive income	55,739	(2,004)	(146)	53,589
Attributable to NCI:				
- Profit for the year	*	401	4	405
Other comprehensive income	*	-	-	-
Total comprehensive income	*	401	4	405
2015				
Cash flows (used in)/from operating activities	(33,862)	13,176	(2,008)	(22,694)
Cash flows (used in)/investing activities	(64,560)	-	-	(64,560)
Cash flows from financing activities	118,244	32,670	-	150,914
Net increase/(decrease) in cash and cash equivalents	19,822	45,846	(2,008)	63,660
2014				
Cash flows from/(used in) operating activities	1,426	(311,201)	(19,698)	(329,473)
Cash flows (used in)/from investing activities	(532,493)	(11)	-	(532,504)
Cash flows from financing activities	553,201	317,749	20,000	890,950
Net increase in cash and cash equivalents	22,134	6,537	302	28,973

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 SUBSIDIARIES *(cont'd)*

* Non-controlling interests in CQYL have waived all their rights to receive dividends and/or other distributions (whether in the form of cash or as distributions in species save for bonus shares) declared by CQYL out of its retained earnings or profits in any particular financial year to its shareholders following the Company's completion of the reverse acquisition of Fortune Court Holdings Limited in 2008.

6 OTHER INVESTMENT

The Group	2015 RMB'000	2014 RMB'000
Investment in limited partnership at fair value through profit or loss	Fair value	Fair value
Balance at 1 January	500,000	-
Additions	59,000	500,000
Fair value gain recognised in profit or loss	43,000	-
Balance at 31 December	<u>602,000</u>	<u>500,000</u>

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The fair value of investment in limited partnership is determined by reference to an independent valuation.

7 DEVELOPMENT PROPERTIES

	The Group		The Company	
	31 December 2015 RMB'000	31 December 2014 RMB'000	31 December 2015 RMB'000	31 December 2014 RMB'000
Properties under development, at cost	3,427,422	2,150,700	-	-
Completed properties held for sale, at cost	1,223,910	1,257,927	-	-
	<u>4,651,332</u>	<u>3,408,627</u>	-	-
Borrowing costs capitalised	226,258	121,294	-	-
Transfer to investment properties (Note 4)	(8,739)	(58,118)	-	-
Units sold included in cost of sales	<u>(280,406)</u>	<u>(461,077)</u>	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7 DEVELOPMENT PROPERTIES *(cont'd)*

The Group
2015 2014
RMB'000 RMB'000

Properties under development, at cost

Expected completion date:

– within the next 12 months

1,397,372 384,913

– beyond 12 months

2,030,050 1,765,787

3,427,422 2,150,700

Properties under development and completed properties held for sale as at 31 December 2015 are as follows:

Location (Chongqing, PRC)	Intended use	Stage of completion	Expected date of completion	Site area (sq. meters)	Approximate gross floor area (sq. meters)	Group's effective interest
Properties under development						
Wu Yi Road, Yuzhong District	Retail, office and car parks	36%	2017/2019 (in phases)	18,400	197,000	100%
Guangsheng Hardware and electrical market	Built-to-Order showrooms, warehouse and car parks	45%	2016/2018	199,773	481,560	97%
Jinshi Avenue, National Agricultural and Technology Zone, Yubei District	Retail, residential and car parks	58%	2016/2017	89,726	218,631	77.6%

Location (Chongqing, PRC)	Intended use	Gross floor area (sq. meters)	Group's effective interest
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Completed properties held for sale

No.19 Daping Zheng Jie, Yuzhong District	Office, residential and car parks	55,440	100%
No. 26 & 28 Minquan Road, Yuzhong District	Office and car parks	34,334	97%
Jinshi Avenue, National Agricultural and Technology Zone, Yubei District	Retail, residential and car parks	38,558	77.6%

At 31 December 2015, land related to properties under development with carrying value totalling approximately RMB552,293,000 (2014: RMB567,199,000) was mortgaged to secure a bank loan granted to a subsidiary (Note 16).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

8 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	31 December 2015 RMB'000	31 December 2014 RMB'000	31 December 2015 RMB'000	31 December 2014 RMB'000
Current assets				
Trade receivables (A)	61,777	48,829	-	-
Impairment loss	(11,415)	(3,207)	-	-
Trade receivables, net (A)	50,362	45,622	-	-
Deposit for land tender	423,678	-	-	-
Other deposits	577	9,083	560	851
Refundable contract deposits	27,744	29,941	-	-
Other receivables	42,626	27,825	192	385
Other receivables (B)	494,625	66,849	752	1,236
Financial assets measured at amortised cost – Loans and receivables (A) + (B)	544,987	112,471	752	1,236
Prepayments ⁽¹⁾	176,619	130,066	49	6,341
Advances to sub-contractors and vendors	141,309	66,764	-	-
Advances to property management agents	9,600	9,600	-	-
Prepaid legal consultancy service fees	-	208	-	-
Other current assets (C)	327,528	206,638	49	6,341
Total current trade and other receivables (A) + (B) + (C)	872,515	319,109	801	7,577
Movements in allowance for impairment loss:				
At 1 January	3,207	2,258	-	-
Impairment loss recognised	8,208	949	-	-
At 31 December	11,415	3,207	-	-

(1) At 31 December 2015, prepayments include sales and business taxes on pre-sold properties, loan commitment fees of RMB 72,162,000 (2014: RMB53,232,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

8 TRADE AND OTHER RECEIVABLES *(cont'd)*

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Renminbi	853,995	310,254	-	-
Singapore dollar	18,520	8,855	801	7,577
	872,515	319,109	801	7,577

The ageing analysis of trade receivables at the reporting date is as follows:

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Not past due and not impaired	39,987	42,238	-	-
Past due but not impaired:				
- less than 3 months	-	-	-	-
- 3 months to less than 6 months	-	-	-	-
- 6 months to less than 9 months	-	-	-	-
- 9 months to less than 12 months	262	2,746	-	-
- 12 months and more	10,113	638	-	-
Past due and impaired	11,415	3,207	-	-
Trade receivables	61,777	48,829	-	-
Impairment loss	(11,415)	(3,207)	-	-
Trade receivables, net	50,362	45,622	-	-

Trade receivables are granted credit terms of between 90 to 180 (2014: 90 to 180) days. The Group does not require collateral in respect of trade receivables. Based on historical default rates, the Group believes that no additional impairment allowance is necessary in respect of trade receivables based on their credit standing and payment histories.

Other receivables are unsecured, interest-free and repayable on demand and are not impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9 AMOUNTS OWING FROM/TO SUBSIDIARIES

The amounts owing by/to subsidiaries, comprising mainly advances, are denominated in Renminbi, unsecured, non-interest bearing and repayable on demand.

10 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Cash and bank balances	216,307	355,856	16,482	26,407
Fixed deposits	1,106,401	609,280	-	-
Cash and cash equivalents	1,322,708	965,136	16,482	26,407
Restricted bank balance [#]	(1,144,588)	(766,329)	-	-
As per consolidated statement of cash flows	178,120	198,807	16,482	26,407

At 31 December 2015, the weighted average interest rate of interest-earning bank balances is 2.02% (2014: 1.82%).

[#] Restricted bank balance represents: (i) bank balances of RMB38,187,000 (2014: RMB157,049,000) pledged to banks to release properties secured by banks upon sales of those properties to customers and (ii) fixed deposits of RMB 1,106,401,000 (2014: RMB609,280,000) pledged to banks to secure bank loans provided by banks to the Group entities (Note 29).

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Singapore dollar	21,341	128,851	16,420	26,392
United States dollar	10,188	3,806	62	15
Renminbi	1,291,179	832,479	-	-
	1,322,708	965,136	16,482	26,407

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 EQUITY COMPENSATION BENEFITS

(a) Share options (equity-settled)

The Ying Li Employee Share Option Scheme (the "Option Scheme") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Option Scheme is administered by the Remuneration Committee.

The exercise price will be determined by the Remuneration Committee at:

- (1) market price of the Company's shares; or
- (2) a price which is set at a discount to the market price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the market price

The aggregate number of new shares over which options may be granted under the Option Scheme, when aggregated with the number of new shares to be issued pursuant to the exercise of options and/or such number of fully paid shares in the Company as may be required to be issued pursuant to the vesting of awards under the Performance Share Plan, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which options may be granted under the Option Scheme to controlling shareholders and their associates shall not exceed 25% of the shares available under the Option Scheme, and the number of shares over which an option may be granted under the Option Scheme to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Option Scheme.

The Option Scheme shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Option Scheme is approved by shareholders in general meeting, provided that the Option Scheme may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

Other information regarding the Option Scheme:

- (1) Options granted to employees and executive directors have a contractual life of 4 years commencing from the date of grant and expiring on the day immediately preceding the fourth anniversary of the date of grant.
- (2) The options vest on the second anniversary and third anniversary of the date of grant.
- (3) All options are settled by physical delivery of shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 EQUITY COMPENSATION BENEFITS *(cont'd)*

(a) Share options (equity-settled) *(cont'd)*

Details of the share options are as follows:

Option grant date	Exercise price (\$)	Options outstanding at 1 January 2015 ('000)	Options granted	Options forfeited/expired/lapsed ('000)	Options exercised	Options outstanding at 31 December 2015 ('000)	Exercise period
2/4/2012	0.278	10,538	-	(5,761)	-	4,777	1/4/2014 - 1/4/2016
23/4/2012	0.263	1,514	-	(757)	-	757	22/4/2014 - 22/4/2016
13/3/2013	0.360	-	-	-	-	-	12/3/2015 - 12/3/2017
31/3/2013	0.371	1,272	-	(704)	-	568	30/3/2015 - 30/3/2017
29/9/2013	0.370	-	-	-	-	-	28/9/2015 - 28/9/2017
		13,324	-	(7,222)	-	6,102	

Option grant date	Exercise price (\$)	Options outstanding at 1 January 2014 ('000)	Options granted	Options forfeited/expired/lapsed ('000)	Options exercised	Options outstanding at 31 December 2014 ('000)	Exercise period
2/4/2012	0.278	14,747	-	(4,209)	-	10,538	1/4/2014 - 1/4/2016
23/4/2012	0.263	1,514	-	-	-	1,514	22/4/2014 - 22/4/2016
13/3/2013	0.360	1,081	-	(1,081)	-	-	12/3/2015 - 12/3/2017
31/3/2013	0.371	1,847	-	(575)	-	1,272	30/3/2015 - 30/3/2017
29/9/2013	0.370	910	-	(910)	-	-	28/9/2015 - 28/9/2017
		20,099	-	(6,775)	-	13,324	

No share options were granted during the financial year ended 31 December 2015 and 31 December 2014.

At 31 December 2015, 5,533,761 (2014: 10,786,435) options were exercisable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 EQUITY COMPENSATION BENEFITS *(cont'd)*

(a) Share options (equity-settled) *(cont'd)*

The weighted average remaining contractual life of share options outstanding at 31 December 2015 was 0.35 (2014: 1.35) years.

No expense on share options was recognised during the current year due to forfeitures.

The fair value of the share options amounting to RMB4,821,000 was included in administrative expenses for the year ended 31 December 2014.

Fair value of share options

The fair value of share options granted is measured by reference to the fair value of services received.

Fair value of share options and assumptions

The fair value of share options was determined using the binomial option pricing model with the following inputs:

Date of award	13 March 2013	31 March 2013	29 September 2013	2 April 2012	23 April 2012
Fair value of shares at measurement date	S\$0.19	S\$0.22	S\$0.14	S\$0.184	S\$0.145
Exercise price at grant date	S\$0.36	S\$0.371	S\$0.37	S\$0.278	S\$0.263
Expected volatility	49.45%	49.55%	40.23%	61.85%	58.65%
Risk-free interest rate	0.34%	0.59%	0.78%	0.33%	0.31%
Expected dividend yield	0%	0%	0%	0%	0%
Expected option life	3.25 years	3.25 years	3.75 years	2.25 years	2.25 years

S\$ – denotes Singapore dollars

The exercise price at the grant date was based on the average share price for 5 consecutive trading days prior to the grant date. The expected volatility was based on the historical volatility of the share price over the most recent period that was commensurate with the expected life of the option. The risk-free interest rate was based on the extrapolated Singapore Government zero-coupon bond yield rate on the grant date with a tenure matching the expected option life. Expected dividend yield was based on expected dividend over one-year volume-weighted average share price prior to the grant date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 EQUITY COMPENSATION BENEFITS *(cont'd)*

(b) Share plan

The Ying Li Performance Share Plan (the "Share Plan") was approved by its members at an Extraordinary General Meeting held on 28 April 2010. The Share Plan is administered by the Remuneration Committee.

The aggregate number of new shares over which awards may be granted under the Share Plan, when aggregated with the number of fully paid shares in the Company to be issued pursuant to the vesting of awards under the Performance Share Plan and new shares to be issued pursuant to the exercise of options under the Option Scheme, shall not exceed 5% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the day preceding that date.

Furthermore, the aggregate number of shares over which awards may be granted under the Share Plan to controlling shareholders and their associates shall not exceed 25% of the shares available under the Share Plan and the number of shares over which an award may be granted under the Share Plan to each controlling shareholder or his associate shall not exceed 10% of the shares available under the Share Plan.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is approved by shareholders in general meeting, provided that the Share Plan may continue beyond the aforesaid period of time with the approval of shareholders in general meeting and of any relevant authorities which may then be required.

The shares which are subject to the share awards vest over a four-year performance period, with one quarter of the shares vesting on each of the first, second, third and fourth anniversary of the date of grant, subject to certain service and non-market performance conditions being met.

Information with respect to the number of awards granted under Share Plan is as follows:

Grant date	Fair value (S\$)	Balance	Share awards granted ('000)	Share awards cancelled/lapsed ('000)	Share awards released ('000)	Balance
		as at 1 January 2015 ('000)				as at 31 December 2015 ('000)
2/4/2012	0.278	7,903	-	(7,903)	-	-
23/4/2012	0.263	1,135	-	(1,135)	-	-
14/3/2013	0.360	-	-	-	-	-
31/3/2013	0.371	1,431	-	(1,005)	-	426
29/9/2013	0.370	-	-	-	-	-
		10,469	-	(10,043)	-	426

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 EQUITY COMPENSATION BENEFITS *(cont'd)*

(b) Share plan *(cont'd)*

Grant date	Fair value (S\$)	Balance as at 1 January 2014 ('000)	Share awards granted ('000)	Share awards cancelled/lapsed ('000)	Share awards released ('000)	Balance as at 31 December 2014 ('000)
2/4/2012	0.278	16,590	-	(3,174)	(5,513)	7,903
23/4/2012	0.263	1,703	-	-	(568)	1,135
14/3/2013	0.360	1,081	-	(831)	(250)	-
31/3/2013	0.371	2,771	-	(676)	(664)	1,431
29/9/2013	0.370	1,360	-	(1,360)	-	-
		23,505	-	(6,041)	(6,995)	10,469

S\$ - denotes Singapore dollars

Fair value of performance shares

The fair value of the performance shares was determined based on the market price of the Company's share at the grant date.

No expense on share awards was recognised during the current year due to forfeitures. The fair value of the performance shares of RMB6,295,000 was included in administrative expenses for the year ended 31 December 2014.

12 SHARE CAPITAL

The Company	No. of ordinary shares		Amount	
	2015	2014	2015 RMB'000	2014 RMB'000
Issued and fully paid, with no par value				
At 1 January	2,557,040,024	2,169,044,867	4,028,372	3,536,777
Issue of shares	-	381,000,000	-	481,659
Issue of shares pursuant to Performance Share Plan	-	6,995,157	-	9,936
	-	387,995,157	-	491,595
At 31 December	2,557,040,024	2,557,040,024	4,028,372	4,028,372

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

12 SHARE CAPITAL *(cont'd)*

On 17 September 2014, the Company allotted and issued 381,000,000 ordinary shares in the capital of the Company for a cash consideration of RMB481,659,000.

On 15 March 2014, 30 June 2014 and 18 December 2014 collectively, the Company issued and allotted an aggregate of 6,995,157 fully paid-up ordinary shares in the capital of the Company amounting to RMB9,936,000 pursuant to the vesting of the share awards.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

13 PERPETUAL CONVERTIBLE SECURITIES

In October 2014, the Company issued perpetual subordinated convertible securities (the "Perpetual Convertible Securities") with an initial aggregate principal amount of Singapore dollars S\$185 million comprising Tranche 1 and Tranche 2 amounting to S\$165 million and S\$20 million, respectively. The details of the Perpetual Convertible Securities are set out in the circular 18 August 2014 (the "Circular"). The issue of the Perpetual Convertible Securities generated gross proceeds of RMB902,097,000 and net proceeds of RMB878,970,000 after deducting RMB23,127,000 of transaction costs.

The Perpetual Convertible Securities have no fixed maturity.

Tranche 1 Perpetual Convertible Securities can be redeemed by the Company after the date of the fifth anniversary of the relevant issue date. Tranche 2 Perpetual Convertible Securities can be redeemed by the Company during the following periods: (i) between the second anniversary of the issue date (including the date of the second anniversary of the issue date) and the third anniversary from the issue date (but excluding the date of the third anniversary from the Issue Date); and (ii) after the date of the fifth anniversary from the issue date.

The Perpetual Convertible Securities confer on the holder a right to receive a distribution at a rate of 8.75% per annum on principal till the third anniversary from the issue date (but excluding the date of the third anniversary from the issue date), and subsequently at other rates as detailed in the Circular. The Company may elect to defer distribution, and is not subject to any limits as to the number of times distribution can be deferred.

While any distributions are unpaid or deferred, the Company shall not declare or pay any dividends, distributions or make payment on, and will procure that no dividend or other payment is made on or redeem, reduce, cancel, buyback or acquire for any consideration any share capital thereof (including preference shares) or security issued by the Company which security issued by the Company which ranks or is expressed to rank *pari passu* with Perpetual Capital Securities.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13 PERPETUAL CONVERTIBLE SECURITIES *(cont'd)*

The holder of the convertible securities has the right to convert such convertible securities into shares of the Company at any time between the expiry of three years from the issue date (including the date of the third anniversary from the issue date) and the expiry of six years from the issue date (excluding the date of the sixth anniversary of the issue date).

As the convertible securities have no contracted obligation to repay its principal nor to pay any distributions, they do not meet the definition for classification of a financial liabilities. As a result, the whole instrument is classified as equity, and respective distributions if and when declared are treated as equity dividends.

14 OTHER RESERVES

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Equity compensation reserve	19,707	19,707	19,707	19,707
Reverse acquisition reserve	(1,993,712)	(1,993,712)	-	-
Statutory common reserve	68,444	68,444	-	-
Convertible bonds reserve	42,458	42,458	42,458	42,458
Translation reserve	35,042	28,542	(115,276)	(73,771)
	(1,828,061)	(1,834,561)	(53,111)	(11,606)

The equity compensation reserve comprises the cumulative value of employee services received for the issue of performance shares and share options.

The reverse acquisition reserve relates to the excess of purchase consideration over the fair value of the net assets of Fortune Court Holdings Limited acquired under a reverse acquisition in 2008.

The statutory common reserve represents the amount transferred from profit after taxation of the subsidiaries incorporated in the PRC in accordance with the PRC requirement. The statutory common reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount either in setting off the accumulated losses or increasing capital.

The translation reserve records exchange differences arising from the translation of the financial statements of Group entities whose functional currencies are different from that of the Group's presentation currency.

The convertible bonds reserve comprises the equity component of the convertible bonds net of directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

15 DEFERRED TAX ASSETS/LIABILITIES

	31 December 2015 RMB'000	31 December 2014 RMB'000
The Group		
Deferred tax assets – recovered beyond one year	22,840	26,910
Deferred tax liabilities – settled beyond one year	(549,019)	(527,047)

Movement in temporary differences during the year is as follows:

	Balance at 1 January 2014 RMB'000	Recognised in profit or loss RMB'000	Balance at 31 December 2014 RMB'000	Recognised in profit or loss RMB'000	Balance at 31 December 2015 RMB'000
Group					
Deferred tax assets/ (liabilities)					
Investment properties	(498,492)	(28,555)	(527,047)	(21,972)	(549,019)
Unabsorbed tax losses	14,953	11,957	26,910	(4,070)	22,840
	(483,539)	(16,598)	(500,137)	(26,042)	(526,179)

At 31 December 2015, no deferred tax liabilities have been recognised in respect of withholding tax payable on the undistributed profits of foreign subsidiaries amounting to approximately RMB 2,627,786,173 (2014: RMB2,540,289,000) because the Group is able to control both the timing of distribution of profits and disposal of these subsidiaries.

16 BORROWINGS

	Maturity	The Group		The Company	
		2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Bank loans					
– repayable within one year or less	2016	1,578,153	1,390,272	55,122	13,283
– repayable after one year but within the normal operating cycle	2017 to 2018	1,244,267	325,500	–	–
Presented as current liabilities		2,822,420	1,715,772	55,122	13,283
Bank loans	2016–2028	2,263,230	1,428,720	–	44,470
Presented as non-current liabilities		2,263,230	1,428,720	–	44,470
Total borrowings		5,085,650	3,144,492	55,122	57,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16 BORROWINGS *(cont'd)*

Bank loans

At 31 December 2015, the bank loans are secured by:

- (a) a mortgage over the investment properties (Note 4);
- (b) land related to development properties with carrying value totalling approximately RMB552,293,000 (2014: RMB567,199,000) (Note 7); and
- (c) fixed and floating charges on assets of certain subsidiaries including fixed deposits pledged amounting to RMB 1,106,401,300 (2014: RMB609,280,000).

The bank loans have a weighted average interest rate of 7.65 % (2014: 6.88 %) per annum at the reporting date. Interest on the bank loans is repriced within 12 months (2014: 12 months).

The bank loans which are expected to be settled twelve months after the reporting date, but within the normal course of the Group's operating cycle for development of properties for sale or consumption, are classified as current liabilities because such bank loans are directly attributable to these properties under development.

The Company has provided guarantees to banks in respect of banking facilities granted to a subsidiary amounting to RMB457,700,000 (2014: RMB460,000,000). The current interest rate charged by the lender on the loan to the subsidiary is at market rate and is consistent with the borrowing cost of the subsidiary without corporate guarantees. The Company has assessed the fair value of corporate guarantees is immaterial. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

The bank loans are denominated in the following currencies:

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Singapore dollar	55,122	57,753	55,122	57,753
Renminbi	4,341,350	2,544,250	-	-
United States dollar	689,178	542,489	-	-
	5,085,650	3,144,492	55,122	57,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

17 TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 December 2015 RMB'000	31 December 2014 RMB'000	31 December 2015 RMB'000	31 December 2014 RMB'000
Trade payables (A)	778,090	325,664	-	-
Accrued expenses	87,985	49,845	58,473	10,701
Rental deposits	1,459	2,684	-	-
Project deposits	23,238	11,500	-	-
Others	5,986	1,690	-	-
Other payables (B)	118,668	65,719	58,473	10,701
Financial liabilities measured at amortised cost – Trade and other payables (A) + (B)	896,758	391,383	58,473	10,701
Advances from customers	136,464	150,052	-	-
Other current liabilities (C)	136,464	150,052	-	-
Total current trade and other payables (A) + (B) + (C)	1,033,222	541,435	58,473	10,701
Non-current other payables				
- Rental and option deposits	-	113,130	-	-

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Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2015 RMB'000	31 December 2014 RMB'000	31 December 2015 RMB'000	31 December 2014 RMB'000
Singapore dollar	58,027	10,701	58,027	10,701
Renminbi	973,500	629,510	446	-
United States dollar	1,695	14,354	-	-
	1,033,222	654,565	58,473	10,701

Trade payables have credit terms of between 60 to 180 days (2014: 60 to 180 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

18 PRINCIPAL ACTIVITIES AND REVENUE

The principal activities of the Group consist of property development and property investment. The principal activities of the subsidiaries are as stated in Note 5.

Significant categories of revenue, excluding inter-company transactions are detailed as follows:

The Group	2015 RMB'000	2014 RMB'000
Sale of development properties	399,103	851,505
Rental income from investment properties	210,772	178,986
Consultancy income	6,963	-
	616,838	1,030,491

19 OTHER INCOME

The Group	2015 RMB'000	2014 RMB'000
Interest income		
- fixed deposits	21,246	7,889
- bank balances	27,323	122
	48,569	8,011
Sublet rental income	-	433
Government grants	1,115	5,021
Sundry incomes	3,313	2,115
Advertisement income	182	-
Fair value gain on investment properties	114,910	117,725
Fair value gain on financial asset	43,000	-
	211,089	133,305

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20 PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

The Group	Note	2015 RMB'000	2014 RMB'000
Exchange loss		26,607	32,066
Depreciation of property, plant and equipment	3	8,228	3,379
Amortisation of deferred lease incentives		484	1,065
Amortisation of prepaid legal consultancy service fee		208	500
Operating lease expense		4,165	2,545
Loss on disposal of property, plant and equipment		2	4
Interest expense:			
– bank loans		102,296	55,420
– loans from a shareholder		-	13,074
		102,296	68,494
Audit fee paid to Auditor of the Company		985	1,219
Directors' fees		1,986	1,950
Staff costs:			
<i>Key management personnel</i>			
Directors' remuneration other than fee			
– Salaries, wages and other related costs		5,050	5,298
– Contributions to defined contribution plans		118	207
– Equity-settled share-based payment transactions		-	2,088
Other than directors			
– Salaries, wages and other related costs		8,045	9,173
– Contributions to defined contribution plans		347	504
– Equity-settled share-based payment transactions		-	4,954
<i>Other than key management personnel</i>			
– Salaries, wages and other related costs		47,534	13,061
– Contributions to defined contribution plans		5,598	3,501
– Equity-settled share-based payment transactions		-	4,075
		66,692	42,861

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

21 TAX EXPENSE

The Group	2015 RMB'000	2014 RMB'000
Current tax expense		
Current taxation	22,711	86,400
Deferred tax expense		
Movements in temporary differences (Note 15)	26,042	16,598
Adjustment for prior years	-	-
	26,042	16,598
	48,753	102,998

Reconciliation of effective tax rate

The Company, which is established in Singapore, is subject to Singapore income tax at 17% (2014: 17%). The Group's subsidiaries in PRC are subject to PRC income tax rate at 25% (2014: 25%). The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the ultimate holding company is established.

The Group	2015 RMB'000	2014 RMB'000
Profit before taxation	177,378	358,344
Tax at statutory rate of applicable tax rate 17% (2014: 17%)	30,154	60,918
Deferred tax assets on current year losses not recognised	15,640	20,105
Effect of tax rates in foreign jurisdictions	2,959	21,975
Adjustment for prior years	-	-
	48,753	102,998

Deferred tax assets have not been recognised in respect of current year losses because such losses are not allowed to be set off against future taxable profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

22 EARNINGS PER SHARE

The Group	2015 RMB'000	2014 RMB'000
Profit attributable to ordinary shareholders of the Company	126,203	255,751
The Group		
Weighted average number of ordinary shares in issue during the year (Basic)	2,557,040,024	2,284,224,568
Weighted average number of ordinary shares under share options	-	4,376,291
Weighted average number of ordinary shares during the year (Diluted)	2,557,040,024	2,288,600,859
<u>Earnings per share (RMB):</u>		
- Basic	0.05	0.11
- Diluted	0.05	0.11

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23 RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in the financial statements, transactions with related parties based on terms agreed between the parties are as follows:

The Group	2015 RMB'000	2014 RMB'000
Fees paid/payable to a subsidiary of a substantial shareholder for securing credit facilities to fund the Group's property development projects	30,808	13,102
Interest expense charged by related corporations of a shareholder	108,196	21,749
Management fees charged by a joint venture of a shareholder	4,429	-
Staff costs paid to a joint venture of a shareholder	1,432	-
Interest expense on loans from a shareholder	-	13,074
Distribution to holder of perpetual convertible securities	97,051	1,424
Rental income from sub-letting of office premises to a firm of which a director of the Company is a member	-	433

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24 COMMITMENTS

(i) Capital commitments

The Group	2015 RMB'000	2014 RMB'000
Development and investment properties expenditure contracted but not provided for in the financial statements	1,069,981	654,456
Investment in limited partnership contracted but not provided for in the financial statements	-	50,000

(ii) Lease commitments

(A) Where the Group and the Company are lessees

At the reporting date, the Group and the Company were committed to making the following rental payments in respect of non-cancellable operating leases of office premises.

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Not later than one year	2,740	5,504	2,233	2,100
Later than one year and not later than five years	6,886	15,026	6,886	9,161
Later than five years	-	191	-	191
	9,626	20,721	9,119	11,452

The leases expire between December 2015 and January 2020 with options to renew the leases after their expiry dates.

(B) Where the Group and Company are lessors

At the reporting date, the Group and Company had the following rentals receivable under non-cancellable operating leases for commercial premises.

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Not later than one year	77,480	187,007	-	-
Later than one year and not later than five years	172,727	516,505	-	-
Later than five years	203,862	625,321	-	-
	454,069	1,328,833	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

24 COMMITMENTS *(cont'd)*

(B) Where the Group and Company are lessors *(cont'd)*

The operating leases of these commercial and residential premises expire between 2016 and 2034 and contain renewal options.

25 OPERATING SEGMENTS

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

- 1) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation;
- 2) Property development segment relates to the development of properties for sale; and
- 3) Others comprise property consultancy, sales, marketing and management services and corporate office functions.

The Group Chief Executive Officer ("Group CEO") monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	31 December 2015				31 December 2014			
	Property investment RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000	Property investment RMB'000	Property development RMB'000	Others RMB'000	Total RMB'000
Revenue	210,772	399,103	6,963	616,838	178,986	851,505	-	1,030,491
Segment results	159,110	(37,030)	(53,493)	68,587	110,542	230,200	(47,205)	293,537
Interest income	-	-	48,569	48,569	-	-	8,011	8,011
Interest expense	-	(102,296)	-	(102,296)	-	(68,494)	-	(68,494)
Sublet rental income	-	-	-	-	-	-	433	433
Government grants	-	1,115	-	1,115	-	5,021	-	5,021
Sundry incomes	-	3,495	-	3,495	-	2,115	-	2,115
Fair value gain on investment properties	114,910	-	-	114,910	117,725	-	-	117,725
Fair value gain on financial assets	-	-	43,000	43,000	-	-	-	-
Loss on disposal of property	-	-	(2)	(2)	-	-	(4)	(4)
Profit before tax	274,020	(134,716)	38,074	177,378	228,267	168,842	(38,765)	358,344
Segment assets	4,429,280	5,991,408	1,479,984	11,900,672	4,470,134	5,032,526	14,050	9,516,710
Total assets				11,923,512				9,543,620
Segment liabilities	92,402	5,848,770	177,700	6,118,872	181,760	3,614,505	2,792	3,799,057
Total liabilities				6,840,721				4,486,896
Other information								
Exchange loss, net	-	26,607	-	26,607	-	32,066	-	32,066
Capital expenditure	-	-	8,779	8,779	-	-	20,850	20,850
Depreciation of property, plant and equipment	-	-	8,228	8,228	-	-	3,379	3,379
Amortisation of deferred lease incentives	484	-	-	484	1,065	-	-	1,065
Equity-settled share-based payment transactions	-	-	-	-	-	-	11,116	11,116

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

25 OPERATING SEGMENTS *(cont'd)*

The Group derived all its revenue from the PRC. Therefore, no geographical segments information is presented.

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

Reconciliations of reportable segment liabilities:

The Group	2015 RMB'000	2014 RMB'000
Segment assets	11,900,672	9,516,710
<u>Unallocated assets</u>		
Deferred tax assets	22,840	26,910
Consolidated assets	11,923,512	9,543,620
Segment liabilities	6,118,872	3,799,057
<u>Unallocated liabilities</u>		
Deferred tax liabilities	549,019	527,047
Provision for taxation	172,830	160,792
Consolidated liabilities	6,840,721	4,486,896

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26 FINANCIAL RISK MANAGEMENT

The Group has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Credit risk *(cont'd)*

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing mainly with reliable credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in the ageing analysis in Note 8, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk in respect of trade and other receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The cash and cash equivalents are held with banks of good credit ratings.

The Company has provided guarantees to a bank in respect of banking facilities granted to a subsidiary amounting to RMB457,700,000 (2014: RMB460,000,000) (Note 16). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantee.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank borrowings and bank balances.

Interests on bank borrowings are repriced within 12 months (2014: 12 months).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Interest rate risk *(cont'd)*

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a 50 basis points ("bp") change in interest rates at the reporting date would have increased/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax		Equity	
	increase/(decrease)		increase/(decrease)	
	(50 bp Increase) RMB'000	(50 bp Decrease) RMB'000	(50 bp Increase) RMB'000	(50 bp Decrease) RMB'000
The Group				
31 December 2015				
Variable rate bank loans	(14,392)	14,392	(14,392)	14,392
Variable rate fixed deposits	3,081	(3,081)	3,081	(3,081)
	(11,311)	11,311	(11,311)	11,311
31 December 2014				
Variable rate bank loans	(8,663)	8,663	(8,663)	8,663
Variable rate fixed deposits	1,779	(1,779)	1,779	(1,779)
	(6,884)	6,884	(6,884)	6,884
The Company				
31 December 2015				
Variable rate bank loans	(276)	276	(276)	276
31 December 2014				
Variable rate bank loans	(289)	289	(289)	289

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Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Group's transactions are carried out in RMB which is the functional currency of most of the group entities.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Currency risk *(cont'd)*

The Group is exposed to currency risk on trade and other receivables, cash and cash equivalents, borrowings and trade and other payables that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD) and US dollar (USD).

	In RMB RMB'000	In SGD RMB'000	In USD RMB'000	Total RMB'000
2015				
Trade and other receivables (Note 8)	853,995	18,520	–	872,515
Cash and cash equivalents (Note 10)	1,291,179	21,341	10,188	1,322,708
Borrowings (Note 16)	(4,341,350)	(55,122)	(689,178)	(5,085,650)
Trade and other payables (Note 17)	(973,500)	(58,027)	(1,695)	(1,033,222)
Net exposure	(3,169,676)	(73,288)	(680,685)	(3,923,649)
	In RMB RMB'000	In SGD RMB'000	In USD RMB'000	Total RMB'000
2014				
Trade and other receivables (Note 8)	310,254	8,855	–	319,109
Cash and cash equivalents (Note 10)	832,479	128,851	3,806	965,136
Borrowings (Note 16)	(2,544,250)	(57,753)	(542,489)	(3,144,492)
Trade and other payables (Note 17)	(629,510)	(10,701)	(14,354)	(654,565)
Net exposure	(2,031,027)	69,252	(553,037)	(2,514,812)

The Group does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Sensitivity analysis – Foreign currency risk

A 5% (2014: 5%) strengthening of the above currencies against the functional currencies of the Group entities at the reporting date would have increased/decreased profit before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Currency risk *(cont'd)*

Sensitivity analysis – Foreign currency risk *(cont'd)*

A 5% (2014: 5%) weakening of the above currencies against the functional currencies of the Group entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Sensitivity analysis – Foreign currency risk

	2015			2014		
	SGD strengthened 5% against RMB RMB'000	USD strengthened 5% against RMB RMB'000	Total RMB'000	SGD strengthened 5% against RMB RMB'000	USD strengthened 5% against RMB RMB'000	Total RMB'000
The Group						
Profit before tax						
– (decrease)/increase	1,132	(34,034)	(32,902)	5,186	(27,652)	(22,466)
Equity						
– (decrease)/increase	1,132	(34,034)	(32,902)	5,186	(27,652)	(22,466)
The Company						
Profit before tax						
– (decrease)/increase	-	(19)	(19)	-	1	1
Equity						
– (decrease)/increase	-	(19)	(19)	-	1	1

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

The Group is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Liquidity risk *(cont'd)*

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities.

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	Contractual undiscounted cash flows				
	Carrying amount RMB'000	Total RMB'000	Less than 1 year RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000
The Group					
31 December 2015					
Trade and other payables	896,758	896,758	896,758	-	-
Borrowings	5,085,650	6,267,942	2,043,073	3,008,458	1,216,411
	5,982,408	7,164,700	2,939,831	3,008,458	1,216,411
31 December 2014					
Trade and other payables	504,513	504,513	504,513	-	-
Borrowings	3,144,492	3,900,174	1,870,926	964,670	1,064,578
	3,649,005	4,404,687	2,375,439	964,670	1,064,578
The Company					
31 December 2015					
Trade and other payables	58,473	58,473	58,473	-	-
Borrowings	55,122	55,589	55,589	-	-
Amounts due to subsidiaries	749,008	749,008	749,008	-	-
Intra-group financial guarantee	-	457,700	4,600	453,100	-
	862,603	1,320,770	867,670	453,100	-
31 December 2014					
Trade and other payables	10,701	10,701	10,701	-	-
Borrowings	57,753	60,447	15,625	44,822	-
Amounts due to subsidiaries	722,127	722,127	722,127	-	-
Intra-group financial guarantee	-	460,000	460,000	-	-
	790,581	1,253,275	1,208,453	44,822	-

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

26 FINANCIAL RISK MANAGEMENT *(cont'd)*

Liquidity risk *(cont'd)*

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Financial instruments by category

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Financial assets				
Financial assets at fair value through profit or loss:				
Investment in limited partnership	602	500	-	-
Financial assets measured at amortised cost:				
Trade and other receivables	544,987	112,471	752	1,236
Amounts owing by subsidiaries	-	-	2,201,757	2,328,847
Cash and cash equivalents	1,322,708	965,136	16,482	26,407
	1,868,297	1,078,107	2,218,991	2,356,490
Financial liabilities				
Financial liabilities measured at amortised cost:				
Amount owing to subsidiaries	-	-	749,008	722,127
Trade and other payables	896,758	504,513	58,473	10,701
Borrowings	5,085,650	3,144,492	55,122	57,753
	5,982,408	3,649,005	862,603	790,581

The Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

27 FAIR VALUE MEASUREMENT

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

27 FAIR VALUE MEASUREMENT *(cont'd)*

Fair value measurement of financial instruments

The carrying values of variable rate bank loans approximate their fair values.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, trade and other payables, and borrowings) approximate their fair values because of the short period to maturity.

Fair value measurement of non-financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at 31 December 2015 and 31 December 2014:

The Group	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
31 December 2015				
Investment properties	-	-	4,386,990	4,386,990
Investment in limited partnership	-	-	602,000	602,000
	-	-	4,988,990	4,988,990
31 December 2014				
Investment properties	-	-	4,263,465	4,263,465
Investment in limited partnership	-	-	500,000	500,000
	-	-	4,763,465	4,763,465

At 31 December 2014, the carrying amount of investment in limited partnership approximated its fair value as the investment was made on 31 December 2014. The reconciliation of the movement of investment in limited partnership is disclosed in Note 6.

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27 FAIR VALUE MEASUREMENT *(cont'd)*

Fair value measurement of non-financial assets *(cont'd)*

The following table shows the Group's valuation technique used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<p>The Group and the Company Investment properties</p> <p>The valuation is based on direct comparison method and income approach in arriving at the fair value of the properties.</p> <p>The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.</p> <p>The income method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.</p>	<ul style="list-style-type: none"> - Weighted average price per square meter: RMB15,430 (2014: RMB14,220) - Expected average rental growth: not more than 10% (2014: not more than 10%) - Discount rate: 7% (2014: 7%) - Capitalisation rate: 7% (2014: 7%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - price per square meter was higher (lower); - expected average rental growth was higher (lower); - discount rate was lower (higher); - capitalisation rate was lower (higher).
<p>Investment in limited partnership</p> <p>The valuation is based on residual method and comparison approach in arriving at the fair value of the properties.</p> <p>The residual method is based on assessment of the value of the project as completed and deduction of the costs of development (including developer's profit) to arrive at the underlying fair value.</p> <p>The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the properties.</p>	<p>Selling price per square meter</p> <ul style="list-style-type: none"> - Phase I of the project with pre-sale of properties: RMB35,500. - Phase II and III of the project at initial stage of development: RMB11,400. 	<p>The estimated fair value would increase (decrease) if selling price per square meter was higher (lower).</p>

NOTES TO THE FINANCIAL STATEMENTS

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27 FAIR VALUE MEASUREMENT *(cont'd)*

Level 3 fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

The Group	Investment properties	
	2015 RMB'000	2014 RMB'000
At 1 January	4,263,465	4,129,299
Transfer from completed properties for sale	8,739	58,118
Transfer to property, plant and equipment #	-	(33,852)
Properties sold	(124)	(7,825)
Fair value gain recognised in profit or loss	114,910	117,725
At 31 December	4,386,990	4,263,465

During the financial year ended 31 December 2014, the Group commenced occupation of certain floor area of office premises, designated as investment properties, for own use.

28 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern;
- To support the Group's stability and growth;
- To provide capital for the purpose of strengthening the Group's risk management capability; and
- To provide an adequate return to shareholders.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Company monitors capital using Gearing Ratio, which is net debt divided by total equity attributable to owners of the Company. Net debt represents total borrowings less cash and cash equivalents, excluding restricted bank balance related to properties sales (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

28 CAPITAL MANAGEMENT *(cont'd)*

There were no changes in the Group's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

	The Group		The Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Total borrowings (A)	5,085,650	3,144,492	55,122	57,753
Cash and cash equivalents (B)	1,322,708	965,136	16,482	26,407
Net debt (C) = (A) - (B)	3,762,942	2,179,356	38,640	31,346
Equity attributable to owners of the Company (D)	5,025,805	5,002,160	4,185,514	4,399,547
Gearing ratio (times) (C)/(D)	0.75	0.44	0.01	0.01

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29 OTHER MATTERS

The Group	2015 RMB'000	2014 RMB'000
Bank balances pledged to banks to release properties secured by banks upon sales of those properties to customers (Note 10)	38,187	157,049
Fixed deposits pledged to banks to secure bank loans provided by banks to the Group entities (Note 10)	1,106,401	609,280
	1,144,588	766,329

No material losses are expected in respect of the bank balances and fixed deposits pledged.

30 PRIOR YEARS ADJUSTMENTS AND RECLASSIFICATIONS

In prior year, the Group:

- ⁽¹⁾ redeemed all convertible bonds and recognised the resulting gain on the equity component in profit or loss instead of equity; and
- ⁽²⁾ had classified car park lots attributable to the retail mall as completed properties for sale under development properties instead of investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

30 PRIOR YEARS ADJUSTMENTS AND RECLASSIFICATIONS *(cont'd)*

The prior years adjustments and reclassifications, at nil tax, to the extent that they are applied retrospectively, have the following impact:

The Group	As reported RMB'000	Adjustment/ reclassification RMB'000	As restated RMB'000
Consolidated statement of financial position as at 31 December 2013			
Investment properties	3,836,299	293,000 ⁽²⁾	4,129,299
Development properties	3,241,928	(293,225) ⁽²⁾	2,948,703
Retained earnings	1,717,679	(42,458) ⁽¹⁾	1,675,052
		(169) ⁽²⁾	
Other reserves	-	42,458 ⁽¹⁾	42,458
Deferred tax liabilities	498,548	(56) ⁽²⁾	498,492
Consolidated statement of financial position as at 31 December 2014			
Investment properties	3,968,165	295,300 ⁽²⁾	4,263,465
Development properties	3,701,852	(293,225) ⁽²⁾	3,408,627
Retained earnings	1,970,280	(42,458) ⁽¹⁾	1,929,379
		1,557 ⁽²⁾	
Other reserves	-	42,458 ⁽¹⁾	42,458
Deferred tax liabilities	526,528	519 ⁽²⁾	527,047
The Company			
	As reported RMB'000	Reclassification RMB'000	As restated RMB'000
Statement of financial position as at 31 December 2013			
Retained earnings	(355,326)	(42,458)	(397,784)
Convertible bond reserve	-	42,458	42,458
Statement of financial position as at 31 December 2014			
Retained earnings	(453,731)	(42,458)	(496,189)
Convertible bond reserve	-	42,458	42,458

31 COMPARATIVES

Certain amounts in the comparative information have been reclassified to conform with current year financial statement presentations due to prior years adjustments and reclassifications as set out in Note 30.

SHAREHOLDERS' INFORMATION

AS AT 18 MARCH 2016

Issued and Fully Paid-up Capital	:	S\$855,835,508.311
Number of Shares	:	2,557,040,024
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

The Company does not hold any Treasury Shares.

STATISTICS OF SHAREHOLDINGS AS AT 18 MARCH 2016

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 99	4	0.05	138	0.00
100 - 1,000	101	1.19	92,802	0.00
1,001 - 10,000	2,665	31.46	21,142,068	0.83
10,001 - 1,000,000	5,648	66.67	391,088,273	15.29
1,000,001 and above	53	0.63	2,144,716,743	83.88
	<u>8,471</u>	<u>100.00</u>	<u>2,557,040,024</u>	<u>100.00</u>

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SUBSTANTIAL SHAREHOLDERS AS AT 18 MARCH 2016

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Newest Luck Holdings Limited ⁽¹⁾	825,739,014	32.29	-	-
Leap Forward Holdings Limited ⁽²⁾	225,839,669	8.83	-	-
Everbright Hero Limited ⁽²⁾	381,000,000	14.90	-	-
Fang Ming ⁽³⁾	94,735,548	3.70	825,739,014	32.29
Zana China Fund L.P. ⁽⁴⁾	-	-	225,839,669	8.83
Zana Capital Pte. Ltd. ⁽⁵⁾	-	-	225,839,669	8.83
Chan Hock Eng ⁽⁶⁾	-	-	225,839,669	8.83
Ng Koon Siong ⁽⁶⁾	-	-	225,839,669	8.83
Everbright Hero Holdings Limited ⁽⁷⁾	-	-	381,000,000	14.90
Everbright Hero, L.P. ⁽⁸⁾	-	-	381,000,000	14.90
Everbright Hero LP Limited ⁽⁹⁾	-	-	381,000,000	14.90
Aerial Victory Limited ⁽¹⁰⁾	-	-	381,000,000	14.90
China Everbright Limited ⁽¹¹⁾	-	-	381,000,000	14.90

Notes:

- (1) Newest Luck Holdings Limited has a total beneficial interest in 825,739,014 shares, of which 667,739,014 shares are held in the names of nominees.
- (2) Total number of shares is held in the names of nominees.
- (3) Mr Fang Ming holds 100% of the issued share capital of Newest Luck Holdings Limited and is deemed interested in the shares of the Company held by Newest Luck Holdings Limited by virtue of his shareholdings in Newest Luck Holdings Limited.
- (4) Zana China Fund L.P. is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50).
- (5) Zana Capital Pte. Ltd. is deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of the provision of Section 7 of the Companies Act (Cap. 50). It is a fund manager of Zana China Fund L.P. and manages its funds on a discretionary basis.
- (6) Mr. Chan Hock Eng and Mr. Ng Koon Siong each hold approximately 29.41% of the issued share capital of Zana Capital Pte. Ltd., and are therefore deemed interested in the shares of the Company held by Leap Forward Holdings Limited by virtue of their shareholdings in Zana Capital Pte. Ltd.

SHAREHOLDERS' INFORMATION

AS AT 18 MARCH 2016

- (7) Everbright Hero Holdings Limited holds 100% of the shareholding in Everbright Hero Limited and is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.
- (8) Everbright Hero, L.P. holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero, L.P. is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.
- (9) Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Everbright Hero LP Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.
- (10) Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. Aerial Victory Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.
- (11) China Everbright Limited holds 100% of the shareholding in Aerial Victory Limited. Aerial Victory Limited holds 100% of the shareholding in Everbright Hero LP Limited. Everbright Hero LP Limited holds a 90.09% shareholding interest in Everbright Hero, L.P. Everbright Hero, L.P. in turn holds 100% of the shareholding in Everbright Hero Holdings Limited which in turn holds 100% of the shareholding in Everbright Hero Limited. China Everbright Limited is therefore deemed under the Securities and Futures Act to be interested in all the shares in the Company held by Everbright Hero Limited.

152 TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1	PHILLIP SECURITIES PTE LTD	702,236,014	27.46
2	DBS VICKERS SECURITIES (S) PTE LTD	616,737,269	24.12
3	CITIBANK NOMINEES SINGAPORE PTE LTD	158,621,547	6.20
4	NEWEST LUCK HOLDINGS LIMITED	158,000,000	6.18
5	RAFFLES NOMINEES (PTE) LTD	113,017,812	4.42
6	DB NOMINEES (S) PTE LTD	99,718,794	3.90
7	UOB KAY HIAN PTE LTD	64,431,900	2.52
8	DBS NOMINEES PTE LTD	37,385,524	1.46
9	LIM HONG CHING	25,208,000	0.99
10	OCBC SECURITIES PRIVATE LTD	25,109,541	0.98
11	MAYBANK KIM ENG SECURITIES PTE LTD	18,822,281	0.74
12	HSBC (SINGAPORE) NOMINEES PTE LTD	10,666,100	0.42
13	DBSN SERVICES PTE LTD	9,337,029	0.37
14	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	8,550,000	0.33
15	CHEONG CHOONG KONG	7,762,000	0.30
16	UNITED OVERSEAS BANK NOMINEES PTE LTD	7,522,700	0.29
17	HL BANK NOMINEES (S) PTE LTD	5,073,100	0.20
18	OCBC NOMINEES SINGAPORE PTE LTD	4,862,500	0.19
19	CIMB SECURITIES (SINGAPORE) PTE LTD	4,576,032	0.18
20	BANK OF SINGAPORE NOMINEES PTE LTD	4,216,000	0.16
		2,081,854,143	81.41

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

40.26% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF THE ANNUAL GENERAL MEETING

YING LI INTERNATIONAL REAL ESTATE LIMITED

(Company Registration No.199106356W)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ying Li International Real Estate Limited (the "Company") will be held at National Library Board, 100 Victoria Street, Level 5 Possibility Room, Singapore 188064 on Wednesday, 27 April 2016 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to Article 106 of the Constitution of the Company:
Ms. Yang Xiao Yu **(Resolution 2)**
Mr. Ai Yu **(Resolution 3)**
[See Explanatory Note (i)]
3. To re-appoint Mr. Xiao Zu Xiu as a Director of the Company, who was previously re-appointed to hold office until this Annual General Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 which was in force immediately before 3 January 2016.
[See Explanatory Note (ii)] **(Resolution 4)**
4. To approve the payment of Directors' Fees of S\$465,000 for the financial year ending 31 December 2016, payable half-yearly in arrears. (2015: S\$465,000)
[See Explanatory Note (iii)] **(Resolution 5)**
5. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:-

7. SHARE ISSUE MANDATE

THAT pursuant to Section 161 of the Companies Act, Chapter 50 (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

NOTICE OF THE ANNUAL GENERAL MEETING

- I. (a) issue and allot shares (whether by way of rights, bonus or otherwise); and/or
(b) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- II. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:-
 - (a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below);
 - (b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued shares (excluding treasury shares) shall be calculated based on the total number of issued shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:-
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) new shares arising from exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;
 - (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
 - (d) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 7)

NOTICE OF THE ANNUAL GENERAL MEETING

8. AUTHORITY TO ISSUE AND ALLOT SHARES UNDER

(a) YING LI EMPLOYEE SHARE OPTION SCHEME

THAT the Directors of the Company be and are hereby authorized to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the Ying Li Employee Share Option Scheme (the "Option Scheme") provided always that the aggregate number of shares to be issued pursuant to the Scheme, when added to the number of shares issued and/or issuable under other share-based incentives schemes of the Company shall not exceed five per cent (5%) of the total number of issued shares (excluding treasury shares) from time to time.

[See Explanatory Note (vi)]

(Resolution 8a)

(b) YING LI PERFORMANCE SHARE PLAN

THAT the Directors of the Company be and are hereby authorized to offer, allot and issue or deliver from time to time such number of fully paid-up shares as may be required to be issued pursuant to the vesting of awards under the Ying Li Performance Share Plan (the "Share Plan") provided always that the aggregate number of shares to be issued pursuant to the Plan, when added to the number of shares issued and or issuable under other share-based incentives schemes of the Company, shall not exceed five per cent (5%) of the total number of issued shares (excluding treasury shares) from time to time.

[See Explanatory Note (vi)]

(Resolution 8b)

By Order of the Board

Cai Mingyi
Company Secretary

Singapore, 12 April 2016

Explanatory Notes:

- (i) Ms. Yang Xiao Yu will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee. Mr. Ai Yu will, upon re-election as a Director of the Company, remain as a member of the Remuneration Committee. They will be considered non-independent.
- (ii) Mr. Xiao Zu Xiu will, upon re-appointment as a Director of the Company, remain as members of the Nominating, Remuneration and Board Risk Committees, and will be considered independent.
- (iii) The Ordinary Resolution 5 proposed in item 4 above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred. The Directors' fees will be paid half-yearly in arrears. The aggregate amount of Directors' fees provided in the resolution is calculated on the assumption that all the Directors will hold office for the whole of the financial year ending 31 December 2016 ("FY2016").

NOTICE OF THE ANNUAL GENERAL MEETING

Should any Director hold office for only part of FY2016 and not the whole of FY2016, the Director's fee payable to him will be appropriately pro-rated.

- (iv) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, effective until (i) the conclusion of the next Annual General Meeting of the Company; or (ii) the date by which the next Annual General Meeting of the Company is required by law to be held, or (iii) the date on which such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-

- (a) new shares arising from the conversion or exercise of any convertible securities;
- (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of Resolution 7, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.
- (v) The Ordinary Resolutions 8a and 8b proposed in item 8 above, if passed, the aggregate number of shares to be issued under Ying Li Employee Share Option Scheme and Ying Li Share Performance Plan shall not exceed 5% of the total number of issued shares (excluding treasury shares) from time to time.

Notes:

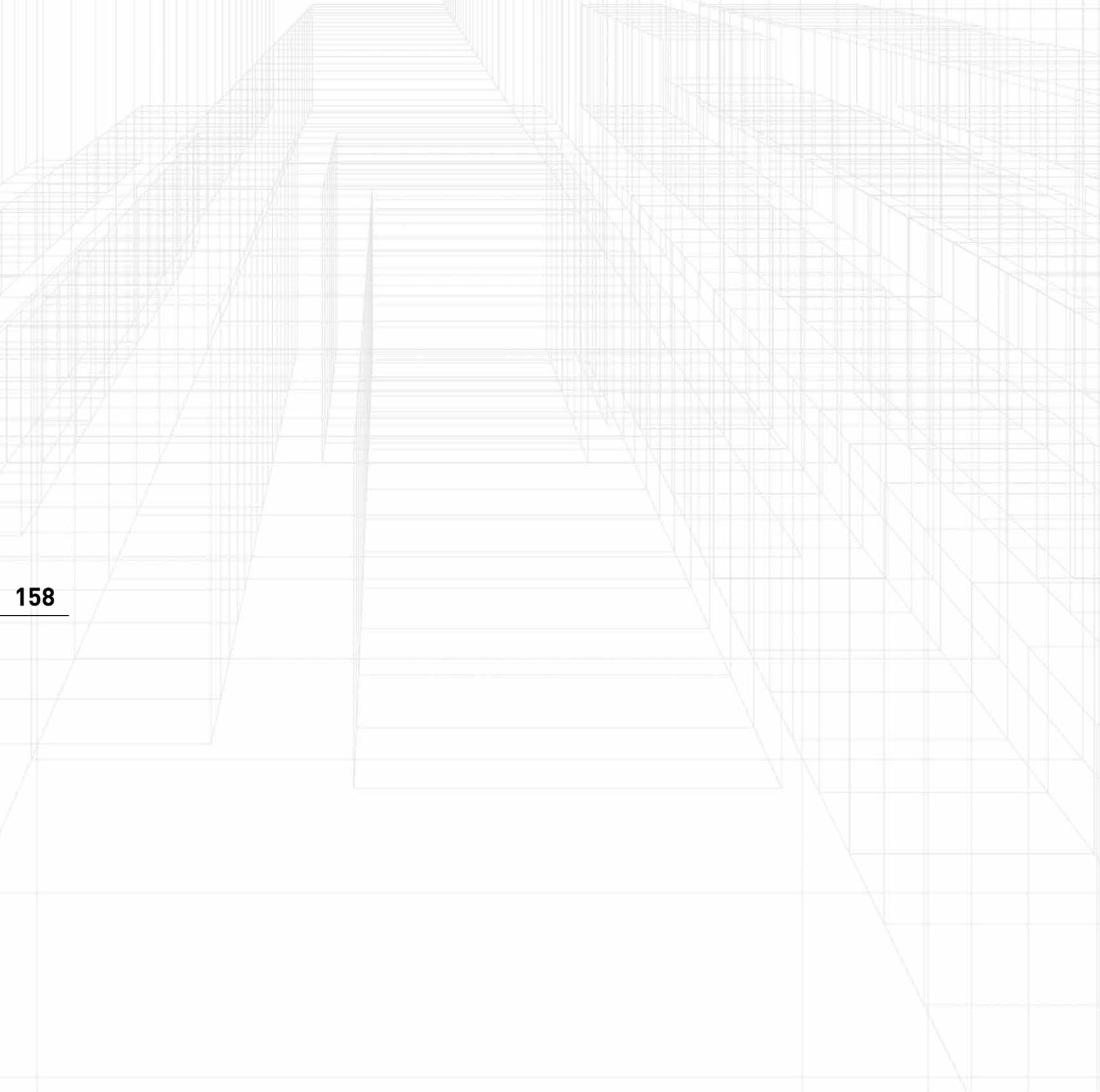
- (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting (the "Meeting"). Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 not less than 48 hours before the time appointed for holding of the Meeting or adjourned meeting.

NOTICE OF THE ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



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YING LI INTERNATIONAL REAL ESTATE LIMITED

(Company Registration No.199106356W)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For Investors who have used their CPF monies to buy Ying Li International Real Estate Limited's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, _____ (Name), NRIC/Passport number* _____

of _____ (Address)

being a member/members* of **YING LI INTERNATIONAL REAL ESTATE LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her the Chairman of the Annual General Meeting of the Company (the "AGM") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM to be held at National Library Board, 100 Victoria Street, Level 5 Possibility Room, Singapore 188064 on Wednesday, 27 April 2016 at 9.30 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolution to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	For	Against
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015		
2	Re-election of Ms. Yang Xiao Yu as a Director		
3	Re-election of Mr. Ai Yu as a Director		
4	Re-appointment of Mr. Xiao Zu Xiu as a Director		
5	Approval of Directors' fees amounting to S\$465,000 for the financial year ending 31 December 2016, to be paid half-yearly in arrears		
6	Re-appointment of Messrs Foo Kon Tan LLP as Auditors		
7	Share Issue Mandate		
8a	Authority to issue and allot shares under the Ying Li Employee Share Option Scheme		
8b	Authority to issue and allot shares under the Ying Li Performance Share Plan		

* Delete as appropriate

** If you wish to exercise all your votes "For" or "Against", please indicate an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of member(s)
or Common Seal of Corporate Shareholder



IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have share entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building Singapore 048544 not less than 48 hours before the time appointed by holding the AGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CHONGQING | BEIJING | SINGAPORE



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