ANNUAL REPORT 2013

YANLORD LAND GROUP LIMITED

EXPANDING OUR PRESENCE

Contents

仁信治业 持之以恒

Mission Statement

Managing with benevolence and integrity, achieving perpetuity through perseverance

ABOUT YANLORD

Yanlord develops high quality properties that distinguish themselves amidst the localities that they are in. Properties developed by us are characterised by outstanding architectural design and quality construction. With a track record in developments located at prime locations, our brand name, just like the properties we build, is an icon in itself.

our project showcase

enabling growth

SHANGHAI

YANLORD SUNLAND GARDENS

Located within the tranquil environment of the Shanghai Senlan International Community District, Yanlord Sunland Gardens builds on the Group's design concepts to seamlessly blend the natural beauty of lush greenery and flowing creeks with the convenience of a comprehensive suite of modern amenities. Benefiting from excellent connectivity via the city's transportation network, the approximately 336,000 sqm gross floor area ("GFA") Yanlord Sunland Gardens will feature high quality, fully-fitted apartments and duplexes that target discerning buyers from the various multinational corporations ("MNCs") and Fortune 500 companies operating out of the key commercial districts nearby such as the Waigaoqiao Free Trade Zone and Jinqiao Export Processing Zone. The inaugural batch of apartment units in first phase was delivered in FY 2012. The construction works for first phase was completed in 2013.

SHANGHAI

YANLORD WESTERN GARDENS

Located in Shanghai's traditional upscale residential area of Xujing, the site resides in an area with one of the highest concentration of international schools in Shanghai and is in close proximity to the Hongqiao Transportation Hub. With key infrastructures such as Hongqiao Airport and the new metro lines to be progressively completed, the site will benefit from the excellent connectivity to become a leading international community in the area. With a site area of approximately 137,000 sqm, the 246,000 sqm GFA development will have a building density of 15% and greenery coverage of 40%.

our project showcase

CHENGDU

YANLORD LANDMARK

Yanlord Landmark is a key investment property project of Yanlord in Western China. Located at the heart of Chengdu's Central Business District along major arterial roads, the project neighbours top-grade office buildings, 5-star hotels and luxury department stores. It is ideally situated with the Metro line No. 1 and other business resources in close vicinity. Yanlord Landmark has a GFA of approximately 166,000 sqm above ground and incorporates office areas, serviced apartments and a high-end shopping mall offering retail, conference, residence, and other business and recreation facilities. It is positioned to be a top-end property that represents the highest technical and service standards and caters to the needs of MNCs which plan to locate their regional headquarters in Chengdu. Yanlord Landmark is designed by world renowned architectural consultants ensuring that the project excels in all aspects ranging from engineering, landscaping to business operation. Commencing its operations in 2010, Yanlord Landmark continues to contribute to Chengdu's integration into the global business arena and has successfully attracted numerous international MNCs such as Mitsubishi, Novatris and Royal Dutch Shell. Managed by Fraser Hospitality from Singapore, the serviced apartment tower in Yanlord Landmark began its operations in December 2010 and offers premier levels of luxury and comfort that target the demands of high-end business travelers. Yanlord Landmark is also the epitome of the retail market of Chengdu, showcasing the latest fashion from the flagship stores of many international luxury brands including Louis Vuitton, Christian Dior, Prada, Ermenegildo Zegna, Miu Miu and Hugo Boss.

enriching portfolios

NANJING

YANLORD YANGTZE RIVERBAY TOWN

Located along the Yangtze River in Hexi New Area, Nanjing, Yanlord Yangtze Riverbay Town occupies a land area of approximately 303,000 sqm, which will be developed into a total GFA of approximately 707,000 sqm. The project is divided into five phases of which the first and second phases had been delivered. Construction works for the third and fourth phases and pre-sale for third phase are currently ongoing.

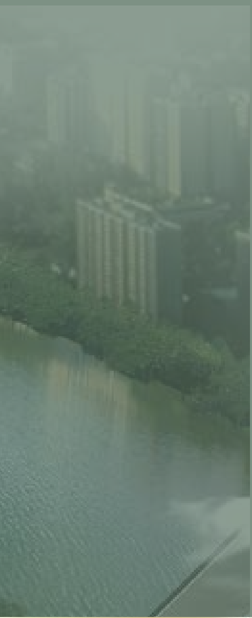
our project showcase

extending horizons

TIANJIN

YANLORD RIVERSIDE PLAZA

Yanlord Riverside Plaza represents Yanlord's venture into the fast-growing Bohai Rim Region. Located in the traditional downtown area of Tianjin, Yanlord Riverside Plaza enjoys local commercial and historical resources. It is also connected to the city's subway system. Yanlord Riverside Plaza occupies a land area of approximately 95,000 sqm and has a total GFA of approximately 520,000 sqm including underground development. The project is a modern building complex that incorporates residential apartments, an office building and retail spaces. With the addition of a large-scale central complex and a pedestrian shopping street to the region, the office building in the northwest will also be a focal point of the project overlooking the Haihe River. Yanlord Riverside Plaza features various ecological initiatives that include a ground level green atrium. An underground green landscape will also be developed to provide perennial greenery to the project. Yanlord Riverside Plaza, with multiple facets of commerce, recreation, and tourism, is set to be an iconic project in Tianjin.



TIANJIN

YANLORD RIVERSIDE GARDENS

Located within the downtown Hebei District of Tianjin, Yanlord Riverside Gardens is situated at the confluence of the Xinkai and Ziya Rivers and features an unobstructed river view. With a planned GFA of approximately 321,000 sqm, Yanlord Riverside Gardens benefits from a comprehensive suite of recreational and educational amenities surrounding the development. Amalgamating modern living with the lush natural environment, Yanlord Riverside Gardens' environmentally conscious architectural designs has won the approval of the PRC Ministry for Housing and Urban-Rural Development and was awarded the Green Development (Grade III) for its design.

our project showcase

enhancing value

SUZHOU

YANLORD LAKEVIEW BAY

Located within the Suzhou Industrial Park, Yanlord Lakeview Bay is located between the scenic Jinji Lake and Dushu Lake. With enchanting natural surroundings and picturesque water features, the approximately 364,000 sqm GFA Yanlord Lakeview Bay is the first residential project in Suzhou designed in accordance with the 3A standards of the national Housing and Urban & Rural Development Ministry and will be developed into a prime international community that comprises townhouses, fully-fitted apartments and commercial facilities to meet the needs of its residents.

ZHUHAI

YANLORD MARINA CENTRE

Yanlord Marina Centre, located along Qinglu Road (South) near the sea coast, is to be developed into a landmark of Zhuhai City. Lying adjacent to Gongbei Customs Checkpoint to Macau, the project will enjoy easy access to the entrance of the planned Hong Kong-Zhuhai-Macau Bridge as well as the transport interchange of the light rail connecting Zhuhai and Guangzhou. Yanlord Marina Centre, upon completion, will be a showcase development of Zhuhai City. The total GFA of Yanlord Marina Centre will be approximately 217,000 sqm. Construction commenced in 2009. The project comprises a 5-star hotel, high-grade residences, offices and retail shops. The Group signed a management contract with the InterContinental Group to manage the hotel in 2010. The sea-view hotel, residential apartments, offices and the shopping arcades are slated to be key highlights of Zhuhai's future skyline.

SHENZHEN

YANLORD ROSEMITE

Yanlord Rosemite is the Group's maiden venture into the vibrant city of Shenzhen. Ideally situated along the crossing of the Baohe Boulevard and Danhe Boulevard in the Longgang District of Shenzhen, the project enjoys seamless connectivity to Shenzhen's bustling city centre via the city's major thoroughfares. Surrounded by a comprehensive suite of amenities coupled with lush natural surroundings such as the 50 square kilometre Maluan Hill Country Park and key recreational facilities including the Genzon golf club. The project benefits from the Shenzhen government's initiative to develop the Longgang district into a secondary city centre and prime residential district.

chairman's statement

Dear Shareholders

It is with great pleasure that I present to you Yanlord Land Group Limited's ("Yanlord" and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2013 ("FY 2013").

Global economies in 2013 continued to be volatile as the after-effects of the 2008 financial crisis continue to weigh in. In addition to the tapering of quantitative easing by the United States, the People's Republic of China ("PRC") has also lowered its economic growth targets to initiate structural reforms to its economy. Against the backdrop of these mixed economic signals, I would like to share with you my views and continued confidence about the outlook of the PRC real estate industry as well as the Group's growth strategy and future development plans.

RESULTS AND HIGHLIGHTS

Steadfast Sales Growth

Recognised revenue of the Group rose 9.5% in FY 2013 to RMB11.280 billion on sustained increase in average selling price to RMB24,599 per square metre ("sqm") in FY 2013 from RMB22,545 per sqm in FY 2012. Profit attributable to equity holders of the Company in FY 2013 was RMB1.474 billion.

Despite continued pressures arising from austerity measures in the PRC, the Group witnessed strong sales momentum at its project launches in FY 2013, driven mainly by continued demand for quality developments from our discerning customers.

Looking ahead, I am confident about the future performance of the Group which is driven by sales contribution from our existing and upcoming projects such as Yanlord Sunland Gardens and Yanlord Eastern Gardens in Shanghai which respectively borders the new Free Trade Zone and upcoming Disneyland resort as well as Yanlord Yangtze Riverbay Town in Nanjing which is located within the main functional areas of the second International Youth Olympic Games.

Commendable Growth of Investment Property Portfolio

2013 was another satisfactory year of growth for our investment property portfolio. While traditional retailers in the PRC have reported an erosion of market share owing to the advent of e-commerce, the precise positioning of our commercial developments such as Yanlord Landmark in Chengdu and Yanlord Riverside Plaza in Tianjin, coupled with the right tenant mix have mitigated existing market challenges and contributed to the commendable 22.7% increase in our revenue from property investment to RMB454 million in FY 2013 as compared with FY 2012.

The Group witnessed strong sales momentum at our project launches in FY 2013, driven mainly by continued demand for quality developments from our discerning customers.

In addition to the growth witnessed in our retail and commercial components, our hospitality portfolio which includes the two Frasers Suites serviced apartment developments in Yanlord International Apartments in Nanjing and Yanlord Landmark in Chengdu, were similarly ranked one of the highest average occupancies and room rates within their respective cities.

Looking ahead, the progressive completion of the retail components in our residential developments coupled with current projects under development namely, Yanlord Marina Centre in Zhuhai and Sanya Hai Tang Bay – Land Parcel 9 will serve as new drivers for future rental income.

Land Acquisition

The Group continues to actively pursue opportunities to expand its landbank holdings. In October 2013, the Group successfully acquired a prime integrated development site with a combined GFA of approximately 386,000 sqm in the Sino-Singapore Nanjing Eco Hi-tech Island ("Nanjing Eco Island"). Ideally situated

within the Nanjing Eco Island – a flagship economic collaboration program in Nanjing developed under the auspices of the Singapore-Jiangsu Cooperation Council, the site offers an unobstructed view of the Yangtze River along its idyllic riverfront and benefits from key infrastructure investments into the area by the Nanjing municipal government, making this a choice site for the development of a prime international community that will meet the growing housing needs of the multi-national corporations setting up office on the island. Located adjacent to the planned metro interchange, the development will consist of prime waterfront residences as well as Grade A office and commercial space.

Underscored by our commitment to developing quality residences, we will continue to deliver products that exceed the demands of our customers.

OUTLOOK

We remain confident about the long-term potential of the PRC real estate sector which is underpinned by robust demand arising from rapid urbanisation and stable development of the PRC economy. Although the operating environment is constantly evolving, our development focus remains on the core and high-growth regions of first and second tier cities within the PRC. Underscored by our commitment to developing quality residences, we will, together with our strategic partners and stakeholders, continue to deliver products that exceed the demands of our customers. Capitalising on our ideally located landbank and brand equity as a prime residential developer, Yanlord is well poised to capture the rising demand for quality housing arising from the sustainable growth of real demand for housing in the PRC in order to generate greater return for shareholders.

IN APPRECIATION

On behalf of the Board of Directors, I would like to express our sincere gratitude to our shareholders for their trust and support. As reciprocation to our loyal shareholders, the Board has proposed the payment of a first and final dividend of 1.30 Singapore cents (equivalent to 6.40 Renminbi cents) per ordinary share for FY 2013, amounting to a dividend payout ratio of approximately 8.5% of FY 2013 profit attributable to equity holders of the Company. Looking ahead, we will continue to build on our proven business strategies and endeavour to increase shareholder value through better operational and financial performance.

Zhong Sheng Jian
Chairman and CEO

主席致辞

尊敬的各位股东：

2013年世界经济仍在矫正金融危机造成的负面影响，美国宣布将逐步退出量化宽松的货币政策，中国为了实现经济的结构调整，主动降低了经济发展速度。面对复杂的经济环境，仁恒对中国房地产业的长远发展仍然充满信心，未来将继续保持谨慎，稳健发展。本人愿在提报集团年度业绩之时，与各位分享本人的分析及思考。

成绩与评估

销售稳步增长

集团营运管理不断增强，各地项目销售均呈现稳健上涨，集团2013年全年营业收入取得9.5%的增长达到人民币112.80亿元，2013年的公司股东应占利润为人民币14.74亿元。集团全年每平方米平均售价从2012年的每平方米人民币22,545元增加至每平方米人民币24,599元，继续位列中国大陆市场前茅。

值得关注的是，集团主要项目均处于中国区域中心城市新圈定的关键发展区域，销售后劲强大。其中上海仁恒森兰雅苑紧邻中国国务院新批订的上海自由贸易区，上海仁恒东邑雅苑位处于迪士尼主题旅游度假区，南京仁恒江湾城位处于第二届国际青年奥林匹克运动会主要功能区，上述区域的位处优势必转化成项目的销售优势。本人对集团未来业绩充满信心。

投资物业收益快速增长

集团持有的都市型购物广场，如成都仁恒置地广场与天津仁恒海河广场，由于定位精准，业态组合合理，因此，虽然传统零售业的份额续为后起的电子商贸所蚕食，但仁恒位于成都和天津两地的购物广场仍然保持业务增长，集团2013年全年物业出租营业收入同比2012年全年增加22.7%达人民币4.54亿元。

集团所持有的南京仁恒国际公寓和成都仁恒辉盛阁国际公寓目前都是于其所在城市平均出租率最高之一的酒店式公寓，平均房价也名列前茅，屡屡被专业协会和专业网站评为两地最受欢迎的酒店式公寓。

此外，仁恒的社区商业组合以及将陆续完工的珠海仁恒滨海中心和三亚海棠湾9号地块的酒店项目也势将崛起，成为集团新的租金收益增长点。

土地购买

2013年10月份，集团凭借综合实力，在南京生态科技岛摘得项目可开发总建筑面积约38.60万平方米的“住宅及产业”综合开发用地。该区域是新苏合作理事会下在南京市重点打造的城市化示范区，除具备天然的江景资源外，地方政府高强度的基础设施投入将吸引众多优质企业进驻，各类资源的聚集将有力大大提升生态科技岛的价值。集团新购的地块临近将建设的地铁交通枢纽，未来将建成江景住宅、高端办公产业及综合商业载体，能以最大限度分享生态科技岛的成长机遇。

未来打算与展望

集团认为中国房地产板块的发展空间依然很大，虽然市场模式不断变化，但仁恒还是注重于国内一二线城市，寻找发展机会。我们在城市布局上以区域中心城市为主，我们看重的是这些城市创造高端就业机会、吸纳新城市人口的能力；我们坚持高端定位、工艺精益求精，为的是满足真正的、长久的居住需求，我们在地域扩张和产品多元化方面，坚持稳扎稳打，与合作品牌、管理公司互惠互利，追求长期共赢。本人坚信，仁恒所走的是可持续发展之路，仁恒能够在为中国的城市化做出贡献的同时，为股东创造更大价值。

致谢

本人及仁恒管理团队感谢股东的关心和支持。为回馈股东，集团董事局建议派发每股新币1.30分(等值人民币6.40分)的首次及末期股息，派息率为2013年公司股东应占利润的约8.5%。未来我们将更加勤勉地工作，用更好的业绩回报股东。

钟声坚
集团董事局主席兼总裁

OPERATIONAL HIGHLIGHTS

Yanlord continues to focus on the development of high-quality residential units in the PRC. Stylistically built with emphasis on functionality and comfort, our projects continue to attract discerning customers seeking to fulfil their home ownership wishes. In FY 2013, we proactively sought to further enhance our operational performance and thanks to the customers' support for the Group's products as well as the efforts of our dedicated team, pre-sales on residential units and car park lots in 2013 grew commendably by approximately RMB3 billion to approximately RMB15 billion in FY 2013 as compared with approximately RMB12 billion in FY 2012.

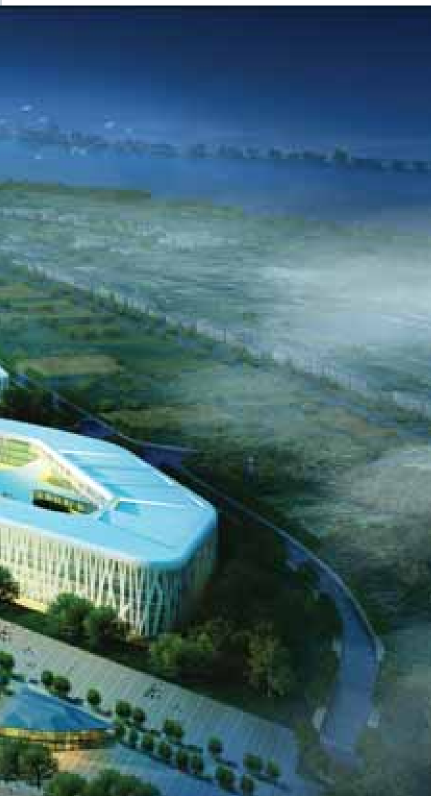
operations review

2013 witnessed a healthy recovery in market sentiments across the PRC property sector despite global volatility. Underscored by the positive sales momentum and through the efforts of our team, sales of our residential developments made significant headway in 2013. Yanlord Sunland Gardens was ranked fourth in the highest pre-sales project in Shanghai for FY 2013 while Yanlord Yangtze Riverbay Town (Phase 3) was ranked the first in the highest pre-sales project in Nanjing for FY 2013.

INVESTMENT PROPERTY PORTFOLIO

FY 2013 continued to be a significant year in the development of our investment property portfolio. Underscored by the strong performance of our investment properties such as Yanlord Landmark in Chengdu, which has become the keystone luxury mall of Western China and the growing maturity of our community business centre developments which provides convenience retailing to residents at our residential developments, revenue from property investment grew by 22.7% to RMB454 million in FY 2013 as compared with FY 2012.

Conceptualised to be a recurring revenue source, our investment property portfolio has expanded over the years into a key business segment for the Group. Looking ahead, we will seek to further develop the performance of our investment properties through initiatives such as those targeted at enhancing the consumer experience as well as to opportunistically grow our investment portfolio.



PROJECT DEVELOPMENT

Total GFA under construction rose 17.2% to 2.40 million sqm as at 31 December 2013 as compared to the preceding year.

In FY 2013, the Group initiated construction works across six projects namely, Yanlord Eastern Gardens, Yanlord on the Park and Yanlord Western Gardens in Shanghai, Yanlord Yangtze Riverbay Town (Phase 4) in Nanjing, Yanlord Riverbay (Phase 2) in Chengdu, as well as Tianjin Jinnan Land (Phase 1). These projects are currently in various phases of development and will be progressively available for pre-sale in subsequent years.

A total of eight new projects and new batches of existing projects were launched in FY 2013, adding significantly to the residential resources available for sale. Located in prime areas of their respective cities, the launches of these projects namely, Yanlord Sunland Gardens (Phase 2) in Shanghai, Yanlord Yangtze Riverbay Town (Phase 3) in Nanjing, Yanlord Lakeview Bay – Land Parcels A2 and A5 in Suzhou, Yanlord Marina Centre - Section B in Zhuhai, Yanlord Rosemite in Shenzhen, Yanlord Riverside Gardens (Phase 2) in Tianjin and Tangshan Nanhu Eco-City - Land Parcel A9 were key drivers for the significant pre-sales growth achieved in FY 2013.

434,334
sqm

GFA OF RESIDENTIAL PROJECTS DELIVERED IN FY 2013

RMB 24,599
per sqm

AVERAGE SELLING PRICE ACHIEVED IN FY 2013

5.14
mil sqm

LANDBANK IN PRIME AREAS OF KEY CITIES IN THE PRC

Adhering to our corporate philosophy "to develop the land with devotion and building quality accommodations with passion", we continue to strive for excellence in our developments which have won the recognition of both our clients and industry peers. In-line with our commitments to both customers and stakeholders, the Group has undertaken key initiatives to further enhance quality control which includes increased reviews to on-site progress and safety as well as targeted research on "minimal-defect" delivery to our customers through enhancements to processes such as water-proofing and design and construction of common and sales areas.

Testament to our efforts, Yanlord Sunland Gardens (Phase 1) in Shanghai was awarded the prestigious "Shanghai City Gold Award for Residential Development Design" and the "Shanghai Magnolia Award for Quality Project" by the Shanghai Real Estate Association and Yanlord Yangtze Riverbay Town (Phase 2) in Nanjing received the "Jinlin Cup for Engineering" from the Nanjing municipal government.

LANDBANK

Land markets in the PRC continued to be volatile in 2013. Capitalising on Yanlord's position as a leading real estate developer in the PRC, we actively monitor the market for opportunities to replenish and potentially expand our landbank holdings.

In particular, opportunities in first and second tier cities offering comprehensive suites of business and lifestyle amenities will benefit the most from rapid urbanisation and are the most attractive opportunities for the Group as they present the closest match with our business model.

On 29 October 2013, Yanlord successfully acquired a prime integrated development site with a combined GFA of approximately 386,000 sqm in the Sino-Singapore Nanjing Eco Hi-tech Island – a flagship economic collaboration program in Nanjing developed under the auspices of the Singapore Jiangsu Cooperation Council, for RMB2.877 billion or at an average purchase price of approximately RMB7,447 per sqm through a public land auction. With a site area of approximately 154,500 sqm, the site rests ideally along the island's idyllic riverfront and offers an unobstructed view of the Yangtze River. Located in close proximity to the New One North Science Park, the site is well connected via planned key thoroughfares running through the island as well as the adjacent planned metro station of the No. 10 metro line and possesses the necessary qualities for the creation of a prime integrated development that will further augment Yanlord's brand equity and market share in Nanjing.

The Group maintains a healthy landbank in core locations within high growth cities that will meet our developmental needs for the next five years. As at 31 December 2013, the Group has approximately 4.60 million sqm of land reserves located in the cities of Shanghai, Nanjing, Suzhou, Zhuhai, Shenzhen, Chengdu, Tianjin, Tangshan and Sanya.

Volatilities will persist in the PRC real estate sector with certain third and fourth tier cities exhibiting an oversupply situation. However, strong population influx into first and second tier cities owing to the rapid urbanisation of China provides a unique opportunity that Yanlord, with its established brand presence and high-quality, city centric landbank, can leverage on to further grow its business. To better capitalise on the market opportunities, we have put into motion key initiatives to accelerate the asset turn and sales of projects, to seek out land acquisition opportunities either through land tender, project collaborations or acquisitions and to further expand existing funding channels to serve as the necessary foundation for the Group's sustainable development.

The Group maintains a healthy landbank in core locations within high growth cities that will meet our developmental needs for the next five years.

PROPERTY MANAGEMENT

The Group is a pioneer in the introduction of international property management concepts to the PRC. Building on our extensive experience, Yanlord actively sought to enhance our service offerings by streamlining existing processes and encouraging the sharing of best practices between business units across the country.

An integral part of the "Yanlord" experience, our property management services continues to grow in tandem with the increasing scale of our property development. By the end of 2013, Yanlord's property management services spans across cities such as Shanghai, Nanjing, Suzhou, Zhuhai, Shenzhen, Chengdu, Guiyang, Tianjin and Tangshan. The Group currently operates two national Grade 1 property management companies in Shanghai and Nanjing, three national Grade 2 property management companies in Zhuhai, Chengdu and Tianjin as well as three national Grade 3 property management companies in Shenzhen, Guiyang and Tangshan.

The Group's property management business continues to garner strong support and recognition from both customers and our industry peers. Reflecting the achievements of our property management business, various local business units were respectively recognised by the local municipal governments. Accolades received in FY 2013 are as follows:

- Shanghai Yanlord property management was awarded the Quality Management Award Top 200 in Shanghai
- Nanjing Yanlord property management was recognised as the property management company with the highest level of customer satisfaction in Nanjing
- Suzhou Yanlord Property Management was awarded the Outstanding Property Management Award in Wuzhong district
- Yanlord Landmark in Chengdu was awarded the Five-Star Property Management Project by the Chengdu Jinjiang district government
- Yanlord Riverside Gardens and Yanlord Riverside Plaza in Tianjin were awarded the Five-Star Serviced Residential Project

Looking ahead, our property management business will continue to be a key business segment for the Group. Driven by the commitment to provide a comfortable and endearing living environment for our customers, the Group will seek to continually optimise our property management model through the adoption of the latest technology and quality assurance standards.

HUMAN RESOURCE

We regard our human resource as one of our most valuable intangible assets and a key contributor to the Group's continued success. In-line with our mission statement of "Managing with benevolence and integrity, achieving perpetuity through perseverance", we believe in treating our employees with trust and understanding and respecting them as a partner of the organisation. We aim to create a positive working environment and platform for employees to demonstrate their own individual capabilities, offering opportunities for them to develop their potential and to progress further in their career development, thereby creating a win-win situation for both the Group and our employees. In FY 2013, the Group continued to review and refine processes to enhance performance assessments and strategised on methodologies to better enhance competencies and synergies within its talent pool.

PRODUCT DEVELOPMENT

As a leading real-estate developer specialising in the high quality real estate development and property management services, Yanlord attaches great importance towards developing quality residential and commercial real estates and seeks to strike an optimal balance across all aspects of property development, including project planning, architectural design, interior design and landscape design, to ensure that every aspect is amalgamated to maximise the benefit and comfort level for the customers. Recognising the need for balance between the requirements of our consumers and environmental preservation, the Group continues to introduce environmental initiatives and seeks to optimise the usage of land at our developments. We also continue to collaborate closely with our hotel management partner, the InterContinental Hotels Group to optimise the designs and layouts of the InterContinental Hotel at Yanlord Marina Centre in Zhuhai as well as the Crowne Plaza Hotel at Sanya Hai Tang Bay – Land Parcel 9.

In-line with our mission statement of "Managing with benevolence and integrity, achieving perpetuity through perseverance", we believe in treating our employees with trust and understanding and respecting them as a partner of the organisation.

FUND RAISING

Despite uncertainties in the PRC property market due to austerity measures promulgated by the Chinese government, Yanlord has continued to receive strong support from onshore and offshore banks. To drive the sustainable development and further augment its financial flexibility, the Group announced in May 2013 the successful issue of RMB2.0 billion offshore RMB senior notes due 2016 to be used to finance new and existing projects. This latest issue reflects the investor confidence in Yanlord and opens up a new funding channel for itself.

INVESTOR RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Corporate transparency and timely disclosure of information to shareholders is of key importance to Yanlord. We endeavor to maintain the highest standards of corporate governance and proactively seek to engage the investment community to facilitate the understanding of our Group's business strategies and growth potentials. Quarterly financial reports as well as relevant announcements and press releases pertaining to any operational updates on the Group are also promptly released on the SGX website, ensuring that investors receive timely and accurate information.

To further enhance communication with the investment community, the Group participated in 32 global investor conferences across Singapore, Hong Kong, Taiwan, Europe and the United States in FY 2013, sharing insights and investment merits in Yanlord with over 1,000 investors and fund managers.

Moving forward, the Group will continue to maintain regular interactions with the investment community and endeavor to deliver high standards in investor relations.

In addition to achieving high standards of investor relations, good corporate citizenry is another key focus of the Group. Building on our commitment to delivering quality homes to our discerning customers, we continue to focus on environmental conservation through developing eco-friendly developments. Our corporate social responsibilities ("CSR") also extend to students and youth engagement programmes such as grants and donations to educational institutes as well as enrichment programmes for students. For example, to enhance understanding of the Chinese business environment, the Group has in 2013 hosted the visit of over 160 students and staff from Ngee Ann Polytechnic to our commercial development – Yanlord Landmark in Chengdu.

Reflecting the support received for our CSR initiatives, Yanlord was presented with the Asia Corporate Responsibility Award for outstanding leadership at the 2013 BEI Asia Awards.

业务回顾

业绩概要

仁恒专业创新的产品设计和人性温馨的小区物业管理水平获得了市场和消费者的双重口碑，仁恒成熟稳重的经营管理能力再次得到市场的认可。2013年，仁恒置地集团的物业销售继续保持强劲的增长水平，全年住宅及车位预售金额从2012年的约为人民币120亿元增加至约为人民币150亿元，同比增长约人民币30亿元。

凭借良好的市场环境和专业优秀团队的成熟运作，2013年仁恒物业销售佳绩不断。上海森兰雅苑获得全市单个楼盘销售金额第四名的优秀业绩，南京江湾城三期获得全市单个楼盘销售金额第一名的最佳业绩。

投资物业

2013年集团自持投资性房地产业务表现优异，物业出租营业收入同比2012年全年增长22.7%，达到人民币4.54亿元。其中成都仁恒置地广场作为中国西南区域最高品质的购物中心，经营渐入佳境。仁恒社区商业中心的经营也持续升温，租户经营品质和盈利能力都大幅提高，不仅带来租金的增长，也以人性化、高品质、丰富多彩的商业服务成为仁恒高端住宅项目的亮点和竞争优势。仁恒社区商业中心作为最贴近高品质顾客的商业体，极具有增长潜力。

仁恒团队将进一步提升消费体验，继续增加自持投资性房地产业务。形成商业与地产板块间的相互促进，一方面提升竞争力，另方面更提升企业价值。

项目开发

2013年集团开发规模得到大幅提升，在建面积240万平方米，同比2012年增幅17.2%。

2013年六个新项目全部如期开工，达到集团历史最高。其中包括上海仁恒东邑雅苑、上海仁恒世纪公寓、上海仁恒西郊雅苑、南京仁恒江湾城四期、成都仁恒滨河湾二期和天津仁恒景新花园一期。

全年共有八个新项目及现有项目的新房源实现开盘，在售规模实现极大增长。包括上海仁恒森兰雅苑二期、南京仁恒江湾城三期、苏州仁恒双湖湾A2及A5地块、珠海仁恒滨海中心B标段、深圳仁恒峦山美地花园、天津仁恒河滨花园二期和唐山南湖生态城A9地块。

集团2013年在项目品控和工程创优方面继续加大力度投入，且得到丰厚回报，其中上海仁恒森兰雅苑一期荣获上海市“优秀住宅金奖”和“优质工程白玉兰奖”，南京仁恒江湾城二期喜获南京市“优

质工程金陵杯”。其余如珠海仁恒滨海中心、深圳峦山美地花园、成都仁恒滨河湾和天津仁恒海河广场二期等项目的创优工作仍在持续推进中。同时，通过建立定期工程巡视机制，实时掌握各项目质量和安全管理状况，杜绝重大事故、确保工程顺利完成。此外，还通过对住宅防渗漏、销售示范区建设等重点难点问题开展专项研究交流，使先进经验和良好做法得到有益的推广。

土地储备

2013年，集团密切跟踪中国土地政策和市场变化，主要围绕现有房地产业务所在地经济高增长的城市及周边进行优质土地信息的筛选，并结合中国政府推进城镇化的机遇，主要选择辐射力强、文教、医疗、交通、生活配套条件完善、人口导入潜力较大的城市，按需补充土地储备。

2013年10月29日，集团以人民币28.77亿元成功竞得江苏南京新加坡·南京生态科技岛纬七路过江隧道以南G73号地块。新加坡·南京生态科技岛项目是由江苏省委、省政府与新加坡贸工部共同推动，新加坡与南京共同开发建设的整体合作项目。根据规划，将运用新加坡在生态科技城市及园区建设中的先进经验，致力于打造成为长江中下游的水岸绿洲、南京可持续发展的新市镇及国际一流的生态科技岛。本地块位于南京生态科技岛核心地段，总出让土地面积约15.45万平方米，土地性质为商办、科研设计、二类居住混合用地，项目可开发总建筑面积约38.60万平方米，楼面地价约为每平方米人民币7,447元。本项目自然环境优越，尽享田园风光、长江江景一览无遗，且紧邻规划中的地铁10号线、越江隧道贯穿北侧，交通便捷，随着南京生态科技岛建设的持续推进，本项目发展前景广阔，将进一步提升仁恒在南京房地产市场的品牌影响力和份额。

截止2013年末，集团现有土地储备约460万平方米，能够满足集团未来5年的开发和增长需求。这些土地储备分布在上海、南京、苏州、珠海、深圳、成都、天津、唐山、和三亚九个经济高增长城市的核心地段。

国内部分三、四线城市的有限需求与近年来急速增加的供应得使市场成交显现疲态。2014年，考虑到中国房地产市场预期总体继续维持平稳的态势，集团将加快现有项目的开发速度和销售去化率，另加快资金回笼，并积极拓宽融资渠道，充分利用仁恒在现有城市已建立的品牌知名和资源条件，借力于中国加快推进城镇化的良好契机，按照加快周转的要求，致力通过招拍挂、股权合作等多种形式积极扩充土地储备，为后续做大规模奠定坚实基础。

物业管理

2013年仁恒物业从专业化、集约化的方向进一步加强整合，各地物业团队在继续巩固基础管理的同时，积极响应集团物业发展要求，不断提高与完善物业服务品质和物业经营管理。

截止2013年底，集团物业旗下共有上海、南京两家一级资质企业；珠海、成都、天津三家二级资质企业；深圳、贵阳、唐山三家三级资质企业。

根据仁恒置地集团在各地项目开发量的增长，仁恒物业的管理项目与面积也稳步上升，截至2013年底，仁恒物业管理项目分布于上海、南京、苏州、珠海、深圳、成都、贵阳、天津及唐山九个城市。

多年来，仁恒物业一步步踏实地前进，在业内取得良好的口碑，同时也得到了业主与客户的广泛认可。在2013年里，仁恒物业各地公司获得以下殊荣：

- 上海仁恒物业公司获上海市质量管理奖（复审）及中国物业管理行业综合实力TOP200企业
- 南京仁恒物业公司获南京最具业主满意度金管家
- 苏州仁恒物业公司获苏州市吴中区年度优秀物业管理企业奖
- 成都仁恒置地广场获锦江区五星级商务楼宇及市和谐物管十佳写字楼
- 天津仁恒河滨花园及仁恒海河广场均获中国五星级物业服务小区

仁恒物业始终将每位客户都当成自己宝贵的财富和亲密的朋友，重视与客户关系的维系和发展，并秉承“恒心服务，一生呵护”的物业服务理念，透过注入人性化、个性化、精细化服务拓展服务范围，提升服务品质。同时不断优化集团现有的优势资源，完善“仁恒”物业自身的管理模式，把高端物业各项工作做强做实，达到长期良性运作的目标要求。

人力资源

公司坚持并倡导“仁信治业、持之以恒”的企业精神，善待土地，善待员工，通过良好的职业发展平台和优秀的企业文化吸引和保留人才。仁恒一贯将人才战略列为集团发展战略的重要组成部分，集团设有人才培训发展领导小组和人才培训中心，组织实施“优才计划”，系统性推动公司人才战略。仁恒视员工为企业的合作伙伴，信任、理解并善待员工；视人才为企业发展的核心，注重团队培养，通过一系列措施有效实现对团队的选、用、育、留，多年来一直保持员工队伍的相对稳定和不断成长。 2013年，集团一方面加大内部潜力人才的培养力度，并辅以外部人才的引进，以确保足够核心人才以配合企业的发展所需。同时，通过绩效体系的推进来进行团队业绩评估激励，从而进一步提升企业效率。

产品研发

仁恒一贯打造精装修、高科技、生态型的高尚国际住宅社区；提倡居住舒适，管理安全，节能环保的生活环境。

在仁恒的设计产品中，从规划设计、交通系统、景观系统、生态措施及公共设施的设计等方面进行潜心研究。总体规划突破传统设计理念，将生态社区的理念贯穿始终。创造舒适、人性化的尺度，注重对空间尺度的推敲及研究，在满足户型平面功能的基础建筑设计上，考虑结构及设备布置的合理性、经济性，对于设备的安装及维修空间等细节反复推敲。通过转角窗、阳台等建筑元素的巧妙运用，使室内外空间相互引导穿插，完美体现出现代的生活居住空间。本着节约成本，加速开发周期的原则，并保证仁恒的高端品质得以延续，对不同定位的项目采用复制及特别定制两种操作模式。建立项目产品库，将仁恒所打造的数个高端楼盘的设计经验加以沉淀、传承。对于特殊

项目进行特别研发定制，通过与国际著名设计大师的合作，通过“以人为本，简约相容、创意为用”的设计理念，引领了高端舒适生活的内涵和品质。

持续关注节能环保及绿色生态科技在设计中的运用。充分考虑节地原则，合理规划建筑、道路、绿化等用地，以提高土地使用效率和住宅建筑得房率，本着节约资源，优化环境的原则，设计中充分考虑绿色能源的利用和生态、节能、环保技术的有效应用真正实现可持续发展的绿色居住环境。

仁恒已奠定了住宅领域高端项目的品牌形象，在商业项目中，同样也以独具匠心的设计理念及前瞻性的眼光将商业利益与人性化设计相互结合，联合国际著名酒店管理公司，打造珠海滨海中心洲际酒店及位于三亚海棠湾9号地块的皇冠假日酒店，为仁恒的品牌形象更加锦上添花。

企业融资

虽然宏观调控在2013年仍为房地产业持续带来不稳定的因素，但仁恒凭借其良好的品牌、一流的品质和优秀的管理团队，继续得到了内地中外资银行的有力支持，与多家银行建立和维持战略合作关系并享受 VIP客户地位。在国内整体信贷额度紧缺的情况下,仁恒仍以合理的资金价格获取了充足的项目开发贷款授信额度并顺利提款，确保了各地项目的顺利建设。

境外融资方面，为促进集团业务持续扩张并满足集团的资本需求，集团于2013年五月发行了人民币20亿元的三年期境外人民币优先票据，所筹资金主要用于现有及新项目的开发。通过这次交易，集团开拓了新的境外融资平台，拓宽了投资者的群体，使仁恒与国际资本市场的联系更加紧密。

投资关系及企业社会责任

集团十分重视企业的透明度及企业管治水平，并通过与投资市场的主动沟通，使各方更了解仁恒的业务发展策略及增长潜力。

集团注重向投资者提供及时、准确的讯息披露，并建立了一系列有系统的沟通管道，向股东、投资者及分析员提供定期及可靠的讯息。季度业绩报告及各项公告和新闻稿均通过新加坡证券交易所的官方网站公告及仁恒置地集团网站及时发布。

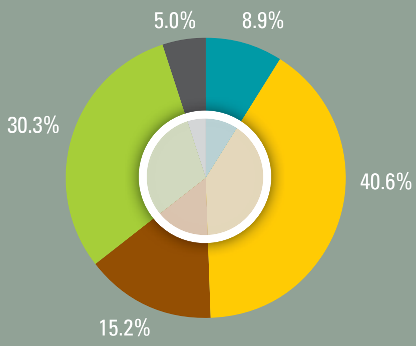
2013年，仁恒参与了32项分别在新加坡，香港，台湾，欧洲及美国举办的国际投资者论坛会，与近千名的投资者及基金经理会面并介绍仁恒的运作及投资优点。

除了建立良好的投资者沟通渠道，仁恒也积极参与各色各样的企业社会责任计划，比如我们一些已开发和正在开发的建筑项目，就含有大量的绿色建筑计划，从设计、建设到管理的每个环节，我们都有较为详细的绿色促进规划。同时，公司每年也会从事社会捐赠等福利活动，向教育等事业提供支持。例如在2013年里我们配合了义安理工学院的要求在成都的仁恒置地广场接待了160名到中国考察的学生与导师。

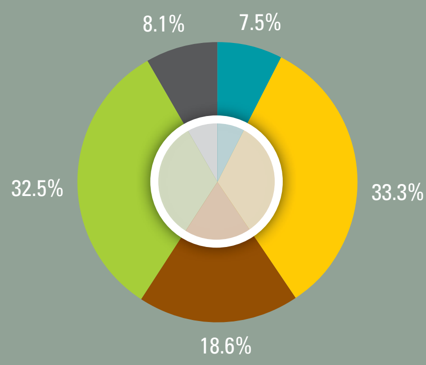
一致于外界对仁恒企业社会责任计划的认可，仁恒获颁建成环境亚洲企业责任，优越领导团队等奖项。

operational highlights

PROPERTY SALES CONTRIBUTION BY CITY IN FY 2013

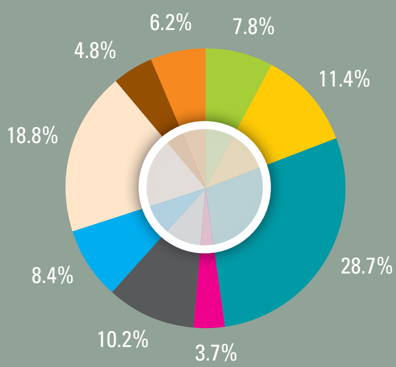


GFA CONTRIBUTION BY CITY IN FY 2013

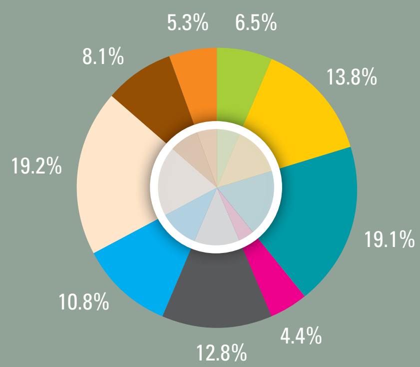


- Nanjing
- Shanghai
- Suzhou
- Tianjin
- Zhuhai

PROPERTY SALES CONTRIBUTION BY PROJECT IN FY 2013

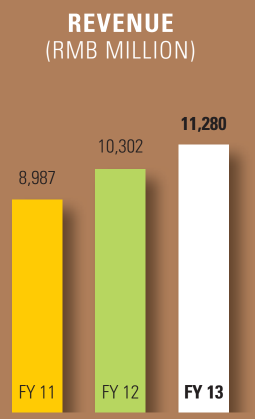


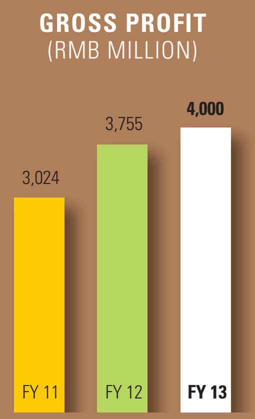
GFA CONTRIBUTION BY PROJECT IN FY 2013

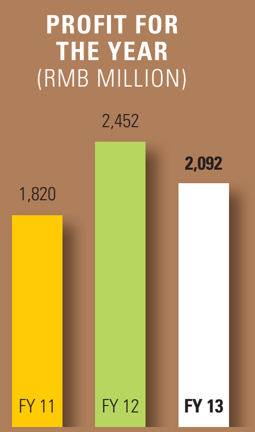


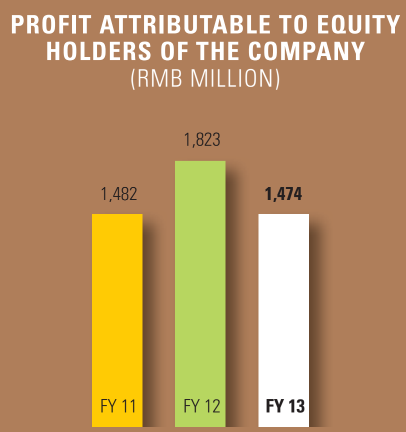
- Nanjing Yanlord Yangtze Riverbay Town (Phase 2)
- Bayside Gardens
- Shanghai Yanlord Sunland Gardens (Phase1)
- Suzhou Yanlord Lakeview Bay - Land Parcel A2
- Suzhou Yanlord Lakeview Bay - Land Parcel A6
- Tianjin Yanlord Riverside Gardens (Phase 1)
- Tianjin Yanlord Riverside Plaza (Phase 2)
- Zhuhai Yanlord New City Gardens (Phase 2)
- Others

financial highlights









CREDIT RATIOS

As at 31 December	2011	2012	**2013**
Net Debt / Equity [1]	52%	38%	**38%**
Total Debt / Equity [1]	70%	51%	**63%**
Total Debt / Capitalization [2]	41%	34%	**39%**

(1) Equity = Equity attributable to equity holders of the Company + Non-controlling interests

(2) Capitalization = Total debt + Equity attributable to equity holders of the Company + Non-controlling interests

development schedule summary

COMPLETED DEVELOPMENT PROPERTIES

Project	City	Interest Attributable	Commencement Date	Completion Date	GFA (sqm)	Remaining Unsold / Held for Investment / Fixed Assets (Saleable Area, sqm)	Type
Hengye International Plaza [(1)] (恒业国际广场) [(1)]	Chengdu	51%	Dec-04	Apr-06	40,655	39,999	S
Hengye Star Gardens (恒业星园)	Chengdu	51%	May-06	Apr-08	83,943	144	R,S
Yanlord Landmark [(1)] (仁恒置地广场) [(1)]	Chengdu	100%	Aug-06	Dec-10	165,755	157,437	O,S,H
Xintian Centre (新天商业中心)	Guiyang	67%	Nov-03	Oct-04	14,376	–	S
Yanlord Villas (仁恒别墅)	Guiyang	67%	Jun-04	Mar-06	36,131	–	R
Bamboo Gardens (翠竹园)	Nanjing	100%	Nov-00	Dec-08	394,310	150	R
Orchid Mansions [(1)] (玉兰山庄) [(1)]	Nanjing	100%	Nov-00	Sep-03	69,649	340	R
Plum Mansions, including Lakeside Mansions (梅花山庄.湖畔之星)	Nanjing	100%	May-94	Dec-02	327,667	563	R
Yanlord G53 Apartments [(1)] (仁恒G53 公寓) [(1)]	Nanjing	60%	Jul-09	Dec-11	97,728	10,151	R,S
Yanlord International Apartments, Tower A [(1)] (仁恒国际公寓，A栋) [(1)]	Nanjing	100%	May-04	Dec-07	43,567	37,940	H
Yanlord International Apartments, Tower B (仁恒国际公寓，B栋)	Nanjing	100%	May-04	Jun-08	67,683	–	R
Yanlord Yangtze Riverbay Town (Phase 1) [(1)] (仁恒江湾城，一期) [(1)]	Nanjing	60%	Jan-08	Jan-11	124,601	2,024	R,S
Yanlord Yangtze Riverbay Town (Phase 2) [(1)] (仁恒江湾城，二期) [(1)]	Nanjing	60%	Sep-09	Mar-13	189,897	3,576	R,S
Bayside Gardens (御澜湾苑)	Shanghai	51%	May-10	Jul-13	116,408	17,511	R,S
Yanlord Apartments (仁恒公寓)	Shanghai	67%	Nov-94	Nov-97	13,579	–	R
Yanlord Gardens (仁恒滨江园)	Shanghai	67%	Nov-97	Sep-03	415,360	–	R

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment

(1) Consists of properties held for investment with unexpired terms of lease between 30-61 years as at 31 December 2013

COMPLETED DEVELOPMENT PROPERTIES (Cont'd)

Project	City	Interest Attributable	Commencement Date	Completion Date	GFA (sqm)	Remaining Unsold / Held for Investment / Fixed Assets (Saleable Area, sqm)	Type
Yanlord Plaza (仁恒广场)	Shanghai	67%	Mar-93	Nov-96	53,049	1,499	R,S
Yanlord Riverside City [1] (仁恒河滨城) [1]	Shanghai	67%	May-03	Jun-10	741,417	8,904	R,S
Yanlord Riverside Gardens (仁恒河滨花园)	Shanghai	57%	May-02	Mar-07	319,756	–	R
Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑，一期)	Shanghai	60%	Jun-10	Nov-13	171,736	50,983	R
Yanlord Town (仁恒家园)	Shanghai	50%	Sep-05	Dec-07	75,573	–	R
Yanlord Townhouse (仁恒怡庭)	Shanghai	100%	Sep-09	Dec-11	65,572	8,611	R
Yunjie Riverside Gardens (运杰河滨花园)	Shanghai	51%	Mar-05	Jul-11	253,048	7,494	R,S
Suzhou Wuzhong Area C1 Land - Villas (苏州吴中区C1地块 - 别墅)	Suzhou	100%	Oct-08	Dec-12	22,614	19,622	R
Yanlord Lakeview Bay - Land Parcel A2 (仁恒双湖湾，A2 地块)	Suzhou	60%	Oct-10	Jun-13	29,131	10,154	R
Yanlord Lakeview Bay - Land Parcel A6 (仁恒双湖湾，A6 地块)	Suzhou	60%	May-10	Nov-13	74,728	17,735	R
Yanlord Lakeview Bay - Land Parcel A7 [1] (仁恒双湖湾，A7 地块) [1]	Suzhou	60%	Oct-09	Feb-13	64,602	16,775	R,S
Yanlord Peninsula (Apartment) (星屿仁恒)	Suzhou	100%	May-06	Jun-10	100,342	957	R
Yanlord Peninsula (Townhouse) (星岛仁恒)	Suzhou	100%	Nov-05	Jun-09	91,963	548	R
Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园，一期)	Tianjin	80%	Oct-09	Jun-12	163,476	28,849	R
Yanlord Riverside Plaza (Phase 1) [1] (仁恒海河广场，一期) [1]	Tianjin	100%	Oct-07	Jul-13	215,475	75,206	R,S
Yanlord Riverside Plaza (Phase 2) (仁恒海河广场，二期)	Tianjin	100%	Jan-11	Jul-13	87,668	4,173	R
Yanlord New City Gardens [1] (仁恒星园) [1]	Zhuhai	90%	Sep-06	Apr-12	413,012	17,347	R,S
Total					**5,144,471**	**538,692**	

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment

(1) Consists of properties held for investment with unexpired terms of lease between 30-61 years as at 31 December 2013

PROPERTIES UNDER DEVELOPMENT

Project	City	Interest Attributable	Commencement Date	Actual / Estimated Completion Date	GFA (sqm)	Type
Yanlord Riverbay (Phase 1) (仁恒滨河湾，一期)	Chengdu	70%	Nov-11	May-14	125,155	R
Yanlord Riverbay (Phase 2) (仁恒滨河湾，二期)	Chengdu	70%	Dec-13	4th Quarter 2016	133,937	R
Yanlord Yangtze Riverbay Town (Phase 3) (仁恒江湾城，三期)	Nanjing	60%	Dec-12	2nd Quarter 2015	199,765	R
Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城，四期)	Nanjing	60%	Dec-13	4th Quarter 2016	181,030	R
Yanlord Eastern Gardens (1) (仁恒东邑雅苑) (1)	Shanghai	100%	Dec-13	4th Quarter 2015	179,944	R
Yanlord on the Park (2) (仁恒世纪公寓) (2)	Shanghai	50%	Nov-13	2nd Quarter 2016	148,363	R
Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑，二期)	Shanghai	60%	Aug-12	2nd Quarter 2015	164,436	R,S,H
Yanlord Western Gardens (仁恒西郊雅苑)	Shanghai	60%	Apr-13	4th Quarter 2015	246,487	R
Yanlord Rosemite (仁恒峦山美地花园)	Shenzhen	100%	Sep-12	4th Quarter 2015	149,700	R,S
Yanlord Lakeview Bay - Land Parcel A2 (仁恒双湖湾，A2 地块)	Suzhou	60%	Oct-10	Jun-14	58,753	R
Yanlord Lakeview Bay - Land Parcel A5 (仁恒双湖湾，A5 地块)	Suzhou	60%	May-11	Dec-14	51,077	R
Yanlord Lakeview Bay - Land Parcel A6 (仁恒双湖湾，A6 地块)	Suzhou	60%	May-10	Mar-14	3,728	S
Tangshan Nanhu Eco-City - Land Parcel A9 (唐山南湖生态城，A9 地块)	Tangshan	50%	Nov-11	2nd Quarter 2015	110,233	R
Tangshan Nanhu Eco-City - Land Parcel A19 (唐山南湖生态城，A19 地块)	Tangshan	50%	Jul-12	Oct-14	36,959	R
Tianjin Jinnan Land (Phase 1) (景新花园，一期)	Tianjin	60%	Dec-13	4th Quarter 2015	93,989	R
Tianjin Jinnan Land (Phase 2) (景新花园，二期)	Tianjin	60%	Dec-12	2nd Quarter 2016	75,118	R
Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园，二期)	Tianjin	80%	Nov-12	4th Quarter 2015	157,811	R
Yanlord Riverside Plaza (Phase 1) (3) (仁恒海河广场，一期) (3)	Tianjin	100%	Oct-07	2nd Quarter 2015	8,233	S
Yanlord Riverside Plaza (Phase 2) (3) (仁恒海河广场，二期) (3)	Tianjin	100%	May-12	4th Quarter 2016	63,424	O,S
Yanlord Marina Centre - Section A (4) (仁恒滨海中心 - A标段) (4)	Zhuhai	95%	Jul-11	4th Quarter 2016	86,445	O,S,H
Yanlord Marina Centre - Section B (仁恒滨海中心 - B标段)	Zhuhai	95%	Nov-09	Aug-14	130,232	R,S
Total					**2,404,819**	

R = Residential   O = Office   S = Shop & Retail   H = Hotel & Serviced Apartment

(1) Formerly known as Yanlord Eastern Gardens (仁恒东郊花苑)
(2) Formerly known as Shanghai Tang Dong Nan Land (上海唐东南地块)
(3) Consists of properties held for investment with unexpired terms of lease 61 years as at 31 December 2013
(4) Consists of GFA of 48,277 sqm under construction-in-progress in property, plant and equipment

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Project	City	Interest Attributable	Actual / Estimated Commencement Date	Estimated Completion Date	GFA (sqm)	Type
Yanlord Riverbay (Phase 3) (仁恒滨河湾，三期)	Chengdu	70%	Dec-14	2017	131,567	R
Nanjing Eco Hi-tech Island - Land Parcel G73 (南京生态科技岛 - G73地块)	Nanjing	100%	May-14	2019	386,336	R,O,S,H
Yanlord Yangtze Riverbay Town - Land Parcel 5 (1) (仁恒江湾城 - 5 号地块) (1)	Nanjing	60%	2015	2016	12,013	s
Sanya Hai Tang Bay - Land Parcel 9 (2) (三亚海棠湾 - 9 号地块) (2)	Sanya	100%	Jul-14	2017	77,509	R,H
Shanghai San Jia Gang Land Plot (仁恒滨海度假村)	Shanghai	67%	2015	2016	35,831	R
Shenzhen Longgang District Economic Residential Housing (深圳龙岗区 - 经济适用房)	Shenzhen	75%	Under Planning	Under Planning	144,064	R
Shenzhen Longgang District Redevelopment Project (深圳龙岗区 - 城中村改造项目)	Shenzhen	75%	Under Planning	Under Planning	390,000	R
Yanlord Lakeview Bay - Land Parcels A1, A3-A4 (仁恒双湖湾，A1、A3-A4 地块)	Suzhou	60%	Mar-14	2016	81,726	R
Tangshan Nanhu Eco-City Land Parcels (唐山南湖生态城地块)	Tangshan	50%	Nov-14	2019	240,445	R,O
Tianjin Jinnan Land (Phase 3) (景新花园，三期)	Tianjin	60%	Nov-14	2017	195,680	R
Yanlord Marina Peninsula Gardens - Land Parcels S2, SC & SD (3) (仁恒滨海半岛花园 - S2、SC、SD 地块) (3)	Zhuhai	60%	Feb-14	2017	346,424	R,S
Yanlord Marina Peninsula Gardens - Land Parcels S3 & SB (4) (仁恒滨海半岛花园 - S3、SB 地块) (4)	Zhuhai	60%	Feb-14	2016	152,906	R,S
Total					**2,194,501**	

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment

(1) Formerly a portion of Yanlord Yangtze Riverbay Town (Phase 4) (仁恒江湾城，四期)
(2) Consists of GFA of 50,580 sqm under construction-in-progress in property, plant and equipment
(3) Formerly known as Zhuhai Tang Jia Wan - Land Parcels S2, SC & SD (珠海唐家湾 - S2、SC、SD 地块)
(4) Formerly known as Zhuhai Tang Jia Wan - Land Parcels S3 & SB (珠海唐家湾 - S3、SB 地块)

board of directors

Seated from left
Ng Jui Ping
Zhong Sheng Jian
Ng Ser Miang

Standing from left
Zhong Siliang
Chan Yiu Ling
Ronald Seah Lim Siang
Ng Shin Ein
Hong Zhi Hua

MR. ZHONG SHENG JIAN

Chairman and CEO

Mr. Zhong Sheng Jian is the founder, Chairman and CEO of Yanlord Land Group Limited and was first appointed to our board of directors on February 13, 2006. His last re-election as our director was on April 26, 2013. He is responsible for the overall management and strategy development of Yanlord Land Group Limited. Since the 1980s, Mr. Zhong has founded and established a number of businesses in trading, manufacturing, real estate and financial services spanning China, Singapore, Hong Kong and Australia. He started our property development business in the early 1990s through the setting up of our offices in Shanghai and Nanjing, which are now part of the SGX Mainboard listed Yanlord Land Group Limited.

Due to his investments in and contribution to various parts of China, Mr. Zhong has been awarded Honorary Citizenships in Nanjing, Zhuhai, Shanwei and Suzhou in the PRC. In 2005, he was also awarded the White Magnolia Award in Shanghai for his contributions to the Municipal City of Shanghai.

Mr. Zhong is a member of several Singapore-China investment and trade committees, including Singapore-Sichuan Trade and Investment Committee, Singapore-Tianjin Economic & Trade Council, Singapore-Jiangsu Cooperation Council and Singapore-Guangdong Collaboration Council. He is also a member of the Tianjin People's Political Consultative Conference Standing Committee, Vice-President of the Singapore Chinese Chamber of Commerce & Industry, Board Member of Business China and Vice-President of Singapore Federation of Chinese Clan Associations.

In May 2010, Mr. Zhong was named and awarded the Singapore Businessman of the Year 2009.

MR. ZHONG SILIANG

Executive Director

Mr. Zhong Siliang is our Executive Director and was first appointed on May 11, 2006. His last re-election as our director was on April 25, 2012. He is the nephew of Mr. Zhong Sheng Jian, our Chairman and CEO. Since October 2005, he has held the position of Assistant General Manager of our Investments Department and in this capacity, Mr. Zhong Siliang assists in the evaluation of new business developments and conducts feasibility studies on potential property transactions for investments.

Mr. Zhong Siliang is responsible for establishing relations with architectural firms, real estate consultants and the district and national government officials, for the execution of our investments in the PRC. He also works closely with our Chairman and CEO, Mr. Zhong Sheng Jian, and assists in other group decisions. In addition, Mr Zhong Siliang assists in the overall management of Yanlord Land (Shenzhen) Co., Ltd. and is also the Deputy Director of our operations in the Group since 2007.

Mr. Zhong Siliang holds a Master's Degree from the Washington University-Fudan University EMBA programme and a Bachelor's Degree in Business Administration from the University of Portsmouth, England.

MS. CHAN YIU LING

Executive Director

Ms. Chan Yiu Ling is our Executive Director and was first appointed on May 11, 2006. Her last re-election as our director was on April 26, 2013. Since 1999, she has been assisting our Chairman and CEO, Mr. Zhong Sheng Jian, and is responsible for various administrative functions of our Group. Prior to that, she was the Sales Manager of Yanlord Industrial Ltd., where she managed its sales and marketing department for close to 10 years. Ms. Chan has approximately eight years of administration experience working as an Administration Executive in various companies before joining us. Ms. Chan graduated with a diploma from the Chinese YMCA Secretarial Course in 1982.

MR. HONG ZHI HUA

Executive Director

Mr. Hong Zhi Hua is our Executive Director and was first appointed on September 20, 2006. His last re-election as our director was on April 25, 2012. Mr. Hong has also been our Executive Vice-President since May 2005 and is responsible for the Group's human resources, recruitment, and other corporate and administration matters. In addition, Mr. Hong also oversees the planning and strategic development of Sino-Singapore Nanjing Eco Hi-tech Island. Prior to joining our Group, he was a Director and CEO of Shanghai Hua Hong Investment Management Co., Ltd., Assistant General Manager of Shanghai Lujiazui Financial District Holdings and Vice-President of Shanghai Waigaoqiao Free Zone Holdings. From 1992 to 1999, he was the Deputy Department Head of Shanghai Pudong New District Economics and Trade Commission and was responsible for boosting trade in the area and attracting investments. From 1985 to 1992, he was the Honorary Secretary for the Youth Division of the Shanghai Communications Bureau, where he was involved in the administration of the Youth Division and its related educational institute.

Mr. Hong holds a Doctorate in Business Administration from the University of South Australia and a Master's Degree in Business Administration from La Trobe University. In 1997, he graduated with a Bachelor's Degree in Business Administration from the Shanghai University, PRC.

MR. RONALD SEAH LIM SIANG

Lead Independent Director

Mr. Ronald Seah Lim Siang is our Lead Independent Director and was first appointed on May 11, 2006. His last re-election as our Director was on April 29, 2011. Over a 26-year period between 1980 and 2005, he held various senior positions within the AIG Group in Singapore, initially as AIA Singapore's Vice-President and Chief Investment Officer managing the investment portfolio of AIA Singapore and later as AIG Global Investment Corporation (Singapore) Ltd's Vice-President of Direct Investments. Between 2001 and 2005, Mr. Seah was also the Chairman of the board of directors of AIG Global Investment Corporation (Singapore) Ltd.

From 1978 to 1980, Mr. Seah managed the investment portfolio of Post Office Savings Bank as Deputy Head of the Investment and Credit Department. Prior to that, he worked at Singapore Nomura Merchant Bank as an Assistant Manager with responsibilities covering the sale of bonds and securities and offshore (ACU) loan administration for the bank. Between 2002 and 2003, Mr. Seah served on the panel of experts of the Commercial Affairs Department of Singapore. Mr. Seah has been serving on the Investment Committee of the National Council of Social Services (NCSS) since 1995.

Mr. Seah sits on the boards of other listed companies namely, Global Investments Limited, Telechoice International Limited and PGG Wrightson Limited (listed on the New Zealand Stock Exchange), and also the boards of M&C REIT Management Limited (as manager of CDL Hospitality Real Estate Investment Trust) and M&C Business Trust Management Limited (as trustee-manager of CDL Hospitality Business Trust).

Mr. Seah graduated with a Bachelor of Arts and Social Sciences (Second Class Upper in Economics) from the then University of Singapore in 1975.

MR. NG SER MIANG

Independent Director

Mr. Ng Ser Miang is our Independent Director and was first appointed on May 11, 2006. His last re-election as our director was on April 29, 2011. He has been the Chairman and founder of TIBS International Pte. Ltd. since 1981 and is currently a member of the International Olympic Committee (IOC). He is also the Chairman of the NTUC Fairprice Co-operative Limited and an Independent Director of Singapore Press Holdings Limited. Mr. Ng was the Chairman of WBL Corporation Limited.

Mr. Ng is the Chairman of Network China and has served as a member of the Asia Pacific Economic Cooperation (APEC) Business Advisory Committee (ABAC) from 2001 to September 2008. He is on the Resource Panel (Chinese Newspaper Division) of the Singapore Press Holdings Limited and was the Chairman of the Singapore Sports Council from 1991 to 2002. Mr. Ng was appointed a Justice of the Peace in September 2005 and was a Nominated Member of Parliament from June 2002 to January 2005. In 2010, he was conferred the Meritorious Service Medal (Pingat Jasa Gemilang), a National Day Award, by the Singapore

Government in addition to the Public Service Star in 1999. He also received the following awards namely, the National Trades Union Congress (NTUC) May Day Award – Medal of Commendation in 1993, NTUC Friend of Labour Award in 2001, NTUC Meritorious Service Award in 2007, Singapore National Co-operative Federation Rochdale Medal in 2013 and the Outstanding Chief Executive of the Year Award (Singapore Business Awards) in 1992. Mr. Ng graduated with a Bachelor's Degree in Business Administration (Honors) from the then University of Singapore and is also a Fellow of the Chartered Institute of Transport (FCIT).

MS. NG SHIN EIN

Independent Director

Ms. Ng Shin Ein is our Independent Director and was first appointed on May 11, 2006. Her last re-election as our Director was on April 25, 2012.

Ms. Ng is the Managing Director of Blue Ocean Associates Pte Ltd, a pan-Asian private investment firm investing in companies regionally. Prior to this, Ms Ng was with the Singapore Exchange, where she was responsible for developing Singapore's capital market and bringing companies to list in Singapore. Additionally, she was part of the Singapore Exchange's IPO Approval Committee, where she contributed industry perspectives and also acted as a conduit between the marketplace and regulators.

Admitted as an advocate and solicitor of the Singapore Supreme Court, Ms. Ng started as a corporate lawyer in Messrs Lee & Lee for a number of years. While in legal practice, she advised on joint ventures, mergers and acquisitions and fundraising exercises.

Ms. Ng also sits on the boards of NTUC Fairprice Cooperative Limited, Sabana Real Estate Investment Management Pte. Ltd., First Resources Limited, Eu Yan Sang International Limited and UPP Holdings Limited. Additionally, she is an adjunct research fellow with the Business School of the National University of Singapore where she focuses on her areas of interest, philanthropy and social enterprises.

Ms. Ng holds a Degree in LLB (Honors) from Queen Mary and Westfield Collage, University of London.

LIEUTENANT-GENERAL (RET) NG JUI PING

Independent Director

Lieutenant-General (Ret) Ng is our Independent Director and was first appointed on September 20, 2006. His last re-election as our director was on April 26, 2013.

General Ng has a distinguished 30-year military career culminating in the position of Chief of Defence Force, Singapore, from which he retired in 1995. He was also Chief of Army and Chief of Staff (General Staff). He has been conferred the Meritorious Service Medal (Military) and the Public Administration Medal (Gold), among other national honours, for distinguished service to Singapore. He has also been conferred prestigious awards by regional countries for his contributions.

Following his retirement from the Singapore Armed Forces, General Ng took up the entrepreneurial route. He listed the company he co-founded on the SGX-ST in January 2000 and exited via a share sale in late 2004. He is currently Chairman of August Asia Consulting Pte. Ltd., a wholly-owned business advisory. He is an Independent Director on the SGX-ST listed Boards of Pacific Andes Resources Development Limited and Singapore Shipping Corporation Limited.

General Ng held various positions including Deputy Chairman of the Central Provident Fund Board, Singapore; Director of PSA International Pte Ltd and Chairman of its China and North East Asia Grouping; Director of NTUC Income; Chairman of Singapore Technologies Automotive Ltd and Chartered Industries of Singapore Pte Ltd; Corporate Advisor to Singapore Technologies Pte. Ltd. and Singapore Technologies Engineering Ltd; and Chairman Asia Pacific of AGT International, a global public safety and security corporation. He was Advisor to Aldar, the largest Abu Dhabi property developer, and to Chesterton International Property Consultants Pte. Ltd.

General Ng is a Master of Arts (History) from Duke University, USA and a graduate of the Advanced Management Programme, Harvard Business School, USA.

key management

MR. ZHANG HAO NING
Executive Vice-President

Mr. Zhang Hao Ning has been our Executive Vice-President since May 2012 and is responsible for project development. Prior to that, he was the General Manager of our Nanjing operations since 2005 and was responsible for the overall management of our business in Nanjing. He was our Assistant General Manager of our Nanjing operations between 2000 and 2005, and the Manager of our Nanjing operations department from 1994 to 2000. Prior to joining us, he worked as a Cost Engineer in the Architecture Design Institute, Nanjing and Hong Kong Changjiang Pte. Ltd., Nanjing between 1990 and 1994, and was responsible for the management of their engineering budgets and was also involved in the design work of the Architecture Design Institute. Mr. Zhang obtained a Master's Degree in Economics from the Nanjing University in the PRC in 1995. He is also a registered Cost Engineer with the Jiangsu Department of Personnel since 1998.

MR. CHEN PING
Executive Vice-President

Mr. Chen Ping has been our Executive Vice-President since January 2013 and is responsible for the Group's property management business. Prior to this, Mr. Chen was the General Manager of Shanghai Yanlord Property Management Co., Ltd. between 2004 and January 2013. Between 1994 and 2004, Mr. Chen was a Sales Manager of Shanghai Yanlord Property Co., Ltd. Before joining the Group, Mr. Chen was an Engineer of Shanghai Xin Hu Steel Factory. Mr. Chen graduated from Tongji University, Shanghai, majoring in Civil and Industrial Engineering.

MR. CHEN YUE
Advisor to the Chairman and CEO

Mr. Chen Yue has been the Advisor to our Chairman and CEO on project development since May 2012. Prior to that, he was our Executive Vice-President since April 2005 and was responsible for project development. He has more than 10 years of management experience as the General Manager of Yanlord Investment (Nanjing) Co., Ltd., managing our investments in Nanjing from 1994 to 2005. Prior to joining Yanlord, he was a Manager of Lufeng City Finance and Commercial Trading Co., Ltd. from 1992 to 1993. He was also the head of three other factories in Lufeng City from 1978 to 1991 namely, the Lufeng City Erqing Agency Plastic Material Factory, Lufeng City Donghai Paper Factory and Lufeng City Donghai Glass Factory.

MR. JIM CHAN CHI WAI
Group Financial Controller

Mr. Jim Chan Chi Wai has been our Group Financial Controller since 2003. He is responsible for our day-to-day finance and accounting functions and is also involved in the supervision of our finance staff. He has more than 10 years of experience as an auditor and accountant. Prior to joining Yanlord, he was the Financial Controller of Komark Hong Kong Co., Ltd., a subsidiary of KomarkCorp Berhad, a multinational company listed in Malaysia, for approximately two years. He was also a Senior Accountant at Cathay International Limited, a multinational company with investments in the United Kingdom and the PRC from 1997 to 2001 and Senior Audit Accountant at PricewaterhouseCoopers from

1993 to 1997. Mr. Chan graduated with a Bachelor of Arts in Accountancy with Second Class Honours, Upper Division, from the City University of Hong Kong in 1993. He is a Certified Public Accountant registered with the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants, Hong Kong.

MR. ZHONG BAILING

General Manager - Shanghai

Mr. Zhong Bailing has been the General Manager of our Shanghai operations since November 2012 and is responsible for the overall management of our business in Shanghai. Prior to that, he was the General Manager of our Shenzhen operations since March 2010 and was responsible for the overall management of our business in Shenzhen. From December 2006 to March 2010, Mr. Zhong was the Executive Vice General Manager of our Zhuhai subsidiary, taking charge of architectural design, engineering, marketing and property management. Between February 1999 and December 2006, Mr. Zhong was a Senior Manager of IPC Corporation Ltd. of Singapore and was responsible for the company's project development and marketing in Zhuhai. From May 1996 to February 1998, Mr. Zhong was a Project Manager with Zhuhai International Engineering Consulting Co., Ltd. Mr. Zhong obtained his Bachelor's and Master's Degrees in Engineering from Tsinghua University in 1993 and 1996 respectively. From February 1998 to March 1999, he was a visiting scholar at Nanyang Technological University in Singapore. Mr. Zhong is a member of China Institute of Real Estate Appraisers and Agents.

MR. HUANG ZHONG XIN

General Manager – Chengdu

Mr. Huang Zhong Xin has been the General Manager of our Chengdu operations since 2005 and is responsible for the overall management of our operations in Chengdu. Since 2002, he served as the Assistant General Manager and later the General Manager of Yanlord Land (Chengdu) Co., Ltd. He was involved in day to day operations of the company. Mr. Huang has been with Yanlord since 1989. He was first involved in the international trading business of Yanlord Holdings until 1993. Subsequently, he was the Assistant General Manager of Yanlord Industrial (Shenzhen) Co., Ltd. and was responsible for setting up of industrial centres for two years. From 1994 to 2002, he was the Assistant General Manager at Yanlord Investment (Nanjing) Co., Ltd. and Acting General Manager of Yanlord Property Management Co., Ltd. and was involved in the marketing, project planning and property management functions of these companies.

MR. LAM CHING FUNG

General Manager – Zhuhai

Mr. Lam Ching Fung has been the General Manager of our operations in Zhuhai since 2005 and is responsible for the overall management of our business in Zhuhai. He was previously a Director of the Zhuhai Special Economic Zone Longshi Bottle Capping Factory and was also responsible for the overall management of the business. Mr. Lam has completed an executive course in Advanced Business Management conducted by Qinghua University, Zhuhai.

MR. GAO YONGJUN

General Manager – Nanjing and Sanya

Mr. Gao Yongjun was appointed General Manager of our Nanjing operations in May 2012 and has been the General Manager of our Sanya operations since March 2010. He is responsible for the overall management of our businesses in Nanjing and Sanya. Mr. Gao joined Yanlord in March 1998 and worked as Project Manager, Director of Engineering Department and Assistant General Manager of our Nanjing subsidiary over the years, taking charge of project development and landscaping. Between December 2006 and March 2010, Mr. Gao was the Vice General Manager of our Nanjing subsidiary. Mr. Gao graduated from Yangzhou University in 1993 and majored in Industrial and Civil Engineering.

MR. ZHOU CHENG

General Manager – Suzhou

Mr. Zhou Cheng is the General Manager of our Suzhou operations and is responsible for the overall management of our business in Suzhou. Mr. Zhou joined Yanlord in April 2000 as a Project Manager in the Group's Nanjing subsidiary and has assumed numerous roles including the Manager of the Engineering Department at our Nanjing subsidiary before assuming the role as the Vice General Manager of our Suzhou subsidiary in 2005. Between 1999 and April 2000, Mr. Zhou was the Project Manager and Civil & HVAC engineer at Pepsi Cola Nanjing. Between 1989 and 1999, Mr. Zhou was Project Manager at Nanjing Steel Group. Mr. Zhou graduated from Xi'an University of Architecture and Technology in 1989 with a Degree in Industrial and Civil Engineering.

MR. DAI GANG

General Manager – Tianjin and Tangshan (Till October 2013)

Mr. Dai Gang has been the General Manager of our Tianjin operations since June 2009 and the General Manager of our Tangshan operations since October 2010. Mr. Dai is also our Group's Chief Engineer and the Vice General Manager of our Shanghai subsidiary. From February 2008 to June 2009, Mr. Dai was the General Manager of our Shenzhen operations. Mr. Dai joined our Shanghai subsidiary in March 1993 and worked as Electric Engineer, Project Manager, Department Manager, Deputy Chief Engineer and Vice General Manager over the years. Mr. Dai has been chairing the committee for fully-fitted apartments under the Residential Property Developers' Union, Shanghai Federation of Industry & Commerce since October 2005. Mr. Dai graduated from Shanghai Textile Technology College and majored in Industrial Automation. Mr. Dai is a certified Supervisory Engineer.

MR. LIU HAN

General Manager – Tianjin and Tangshan

Mr. Liu Han was appointed the General Manager of our Tianjin and Tangshan operations in November 2013. Prior to joining Yanlord, Mr. Liu served as the Managing Director of Hong Kong based RK Properties and oversaw the operations of its Tianjin and Shandong subsidiaries. During his tenure with RK Properties from 2007 to 2013, Mr Liu served as a member of RK Properties' management and marketing committees, an Associate Director on the board as well as the General Manager of RK properties' Changzhou subsidiary and its Jiangsu property management company. Prior to joining RK Properties, Mr. Liu worked at Sunco Group between July 1997 to December 2006, specializing in marketing and sales before assuming the responsibilities of General Manager of Sunco Development (Tianjin) and Regional General Manager for Tianjin of Sunco Group in March 2003. From March 2006 to December 2006, Mr. Liu was also the Vice-President (Marketing) of Sunco Group. Mr. Liu is a certified Senior Civil Engineer and graduated from Nankai University with a Bachelor's Degree in Economics in 1995.

financial statements

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2013.

1 DIRECTORS

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

Zhong Sheng Jian

Zhong Siliang

Chan Yiu Ling

Hong Zhi Hua

Ronald Seah Lim Siang

Ng Ser Miang

Ng Shin Ein

Ng Jui Ping

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap 50 ("Act") except as follows:

	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	At beginning of year	At end of year	At beginning of year	At end of year
The Company				
a) Ordinary shares				
Zhong Sheng Jian [(1)]	9,067,000	9,067,000	1,278,390,000	1,278,390,000
Zhong Siliang	320,000	320,000	-	-
Chan Yiu Ling [(2)]	720,000	720,000	25,000	25,000
Hong Zhi Hua [(3)]	630,000	40,000	-	-
Ronald Seah Lim Siang	20,000	20,000	-	-
Ng Ser Miang	705,000	705,000	-	-
Ng Shin Ein	118,000	118,000	-	-
Ng Jui Ping	100,000	100,000	-	-
b) Convertible notes due 2014 (S$'000)				
Ng Shin Ein	1,000	1,750	-	-
c) Senior notes due 2017 (US$'000)				
Zhong Sheng Jian	2,500	2,500	-	-
Ng Ser Miang	2,000	2,000	-	-
Ng Shin Ein	200	200	-	-

(1) Zhong Sheng Jian is deemed to be interested in 1,278,390,000 (2012 : 1,278,390,000) ordinary shares in the Company held by Yanlord Holdings Pte. Ltd. ("YHPL"). YHPL is a company which is owned by Zhong Sheng Jian (95% shareholding interest) and his spouse (5% shareholding interest).
(2) 25,000 shares in the Company held by the spouse of Chan Yiu Ling.
(3) Interest held via nominee account.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (Cont'd)

The directors' beneficial interest in other related corporations' shares and debentures were as follows:

Name of directors and companies in which interests are held	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
	At beginning of year	At end of year	At beginning of year	At end of year
Immediate holding company				
Yanlord Holdings Pte. Ltd. (Ordinary shares)				
Zhong Sheng Jian	95,000,000	95,000,000	5,000,000	5,000,000
Related corporations				
(i) Yanlord Capital Pte. Ltd. (Ordinary shares)				
Zhong Sheng Jian	-	-	1	1
(ii) Yanlord Industries Pte. Ltd. (Ordinary shares)				
Zhong Sheng Jian	-	-	1	1

By virtue of Section 7 of the Act, Zhong Sheng Jian is deemed to have an interest in the Company and all the related corporations of the Company.

The directors' interests in the shares and senior notes of the Company as at January 21, 2014 were the same as at December 31, 2013.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in these financial statements or the financial statements of the relevant related corporations within the Group, if any. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5 SHARE OPTIONS AND CONVERTIBLE NOTES

5.1 Yanlord Land Group Share Option Scheme 2006 ("ESOS 2006")

The ESOS 2006 will provide eligible participants with the opportunity to participate in the equity of the Company and motivate them towards better performance through increased dedication and loyalty. The aggregate number of shares that may be issued or issuable under the plan at any time may not exceed 15% of the then issued share capital.

The Remuneration Committee ("RC") comprises 3 independent directors, and they are Ng Jui Ping, Ronald Seah Lim Siang and Ng Shin Ein. The RC administers the ESOS 2006.

Options may be granted to employees and directors of the Company or any of the related entities, which include the subsidiaries or any entities in which the Company holds a substantial ownership interest, including any such employees or directors who are associates of the controlling shareholder. The controlling shareholder is not eligible to participate in the ESOS 2006.

In general, the plan administrator determines the exercise price of an option. The exercise price may be a fixed or variable price related to the fair market value of the ordinary shares. The term of each award will be stated in the award agreement. The term of an award will not exceed 10 years from the date of the grant, or five years from the date of grant in the case of options granted to non-executive directors or employees of related entities other than subsidiaries. In general, the plan administrator determines, or the award agreement specifies, the vesting schedule.

The Board of Directors may at any time amend, suspend or terminate the ESOS 2006. Amendments to the plan are subject to shareholder approval to the extent required by law, or stock exchange rules or regulations. Additionally, shareholder approval is specifically required to increase the number of shares available for issuance under the plan or to extend the term of an option beyond 10 years. Unless terminated earlier, the plan will expire and no further awards may be granted after the tenth anniversary of the shareholder's approval of the plan.

This scheme will continue to be in force at the discretion of the RC subject to a maximum period of 10 years commencing on the date the ESOS 2006 was adopted by the Company in general meeting. However, ESOS 2006 may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities that may then be required.

During the financial year, no option was granted under the ESOS 2006.

5.2 Convertible Notes

In year 2009, the Company issued convertible notes due in 2014, details of which are disclosed in Note 23 to the financial statements.

6 OPTIONS EXERCISED

During the financial year, no share of the Company or any corporation in the Group was allotted and issued by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group.

7 UNISSUED SHARES UNDER OPTIONS

There was no option granted by the Company or any corporation in the Group to any person to take up unissued shares of the Company or any corporation in the Group as at the end of the financial year.

8 AUDIT COMMITTEE

At the date of this report, the Audit Committee comprises the following members:

Ronald Seah Lim Siang	Chairman and Lead Independent Director
Ng Jui Ping	Independent Director
Ng Shin Ein	Independent Director

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act. The functions performed are detailed in the Corporate Governance Statement.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP, Singapore for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

9 AUDITORS

The auditors, Deloitte & Touche LLP, Singapore, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Zhong Sheng Jian

Chan Yiu Ling

March 14, 2014

STATEMENT OF DIRECTORS

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 45 to 116 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2013, and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

Zhong Sheng Jian

Chan Yiu Ling

March 14, 2014

INDEPENDENT AUDITORS' REPORT

To the Members of Yanlord Land Group Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Yanlord Land Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2013, and the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 116.

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 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' 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 judgement, 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.

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 state of affairs of the Group and of the Company as at December 31, 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the 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 and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

March 14, 2014

STATEMENTS OF FINANCIAL POSITION

December 31, 2013

	Note	GROUP		COMPANY	
		2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	757,334	594,202	-	-
Investment properties	8	8,764,770	7,975,200	-	-
Properties for development	9	9,960,451	16,079,251	-	-
Investments in subsidiaries	10	-	-	2,465,544	2,624,468
Investment in an associate	11	-	-	-	-
Investments in jointly controlled entities	12	600,486	335,723	-	-
Non-trade amount due from non-controlling shareholder of subsidiary	13	158,367	-	-	-
Intangible asset	14	613	613	-	-
Deferred tax assets	15	219,707	128,967	-	-
Derivative financial instruments	16	20,402	-	-	-
Total non-current assets		20,482,130	25,113,956	2,465,544	2,624,468
Current assets					
Inventories		40,830	39,527	-	-
Completed properties for sale	9	4,324,410	4,608,540	-	-
Properties under development for sale	9	28,640,895	20,284,446	-	-
Trade receivables		39,213	50,964	-	-
Other receivables and deposits	17	411,268	302,519	3	274
Non-trade amounts due from:					
Subsidiaries	5	-	-	12,785,666	11,037,800
Associate	11	354	213	-	-
Jointly controlled entities	12	230	-	-	-
Non-controlling shareholders of subsidiaries	13	376,380	331,424	-	-
Other related party	6	551	567	-	-
Held-for-trading investment	18	11,056	11,311	-	-
Pledged bank deposits	19	29,643	15,072	-	-
Cash and cash equivalents	19	7,082,045	3,540,577	6,894	2,601
Total current assets		40,956,875	29,185,160	12,792,563	11,040,675
Total assets		61,439,005	54,299,116	15,258,107	13,665,143

STATEMENTS OF FINANCIAL POSITION

December 31, 2013

	Note	GROUP		COMPANY	
		2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	20	7,261,726	7,261,726	7,261,726	7,261,726
Reserves		10,667,853	9,068,027	(346,090)	(379,663)
Equity attributable to equity holders of the Company		17,929,579	16,329,753	6,915,636	6,882,063
Non-controlling interests		9,928,798	10,353,503	-	-
Total capital and reserves		27,858,377	26,683,256	6,915,636	6,882,063
Non-current liabilities					
Bank loans - due after one year	22	7,535,512	5,869,463	293,138	319,509
Convertible notes	23	-	331,346	-	331,346
Senior notes	24	6,185,391	4,327,818	4,209,800	4,327,818
Deferred tax liabilities	15	1,363,647	1,160,248	-	-
Non-trade amount due to non-controlling shareholders of subsidiaries	13	20,000	216,000	-	-
Total non-current liabilities		15,104,550	11,904,875	4,502,938	4,978,673
Current liabilities					
Bank loans - due within one year	22	3,262,391	2,549,816	-	10,260
Convertible notes	23	326,261	-	326,261	-
Trade payables	25	5,077,788	3,694,139	-	-
Other payables	26	6,608,820	5,219,929	107,009	111,180
Non-trade amounts due to:					
Subsidiary	5	-	-	3,249,140	1,430,704
Ultimate holding company	5	133,741	220,109	133,741	220,109
Directors	6	23,382	32,154	23,382	32,154
Non-controlling shareholders of subsidiaries	13	153,427	1,081,114	-	-
Income tax payable		2,890,268	2,913,724	-	-
Total current liabilities		18,476,078	15,710,985	3,839,533	1,804,407
Total equity and liabilities		61,439,005	54,299,116	15,258,107	13,665,143

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Financial year ended December 31, 2013

	Note	GROUP	
		2013 RMB'000	2012 RMB'000
Revenue	27	11,280,109	10,301,867
Cost of sales		(7,279,775)	(6,547,313)
Gross profit		4,000,334	3,754,554
Other operating income	28	636,528	1,149,627
Selling expenses		(213,955)	(161,772)
Administrative expenses		(561,472)	(411,353)
Other operating expenses		(3,057)	(29,304)
Finance cost	29	(208,042)	(158,809)
Share of profit (loss) of jointly controlled entities	12	87,632	(5,990)
Profit before income tax		3,737,968	4,136,953
Income tax	30	(1,645,869)	(1,685,187)
Profit for the year	31	2,092,099	2,451,766
Profit attributable to:			
Equity holders of the Company		1,473,753	1,823,498
Non-controlling interests		618,346	628,268
		2,092,099	2,451,766
Earnings per share (cents)	32		
- Basic		75.63	93.57
- Diluted		74.90	89.59

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended December 31, 2013

	Note	GROUP	
		2013 RMB'000	2012 RMB'000
Profit for the year	31	2,092,099	2,451,766
Other comprehensive income (expense):			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation difference		302,619	(210,975)
Cash flow hedge		4,778	-
Other comprehensive income (expense) for the year		307,397	(210,975)
Total comprehensive income for the year		2,399,496	2,240,791
Total comprehensive income attributable to:			
Equity holders of the Company		1,781,189	1,612,875
Non-controlling interests		618,307	627,916
		2,399,496	2,240,791

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2013

	Note	Share capital	Currency translation reserve	Equity reserve	Statutory reserve	Merger deficit	Hedging reserve	Other reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
							(Note 21)					
GROUP												
Balance at January 1, 2012		7,261,726	(202,149)	408,041	556,575	(1,834,019)	-	(336,814)	8,961,430	14,814,790	9,216,095	24,030,885
Total comprehensive income for the year:												
Profit for the year		-	-	-	-	-	-	-	1,823,498	1,823,498	628,268	2,451,766
Other comprehensive expense for the year		-	(210,623)	-	-	-	-	-	-	(210,623)	(352)	(210,975)
Total		-	(210,623)	-	-	-	-	-	1,823,498	1,612,875	627,916	2,240,791
Transactions with owners, recognised directly in equity:												
Redemption of convertible notes		-	-	(97,496)	-	-	-	-	-	(97,496)	-	(97,496)
Transfer on redemption of convertible notes due 2012	23	-	-	(129,040)	-	-	-	-	129,040	-	-	-
Change of interest in a subsidiary		-	-	-	-	-	-	(416)	-	(416)	(478)	(894)
Capital injection by non-controlling shareholders		-	-	-	-	-	-	-	-	-	825,667	825,667
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(315,697)	(315,697)
Appropriations		-	-	-	225,398	-	-	-	(225,398)	-	-	-
Total		-	-	(226,536)	225,398	-	-	(416)	(96,358)	(97,912)	509,492	411,580
Balance at December 31, 2012		7,261,726	(412,772)	181,505	781,973	(1,834,019)	-	(337,230)	10,688,570	16,329,753	10,353,503	26,683,256

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2013

	Note	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Statutory reserve RMB'000	Merger deficit RMB'000	Hedging reserve RMB'000 (Note 21)	Other reserve RMB'000	Accumulated profits RMB'000	Attributable to equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
GROUP												
Balance at January 1, 2013		7,261,726	(412,772)	181,505	781,973	(1,834,019)	-	(337,230)	10,688,570	16,329,753	10,353,503	26,683,256
Total comprehensive income for the year:												
Profit for the year		-	-	-	-	-	-	-	1,473,753	1,473,753	618,346	2,092,099
Other comprehensive income for the year		-	302,658	-	-	-	4,778	-	-	307,436	(39)	307,397
Total		-	302,658	-	-	-	4,778	-	1,473,753	1,781,189	618,307	2,399,496
Transactions with owners, recognised directly in equity:												
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	400	400
Return of non-controlling shareholder's share of reserves		-	-	-	-	-	-	-	-	-	(432,030)	(432,030)
Capital injection by non-controlling shareholders		-	-	-	-	-	-	-	-	-	62,298	62,298
Dividends	33	-	-	-	-	-	-	-	(181,363)	(181,363)	-	(181,363)
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(673,680)	(673,680)
Appropriations		-	-	-	181,745	-	-	-	(181,745)	-	-	-
Total		-	-	-	181,745	-	-	-	(363,108)	(181,363)	(1,043,012)	(1,224,375)
Balance at December 31, 2013		7,261,726	(110,114)	181,505	963,718	(1,834,019)	4,778	(337,230)	11,799,215	17,929,579	9,928,798	27,858,377

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2013

	Note	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
COMPANY						
Balance at January 1, 2012		7,261,726	(151,630)	408,041	(435,433)	7,082,704
Total comprehensive expense for the year:						
Loss for the year		-	-	-	(416,912)	(416,912)
Other comprehensive income for the year		-	313,767	-	-	313,767
Total		-	313,767	-	(416,912)	(103,145)
Total transaction with owners, recognised directly in equity:						
Redemption of convertible notes		-	-	(97,496)	-	(97,496)
Transfer on redemption of convertible notes due 2012	23	-	-	(129,040)	129,040	-
Total		-	-	(226,536)	129,040	(97,496)
Balance at December 31, 2012		7,261,726	162,137	181,505	(723,305)	6,882,063
Total comprehensive expense for the year:						
Profit for the year		-	-	-	666,155	666,155
Other comprehensive expense for the year		-	(451,219)	-	-	(451,219)
Total		-	(451,219)	-	666,155	214,936
Dividends, representing total transaction with owners, recognised directly in equity	33	-	-	-	(181,363)	(181,363)
Balance at December 31, 2013		7,261,726	(289,082)	181,505	(238,513)	6,915,636

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2013

	Note	GROUP	
		2013	2012
		RMB'000	RMB'000
Operating activities			
Profit before income tax		3,737,968	4,136,953
Adjustments for:			
Allowance for doubtful debts and bad debts written off		41	-
Depreciation expense		35,418	34,994
Dividend income from available-for-sale investment		-	(30,157)
Dividend income from held-for-trading investment		(209)	(213)
Fair value gain on investment properties		(572,058)	(664,424)
Fair value gain on held-for-trading investment		(71)	(6,619)
Finance cost		208,042	158,809
Gain on put option written off		-	(5,187)
Interest income		(42,062)	(37,659)
Loss on redemption on convertible notes		-	8,198
Net loss (gain) on disposal of property, plant and equipment		111	(14,134)
Net (gain) loss on disposal of investment properties		(1,091)	16,437
Net gain on disposal of available-for-sale investment		-	(129,946)
Payable written off		-	(10,774)
Waiver of interest expense		-	(27,430)
Share of (profit) loss of jointly controlled entities		(87,632)	5,990
Operating cash flows before movements in working capital		3,278,457	3,434,838
Properties for development		(3,191,695)	(2,513,647)
Inventories		(1,152)	(26,700)
Completed properties for sale		2,674,828	753,610
Properties under development for sale		(1,650,760)	1,380,643
Trade and other receivables and deposits		(68,432)	(79,915)
Trade and other payables		2,734,574	1,779,127
Cash generated from operations		3,775,820	4,727,956
Interest paid		(1,129,219)	(1,180,576)
Income tax paid		(1,556,699)	(1,399,307)
Net cash from operating activities		1,089,902	2,148,073

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2013

	Note	GROUP 2013 RMB'000	GROUP 2012 RMB'000
Investing activities			
Acquisition of a subsidiary		327	-
Investments in jointly controlled entities		(177,131)	-
Dividend received from available-for-sale investment		-	30,157
Dividend received from held-for-trading investment		209	213
Interest received		28,458	28,233
Increase in pledged bank deposits		(14,571)	(9,980)
Proceeds on disposal of property, plant and equipment		9,066	21,413
Proceeds on disposal of investment properties		20,025	80,568
Proceeds on disposal of available-for-sale investment		-	179,294
Purchase of property, plant and equipment		(100,600)	(72,878)
Payment for investment properties		(139,127)	(87,723)
Advance to an associate		(136)	(89)
Advance to jointly controlled entities		(230)	-
(Advance to) Repayment from non-controlling shareholders of subsidiaries		(142,109)	309,187
Net cash (used in) from investing activities		(515,819)	478,395
Financing activities			
Dividend paid	33	(181,363)	-
Dividends paid to non-controlling shareholders of subsidiaries		(625,823)	(500,922)
Net proceeds on issue of senior notes		1,969,864	-
Proceeds from bank loans		7,550,165	4,665,188
Repayment of bank loans		(5,097,558)	(6,576,691)
Redemption of convertible notes		-	(1,635,034)
(Repayment to) Advance from directors		(7,989)	28,362
(Repayment to) Advance from ultimate holding company		(76,901)	219,578
Repayment to non-controlling shareholders of subsidiaries		(228,607)	(198,561)
Cash (withdrawal) injection from non-controlling shareholders of subsidiaries		(369,732)	825,667
Net cash from (used in) financing activities		2,932,056	(3,172,413)
Net increase (decrease) in cash and cash equivalents		3,506,139	(545,945)
Cash and cash equivalents at beginning of year	19	3,540,577	4,273,644
Effect of exchange rate changes on the balance of cash held in foreign currencies		35,329	(187,122)
Cash and cash equivalents at end of year	19	7,082,045	3,540,577

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200601911K) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Temasek Boulevard, #36-02 Suntec Tower Two, Singapore 038989. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Renminbi ("RMB").

The principal activity of the Company is to carry on the business of an investment holding company and procurer of funds.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2013 were authorised for issue by the Board of Directors on March 14, 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are effective from that date and are relevant to its operations. The adoption of these new / revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year. Under the amendments to FRS 1, the Group grouped items of other comprehensive income under "items that may be reclassified subsequently to profit or loss" in the other comprehensive income section. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to FRS 107 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. The Group has presented the effects of its offsetting arrangements in Note 4(b) to the financial statements. Aside from the additional disclosures, the application of the amendments has had no material impact on the amounts recognised in the consolidated financial statements.

FRS 113 *Fair Value Measurement*

The Group has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the Group has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the consolidated financial statements.

At the date of authorisation of these financial statements, the following new / revised FRSs, and amendments to FRS are relevant to the Group and the Company were issued but not effective:

- FRS 27 (Revised) *Separate Financial Statements*
- FRS 28 (Revised) *Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 110, FRS 111, FRS 112 *Transition Guidance*
- Amendments to FRS 32 *Financial Instruments: Presentation*
- Amendments to FRS 36 *Impairment of Assets*
- Amendments to FRS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

Consequential amendments were also made to various standards as a result of these new / revised standards.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 111 *Joint Arrangements* and FRS 28 *Investments in Associates and Joint Ventures*

FRS 111 supersedes FRS 31 *Interests in Joint Ventures* and INT FRS 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 *Investments in Associates and Joint Ventures* to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the Group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after January 1, 2014, with full retrospective application subject to transitional provisions.

When the Group adopts FRS 111, a jointly controlled entity may be classified as a joint operation or a joint venture, depending on the rights and obligations of the parties to the joint arrangement. For arrangements that are joint ventures and were previously proportionately consolidated as jointly controlled entities, the Group will have to adopt equity accounting.

The Group is currently estimating the effects of FRS 111 on its joint arrangements in the period of initial adoption.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014, and the Group expects expanded disclosures relating to its interests in subsidiaries, associates and joint arrangements upon adoption of FRS 112.

Amendments to FRS 32 *Financial Instruments: Presentation*

The amendments to FRS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to FRS 32 are effective for annual periods beginning on or after January 1, 2014, with retrospective application required.

The management is still evaluating the impact of the amendments to FRS 32 on the financial assets and liabilities that have been set-off on the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Amendments to FRS 36 *Impairment of Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rates used.

Upon adoption of the amendments to FRS 36, the Group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control 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 subsidiary. 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 Company.

When the Group loses control of a subsidiary, the profit or loss on disposal 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 interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In the Company's financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS - The acquisition of subsidiaries from a common controlling shareholder is accounted for using the merger accounting method. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial years presented rather than from the date of acquisition of the subsidiaries.

The acquisition of subsidiaries from a party other than a common controlling shareholder is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest rate basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss" and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held-for-trading or it is designated as at FVTPL.

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 4(c)(vi).

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collaterialised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and senior notes are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Convertible notes

Convertible notes are regarded as compound instruments, consisting of a liability component and an equity component. The components of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity reserve, net of income tax effects, and is not subsequently remeasured.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in equity reserve until the embedded option is exercised in which case the balance stated in equity reserve will be transferred to share capital. When the conversion option remains unexercised at the expiry date or the maturity date of the convertible notes, the balance recognised in equity will be transferred to accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiry of the option.

Derivative financial instruments and hedge accounting

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 16 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments of derivatives as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 16 contain details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in other comprehensive income are also detailed in Note 21.

Cash flow hedge

The effective portion of changes in fair value of derivatives that are designed and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other gain and losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the consolidated statement of profit or loss and consolidated statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

<u>The Group as lessor</u>

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are recognised on a straight-line basis over the lease term on the same basis as the leased income.

<u>The Group as lessee</u>

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

PROPERTIES FOR DEVELOPMENT - Properties for development are mainly vacant leasehold land for future development in respect of which physical construction is not expected to commence within twelve months from the end of the reporting period. They are stated at cost less allowance for any impairment in value.

PROPERTIES UNDER DEVELOPMENT FOR SALE - Properties under development for sale are stated at lower of cost or estimated net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of property under development comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties for sale.

Properties under development for sale include properties in respect of which concrete planning and preparatory activities have been approved by management and have commenced, and physical construction is expected to commence within twelve months from the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

COMPLETED PROPERTIES FOR SALE - Completed properties for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and capitalised borrowing costs based on floor area of the unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or is estimated by management in the absence of comparable transactions after taking into consideration prevailing market conditions.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Construction-in-progress consists of construction costs and borrowing costs incurred during the period of construction.

Depreciation is charged so as to write off the cost of property, plant and equipment, other than construction-in-progress, over their estimated useful lives, using the straight-line method on the following bases:

Leasehold land and buildings	-	2% to 5%
Motor vehicles	-	10% to 25%
Furniture, fixtures and equipment	-	20%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of a property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

INVESTMENT PROPERTIES - Investment properties are properties held to earn rental income and / or for capital appreciation and properties under construction for such purposes. They are measured initially at cost, including transaction costs and subsequent to initial recognition, measured at fair value. Professional valuations are obtained at least once every year. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. Where there is an inability to determine fair value reliably when comparable market transactions are infrequent and alternative reliable estimates of fair value are not available, the investment property is measured at cost.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

GOODWILL - Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

INTANGIBLE ASSET - This relates to a club membership held on a long-term basis and is stated at cost less any impairment loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than investment properties carried at fair value, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are not recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

INTERESTS IN JOINTLY CONTROLLED ENTITIES - A jointly controlled entity is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The results, assets and liabilities of the jointly controlled entities are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in the jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the jointly controlled entities, less any impairment in the value of individual investments.

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the jointly controlled entities.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

MERGER DEFICIT - Merger deficit arises from combination of entities under common control accounted for using merger accounting method (see "Business Combinations"). The merger reserve represents the difference between the aggregate nominal amounts of the share capital of the subsidiaries at the date on which they were acquired by the Group and the nominal amount of the share capital issued by the Company as consideration for the acquisition.

STATUTORY RESERVE - Statutory reserve represents the amount transferred from profit after tax of the subsidiaries incorporated in the PRC (excluding Hong Kong) in accordance with the PRC requirement. The statutory reserve cannot be reduced except where approval is obtained from the relevant PRC authority to apply the amount towards setting off any accumulated losses or increasing capital.

OTHER RESERVE - The negative balance in other reserve represents the net excess of purchase consideration over the carrying amount of non-controlling interests acquired in the subsidiaries at the date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Sale of properties developed

Revenue from properties developed for sale is recognised when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon release of the handover notice of the respective property to the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from buyers for sales of properties and are classified as current liabilities.

Rendering of services

Management fee income and service income are recognised over the period when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

GOVERNMENT SUBSIDIES - Government subsidies are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the subsidies will be received. Government subsidies are recognised as income over the periods necessary to match them with the related costs. Government subsidies related to expense items are recognised in the same period as those expenses are charged to the profit or loss and are reported separately as "other operating income".

BORROWING COSTS - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Pursuant to the relevant regulations of the PRC government, the PRC subsidiaries of the Group ("PRC Subsidiaries") have participated in central pension schemes ("the Schemes") operated by local municipal governments whereby the PRC Subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiaries. The only obligation of the PRC Subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged as expense when incurred.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The presentation currency for the consolidated financial statements of the Group and the statement of financial position of the Company is RMB.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies above.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the entities in the Group which do not have RMB as the functional currency (including comparatives) are expressed in RMB using exchange rates prevailing at the end of each reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as other comprehensive income and transferred to the Group's currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of an operation are treated as assets and liabilities of that operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE CONSOLIDATED STATEMENT OF CASH FLOWS - Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Taxation

The Group accounts for income taxes under the provisions of FRS 12 *Income Taxes*. The Group has recorded deferred tax assets on tax loss of RMB520 million (2012 : RMB264 million) because the management believes it is more likely than not that such tax loss can be utilised (Note 15). Should future taxable profits not be sufficient to utilise the tax losses, an adjustment to the Group's deferred tax assets would decrease the Group's income in the period where such determination is made. Likewise, if the management determines that the Group is able to utilise all or part of the Group's tax loss of RMB460 million (2012 : RMB335 million), which is currently not expected to be utilised in the future, it would result in future recognition of additional deferred tax assets and increase the Group's income after tax in the period where such determination is made. The Group records deferred tax using the balance sheet liability method at the rates that have been enacted by the end of the reporting period.

Land Appreciation Tax ("LAT")

Income from sale of properties in the PRC is subject to LAT at progressive rates under the PRC tax laws and regulations. The management estimates and provides for LAT in accordance with the PRC tax laws and regulations. However, prior to October 1, 2006, the Group has not been levied any LAT for the sale of properties located in Shanghai Pudong New District.

The management, after taking into consideration its due diligence procedures, as described in Note 30, considers the provision of LAT to be adequate.

Classification of properties for development and properties under development for sale

The classification of properties for development and properties under development for sale is dependent on the management's judgement, taking into consideration the actual and projected development schedule of the property development projects. As at December 31, 2013, the carrying amounts of properties for development and properties under development for sale are RMB9.960 billion (2012 : RMB16.079 billion) and RMB28.641 billion (2012 : RMB20.284 billion) respectively. Management considers the classification between properties for development and properties under development for sale to be appropriate after taking into consideration the development status of the project as well as the viability of the planned development schedule.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying amounts of properties for development, completed properties for sale and properties under development for sale

The aggregate carrying amount of these properties totalled RMB42.926 billion as at December 31, 2013 (2012 : RMB40.972 billion), details of which are disclosed in Note 9. They are stated at cost less allowance for impairment in value or at the lower of cost and estimated net realisable values, assessed on an individual project basis.

When it is probable that the total project costs will exceed the total projected revenue net of selling expenses, i.e. net realisable value, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value for each property is subject to management's judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each project, taking into account the costs incurred to date, the development status and costs to complete each development project. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

Valuation of investment properties

As disclosed in Note 8, investment properties are stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair values, the valuer has made reference to both the comparable sales transactions as available in the relevant market of these properties and the capitalisation of the existing and reversionary rental income potential.

The estimated value from capitalisation of the existing and reversionary rental income potential is used as an estimate of fair value, and the estimate is dependent on several variable parameters and projections including projected rental income, occupancy, rental yield, discount rate and terminal yield.

Any change in the variable parameters and projections will result in change in fair value estimate for the investment properties which can potentially be significant.

In relying on the independent professional valuation report, management considered the method of valuation and the Group's marketing strategy and is of the view that the estimated values are reasonable.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Financial assets				
Fair value through profit or loss:				
Held-for-trading investment	11,056	11,311	-	-
Derivative financial instruments:				
In designated hedge accounting relationships	20,402	-	-	-
Loans and receivables (including cash and cash equivalents)	7,833,872	4,057,757	12,792,560	11,040,401
Financial liabilities				
Amortised cost	23,250,314	18,784,452	8,342,471	6,783,080

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

Financial assets

Type of financial asset	Gross amounts of recognised financial assets RMB'000	Gross amounts of recognised financial liabilities set off in the statement of financial position RMB'000	Net amounts of financial assets presented in the statement of financial position RMB'000
GROUP			
2013			
Non-trade amounts due from non-controlling shareholders of subsidiaries	1,023,946	(489,199)	534,747
2012			
Non-trade amounts due from non-controlling shareholders of subsidiaries	821,443	(490,019)	331,424

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements (Cont'd)

Financial liabilities

Type of financial liability	Gross amounts of recognised financial liabilities RMB'000	Gross amounts of recognised financial assets set off in the statement of financial position RMB'000	Net amounts of financial liabilities presented in the statement of financial position RMB'000
GROUP			
2013			
Non-trade amounts due to non-controlling shareholders of subsidiaries	662,626	(489,199)	173,427
2012			
Non-trade amounts due to non-controlling shareholders of subsidiaries	1,787,133	(490,019)	1,297,114

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

The Group does not have any related amounts subject to enforceable master netting arrangements and similar arrangements which have not been set off in the statement of financial position.

The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign exchange risk, interest rate risk, equity price risk), credit risk and liquidity risk.

The Group uses derivative financial instruments to manage its exposure to foreign currency risk relating to its foreign currency denominated senior notes.

The Group does not hold or issue derivative financial instruments for speculative purposes.

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(i) Foreign exchange risk management

The Group enters into transactions in various foreign currencies, including the United States ("US") dollar, Hong Kong ("HK") dollar, Singapore ("SG") dollar and Renminbi ("RMB") and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies are as follows:

	GROUP				COMPANY			
	Liabilities		Assets		Liabilities		Assets	
	2013	2012	2013	2012	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
US dollars	6,425,705	5,352,435	681,837	162,628	5,723,702	5,012,347	114	139
HK dollars	979,990	1,238,819	49,158	187,417	35,047	239,953	39	237
SG dollars	12,997,403	11,297,300	725,480	738,457	-	-	-	-
RMB	3,101,627	-	1,328,095	21,905	1,114,550	-	4,229	77

Further details on the derivative financial instruments are found in Note 16 to the financial statements.

Foreign currency sensitivity

The following table details the sensitivity to a 3% increase in the exchange rate of the functional currency of each entity of the Group against the relevant foreign currencies. 3% is the sensitivity rate used by key management personnel in assessing foreign currency risk and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 3% change in foreign currency rates. The sensitivity analysis includes external loans, cash and cash equivalents, held-for-trading investment, as well as intercompany loans within the Group where they gave rise to an impact on the Group's profit or loss and / or other equity. A positive number below indicates an increase in profit before income tax and other equity when the functional currency of each Group entity strengthens by 3% against the relevant foreign currencies.

For a 3% weakening of the functional currency of each Group entity against the relevant foreign currencies, there would be an equal and opposite impact on the profit before income tax and other equity.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(i) Foreign exchange risk management *(Cont'd)*

Foreign currency sensitivity (Cont'd)

	US dollar impact		HK dollar impact		SG dollar impact		RMB impact	
	2013	2012	2013	2012	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP								
Increase (Decrease) in profit before income tax [1]	125,933	134,036	27,252	30,623	5,845	7,285	(5,093)	(2)
Increase (Decrease) in other equity	41,364	17,123	(140)	-	351,590	300,254	(793)	(636)
COMPANY								
Increase (Decrease) in profit before income tax	166,706	145,987	1,020	6,982	-	-	32,339	(2)

(1) Excludes the foreign currency impact on RMB denominated senior notes due in 2016 as a result of the effects of adopting hedge accounting.

The Group's sensitivity to US dollar exchange rate has increased during the current year due to the increase in US dollar denominated net liabilities at the current year end as compared with the preceding year end. The Group's sensitivity to HK dollar exchange rate has decreased during the current year due to the decrease in HK dollar denominated non-trade amount due to the ultimate holding company at the current year end as compared with the preceding year end. The Group's sensitivity to SG dollar exchange rate has increased during the current year due to the increase in SG dollar denominated net liabilities at the current year end as compared with the preceding year end. The Group's sensitivity to RMB exchange rate has increased during the current year due to the increase in RMB denominated net liabilities at the current year end as compared with the preceding year end.

The Company's sensitivity to US dollar exchange rate has increased during the current year mainly due to the increase in US dollar denominated non-trade amount due to a subsidiary at current year end as compared with the preceding year end. The Company's sensitivity to HK dollar exchange rate has decreased during the current year mainly due to the decrease in HK dollar denominated non-trade amounts due to a subsidiary and the ultimate holding company at the current year end as compared with the preceding year end. The Company's sensitivity to RMB exchange rate has increased during the current year mainly due to the increase in RMB denominated non-trade amount due to a subsidiary at the current year end as compared with the preceding year end.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(ii) Interest rate risk management

Summary quantitative data of the Group's interest-bearing financial instruments can be found in Section (v) of this Note. The Group's policy is to obtain fixed rate borrowings to reduce volatility. However, it may borrow at variable rates when considered economical to do so.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when assessing interest rate risk and represents the management's assessment of the possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's:

- Profit before income tax for the year ended December 31, 2013 would decrease / increase respectively by RMB109 million (2012 : decrease / increase respectively by RMB86 million). The Group's sensitivity to interest rates has increased during the current year due to the increase in the carrying amount of variable rate debt instruments.

- It is the Group's accounting policy to capitalise borrowing costs relevant to property development. Hence, the above mentioned interest rate fluctuation may not fully impact the profit in the year where interest expense is incurred and capitalised but may affect profit in future financial years.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's profit before income tax for the year ended December 31, 2013 would decrease / increase respectively by RMB4 million (2012 : decrease / increase respectively by RMB6 million). The Company's sensitivity to interest rates has decreased during the current year mainly due to the decrease in variable rate debt instruments.

(iii) Equity price risk management

The Group is exposed to equity price risk arising from equity investment classified as held-for-trading.

Further details of equity investments can be found in Note 18 to the financial statements.

The management is of the view that the equity price risk is not significant for the Group due to the relatively small amount of such investments carried. Hence no price sensitivity analysis is presented.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(iv) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. For sales of properties, sales proceeds are fully settled concurrent with delivery of properties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for non-trade amounts due from non-controlling shareholders of subsidiaries. Part of the amounts due from non-controlling interests are covered by undistributed retained earnings of the subsidiary yet to be distributed as dividends and future earnings that are expected to be distributed by the subsidiary to the non-controlling shareholders (Note 13). Information on credit risk relating to other receivables are disclosed in Note 17. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies.

The Group's maximum exposure to credit risk comprise (i) the sum of the carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses; and (ii) credit risk relating to guarantees of approximately RMB1.565 billion (2012 : RMB2.436 billion) to banks for the benefit of the Group's customers in respect of mortgage loans provided by the banks to these customers for the purchase of the Group's development properties, as elaborated in Note 37 to the financial statements.

(v) Liquidity risk management

The Group maintains cash and cash equivalents, obtains external bank loans and issues convertible notes and senior notes with staggered repayment dates. The Group also minimises liquidity risk by keeping committed credit lines available. At December 31, 2013, the Group had available RMB9.915 billion (2012 : RMB1.832 billion) of undrawn committed bank credit facilities in respect of which all precedent conditions had been met.

In managing liquidity risk, the management prepares cash flow forecasts using various assumptions and monitors the cash flows of the Group.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(v) Liquidity risk management (Cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the estimated future interest attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	More than 1 year to 2 years	More than 2 years to 5 years	More than 5 years	Adjustments	Total
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
GROUP							
2013							
Non-interest bearing		5,788,605	20,000	-	-	-	5,808,605
Variable interest rate instruments	6.4	3,598,046	2,419,935	4,592,651	2,407,216	(2,098,057)	10,919,791
Fixed interest rate instruments	9.4	345,448	-	6,267,830	-	(91,360)	6,521,918
Total		9,732,099	2,439,935	10,860,481	2,407,216	(2,189,417)	23,250,314
2012							
Non-interest bearing		5,271,436	20,000	-	-	-	5,291,436
Variable interest rate instruments	6.1	2,905,316	4,197,065	1,435,433	1,415,342	(1,339,346)	8,613,810
Fixed interest rate instruments	10.7	24,066	577,983	1,885,650	2,514,200	(122,693)	4,879,206
Total		8,200,818	4,795,048	3,321,083	3,929,542	(1,462,039)	18,784,452

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(v) Liquidity risk management (Cont'd)

Liquidity and interest risk analyses (Cont'd)

Non-derivative financial liabilities (Cont'd)

In 2013, the maximum amount that the Group could be obliged to settle under the financial guarantee contracts related to bank loans of buyers is RMB1.565 billion (2012 : RMB2.436 billion) (Note 37). The earliest period that the guarantees could be called is within 1 year (2012 : 1 year) from the end of the reporting period. As mentioned in Note 37, the management considers that the likelihood of these guarantees being called upon is low.

In 2013, the maximum contingent amount that the Company could be obliged to settle under the financial guarantee contracts related to senior notes issued by a subsidiary, loan facilities granted to subsidiaries and an interest-free current advance to a subsidiary is RMB4.135 billion (2012 : RMB2.359 billion) (Note 37). Out of the maximum contingent amount of RMB4.135 billion (2012 : RMB2.359 billion), RMB3.842 billion (2012 : RMB2.011 billion) is jointly guaranteed by the Company and five of its subsidiaries. The earliest period that the guarantees could be called is within 1 year (2012 : 1 year) from the end of the reporting period.

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 years to 5 years RMB'000	More than 5 years RMB'000	Adjustments RMB'000	Total RMB'000
COMPANY							
2013							
Non-interest bearing		3,381,118	-	-	-	-	3,381,118
Variable interest rate instruments	5.3	134,533	12,450	340,613	-	(62,304)	425,292
Fixed interest rate instruments	10.9	334,915	-	4,267,830	-	(66,684)	4,536,061
Total		3,850,566	12,450	4,608,443	-	(128,988)	8,342,471
2012							
Non-interest bearing		1,575,574	-	-	-	-	1,575,574
Variable interest rate instruments	4.0	233,748	353,377	-	-	(38,783)	548,342
Fixed interest rate instruments	10.9	-	356,503	1,885,650	2,514,200	(97,189)	4,659,164
Total		1,809,322	709,880	1,885,650	2,514,200	(135,972)	6,783,080

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(v) Liquidity risk management (Cont'd)

Liquidity and interest risk analyses (Cont'd)

Non-derivative financial assets

The following tables detail the expected maturity for non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flows will occur in a different period.

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 years RMB'000	Adjustments RMB'000	Total RMB'000
GROUP						
2013						
Non-interest bearing		6,280,867	4,367	-	-	6,285,234
Variable interest rate instruments	6.0	99,754	-	-	(5,646)	94,108
Fixed interest rate instruments	2.4	1,337,078	173,096	-	(44,588)	1,465,586
Total		7,717,699	177,463	-	(50,234)	7,844,928
2012						
Non-interest bearing		3,322,245	-	-	-	3,322,245
Variable interest rate instruments	6.1	94,097	-	-	(5,410)	88,687
Fixed interest rate instruments	2.4	674,106	-	-	(15,970)	658,136
Total		4,090,448	-	-	(21,380)	4,069,068

In 2013 and 2012, the Company's non-derivative financial assets are mainly non-interest bearing with expected maturity within a year.

Derivative financial instruments

The Group's derivative financial instruments comprise of cross currency swaps (Note 16) amounting to RMB20 million (2012 : RMB Nil) with contracted cash flows due more than 2 years to 5 years.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(vi) Fair value of financial assets and financial liabilities

The Group determines fair values of various financial assets and financial liabilities in the following manner:

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

Financial assets	Fair value as at 2013 RMB'000	Fair value as at 2012 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
GROUP						
Held-for-trading investment	11,056	11,311	Level 1	Quoted bid prices in an active market	N/A	N/A
Cross currency swap	20,402	-	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties	N/A	N/A

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(vi) Fair value of financial assets and financial liabilities (Cont'd)

The Company had no financial assets or liabilities carried at fair value in 2013 and 2012.

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in the period.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities of the Group and the Company recorded at amortised cost in the financial statements approximate their fair values:

	2013		2012	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
GROUP				
Financial Liabilities				
Convertible notes	326,261	325,452	331,346	342,777
Senior notes	6,185,391	6,592,426	4,327,818	4,905,833
COMPANY				
Financial Liabilities				
Convertible notes	326,261	325,452	331,346	342,777
Senior notes	4,209,800	4,619,926	4,327,818	4,905,833

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(c) Financial risk management policies and objectives (Cont'd)

(vi) Fair value of financial assets and financial liabilities (Cont'd)

	Fair value hierarchy			
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
GROUP				
2013				
Financial Liabilities				
Convertible notes	-	325,452	-	325,452
Senior notes	-	6,592,426	-	6,592,426
2012				
Financial Liabilities				
Convertible notes	-	342,777	-	342,777
Senior notes	-	4,905,833	-	4,905,833
COMPANY				
2013				
Financial Liabilities				
Convertible notes	-	325,452	-	325,452
Senior notes	-	4,619,926	-	4,619,926
2012				
Financial Liabilities				
Convertible notes	-	342,777	-	342,777
Senior notes	-	4,905,833	-	4,905,833

Financial instruments measured at fair value based on Level 3

	Derivative financial instruments RMB'000
GROUP AND COMPANY	
At January 1, 2012	(27,220)
Total gains or losses in profit or loss	27,785
Total gains or losses in other comprehensive income	(565)
At December 31, 2012 and December 31, 2013	-

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (Cont'd)

(d) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as total debt less cash and cash equivalents divided by equity. Total debt include bank loans, convertible notes, senior notes and certain non-trade amounts due to non-controlling shareholders of subsidiaries and ultimate holding company. Equity for this purpose comprises equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated profits, as well as non-controlling interests as shown in the consolidated statement of financial position.

The net debt to equity ratio as at December 31, 2013 and 2012 were as follows:

	GROUP	
	2013 RMB'000	2012 RMB'000
Total debt	17,531,943	13,586,041
Cash and cash equivalents	(7,082,045)	(3,540,577)
Net debt	10,449,898	10,045,464
Equity	27,858,377	26,683,256
Net debt to equity ratio	37.5%	37.6%

The Group's overall strategy remains unchanged from 2012. In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements in respect of senior notes issued by the Company and its subsidiary and borrowings with the financial institutions providing the facilities to the Group.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of Yanlord Holdings Pte. Ltd., incorporated in the Republic of Singapore, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (Cont'd)

During the year, the Group and the Company entered into the following transactions with its ultimate holding company:

	GROUP AND COMPANY	
	2013 RMB'000	2012 RMB'000
Interest expense to ultimate holding company (Note 29)	3,429	1,534

Non-trade amount due to ultimate holding company is unsecured and repayable on demand. Non-trade amount due to ultimate holding company amounting to RMB132 million (2012 : RMB125 million and RMB94 million) bears floating interest rate of SIBOR plus 1.5% per annum (2012 : HIBOR plus 1.6% per annum and cost of funds of the bank plus 1.5% per annum respectively).

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with related parties are unsecured, interest-free and repayable on demand unless otherwise stated.

During the year, the Group entered into the following transactions with related parties:

	GROUP	
	2013 RMB'000	2012 RMB'000
Sale of properties to key management personnel and close members of their families	(13,494)	(9,191)
Waiver of interest expense from a company in which a director has control over	-	(27,430)
Other income from jointly controlled entities	(2,667)	(1,703)
Rental expenses to a director and a company in which the director has control over	9,288	9,054

At the end of the reporting period, the Group has outstanding commitments of RMB12 million (2012 : RMB21 million) to a director and a company in which the director has control over, under non-cancellable operating leases in respect of land and buildings for its office premises and staff accommodation. The Group has contracted with a jointly controlled entity for future minimum lease receipts of RMB2 million (2012 : RMB2 million).

At the end of the reporting period, the Group has pre-sales of properties totaling RMB10 million (2012 : RMB Nil) to key management and close members of their families. As at December 31, 2013, advances amounting to RMB0.5 million (2012 : RMB0.1 million) have been received from key management and close members of their families in relation to the pre-sales of properties.

As at December 31, 2013, a bank loan of the Company amounting to RMB293 million (2012 : RMB330 million) drawn for general working capital of the Group is secured by a legal charge extended by the Company's ultimate holding company and a personal guarantee from a director.

6 OTHER RELATED PARTY TRANSACTIONS (Cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	GROUP	
	2013 RMB'000	2012 RMB'000
Short-term benefits	51,780	42,861
Post-employment benefits	711	844
	52,491	43,705

7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Construction-in-progress RMB'000	Total RMB'000
GROUP					
Cost:					
At January 1, 2012	187,589	73,209	109,883	535,808	906,489
Additions	-	5,831	35,453	31,594	72,878
Reclassification	1,390	-	-	(1,390)	-
Disposals	(5,357)	(2,616)	(16,516)	-	(24,489)
Transfer to properties for development	-	-	-	(201,443)	(201,443)
At December 31, 2012	183,622	76,424	128,820	364,569	753,435
Additions	1,021	11,567	13,096	184,040	209,724
Acquisition of a subsidiary	-	-	107	-	107
Reclassification	488	-	456	(944)	-
Disposals	(11,847)	(6,365)	(792)	-	(19,004)
Exchange difference	-	(12)	(14)	-	(26)
At December 31, 2013	173,284	81,614	141,673	547,665	944,236

7 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Leasehold land and buildings RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Construction-in-progress RMB'000	Total RMB'000
GROUP					
Accumulated depreciation:					
At January 1, 2012	30,012	44,139	63,870	-	138,021
Depreciation for the year	6,837	9,208	22,377	-	38,422
Eliminated on disposals	(232)	(1,472)	(15,506)	-	(17,210)
At December 31, 2012	36,617	51,875	70,741	-	159,233
Depreciation for the year	6,339	8,509	22,645	-	37,493
Acquisition of a subsidiary	-	-	24	-	24
Eliminated on disposals	(3,810)	(5,991)	(26)	-	(9,827)
Exchange difference	-	(13)	(8)	-	(21)
At December 31, 2013	39,146	54,380	93,376	-	186,902
Carrying amount:					
At end of year	134,138	27,234	48,297	547,665	757,334
At beginning of year	147,005	24,549	58,079	364,569	594,202

In 2013, depreciation for the year includes an amount of RMB2 million (2012 : RMB3 million) capitalised in the Group's properties for development and properties under development for sale. The carrying amount of construction-in-progress pledged to banks to secure bank loans is disclosed in Note 22.

8 INVESTMENT PROPERTIES

	GROUP	
	2013 RMB'000	2012 RMB'000
At fair value:		
Balance as at beginning of year	7,975,200	7,079,370
Additions	139,127	87,723
Transfer from properties for development	-	181,390
Transfer from properties under development for sale	97,319	-
Change in fair value (Notes 28 and 31)	572,058	664,424
Disposals	(18,934)	(37,707)
Balance as at end of year	8,764,770	7,975,200

The fair value of investment properties at December 31, 2013 and 2012 have been determined on the basis of valuations carried out at the respective year end dates by an independent valuer having recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group. The fair value was determined based on the direct comparison approach and the income capitalisation approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

8 INVESTMENT PROPERTIES (Cont'd)

Details of the Group's investment properties and information about the fair value hierarchy as at December 31, 2013 are as follows:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Fair value as at December 31, 2013 RMB'000
GROUP				
Investment properties located in the PRC	-	-	8,764,770	8,764,770

There were no transfers between the respective levels during the year.

The following table shows the significant unobservable inputs used in the valuation model:

Description	Fair value as at December 31, 2013 RMB'000	Valuation technique(s)	Significant unobservable input(s)	Range
Completed investment properties	7,223,270	Direct comparison approach	price per square meter (1)	RMB8,600 - RMB37,500
		Income capitalisation approach	market rent per square meter per month (1)	RMB44 - RMB270
			capitalisation rate (2)	5.5% - 9.5%
Car parking spaces	409,200	Direct comparison approach	price per unit (1)	RMB62,000 - RMB230,000
Investment properties under construction	1,132,300	Residual approach	price per square meter (1)	RMB26,830 - RMB40,600

(1) Any significant isolated increases (decreases) in these inputs would result in a significantly higher (lower) fair value measurement.
(2) Any significant isolated increases (decreases) in these inputs would result in a significantly lower (higher) fair value measurement.

The carrying amounts of investment properties pledged to banks to secure the bank loans granted to the Group are disclosed in Note 22.

The rental income earned by the Group from its investment properties amounted to RMB427 million (2012 : RMB358 million). Direct operating expenses arising on the investment properties in the year amounted to RMB4 million (2012 : RMB1 million).

9 PROPERTIES FOR DEVELOPMENT / COMPLETED PROPERTIES FOR SALE / PROPERTIES UNDER DEVELOPMENT FOR SALE

	GROUP	
	2013 RMB'000	2012 RMB'000
At cost:		
Properties for development (Non-current assets)	9,960,451	16,079,251
Completed properties for sale (Current assets)	4,324,410	4,608,540
Properties under development for sale (Current assets)	28,640,895	20,284,446
	42,925,756	40,972,237

Properties for development, completed properties for sale and properties under development for sale are located in the PRC.

Up to the end of the reporting period, total interest capitalised are as follows:

	GROUP	
	2013 RMB'000	2012 RMB'000
Properties for development	344,211	640,765
Completed properties for sale	333,580	324,175
Properties under development for sale	1,770,923	1,181,171

The carrying amounts of properties pledged to banks to secure bank loans granted to the Group are disclosed in Note 22.

10 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2013 RMB'000	2012 RMB'000
Unquoted equity shares, at cost	2,465,544	2,624,468

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Details of the Company's significant subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by the Company				
Yanlord Commercial Property Investments Pte. Ltd. [(a)] 仁恒商业地产投资有限公司	Singapore	100	100	Investment holding
Yanlord Land Pte. Ltd. [(a)] 仁恒置地有限公司	Singapore	100	100	Investment holding
Yanlord Land (HK) Co., Ltd. [(b)] 仁恒地产(香港)有限公司	Hong Kong	100	100	Management service
Held by Yanlord Land Pte. Ltd. and its subsidiaries				
Palovale Pte Ltd [(a)] 柏龙威有限公司	Singapore	67	67	Investment holding
Yanlord Ho Bee Investments Pte. Ltd. [(1) (a)] 仁恒和美投资有限公司	Singapore	50	50	Investment holding
Yanlord Property Pte. Ltd. [(a)] 仁恒地产有限公司	Singapore	60	60	Investment holding
Yanlord Real Estate Pte. Ltd. [(a)] 仁恒置业发展有限公司	Singapore	95	95	Investment holding
East Hero Investment Ltd. [(b)] 东亨投资有限公司	Hong Kong	100	100	Investment holding
Singapore Yanlord Land (HK) Ltd. [(b)] 新加坡仁恒地产(香港)有限公司	Hong Kong	100	100	Management service
Chengdu Everrising Asset Management Co., Ltd. [(b)] 成都市恒业东升资产经营管理有限公司	PRC	51	51	Property development and investment

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Chengdu Yanlord Investment Management Co., Ltd. (b) 成都仁恒投资管理有限公司	PRC	100	100	Management service and investment
Chengdu Yanlord Property Management Co., Ltd. (b) 成都仁恒物业管理有限公司	PRC	100	100	Property management
Yanlord Hotel Management (Chengdu) Co., Ltd. (2) (b) 仁恒酒店管理(成都)有限公司	PRC	100	-	Hotel and serviced apartment management
Yanlord Land (Chengdu) Co., Ltd. (b) 仁恒置地(成都)有限公司	PRC	100	100	Property development
Yanlord Real Estate (Chengdu) Co., Ltd. (b) 仁恒置业(成都)有限公司	PRC	70	70	Property development and management
Guiyang Yanlord Property Management Co., Ltd. (b) 貴阳仁恒物业管理有限公司	PRC	100	100	Property management
Nanjing Renyuan Investment Co., Ltd. (2) (b) 南京仁远投资有限公司	PRC	100	-	Management service and investment
Nanjing Yanlord Garden Co., Ltd. (b) 南京仁恒园林有限公司	PRC	100	100	Landscaping and gardening
Nanjing Yanlord Hotel Management Co., Ltd. (b) 南京仁恒酒店管理有限公司	PRC	100	100	Hotel and serviced apartment management
Nanjing Yanlord Jiangzhou Property Development Co., Ltd. (2) (b) 南京仁恒江洲房地产有限公司	PRC	100	-	Property development and management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Nanjing Yanlord Property Management Co., Ltd. (b) 南京仁恒物业管理有限公司	PRC	100	100	Property management
Nanjing Yanlord Real Estate Co., Ltd. (b) 南京仁恒置业有限公司	PRC	60	60	Property development
Nanjing Yanlord Tourism Development Co., Ltd. (2) (b) 南京仁恒旅游发展有限公司	PRC	100	-	Tourism investment and asset management
Yanlord Investment (Nanjing) Co., Ltd. (b) 仁恒投资(南京)有限公司	PRC	100	100	Property development and investment
Shenzhen Long Wei Xin Investment Co., Ltd. (b) 深圳市龙威信投资实业有限公司	PRC	75	75	Property development
Shenzhen Yanlord Property Management Co., Ltd. (b) 深圳市仁恒物业管理有限公司	PRC	100	100	Property management
Yanlord Land (Shenzhen) Co., Ltd. (b) 仁恒置地(深圳)有限公司	PRC	100	100	Property development and management
Shanghai Hong Ming Ge Food & Beverage Service Management Co., Ltd. (b) 上海宏名阁餐饮服务管理有限公司	PRC	60	60	Restaurant operation
Shanghai Pudong New District Private Yanlord Kindergarten (3) (b) 上海市浦东新区民办仁恒幼儿园	PRC	50	50	Kindergarten operation
Shanghai Renjie Hebin Garden Property Co., Ltd. (b) 上海仁杰河滨园房地产有限公司	PRC	51	51	Property development

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Shanghai Renpin Property Development Co., Ltd. [(1)] [(b)] 上海仁品房地产开发有限公司	PRC	50	50	Property development and management
Shanghai Yanlord Elevator Co., Ltd. [(2)] [(b)] 上海仁恒电梯有限公司	PRC	100	-	Sale, installation, repair and maintenance of elevators
Shanghai Yanlord Gaoqiao Property Co., Ltd. [(3)] [(b)] 上海仁恒高乔房地产有限公司	PRC	50	50	Property development
Shanghai Gusheng Construction Intelligent Engineering Co., Ltd. [(4)] [(b)] 上海固盛建筑智能化工程有限公司	PRC	60	-	Construction engineering
Shanghai Yanlord Hongqiao Property Co., Ltd. [(b)] 上海仁恒虹桥房地产有限公司	PRC	60	60	Property development and management
Shanghai Yanlord Investment Management Co., Ltd. [(b)] 上海仁恒投资管理有限公司	PRC	100	100	Management service and investment
Shanghai Yanlord Property Co., Ltd. [(b)] 上海仁恒房地产有限公司	PRC	67	67	Property development
Shanghai Yanlord Property Management Co., Ltd. [(b)] 上海仁恒物业管理有限公司	PRC	67	67	Property management
Shanghai Yanlord Real Estate Co., Ltd. [(b)] 上海仁恒置业发展有限公司	PRC	57	57	Property development
Shanghai Yanlord Senlan Real Estate Co., Ltd. [(b)] 上海仁恒森兰置业有限公司	PRC	60	60	Property development

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Shanghai Yanlord Xing Tang Real Estate Co., Ltd. (b) 上海仁恒兴唐置业有限公司	PRC	100	100	Property development and management
Shanghai Yanlord Yangpu Property Co., Ltd. (b) 上海仁恒杨浦房地产有限公司	PRC	100	100	Property development
Shanghai Zhongting Property Development Co., Ltd. (b) 上海中庭房地产开发有限公司	PRC	100	100	Property development
Yanlord Land Investment Management (Shanghai) Co., Ltd. (b) 仁恒置地投资管理(上海)有限公司	PRC	100	100	Management service
Sanya Yanlord Real Estate Co., Ltd. (b) 三亚仁恒置业有限公司	PRC	100	100	Property development and management
Suzhou Yinghan Property Development Co., Ltd. (b) 苏州鹰汉房地产开发有限公司	PRC	100	100	Property development
Suzhou Zhonghui Property Development Co., Ltd. (b) 苏州中辉房地产开发有限公司	PRC	100	100	Property development
Yanlord Property (Suzhou) Co., Ltd. (b) 仁恒地产(苏州)有限公司	PRC	60	60	Property development
Tangshan Yanlord Property Management Co., Ltd. (1) (b) 唐山仁恒物业服务有限公司	PRC	50	50	Property management
Yanlord Ho Bee Property Development (Tangshan) Co., Ltd. (1) (b) 仁恒和美房地产开发(唐山)有限公司	PRC	50	50	Property development and management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Tianjin Yanlord Beiyang Real Estate Co., Ltd. (b) 天津仁恒北洋置业有限公司	PRC	60	60	Property development and management
Tianjin Yanlord Garden Co., Ltd. (b) 天津仁恒园林有限公司	PRC	100	100	Landscaping and gardening
Tianjin Yanlord Haihe Development Co., Ltd. (b) 天津仁恒海河开发有限公司	PRC	80	80	Property development
Tianjin Yanlord Property Management Co., Ltd. (b) 天津仁恒物业服务有限公司	PRC	100	100	Property management
Yanlord Development (Tianjin) Co., Ltd. (b) 仁恒发展(天津)有限公司	PRC	100	100	Property development
Zhuhai Yanlord Heyou Land Co., Ltd. (b) 珠海仁恒和由置地有限公司	PRC	57	57	Property development and management
Zhuhai Yanlord Industrial Co., Ltd. (b) 珠海仁恒实业有限公司	PRC	95	95	Property development
Zhuhai Yanlord Property Management Co., Ltd. (b) 珠海仁恒物业管理有限公司	PRC	90	90	Property management
Zhuhai Yanlord Real Estate Development Co., Ltd. (b) 珠海仁恒置业发展有限公司	PRC	90	90	Property development
Zhuhai Yanlord Youmei Land Co., Ltd. (b) 珠海仁恒由美置地有限公司	PRC	57	57	Property development and management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

(1) Although the Group does not effectively own more than 50% of the equity shares of these entities, it has control over the financial and operating policies of these entities and hence regards these entities as subsidiaries.
(2) Incorporated during the year.
(3) The proportion of ownership interest and voting power held by the Group is 50.2%.
(4) Acquired during the year for a consideration of RMB1 million.

Notes on auditors

(a) Audited by Deloitte & Touche LLP, Singapore.
(b) Audited by Deloitte Touche Tohmatsu CPA LLP, Shanghai, PRC for consolidation purposes.

11 INVESTMENT IN AN ASSOCIATE

	GROUP	
	2013 RMB'000	2012 RMB'000
Cost of investment in associate	2,441	2,441
Share of post-acquisition loss	(2,441)	(2,441)
	-	-
Non-trade amount due from an associate (Current assets) (Note 6)	354	213

Details of the Group's associate are as follows:

Name of associate	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activity
		2013 %	2012 %	
Yanlord Property Investments Pte. Ltd. [a] 仁恒地产投资有限公司	Singapore	25	25	Investment holding

Note on auditors

(a) Audited by Deloitte & Touche LLP, Singapore.

11 INVESTMENT IN AN ASSOCIATE (Cont'd)

Summarised financial information in respect of the Group's associate is set out as below:

	GROUP	
	2013 RMB'000	2012 RMB'000
Total assets	120	77
Total liabilities	(392)	(291)
Net liabilities	(272)	(214)
Group's share of associate's net liabilities (1)	-	-
Loss for the year	(58)	(76)
Group's share of associate's loss for the year (1)	-	-

(1) The Group's share of the associate's net liabilities and loss is zero as the Group discontinues recognising further losses when the Group's share of loss of the associate exceeds its interest in the associate. As at December 31, 2013, the Group's share of unrecognised losses of the associate for the year and cumulatively amounted to RMB15,000 (2012 : RMB19,000) and RMB68,000 (2012 : RMB53,000) respectively.

12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP	
	2013 RMB'000	2012 RMB'000
Cost of investments in jointly controlled entities	523,688	346,557
Share of post-acquisition profit (loss)	76,798	(10,834)
	600,486	335,723
Non-trade amounts due from jointly controlled entities (Current assets) (Note 6)	230	-

Details of the Group's jointly controlled entities are as follows:

Name of jointly controlled entity	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Yanlord Land Pte. Ltd.				
Singapore Intelligent Eco Island Development Pte. Ltd. (1) (a) 新加坡智慧生态岛开发有限公司	Singapore	57	57	Investment holding

12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Cont'd)

Name of jointly controlled entity	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2013 %	2012 %	
Held by Singapore Intelligent Eco Island Development Pte. Ltd.				
Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd. [(b)] 中新南京生态科技岛开发有限公司	PRC	28	28	Property development
Held by Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd.				
Sino-Singapore Nanjing Eco Hi-tech Island Investment and Development Co., Ltd. [(b)] 中新南京生态科技岛投资发展有限公司	PRC	28	28	Property development and investment
Held by Sino-Singapore Nanjing Eco Hi-tech Island Investment and Development Co., Ltd.				
Nanjing Zhoudao Modern Agriculture Development Co., Ltd. [(b)] 南京洲岛现代农业发展有限公司	PRC	20	20	Agriculture development and hotel management
Nanjing Zhoudao Modern Service Development Co., Ltd. [(b)] 南京洲岛现代服务业发展有限公司	PRC	20	20	Property service
Nanjing Zhoudao Property Development Co., Ltd. [(b)] 南京洲岛置业有限公司	PRC	28	28	Property development and management

(1) Although the Group owns more than 50% of the equity shares of this entity, both shareholders of this entity have joint control over its financial and operating policies and hence the Group regards this entity as a jointly controlled entity.

Notes on auditors

(a) Audited by Deloitte & Touche LLP, Singapore.
(b) Audited by Deloitte Touche Tohmatsu CPA LLP, Shanghai, PRC for consolidation purposes.

12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Cont'd)

Summarised financial information in respect of the jointly controlled entities is set out as below:

	GROUP	
	2013 RMB'000	2012 RMB'000
Total assets	1,053,536	589,089
Total liabilities	(52)	(102)
Net assets	1,053,484	588,987
Group's share of jointly controlled entities' net assets	600,486	335,723
Profit (Loss) for the year	153,741	(10,510)
Group's share of jointly controlled entities' profit (loss) for the year	87,632	(5,990)

13 NON-TRADE AMOUNTS DUE FROM / TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

Amounts due from non-controlling shareholders of subsidiaries are unsecured, interest-free and repayable on demand except for the following:

a) Amounts of RMB47 million and RMB28 million (2012 : RMB46 million, RMB9 million and RMB10 million) which bear interest at 5.0% and 6.0% per annum respectively (2012 : 5.0%, 6.0% and 6.3% per annum respectively) and are secured by the non-controlling shareholder's shares in a subsidiary and undistributed retained earnings of a subsidiary yet to be distributed as dividends to the non-controlling shareholder of that subsidiary.

b) Amount of RMB94 million (2012 : RMB18 million and RMB71 million) which bear interest at 6.0% per annum (2012 : 6.6% and 6.0% per annum respectively) and is secured by expected future earnings that will be distributed by a subsidiary to the non-controlling shareholders of that subsidiary.

c) Amount of RMB40 million (2012 : RMB Nil) which bears interest at 6.0% per annum (2012 : Nil%), is unsecured and repayable on demand.

d) Amount of RMB154 million (2012 : RMB Nil) which bears interest at 6.2% per annum (2012 : Nil%), is unsecured and is repayable within 2 years.

e) Amount of RMB4 million (2012 : RMB Nil) which is unsecured, interest-free and repayable within 2 years from the end of the reporting period.

As at December 31, 2013, current amounts due to non-controlling shareholders of subsidiaries are unsecured, interest-free and repayable on demand except for an amount of RMB90 million (2012 : RMB93 million), which is guaranteed by the Company.

As at December 31, 2012, non-current amounts of RMB145 million and RMB51 million due to a non-controlling shareholder of a subsidiary were unsecured, bore interest at 6.4% and 6.7% per annum respectively and were repayable within 3 years. The amounts were repaid during the year.

As at December 31, 2013 and December 31, 2012, non-current amount of RMB20 million due to a non-controlling shareholder of subsidiaries is unsecured, interest-free and has no fixed repayment terms. Management is of the view that the non-controlling shareholder of subsidiaries will not demand repayment of RMB20 million within 12 months from the end of the reporting period.

14 INTANGIBLE ASSET

	GROUP	
	2013 RMB'000	2012 RMB'000
Club membership	613	613

At December 31, 2013 and 2012, the management assessed the marketable value of the club membership and determined that it was in excess of its carrying amount.

15 DEFERRED TAXATION

	GROUP	
	2013 RMB'000	2012 RMB'000
Deferred tax assets	219,707	128,967
Deferred tax liabilities	(1,363,647)	(1,160,248)
	(1,143,940)	(1,031,281)

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting year.

	Revaluation of investment properties RMB'000	Accelerated tax depreciation and excess of tax deductible expenses RMB'000	Withholding tax RMB'000	Tax losses RMB'000	Total RMB'000
GROUP					
At January 1, 2012	(829,937)	53,842	(138,775)	84,272	(830,598)
(Charge) Credit to profit or loss for the year (Note 30)	(212,672)	9,072	(110,158)	(18,219)	(331,977)
Transfer to income tax payable	-	-	131,294	-	131,294
At December 31, 2012	(1,042,609)	62,914	(117,639)	66,053	(1,031,281)
(Charge) Credit to profit or loss for the year (Note 30)	(185,579)	26,823	(86,187)	63,917	(181,026)
Transfer to income tax payable	-	-	68,367	-	68,367
Exchange difference	(138)	-	138	-	-
At December 31, 2013	(1,228,326)	89,737	(135,321)	129,970	(1,143,940)

Pursuant to PRC tax regulations, at the end of the reporting period, the Group has unutilised tax losses of RMB980 million (2012 : RMB599 million) available for offset against future profits. A deferred tax asset of RMB130 million (2012 : RMB66 million) has been recognised in respect of RMB520 million (2012 : RMB264 million) of such losses at the PRC tax rate of 25%. No deferred tax asset has been recognised in respect of the remaining RMB460 million (2012 : RMB335 million) due to the unpredictability of future profit streams. Tax losses may be carried forward for 5 years from the year after the losses are incurred, subject to the conditions imposed by law including the retention of majority shareholders as defined.

16 DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP	
	2013 RMB'000	2012 RMB'000
Cross currency swaps, designated in hedge accounting relationships	20,402	-

The Group uses cross currency swaps to hedge the foreign currency risks arising from the interest and principal payments of its RMB denominated senior notes. Contracts with nominal values of RMB2 billion have fixed interest payments denominated in US dollars at 4.325% per annum and fixed interest receipts denominated in RMB at 5.375% per annum.

All of the Group's cross currency swaps are designated and effective as cash flow hedges and the fair value of these cross currency swaps, amounting to RMB20 million (2012 : RMB Nil) has been recognised in other comprehensive income. Amount of RMB16 million (2012 : RMB Nil) has been reclassified from equity to profit or loss during the year.

The cross currency swaps settle on a semi-annual basis, with maturity on May 23, 2016. All cross currency swap contracts exchanging RMB denominated interest and principal payments for US dollar denominated interest and principal payments are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from the fluctuation of RMB against US dollar over the tenure of the senior notes. The cross currency swaps and the interest and principal payments on the senior notes occur simultaneously and the amount recognised in other comprehensive income is reclassified from equity to profit or loss over the tenure of the senior notes.

17 OTHER RECEIVABLES AND DEPOSITS

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Advances to suppliers	18,742	18,068	-	-
Deposits for purchase of land for development and construction of properties	20,711	20,711	-	-
Staff loans	8,845	8,559	-	-
Prepayments	25,831	11,946	3	274
Sales tax prepayments	198,895	132,854	-	-
Interest receivables	11,486	291	-	-
Other receivables [(1)]	126,758	110,090	-	-
	411,268	302,519	3	274

(1) Included in other receivables is an advance of RMB20 million (2012 : RMB20 million) to a PRC government agent for the resettlement of occupants from land which the Group intends to purchase.

The management considers the credit risk on other receivables and deposits to be limited because the counterparties are government agents or third parties with long business relationships with the Group.

18 HELD-FOR-TRADING INVESTMENT

	GROUP	
	2013 RMB'000	2012 RMB'000
Quoted equity security, at fair value	11,056	11,311

Held-for-trading investment presents the Group with opportunities for return through dividend income and fair value gains. This investment has no fixed maturity or coupon rate. The fair value of this security is based on the closing quoted market price on the last market day of the financial year.

19 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Pledged bank deposits	29,643	15,072	-	-
Cash on hand	2,004	1,853	-	-
Cash at bank	5,911,442	2,954,955	6,894	2,601
Fixed deposits	1,168,599	583,769	-	-
Cash and cash equivalents	7,082,045	3,540,577	6,894	2,601

Pledged bank deposits represent deposits pledged to banks to secure certain mortgage loans provided by banks to customers for the purchase of the Group's development properties and as securities for bank loans (Note 22).

20 SHARE CAPITAL

	GROUP AND COMPANY			
	2013 '000	2012 '000	2013 RMB'000	2012 RMB'000
	Number of ordinary shares			
Issued and paid up:				
At beginning and of year	1,948,736	1,948,736	7,261,726	7,261,726

Fully paid up ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

21 HEDGING RESERVE

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge recognised in other comprehensive income and accumulated in hedging reserves is reclassified to profit or loss when the hedged transaction impacts the profit or loss.

Movement in hedging reserve:

	GROUP	
	2013 RMB'000	2012 RMB'000
At January 1	-	-
Change in fair value of cross currency swaps	20,402	-
Reclassification to profit or loss on cash flow hedge	(15,624)	-
At December 31	4,778	-

22 BANK LOANS

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
The bank loans are repayable as follows:				
On demand or within one year	3,262,391	2,549,816	-	10,260
More than one year but not exceeding two years	2,141,535	3,734,044	10,940	319,509
More than two years but not exceeding five years	3,803,298	1,181,419	282,198	-
More than five years	1,590,679	954,000	-	-
	10,797,903	8,419,279	293,138	329,769
Less: Amount due for settlement within 12 months (shown under current liabilities)	(3,262,391)	(2,549,816)	-	(10,260)
Amount due for settlement after 12 months	7,535,512	5,869,463	293,138	319,509
Secured:				
- Current bank loans	1,685,313	1,991,060	-	-
- Non-current bank loans	6,143,142	3,274,800	-	-
	7,828,455	5,265,860	-	-
Unsecured:				
- Current bank loans	1,577,078	558,756	-	10,260
- Non-current bank loans	1,392,370	2,594,663	293,138	319,509
	2,969,448	3,153,419	293,138	329,769
	10,797,903	8,419,279	293,138	329,769

22 BANK LOANS (Cont'd)

The following assets are pledged for the above secured bank loans and undrawn loan facilities:

	GROUP	
	2013 RMB'000	2012 RMB'000
Properties for development	947,054	-
Completed properties for sale	419,177	637,921
Properties under development for sale	19,679,508	4,457,780
Investment properties	5,505,000	4,492,184
Construction-in-progress	519,573	53,177
Bank deposits	10,266	9,617

23 CONVERTIBLE NOTES

The convertible notes comprise notes issued in 2007 and 2009.

(a) The convertible notes issued on February 6, 2007 ("Notes 2012") matured on February 6, 2012. The Notes 2012 accrued interest at 4.00% per annum, compounded semi-annually. Accrued interest on Notes 2012 was payable only at maturity or upon early redemption, and would be foregone upon conversion of the Notes 2012. The conversion price was initially S$2.7531 per share, and had been adjusted to S$2.5900 per share as at December 31, 2011 as a result of dividends declared by the Company. The conversion price could be further adjusted for certain specified dilutive events.

On February 4, 2010, the holders of S$315 million (equivalent to RMB1.513 billion) outstanding Notes 2012 exercised the option to redeem the outstanding Notes 2012.

On February 6, 2012, the Company fully redeemed the remaining S$24 million (equivalent to RMB119 million) outstanding Notes 2012 in accordance with the terms set out in the Indenture dated February 6, 2007. In addition, the equity reserve of Notes 2012 amounting to S$25 million (equivalent to RMB129 million) was reclassified to accumulated profits in 2012.

(b) The convertible notes issued on July 13, 2009 ("Notes 2014") will mature on July 13, 2014. The Notes 2014 accrue interest at 5.85% per annum with interest payable on January 13 and July 13 of each year, commencing on January 13, 2010. The conversion price was initially S$2.6208 per share, and has been adjusted to S$2.5600 and S$2.5200 per share as at December 31, 2012 and 2013 respectively as a result of dividends declared by the Company. The conversion price may be further adjusted for certain specified dilutive and other events. The Company may, at any time on or after July 13, 2011 but before July 3, 2014, mandatorily convert all of the Notes 2014 if the volume weighted average price of the Company's shares is at least 130% of the conversion price in effect on the date of notice. The holders have the right to require the Company to redeem all or some of the Notes 2014 on July 13, 2012.

On July 13, 2012, the holders of S$305 million (equivalent to RMB1.516 billion) outstanding Notes 2014 exercised the option to redeem the outstanding Notes 2014. Accordingly, the nominal amount of Notes 2014 which remains outstanding for conversion into ordinary shares as at December 31, 2013, was reduced to S$70 million (equivalent to RMB335 million) (2012 : S$70 million (equivalent to RMB357 million)). The Notes 2014 are convertible into approximately 27,777,777 and 27,343,750 new ordinary shares of the Company as at December 31, 2013 and 2012 respectively based on the adjusted conversion price at the option of the holders.

23 CONVERTIBLE NOTES (Cont'd)

As at December 31, 2013, Notes 2014 is classified as a current liability as it will mature on July 13, 2014.

The net proceeds received from the issue of the Notes 2012 and Notes 2014 have been allocated between the liability and equity components. The equity component represents the fair value of the embedded option of the Company to convert the liability into equity.

	GROUP AND COMPANY	
	2013 RMB'000	2012 RMB'000
Nominal value of convertible notes issued	1,794,188	4,340,424
Equity component (gross before allocation of transaction costs)	(290,803)	(661,280)
Transaction costs	(21,907)	(99,089)
Liability component at date of issue	1,481,478	3,580,055
Cumulative interest accrued	552,480	977,752
Cumulative interest paid	(334,473)	(335,176)
Converted to equity	-	(612,732)
Redemption	(1,356,267)	(3,260,618)
Fair value adjustment	(7,324)	(7,797)
Total	335,894	341,484
Interest payable within one year included in other payables (Note 26)	(9,633)	(10,138)
Liability component at end of year	326,261	331,346

The cumulative interest accrued on Notes 2014 is calculated by applying an effective interest rate of 11.3% (2012 : 11.3%) per annum to the liability component. In 2012, the cumulative interest accrued on Notes 2012 up to maturity date on February 6, 2012 was calculated by applying an effective interest rate of 8.0% per annum to the liability component.

The management estimates the fair value of the liability component of the Notes 2014 at December 31, 2013 to be approximately RMB325 million. This fair value has been calculated by assuming redemption on July 13, 2014 and using interest rate of 8.9% per annum, compounded semi-annually. The interest rate is based on Singapore government's two-year treasury bill rate of 1.1% per annum which will mature on April 1, 2016, a credit spread risk margin of 6.3% per annum and holding the liquidity risk rate as a percentage of both the risk free rate and the liquidity risk rate constant.

The management estimates the fair value of the liability component of the Notes 2014 at December 31, 2012 to be approximately RMB343 million. This fair value has been calculated by assuming redemption on July 13, 2014 and using interest rate of 8.0% per annum, compounded semi-annually. The interest rate is based on Singapore government's two-year treasury bill rate of 0.3% per annum which will mature on February 1, 2015, a credit spread risk margin of 6.4% per annum and holding the liquidity risk rate as a percentage of both the risk free rate and the liquidity risk rate constant.

24 SENIOR NOTES

The senior notes comprise notes issued in 2010, 2012 and 2013.

(a) The senior notes issued on May 4, 2010 ("Notes 2017") will mature on May 4, 2017. The senior notes bears interest at 9.5% per annum with interest payable on May 4 and November 4 of each year, commencing on November 4, 2010. Prior to the maturity of the senior notes, the Company may redeem the notes, in whole or in part, based on the stipulated redemption price at the point of redemption. The senior notes are denominated in US dollars.

(b) The senior notes issued on March 29, 2011 ("Notes 2018") will mature on March 29, 2018. The senior notes bears interest at 10.625% per annum with interest payable on March 29 and September 29 of each year, commencing on September 29, 2011. Prior to the maturity of the senior notes, the Company may redeem the notes, in whole or in part, based on the stipulated redemption price at the point of redemption. The senior notes are denominated in US dollars.

(c) The senior notes issued on May 23, 2013 ("Notes 2016") will mature on May 23, 2016. The senior notes bears interest at 5.375% per annum with interest payable on May 23 and November 23 of each year, commencing on November 23, 2013. Prior to the maturity of the senior notes, the issuer, which is a wholly-owned subsidiary of the Company, may redeem the notes, in whole or in part, based on the stipulated redemption price at the point of redemption. The senior notes are denominated in RMB.

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Nominal value of senior notes issued	6,439,203	4,725,345	4,439,203	4,725,345
Transaction costs (1)	(126,999)	(103,106)	(96,863)	(103,106)
At date of issue (2)	6,312,204	4,622,239	4,342,340	4,622,239
Cumulative interest accrued	1,447,255	994,633	1,375,850	994,633
Cumulative interest paid	(1,300,523)	(871,632)	(1,246,331)	(871,632)
Exchange difference	(168,328)	(320,789)	(168,328)	(320,789)
Total	6,290,608	4,424,451	4,303,531	4,424,451
Interest payable within one year included in other payables (Note 26)	(105,217)	(96,633)	(93,731)	(96,633)
Liability (non-current) at end of year	6,185,391	4,327,818	4,209,800	4,327,818

(1) Transaction costs included non-audit fees of RMB2 million, RMB2 million and RMB2 million paid to the auditors of the Company in 2013, 2011 and 2010 respectively in connection with the issuance of senior notes of the Company (Note 31).
(2) Changes in amount at date of issue relative to the preceding year's amount include the effect of translation to the presentation currency and have been included in the currency translation reserve.

The cumulative interests accrued on Notes 2017, Notes 2018 and Notes 2016 are calculated by applying effective interest rates of 10.3% (2012 : 10.3%), 11.3% (2012 : 11.3%) and 6.0% per annum respectively.

The management estimates the fair value of Notes 2017, Notes 2018 and Notes 2016 at December 31, 2013 to be approximately RMB1.943 billion, RMB2.677 billion and RMB1.973 billion (2012 : RMB2.046 billion, RMB2.860 billion and RMB Nil) respectively. These fair values are based on the prices obtained from banks' publications.

24 SENIOR NOTES (Cont'd)

In 2010, six of its subsidiaries provided a joint guarantee in respect of Notes 2017 issued by the Company amounting to RMB1.987 billion (equivalent to US$300 million) for a term of seven years up to May 4, 2017. The joint guarantee approximates RMB1.829 billion (2012 : RMB1.886 billion), the equivalent of US$300 million as at the end of 2013. Additionally, shares in six of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2017.

In 2011, six of its subsidiaries provided a joint guarantee in respect of Notes 2018 issued by the Company amounting to RMB2.520 billion (equivalent to US$400 million) for a term of seven years up to March 29, 2018. The joint guarantee approximates RMB2.439 billion (2012 : RMB2.514 billion), the equivalent of US$400 million as at the end of 2013. Additionally, shares in six of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2018.

In 2013, the Company and five of its subsidiaries provided a joint guarantee in respect of Notes 2016 issued by a wholly-owned subsidiary of the Company amounting to RMB2.000 billion for a term of three years up to May 22, 2016 (Note 37). Additionally, shares in five of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2016.

25 TRADE PAYABLES

	GROUP	
	2013 RMB'000	2012 RMB'000
Outside parties	5,077,788	3,694,139

The average credit period for trade payables is 195 days (2012 : 207 days).

26 OTHER PAYABLES

	GROUP		COMPANY	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Advances received from customers	6,076,399	4,757,436	-	-
Accrued expenses	55,847	46,590	3,203	3,327
Interest payable	147,761	127,780	103,806	107,853
Other payables	328,813	288,123	-	-
	6,608,820	5,219,929	107,009	111,180

27 REVENUE

	GROUP	
	2013 RMB'000	2012 RMB'000
Gross income from property development	11,194,259	10,287,971
Less: Business tax	(624,637)	(579,683)
Net income from property development	10,569,622	9,708,288
Gross income from property investment	522,118	427,078
Less: Business tax	(68,240)	(57,072)
Net income from property investment	453,878	370,006
Gross income from others	276,855	240,384
Less: Business tax	(20,246)	(16,811)
Net income from others	256,609	223,573
Total	11,280,109	10,301,867

28 OTHER OPERATING INCOME

	GROUP	
	2013 RMB'000	2012 RMB'000
Dividend income from available-for-sale investment	-	30,157
Dividend income from held-for-trading investment	209	213
Fair value gain on investment properties (Note 8)	572,058	664,424
Fair value gain on held-for-trading investment	71	6,619
Gain on put option written off	-	5,187
Interest income	42,062	37,659
Net gain on disposal of property, plant and equipment	-	14,134
Net gain on disposal of investment properties	1,091	-
Net gain on disposal of available-for-sale investment	-	129,946
Payable written off	-	10,774
Waiver of interest expense from a related party	-	27,430
Net foreign exchange gain	-	193,285
Government subsidies	13,515	22,118
Others	7,522	7,681
Total	636,528	1,149,627

29 FINANCE COST

	GROUP	
	2013 RMB'000	2012 RMB'000
Interest on bank loans	615,809	634,411
Interest on convertible notes	35,469	116,256
Interest on senior notes	511,208	459,424
Interest to ultimate holding company (Note 5)	3,429	1,534
Interest to non-controlling shareholders of subsidiaries	30,619	13,621
Total borrowing costs	1,196,534	1,225,246
Less: Interest capitalised in		
- properties for development	(111,539)	(324,200)
- properties under development for sale	(876,953)	(742,237)
Net	208,042	158,809

30 INCOME TAX

	GROUP	
	2013 RMB'000	2012 RMB'000
Current - Foreign	741,992	685,015
Deferred income tax (Note 15)	94,839	221,819
Deferred withholding tax (Note 15)	86,187	110,158
Land appreciation tax ("LAT")	705,225	669,618
Under (Over) provision in prior years	17,626	(1,423)
Total	1,645,869	1,685,187

No provision for Singapore taxation has been made as the majority of the Group's income neither arises in, nor is derived from Singapore.

In 2013 and 2012, all taxation arising in the PRC is calculated at the prevailing rate of 25%.

30 INCOME TAX (Cont'd)

The income tax expense varied from the amount of income tax expense determined by applying the above income tax rate to profit before income tax as a result of the following differences:

	GROUP	
	2013 RMB'000	2012 RMB'000
Income tax expense at PRC applicable tax rate of 25%* (2012 : 25%*)	934,492	1,034,238
Non-deductible items	90,690	18,989
Non-taxable items	(36,382)	(33,869)
Effect of unutilised tax losses not recognised as deferred tax assets	21,501	13,690
Effect of different tax rates for certain subsidiaries	76	72
LAT	705,225	669,618
Effect of tax deduction on LAT	(176,306)	(164,367)
Withholding tax incurred	86,187	110,158
Under (Over) provision in prior years	17,626	(1,423)
Others	2,760	38,081
Total income tax expense	1,645,869	1,685,187

* These are the applicable tax rates for most of the Group's taxable profits.

Income tax for overseas subsidiaries is calculated at the rates prevailing in the respective jurisdiction.

According to a PRC tax circular of State Administration of Taxation, Guoshuihan (2008) No.112, dividend distributed out of the profits generated since January 1, 2008 held by the PRC entity to non-resident investors shall be subject to PRC withholding income tax. Deferred tax liability of RMB86 million (2013 : RMB110 million) on the undistributed earnings of the PRC subsidiaries has been charged to the consolidated statement of profit or loss of the year.

LAT

As disclosed in the prior years' audited consolidated financial statements, the directors of the Company, after taking into account legal advice received and consultation with the local Shanghai Pudong Tax Bureau, are of the opinion that the relevant tax authority is not likely to impose any LAT on a retrospective basis. In 2013 and 2012, management has not received any new communications from the Shanghai Pudong Tax Bureau specific to LAT for properties sold by the Group in Shanghai Pudong New District prior to October 1, 2006 which cause the above management's evaluation to change. Accordingly, no provision has been made in respect of those properties sold in Pudong New District prior to October 1, 2006.

If LAT was to be levied on the Group's Shanghai Pudong New District properties in accordance with the Provisional Regulations on a retrospective basis, the Group would have incurred additional LAT in the aggregate amount of RMB534 million for the financial periods prior to October 1, 2006, net of adjustment for non-controlling interests and for income tax deductions. Should any of these exposures materialise, the Group's net profit will be impacted by the same amount.

The management of the Company is of the view that the actual LAT payable as required under the Provisional Regulations approximates the amount of LAT actually paid and accrued by the Group for the PRC subsidiaries as at December 31, 2013.

The actual Group's LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects.

31 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	GROUP	
	2013	2012
	RMB'000	RMB'000
Depreciation of property, plant and equipment	35,418	34,994
Employee benefits expense (including directors' remuneration):		
Retirement benefit scheme contributions	44,217	31,031
Salaries and other short-term benefits	432,169	356,948
Total employee benefits expense	476,386	387,979
Directors' fees	1,956	2,015
Directors' remuneration:		
- of the Company	23,427	28,716
- of the subsidiaries	5,918	3,173
	29,345	31,889
Allowance for doubtful debts and bad debts written off	41	-
Fair value gain on investment properties (Note 8)	(572,058)	(664,424)
Fair value gain on held-for-trading investment	(71)	(6,619)
Loss on redemption on convertible notes	-	8,198
Net loss (gain) on disposal of property, plant and equipment	111	(14,134)
Net (gain) loss on disposal of investment properties	(1,091)	16,437
Net gain on disposal of available-for-sale investment	-	(129,946)
Net foreign exchange loss (gain)	97,598	(193,285)
Cost of completed properties for sale recognised as expenses	7,006,238	6,314,144
Audit fees:		
- paid to auditors of the Company	3,979	3,822
- paid to other auditors	1,395	1,339
Total audit fees	5,374	5,161
Non-audit fees:		
- paid to auditors of the Company (1)	89	171
- paid to other auditors	1,147	1,095
Total non-audit fees	1,236	1,266
Aggregate amount of fees paid to auditors	6,610	6,427

(1) In 2013, total non-audit fees paid to auditors of the Company in connection with the issuance of senior notes by the Group have been capitalised in the carrying amount of the senior notes (Note 24).

32 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	GROUP	
	2013 RMB'000	2012 RMB'000
Earnings		
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Company)	1,473,753	1,823,498
Effect of dilutive potential ordinary shares due to interests on convertible notes	6,535	4,282
Earnings for the purposes of diluted earnings per share	1,480,288	1,827,780

	GROUP	
	2013 '000	2012 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,948,736	1,948,736
Effect of dilutive potential ordinary shares due to convertible notes	27,618	91,397
Weighted average number of ordinary shares for the purposes of diluted earnings per share	1,976,354	2,040,133

	GROUP	
	2013	2012
Earnings per share (Renminbi cents):		
Basic	75.63	93.57
Diluted	74.90	89.59

33 DIVIDENDS

In 2013, RMB181,362,980 of dividends was paid in respect of a first and final one-tier tax exempt dividend of 9.31 Renminbi cents (equivalent to 1.86 Singapore cents) per ordinary share declared for the financial year ended December 31, 2012.

In respect of the current year, the directors proposed a first and final one-tier tax exempt dividend of 6.40 Renminbi cents (equivalent to 1.30 Singapore cents) per ordinary share amounting to RMB124,800,786. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

34 SEGMENT INFORMATION

The Group's reportable operating segments are as follows:

(i) Property development: Development of residential, commercial and other properties.

(ii) Property investment: Leasing of properties to generate rental income and to gain from the appreciation in the value of the properties in the long term.

(iii) Others: Provision of property management, ancillary services, investment holding and others.

Information regarding the operations of each reportable segments are included below. The management monitors the operating results of each operating segment for the purpose of making decisions on resource allocation and performance assessment.

The Group's operations are located in the PRC, hence no analysis by geographical area of operations is provided.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	GROUP			
	Revenue		Profit (loss) before income tax	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Property development	10,569,622	9,708,288	3,221,482	3,130,358
Property investment	453,878	370,006	712,934	760,352
Others	256,609	223,573	(196,448)	246,243
Total	11,280,109	10,301,867	3,737,968	4,136,953

Segment profit represents the profit earned by each segment as determined using the Group's accounting policy. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Segment assets

	GROUP	
	2013 RMB'000	2012 RMB'000
Property development	49,333,375	45,137,404
Property investment	9,784,186	8,339,748
Others	2,321,444	821,964
Total assets	61,439,005	54,299,116

All assets are allocated to reportable segments. Liabilities are not allocated as they are not monitored by the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

34 SEGMENT INFORMATION (Cont'd)

Other segment information

	GROUP			
	Depreciation		Additions to non-current assets	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Property development	17,863	18,374	2,343,686	3,725,388
Property investment	15,427	14,596	217,536	116,960
Others	4,203	5,452	12,404	5,199
Total	37,493	38,422	2,573,626	3,847,547

35 OPERATING LEASE ARRANGEMENTS

The Group as leasee

	GROUP	
	2013 RMB'000	2012 RMB'000
Minimum lease payments under operating leases recognised as an expense in the year	16,312	15,799

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	GROUP	
	2013 RMB'000	2012 RMB'000
Within one year	16,916	12,275
In the second to fifth year inclusive	23,325	16,831
More than five years	17,962	9,418
	58,203	38,524

Operating lease payments substantially represent rental payables by the Group in respect of land and buildings for its office premises and staff accommodation. Leases are negotiated for an average term of less than 4 years (2012 : less than 2 years).

35 OPERATING LEASE ARRANGEMENTS (Cont'd)

The Group as lessor

The Group rents out its investment properties and certain completed properties for sale in the PRC under operating leases. Property rental income earned during the year was RMB436 million (2012 : RMB366 million).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease receipts:

	GROUP	
	2013 RMB'000	2012 RMB'000
Within one year	272,913	291,075
In the second to fifth year inclusive	606,013	605,954
More than five years	760,711	815,831
	1,639,637	1,712,860

36 CAPITAL EXPENDITURE COMMITMENTS

Estimated amounts committed for future capital expenditure but not provided for in the financial statements:

	GROUP	
	2013 RMB'000	2012 RMB'000
Investment properties	5,453	73,610
Others	1,142	448
	6,595	74,058

37 CONTINGENCIES AND GUARANTEES

As at December 31, 2013, the Group has provided guarantees of approximately RMB1.565 billion (2012 : RMB2.436 billion) to banks for the benefit of its customers in respect of mortgage loans provided by the banks to these customers for the purchase of the Group's development properties. Should such guarantees be called upon, there would be an outflow of cash (previously collected by the Group) from the Group to the banks to discharge the obligations. The management has made enquiries with the banks and considered the profile of customers who bought the Group's properties and concluded that the likelihood of these guarantees being called upon is low. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security for the mortgage loan granted.

As at December 31, 2013, the Company, together with five of its subsidiaries, has provided a joint guarantee in respect of senior notes issued by a wholly-owned subsidiary amounting to RMB2.000 billion for a term of less than three years up to May 22, 2016.

As at December 31, 2013, the Company, together with five of its subsidiaries, has provided joint guarantees to banks in respect of the following loan facilities granted to a subsidiary:

- A loan facility amounting to RMB915 million (equivalent to US$150 million) (2012 : RMB943 million (equivalent to US$150 million)) for a remaining term of less than one year up to July 3, 2014. The loan facility was fully drawn down as at the end of 2013 and 2012.

- A loan facility amounting to RMB622 million (equivalent to US$102 million) (2012 : RMB754 million (equivalent to US$120 million)) for a remaining term of less than two years up to May 13, 2015. The loan facility was fully drawn down as at the end of 2013 and 2012.

- A loan facility amounting to RMB305 million (equivalent to US$50 million) (2012 : RMB314 million (equivalent to US$50 million)) for a remaining term of less than two years up to December 30, 2015. The loan facility was fully drawn down as at the end of 2013 (2012 : RMB3 million (equivalent to US$450,000)).

As at December 31, 2013, the Company has provided a guarantee to a bank in respect of a loan facility granted to a subsidiary amounting to RMB203 million (equivalent to S$43 million) (2012 : RMB255 million (equivalent to S$50 million)) for a remaining term of less than one year up to September 19, 2014. The loan facility was fully drawn down as at the end of 2013 and 2012.

As at December 31, 2013, the Company has provided a guarantee to a non-controlling shareholder of subsidiaries in respect of an interest-free current advance to a subsidiary amounting to RMB90 million (equivalent to US$15 million) (2012 : RMB93 million (equivalent to US$15 million)).

As at December 31, 2013, the jointly controlled entity Singapore Intelligent Eco Island Development Pte. Ltd. ("SIEID") has pledged its shares in the jointly controlled entity Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd. ("SSNEHID") to financial institutions as security for credit facilities used by a wholly-owned subsidiary of SSNEHID for property development. SIEID's contingent liability under this pledge of its shareholding in SSNEHID is limited to an amount of RMB528 million (2012 : RMB600 million). A subsidiary of the Company has provided guarantee of RMB401 million (2012 : RMB456 million) for the same credit facilities.

The management is of the view that the fair value of the financial guarantee provided by the Group and the Company is not significant.

INTERESTED PERSON TRANSACTIONS

The details of interested person transactions ("IPTs") entered into during the financial year under review were as follows:-

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY 2013	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) FY 2013
Yanlord Holdings Pte. Ltd.*	RMB7,463,294	Not applicable

Note:

* Associate (as defined in the SGX Listing Manual) of Zhong Sheng Jian, director and controlling shareholder of the Company.

The Group does not have a shareholders' general mandate for IPTs.

Save as disclosed above, there was no material contract entered into by the Company and its subsidiaries involving the interests of the chief executive officer or any director or controlling shareholder, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

SHAREHOLDING STATISTICS

As at 11 March 2014

Number of Shares Issued	:	1,948,736,476
Class of Shares	:	Ordinary shares with one vote per share
Issued and Paid-up Share Capital	:	S$1,482,552,080
Number of Treasury Shares	:	Nil

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 - 999	13	0.17	846	0.00
1,000 - 10,000	5,516	72.31	28,846,306	1.48
10,001 - 1,000,000	2,068	27.11	82,580,917	4.24
1,000,001 and above	31	0.41	1,837,308,407	94.28
TOTAL	7,628	100.00	1,948,736,476	100.00

TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	Percentage (%)
YANLORD HOLDINGS PTE. LTD.	1,035,390,000	53.13
UOB KAY HIAN PRIVATE LIMITED	316,791,658	16.26
BNP PARIBAS SECURITIES SERVICES SINGAPORE BRANCH	132,311,549	6.79
HL BANK NOMINEES (SINGAPORE) PTE LTD	116,936,000	6.00
CITIBANK NOMINEES SINGAPORE PTE LTD	60,137,853	3.09
DBS NOMINEES (PRIVATE) LIMITED	38,626,513	1.98
HSBC (SINGAPORE) NOMINEES PTE LTD	32,387,408	1.66
DBSN SERVICES PTE. LTD.	18,705,938	0.96
RAFFLES NOMINEES (PTE) LIMITED	12,357,319	0.63
WANG NANHUA	9,186,000	0.47
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	8,435,000	0.43
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,431,540	0.38
MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	7,065,510	0.36
MAYBANK KIM ENG SECURITIES PTE. LTD.	5,896,000	0.30
DB NOMINEES (SINGAPORE) PTE LTD	4,246,000	0.22
ZHENG XI	3,016,000	0.15
OCBC SECURITIES PRIVATE LIMITED	2,851,000	0.15
PHILLIP SECURITIES PTE LTD	2,675,000	0.14
ONG ENG LOKE	2,585,000	0.13
LEE PINEAPPLE COMPANY PTE LTD	2,500,000	0.13
TOTAL	1,819,531,288	93.36

SUBSTANTIAL SHAREHOLDERS

As Stated in the Register of Substantial Shareholders

	No. of Shares Held				
Name	Direct Interest	Percentage (%)	Deemed Interest	Percentage (%)	Total Interest (%)
YANLORD HOLDINGS PTE. LTD.[1]	1,278,390,000	65.60	-	-	65.60
ZHONG SHENG JIAN[2]	9,067,000	0.47	1,278,390,000	65.60	66.07
ABERDEEN ASSET MANAGEMENT PLC[3]	-	-	194,758,000	9.99	9.99
ABERDEEN ASSET MANAGEMENT ASIA LIMITED[4]	-	-	174,905,000	8.98	8.98
ABERDEEN INTERNATIONAL FUND MANAGERS LIMITED[5]	-	-	155,657,000	7.99	7.99
BURLINGHAM INTERNATIONAL LIMITED[6]	-	-	99,309,000	5.10	5.10
HPRY HOLDINGS LIMITED[7]	7,398,600	0.38	90,543,000	4.65	5.03
K INVESTMENT SERVICES LIMITED	-	-	99,309,000	5.10	5.10
KUOK KHOON HONG[8]	-	-	97,582,600	5.01	5.01
LIM ENG HOCK[9]	-	-	114,000,000	5.85	5.85
MARTUA SITORUS[10]	-	-	99,309,000	5.10	5.10
RIDGWAY CAPITAL LIMITED[11]	-	-	99,309,000	5.10	5.10
TERZETTO CAPITAL LIMITED	99,309,000	5.10	-	-	5.10
WEE EE CHAO[12]	-	-	117,000,000	6.00	6.00

Notes:

1 Interest held directly and via nominee accounts.
2 Zhong Sheng Jian is deemed to be interested in 1,278,390,000 ordinary shares held by Yanlord Holdings Pte. Ltd. Zhong Sheng Jian further holds US$2,500,000 of 9.5% Senior Notes Due 4 May 2017 issued by the Company.
3 Aberdeen Asset Management PLC ("AAM") is deemed to have an interest in the shares of the Company held by the accounts managed or advised by AAM.
4 Aberdeen Asset Management Asia Limited ("AAMA") is deemed to have an interest in the shares of the Company held by the accounts managed or advised by AAMA.
5 Aberdeen International Fund Managers Limited ("AIFM") is deemed to have an interest in the shares of the Company held by the accounts managed or advised by AIFM.
6 Burlingham International Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
7 HPRY Holdings Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
8 Kuok Khoon Hong is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited, HPRY Holdings Limited, Longhlin Asia Limited and Hong Lee Holdings (Pte) Ltd.
9 Lim Eng Hock is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited and Meriton Capital Limited.
10 Martua Sitorus is deemed to have an interest in the shares of the Company held by Burlingham International Limited.
11 Ridgway Capital Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.
12 Wee Ee Chao is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited and K.I.P. Inc.

Based on the information available to the Company as at 11 March 2014, approximately 14% of the issued ordinary shares of the Company is held by the public and accordingly, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited has been complied with.

Yanlord Land Group Limited ("Company" and its group of companies, "Group") is committed to complying with the Code of Corporate Governance 2012 ("Code") so as to safeguard the interests of the shareholders ("Shareholders"). This statement outlines the Company's corporate governance processes and activities that were in place during the financial year.

BOARD MATTERS

PRINCIPLE 1: BOARD'S CONDUCT OF AFFAIRS

The principal functions of the board of directors of the Company ("Board") include, among others, supervising the overall management and performance of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction.

Matters which are specifically reserved for the Board's approval include, among others, significant corporate matters, major undertakings and all matters and transactions listed in the SGX's Listing Manual ("Listing Manual") that require Board's approval. The Board dictates the strategic direction and management of the Company through quarterly reviews of the financial performance of the Group. To facilitate effective management, certain functions of the Board have been delegated to various Board's committees namely, the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Risk Management Committee ("RMC") (collectively, "Board Committees").

The Company's Articles of Association ("AA") are sufficiently flexible to allow a director to participate at a meeting via telephone, video conference or by means of similar communication equipment. In the course of the financial year under review, the details of the number of meetings held and attended by each of the members of the Board and Board Committees are set out below:

	Board Meeting		AC Meeting		NC Meeting		RC Meeting		RMC Meeting	
Director	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance
Zhong Sheng Jian	4	4	—	—	1	1	—	—	1	1
Zhong Siliang	4	4	—	—	—	—	—	—	—	—
Chan Yiu Ling	4	4	—	—	—	—	—	—	—	—
Hong Zhi Hua	4	3	—	—	—	—	—	—	—	—
Ronald Seah Lim Siang	4	4	4	4	1	1	1	1	—	—
Ng Ser Miang	4	4	—	—	1	1	—	—	1	1
Ng Shin Ein	4	3	4	3	—	—	1	1	1	1
Ng Jui Ping	4	4	4	4	—	—	1	1	1	1

Notes:

* Reflects the number of meetings held during the time that the director held office.
\- Indicates that the director was not a member of that committee during the year.

A director, upon appointment, would be given information on the Group's business, structure and corporate and strategic direction. The directors visit the development sites of the Group as and when time permits and receive relevant training and briefings, particularly on relevant new laws and regulations and changing commercial risks, from time to time, if necessary. The directors are also provided with further explanation and information on any aspect of the Company's operation or business issues from the management of the Company ("Management"), if so requested by the directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises:

1.	Zhong Sheng Jian:	Chairman and Chief Executive Officer
2.	Zhong Siliang:	Executive Director
3.	Chan Yiu Ling:	Executive Director
4.	Hong Zhi Hua:	Executive Director
5.	Ronald Seah Lim Siang:	Lead Independent Director
6.	Ng Ser Miang:	Independent Director
7.	Ng Shin Ein:	Independent Director
8.	Ng Jui Ping:	Independent Director

The Board determines, at the recommendation of the NC, the independence of each independent director adopting the independence test recommended by the Code. There is a strong and independent element on the Board, with independent directors making up half of the Board. The Board believes that the size and composition of the Board, their experience and core competencies in various fields are appropriate and effective, taking into consideration the scope and nature of operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Zhong Sheng Jian currently fulfills the roles as the Chairman of the Board (“Chairman”) and the Chief Executive Officer (“CEO”) of the Company. The Board has not adopted the recommendation of the Code to have separate directors appointed as the Chairman and the CEO. This is because the Board is of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgment on the corporate affairs of the Group. Pursuant to the recommendation in the Code, the Company has also appointed Ronald Seah Lim Siang as its lead independent director.

The Chairman and the CEO is responsible for, among others, exercising control over the quality, quantity and timeliness of the flow of information within the Board and between the Board and the Management, and assisting in ensuring compliance with the Company’s guidelines on corporate governance. The independent directors may meet without the presence of the executive directors from time to time, when necessary.

PRINCIPLE 4: BOARD MEMBERSHIP
PRINCIPLE 5: BOARD PERFORMANCE

NOMINATING COMMITTEE (“NC”)

The NC makes recommendations to the Board on all board appointments. The majority of the members of the NC, including its chairman, are independent. The chairman of the NC is Ng Ser Miang and the other members are Zhong Sheng Jian and our lead independent director, Ronald Seah Lim Siang. The NC is guided by its terms of reference which set out its responsibilities. The NC’s responsibilities include:

(a) reviewing and recommending the nomination and re-election of our directors having regard to the director’s contribution and performance;

(b) determining on an annual basis whether or not a director is independent; and

(c) assessing the performance of our Board, Board Committees as well as contribution of the Chairman and each director to the effectiveness of the Board.

A new director shall be appointed by the Board after taking into consideration the recommendation made by the NC. Selection of candidates to be considered for appointment as directors is facilitated through recommendations from reliable sources. The NC, in considering the appointment and re-appointment of any director, evaluates the criteria of the new directors and performance of the existing directors. The assessment parameters for the new directors include integrity, diversity of competencies and expertise of the new directors. The assessment parameters for the existing directors include attendance records at meetings, intensity of participation at meetings and the quality of interventions.

The AA of the Company requires new directors appointed during the year to submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company. The AA also requires one-third of the Board to retire by rotation at every AGM. This means that no director may stay in office for more than three years without being re-elected by Shareholders. On an annual basis, the NC also reviews and makes recommendation on the list of directors who are subject to retire by rotation and whether the composition of the Board shall remain unchanged taking into consideration, among others, each director's competencies, commitment, contribution and performance. Such recommendations will then be submitted to the Board for Board's consideration thereafter. The NC is of the view that although some of the directors have multiple board representations in other listed entities, such multiple board representations do not hinder them from carrying out their duties as directors. Instead, these directors' participation in other listed entities would widen the experience of the Board and give it a broader perspective. The NC shall make recommendation to the Board for the Board to consider adopting the recommendation of the Code to determine the maximum number of listed company board representations which any director may hold as and when necessary.

The Company has in place a system to assess the performance of the Board as a whole, its Board Committees and the contribution by the Chairman to the effectiveness of the Board on an annual basis ("Performance Assessment"). In carrying out the Performance Assessment, the NC and Board take into consideration the views of each individual director. Each director shall complete a questionnaire setting out their respective views on the performance of the Board, Board Committees and Chairman based on various aspects such as the structure of Board and Board Committees, conduct of meetings, corporate strategy and planning, risk management and internal controls and Company's performance. When assessing the overall performance of the Board, the NC and Board also take into account the directors' number of listed company board representations and other principal commitments as defined in the Code to determine if a director is able to and has been adequately carrying out his duties as a director of the Company. The contribution of the Chairman is assessed taking into consideration the role of Chairman as prescribed by the Code. The Chairman abstained from participating in his own assessment. The results of the completed questionnaires are compiled into a summary report and the same is tabled for review by the NC and circulated to the Board for consideration thereafter.

The NC also assessed the performance of individual directors on an annual basis based on factors such as the director's attendance record at the meetings of Board and Board Committees, intensity of participation at meetings and the quality of interventions. Recommendation in respect of the contribution of each individual director to the effectiveness of the Board will be made to the Board thereafter.

Key information regarding the directors is set out in this Annual Report ("2013 Annual Report") under the heading entitled "Board of Directors".

PRINCIPLE 6: ACCESS TO INFORMATION

The Board was provided with financial information, as well as relevant background information and documents relating to items of business to be discussed at Board meetings prior to the scheduled meetings. The directors may (whether individually or as a group), in the furtherance of their duties, take independent professional advice (e.g. auditors), if necessary, at the Company's expense.

The Board has separate and independent access to the Management and Company Secretary at all times. The directors are entitled to request from the Management and be provided with such additional information as needed to make informed decisions in a timely manner.

The Company Secretary attends all Board and Board Committees meetings. The role of the Company Secretary includes responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Under the direction of the Chairman, the Company Secretary also ensures good information flows within the Board and Board Committees and between the Management and independent directors.

REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURE FOR DEVELOPING REMUNERATION POLICIES
PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION
PRINCIPLE 9: DISCLOSURE OF REMUNERATION

REMUNERATION COMMITTEE (“RC”)

The RC comprises 3 members, all of whom are independent and non-executive directors. The chairman of the RC is Ng Jui Ping and the other 2 members are Ronald Seah Lim Siang and Ng Shin Ein.

The RC is guided by its terms of reference which set out its responsibilities. The RC recommends to the Board, a framework of remuneration for the directors and reviews the remuneration packages for each director and key management personnel. The recommendations of the RC are submitted for endorsement by the Board. All aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, bonuses and benefits in kind are reviewed by the RC. The RC also administers the Company’s Share Option Scheme 2006.

The RC has also reviewed the Company’s obligations arising in the event of termination of the executive directors’ and key executive officers’ contracts of service and is of the view that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

No director or member of the RC has been involved in deciding his own remuneration package. The total remuneration mix for the CEO, executive directors and top 5 key executive officers (who are not also directors or the CEO) (“Top 5 Key Management Personnel”) of the Group comprises three key components namely, basic salary, annual performance incentive and other benefits including benefits in kind.

Save for directors’ fees, which have to be approved by the Shareholders at every AGM, the independent directors do not receive any other remuneration from the Company.

Taking into consideration the competitive human resource environment and the confidential nature of remuneration matters, it is proposed that the remuneration of the directors be disclosed in the 2013 Annual Report in bands of S$250,000 instead of disclosing such figures to the nearest thousand as required by the Code.

1. Remuneration of Directors for FY2013

The remuneration (which includes basic salaries, annual performance incentives, directors’ fees and other benefits including benefits in kind, if any) paid or payable to each of the directors for FY2013, in bands of S$250,000, are as follows:

Remuneration Band	Basic Salary	Annual Performance Incentives	Directors’ Fees	Other benefits including benefits in kind	Total
S$4,750,000 to S$4,999,999					
Zhong Sheng Jian	5.5%	94.4%	-	0.1%	100%
S$500,000 to S$749,999					
Hong Zhi Hua	75%	25%	-	-	100%
S$250,000 to S$499,999					
Zhong Siliang	75%	25%	-	-	100%
Below S$250,000					
Chan Yiu Ling	75%	25%	-	-	100%
Ronald Seah Lim Siang	-	-	100%	-	100%
Ng Ser Miang	-	-	100%	-	100%
Ng Shin Ein	-	-	100%	-	100%
Ng Jui Ping	-	-	100%	-	100%

2. Remuneration of the Top 5 Key Management Personnel for FY2013

The remuneration (which includes basic salaries, annual performance incentives and other benefits including benefits in kind, if any) paid or payable to each of the following personnel for FY2013, based on their respective employment periods served in FY2013, in bands of S$250,000, are as follows:

Remuneration Band	Basic Salary	Annual Performance Incentives	Directors' Fees	Other benefits including benefits in kind	Total
S$500,000 to S$749,999					
Zhang Hao Ning	75%	25%	-	-	100%
S$250,000 to S$499,999					
Chen Ping	75%	25%	-	-	100%
Chen Yue	75%	25%	-	-	100%
Lam Ching Fung	75%	25%	-	-	100%
Dai Gang	75%	25%	-	-	100%

The total remuneration paid to the Top 5 Key Management Personnel for FY2013 was S$2,293,773.

3. Remuneration of employees who are immediate family members (i.e. spouse, child, adopted child, step-child, brother, sister and parent) of a director or the CEO, and whose remuneration exceed S$50,000 during the year

Remuneration Band	Position	Relationship	Basic Salary	Annual Performance Incentive	Directors' Fees	Other benefits including benefits in kind	Total
S$400,000 to S$449,999							
Zheng Xi	Vice-Chairman of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian	75%	25%	-	-	100%
S$150,000 to S$199,999							
Chung Chiu Yan	Director of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian	100%	-	-	-	100%
S$100,000 to S$149,999							
Zhong Si Nuo	Vice General Manager of Yanlord Land (Chengdu) Co., Ltd (Commercial Branch)	Daughter of our Chairman & CEO, Zhong Sheng Jian	75%	25%	-	-	100%
Zhong Si Li	Assistant to General Manager of Shenzhen Long Wei Xin Investment Co., Ltd.	Brother of Zhong Siliang, our executive director	100%	-	-	-	100%
S$50,000 to S$99,999							
Zhong Si Min	Finance Supervisor of Shanghai Yanlord Xing Tang Real Estate Co., Ltd.	Brother of Zhong Siliang, our executive director	90%	10%	-	-	100%

The Company has a share option scheme namely, Yanlord Land Group Share Option Scheme 2006 ("ESOS 2006"). Details of the ESOS 2006 are set out in the Report of the Directors.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

The Board understands its accountability to the Shareholders for the Group's performance, and Management understands its role in providing all members of the Board with financial accounts and such explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

The Management is accountable to the Board and presents to the Board, quarterly and full year financial results after the same are reviewed by the AC. The Board reviews and approves the results and authorises the release of results to the public via SGXNET.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk. The Board ensures that a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets is maintained by the Management. The internal controls are intended to provide reasonable but not absolute assurance against material misstatements or losses and include the safeguarding of assets, maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the AC, are of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 31 December 2013.

The Board has received assurance from the Chairman and CEO and the Group Financial Controller that for the financial year under review, the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and regarding the effectiveness of the Company's risk management and internal control systems.

RISK MANAGEMENT COMMITTEE ("RMC")

The RMC comprises 4 members. The chairman of the RMC is Ng Shin Ein and the other 3 members are Zhong Sheng Jian, Ng Ser Miang and Ng Jui Ping. The RMC is guided by its terms of reference which set out its responsibilities including:

(a) identifying, measuring, managing and controlling risks that may have a significant impact on the Group's property development activities;

(b) reviewing and assessing the Group's risk related policies and methodologies; and

(c) considering and reviewing matters that may have a significant impact on the stability and integrity of the property market in the People's Republic of China.

The Board, with the assistance of the RMC, determines the Company's levels of risk tolerance and risk policies, and oversee the Management in the design, implementation and monitoring of the risk management system.

PRINCIPLE 12: AUDIT COMMITTEE (“AC”)

The AC comprises 3 independent and non-executive directors. The chairman of the AC is Ronald Seah Lim Siang and the other 2 members are Ng Shin Ein and Ng Jui Ping. The AC is guided by its terms of reference which set out its responsibilities.

The AC assists the Board in discharging its responsibility to safeguard the Group’s assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, the Management and the external auditors on matters relating to audit.

The duties of the AC include:

(a) review with the external auditors and where applicable, our internal auditors, their audit plans, their evaluation of the system of internal accounting controls, their letters to Management and the Management’s response;

(b) review quarterly and annual financial results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;

(c) review and report to the Board the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss issues and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

(d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group’s operating results or financial position, and the Management’s response;

(e) consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

(f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(g) review potential conflicts of interest, if any;

(h) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(i) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC meets, at a minimum, on a quarterly basis. In the event that a member of the AC is interested in any matter being considered by the AC, he would abstain from reviewing that particular transaction or voting on that particular resolution. If necessary, the AC also meets with the internal and external auditors without the presence of Management. The internal and external auditors have unrestricted access to the AC and vice versa. The AC has been given full access to and co-operation of the Management and has reasonable resources to enable it to discharge its function properly.

The Group has paid an aggregate amount of fees of RMB6 million to the external auditors, Deloitte & Touche LLP, Singapore and Deloitte Touche Tohmatsu CPA LLP, Shanghai, PRC (collectively, “Deloitte”), comprising audit fees of RMB4 million and non-audit services fee of RMB2 million for the year under review. In compliance with Rule 1207(6)(b) of the Listing Manual, the AC confirmed that it has undertaken a review of all non-audit services provided by Deloitte and they would not, in the AC's opinion, affect the independence of Deloitte.

The Group has complied with Rules 712 and 715 of the Listing Manual in appointing the audit firms for the Group, its foreign subsidiaries and associated companies.

The AC held 4 meetings during the year and carried out its duties as set out within its terms of reference including matters such as reviewing and recommending the relevant financial results to the Board before the same are released on SGXNET, reviewing the internal audit reports and reviewing the re-appointment of external auditors and the audit fees. The AC will also be briefed and updated of any changes to accounting standards and issues which may have direct impact on financial statements from time to time where necessary.

The Company has in place a whistle-blowing policy which provides an avenue for employees of the Group and any other persons to raise concerns about possible improprieties in matters of financial reporting, accounting or auditing, internal controls or internal accounting controls and other operational matters ("Complaint"). The Company believes that it is in the best interests of the Group to promote a working environment conducive for employees and any other persons to raise or report their concerns. Every Complaint raise shall be lodged with the Internal Audit Manager of the Company. The internal audit department maintains a complaint register for the purposes of recording details of such Complaints. The whistle-blowing procedure is set out below:-

1. Definitions

The following words as used shall have the meanings ascribed here:

1.1 "Possible Malpractice" means any activity, breach of business conduct and ethics or omission by an employee of the Group or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are either questionable or not in accordance with accepted accounting practices and / or trade practices prescribed by the Group.

1.2 "Complaint" means any complaint alleging either Possible Malpractices or Retaliatory Action.

1.3 "Retaliatory Action" means the use or attempted use of force, authority, intimidation, threat, undue pressure of any kind or any other negative or other inappropriate action, by any employee or officer of the Group, against any person who has filed a Complaint.

2. Reporting of Possible Malpractices

The Company believes that it is in the best interests of the Group to promote a working environment conducive for employees and any other persons to raise or report genuine concerns about Possible Malpractices in matters of financial reporting or other matters in strict confidence, (please refer to item 1.1) they may encounter, without fear of Retaliatory Action.

3. Procedure

3.1 Lodging a Complaint

3.1.1 Every Complaint shall be lodged with the Internal Audit Manager of the Company by the following means:-

1) By Email
Email address: patrick@yanlord.com.hk
Attention: The Internal Audit Manager

OR

2) By Mail
Attention: The Internal Audit Manager
Address: 38F Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(Mark envelope "Private and Confidential")

All correspondence shall be treated with the strictest confidence.

3.1.2 The complainant must provide his particulars ("Particulars") as follows:

3.1.2.1 In the case of employee of the Group:-
(a) Name;
(b) Department / Company;
(c) Contact Number; and
(d) Email if available.

3.1.2.2 In the case of any other person:-
(a) Name;
(b) Correspondence Address / Company;
(c) Contact Number; and
(d) Email if available.

The Complaint would not be attended to if the Particulars are not stated. Each complainant is required to provide the Particulars to allegations because appropriate follow-up questions and investigations may not be possible unless the source of the information is identified. By providing the Particulars to the Company, each complainant agrees for the Company to use and disclose the Particulars for purposes of the Complaint.

3.2 Confidentiality of Identity

Every effort will be made to protect the complainant's identity. The identity of the complainant shall be confidential save where:

3.2.1 the identity of the complainant, in the opinion of the AC, is material to any investigation;

3.2.2 it is required by law, or by the order or directive of a court of law, regulatory body or by the Singapore Exchange or such other body that has the jurisdiction and authority of the law to require such identity to be revealed;

3.2.3 the AC with the concurrence of the Board of Directors opined that it would be in the best interests of the Group to disclose the identity;

3.2.4 it is determined that the Complaint was frivolous, in bad faith, or in abuse of these policies and procedures and lodged with malicious or mischievous intent; or

3.2.5 the identity of such complainant is already in the public domain.

PRINCIPLE 13: INTERNAL AUDIT

The Group has an in-house internal audit function ("Internal Audit") that is independent of the activities it audits. The Internal Audit is also staffed with persons of relevant qualifications and experience. The Internal Audit reports directly to the AC chairman, and administratively to the Chairman and CEO. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The key role of the Internal Audit is to promote effective internal controls in the Group and to monitor the performance and effective application of internal controls procedures. The Internal Audit carries out its function according to the standard set by internationally recognised professional bodies. The AC is satisfied that the Company's internal audit function is adequately resourced and effective.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: SHAREHOLDER RIGHTS

All Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

In-line with continuous disclosure obligations of the Company, the Board's policy is that Shareholders be informed promptly of any major development that may have a material impact on the Group's performance and affect the price or value of the Company's shares. Information is communicated to Shareholders on a timely basis, through annual reports that are to be issued to all Shareholders within the mandatory period, quarterly financial statements announcements, press releases and other relevant announcements via SGXNET. The Company does not practice selective disclosure.

All the general meetings of Shareholders are held in Singapore to ensure that Shareholders have the opportunity to participate and vote at the general meetings. Shareholders are informed of the relevant rules including procedures that govern general meetings of Shareholders.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

The Company has a team of investor relations staff to promote regular, effective and fair communication with Shareholders and investors. In addition to disclosing relevant information of the Group via SGXNET as set out above, the Company also operates its corporate website at www.yanlordland.com through which Shareholders will be able to access updated information on the Group. The website provides corporate announcements, press releases and other information of the Group. The Group participated in activities such as global investor conferences, analyst briefings and roadshows to solicit and understand the views of the Shareholders and investors. A brief write-up of the Group's investor relations activities can be found in the 2013 Annual Report.

Declaration of dividends, if any, are clearly communicated to Shareholders and where dividends are not paid, explanations are given to the Shareholders too. Such communications with Shareholders are made via SGXNET announcements.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

All registered Shareholders are invited to participate and given the right to vote on resolutions at general meetings. Proxy form is sent with notice of general meeting to all Shareholders in accordance with the provision of the AA. If any Shareholder is unable to attend the general meeting in person, he may appoint not more than two proxies in accordance with the provision of the AA for the proxies to attend and vote on his behalf at the general meeting. At the general meetings, Shareholders will be given the opportunity to express their views and make enquiries regarding the business and operations of the Group. Voting in absentia by mail, facsimile or email is currently not allowed as such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authenticity of the Shareholders' identity. Separate resolutions are proposed for substantially separate issues at the general meetings. The results of all general meetings are disclosed by way of an announcement through SGXNET.

In FY2013, all directors including our four independent directors and the external auditors attended the annual general meeting of the Company held on 26 April 2013 except for two executive directors, Zhong Siliang and Hong Zhi Hua due to work commitments. The directors will strive to attend all general meetings of Shareholders to address Shareholders' queries.

The Company will conduct voting by poll at all general meetings of Shareholders which are to be convened on or after 1 August 2015 and make relevant disclosure of the voting outcomes in accordance with the prescribed format pursuant to Chapter 7 of the Listing Manual.

DEALINGS IN SECURITIES

The Company has adopted and implemented an internal compliance code to provide guidance to its directors and key employees in relation to the dealings in its securities issued by the SGX. Directors and key employees who have access to material price sensitive information are prohibited from dealing in securities of the Company prior to the announcement of such information. They are also prohibited from dealing in the Company's securities one month prior to the announcement of the Company's full year financial statements and two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and are further prohibited from dealing in the Company's securities on short-term considerations.

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("AGM") of Yanlord Land Group Limited ("Company" or "Yanlord") will be held on Friday, 25 April 2014 at 2.00 p.m. at Taurus, Marina Mandarin Singapore, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594 to transact the following business:

AS ROUTINE BUSINESS

1. To receive and adopt the directors' report and the audited financial statements for the financial year ended 31 December 2013 together with the auditors' report thereon. **(Resolution 1)**

2. To declare a first and final (one-tier) tax-exempt dividend of 1.30 Singapore cents (equivalent to approximately 6.40 Renminbi cents) per ordinary share for the year ended 31 December 2013. **(Resolution 2)**

3. To approve the payment of Directors' Fees of S$400,000 (equivalent to approximately RMB1,970,520) for the year ended 31 December 2013 (FY2012: S$400,000, equivalent to approximately RMB2,015,400). **(Resolution 3)**

4. To re-elect the following Directors, each of whom will retire pursuant to Article 91 of the Articles of Association ("AA") of the Company and who, being eligible, offer themselves for re-election:

   a) Zhong Siliang **(Resolution 4a)**
   b) Ronald Seah Lim Siang **(Resolution 4b)**
   c) Ng Ser Miang **(Resolution 4c)**

5. To re-appoint Messrs Deloitte & Touche LLP, Singapore as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

6A. That pursuant to Section 161 of the Companies Act, Cap. 50 ("Act") and 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:-

(a) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments" and each, an "Instrument") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) 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 may, in their absolute discretion, deem fit; and

(b) (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 while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent. (20%) of the total number of issued Shares excluding treasury shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares excluding treasury shares shall be based on the total number of issued Shares excluding treasury shares in the capital of the Company at the time this Resolution is passed, after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities or share options on issue at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the AA for the time being of the Company; and

(4) (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 AGM of the Company or the date by which the next AGM is required by law to be held, whichever is earlier.

(Resolution 6)

6B. That approval be and is hereby given to the Directors to:-

(a) offer and grant options in accordance with the provisions of the Yanlord Land Group Share Option Scheme 2006 ("ESOS 2006"); and

(b) allot and issue from time to time such number of Shares as may be issued pursuant to the exercise of options under the ESOS 2006,

provided that the aggregate number of Shares to be issued pursuant to the ESOS 2006 shall not exceed fifteen per cent. (15%) of the total issued Shares from time to time.

(Resolution 7)

6C. That:-

(1) for the purposes of sections 76C and 76E of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or acquire issued and fully paid Shares not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-

(a) market purchases on the SGX-ST ("Market Purchase"); and/or

(b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act ("Off-Market Purchase"),

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally ("Share Buyback Mandate");

(2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-

(a) the date on which the next AGM of the Company is held; or

(b) the date by which the next AGM of the Company is required by law to be held.

In this Resolution:-

"Maximum Percentage" means that number of issued Shares representing not more than 10% of the total number of issued Shares as at date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date);

"Maximum Price" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) not exceeding:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

"Average Closing Price" means the average of the closing prices of a Share over the last five (5) market days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period; and

"date of the making of the offer" means the date on which the Company makes an offer for the purchase or acquisition of Shares from shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(3) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 8)

7. To transact any other ordinary business which may properly be transacted at an annual general meeting.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN THAT the Share Transfer Book and Register of Members of the Company will be closed on 20 May 2014, for the purpose of determining the shareholders' entitlements to the first and final (one-tier) tax-exempt dividend of 1.30 Singapore cents (equivalent to approximately 6.40 Renminbi cents) per ordinary share for the year ended 31 December 2013 ("Proposed Dividend") to be proposed at the AGM of the Company to be held on 25 April 2014.

Duly completed registrable transfers in respect of Shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on 19 May 2014 will be registered to determine shareholders' entitlements to the Proposed Dividend. Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 19 May 2014 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the forthcoming AGM, will be paid on 6 June 2014.

BY ORDER OF THE BOARD
Lim Poh Choo
Company Secretary

7 April 2014
Singapore

Notes to Notice of AGM:

(i) A shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

(ii) The instrument appointing a proxy must be deposited at the registered office of the Company at 9 Temasek Boulevard #36-02 Suntec Tower Two Singapore 038989 not less than 48 hours before the time fixed for holding the AGM.

(iii) Resolution 4b: Ronald Seah Lim Siang who is an independent director will, upon re-appointment as a Director of the Company, remain as Chairman of the Audit Committee and member of the Nominating and Remuneration Committees.

(iv) Resolution 4c: Ng Ser Miang who is an independent director will, upon re-appointment as a Director of the Company, remain as Chairman of the Nominating Committee and member of the Risk Management Committee.

(v) Resolution 5, if passed, is to empower the Directors from the date of the AGM to be held on 25 April 2014 until the date of next AGM, to issue Shares and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to a number not exceeding in total fifty per cent. (50%) of the total number issued Shares excluding treasury shares in the capital of the Company with a sub-limit of twenty per cent. (20%) for issues other than on a pro-rata basis to shareholders (calculated as described above).

(vi) Resolution 7, if passed, is to authorise the Directors to offer and grant options in accordance with the provisions of the ESOS 2006 and to allot and issue from time to time such number of Shares as may be issued pursuant to the exercise of options under the ESOS 2006, provided that the aggregate number of Shares to be issued pursuant to the ESOS 2006 shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares in the capital of the Company from time to time.

(vii) Resolution 8 relates to the renewal of the Share Buyback Mandate which was originally approved by shareholders on 2 April 2009. Please refer to Appendix I to this Notice of AGM for details.

YANLORD LAND GROUP LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 200601911K

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. For investors who have used their CPF monies to buy shares of Yanlord Land Group Limited, the 2013 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)

of ____ (Address)
being a member/members of Yanlord Land Group Limited (the "Company" or "Yanlord") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%
(a)				

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%
(b)				

or failing him/her, the Chairman of the annual general meeting of the Company ("AGM") to be held at Taurus, Marina Mandarin Singapore, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Friday, 25 April 2014 at 2.00 p.m. and at any adjournment thereof, as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM. (Please indicate with an "X'' in the space provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of the AGM. In the absence of specific directions, the proxy will vote or abstain as the proxy deems fit).

No.	Ordinary Resolutions	For	Against
	ROUTINE BUSINESS		
1	Adoption of Reports and Accounts		
2	Declaration of Dividend		
3	Approval of Directors' Fees		
4	(a) Re-election of Zhong Siliang as Director		
	(b) Re-election of Ronald Seah Lim Siang as Director		
	(c) Re-election of Ng Ser Miang as Director		
5	Re-appointment of Auditors		
	SPECIAL BUSINESS		
6	Authority for Directors to issue shares and convertible securities		
7	Authority for Directors to grant options and to issue shares under Yanlord Share Option Scheme 2006		
8	Renewal of Share Buyback Mandate		

Dated this ______________ day of ______________ 2014

Total number of Shares held

____

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES TO PROXY FORM ON THE REVERSE

Fold this flap for sealing

PROXY FORM

Affix
Stamp
Here

THE COMPANY SECRETARY
YANLORD LAND GROUP LIMITED
9 Temasek Boulevard
#36-02 Suntec Tower Two
Singapore 038989

Fold here

Fold here

NOTES TO PROXY FORM:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by 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 either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.
4. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney 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.
5. 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, Cap 50.
6. The Company shall be entitled to reject an instrument appointing a proxy/proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor contained in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
7. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 9 Temasek Boulevard #36-02 Suntec Tower Two Singapore 038989 not less than 48 hours before the time fixed for the AGM.
8. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

corporate information

BOARD OF DIRECTORS
Zhong Sheng Jian
Chairman and Chief Executive Officer

Zhong Siliang
Executive Director

Chan Yiu Ling
Executive Director

Hong Zhi Hua
Executive Director

Ronald Seah Lim Siang
Lead Independent Director

Ng Ser Miang
Independent Director

Ng Shin Ein
Independent Director

Ng Jui Ping
Independent Director

AUDIT COMMITTEE
Ronald Seah Lim Siang, *Chairman*
Ng Shin Ein
Ng Jui Ping

NOMINATING COMMITTEE
Ng Ser Miang, *Chairman*
Ronald Seah Lim Siang
Zhong Sheng Jian

REMUNERATION COMMITTEE
Ng Jui Ping, *Chairman*
Ronald Seah Lim Siang
Ng Shin Ein

RISK MANAGEMENT COMMITTEE
Ng Shin Ein, *Chairman*
Ng Ser Miang
Ng Jui Ping
Zhong Sheng Jian

COMPANY SECRETARY
Lim Poh Choo

GROUP FINANCIAL CONTROLLER
Jim Chan Chi Wai

REGISTERED OFFICE
9 Temasek Boulevard
#36-02 Suntec Tower Two
Singapore 038989
Tel: (65) 6336 2922
Fax: (65) 6238 6256
Registration No.: 200601911K

WEBSITE
http://www.yanlordland.com

AUDITORS
Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#32-00
Singapore 068809
Partner-in-charge:
Tay Hwee Ling
(Appointed on October 14, 2013)

SHARE REGISTRAR AND TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
(Appointed on March 7, 2006)

PRINCIPAL BANKERS
Industrial and Commercial Bank of China
Bank of Shanghai
The Hongkong and Shanghai Banking Corporation Ltd
The Royal Bank of Scotland
Hang Seng Bank Limited
DBS Bank Ltd

STOCK EXCHANGE LISTING
Singapore Exchange Securities Trading Limited

DATE AND COUNTRY OF INCORPORATION
February 13, 2006, Singapore

仁 恒
YANLORD

Yanlord Land Group Limited
仁恒置地集团有限公司

Registration No. 200601911K

9 Temasek Boulevard
#36-02 Suntec Tower Two
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