THE YANLORD COMMITMENT

ANNUAL REPORT 年度报告 2011

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仁信治业 持之以恒

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 our company 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.

GROWTH.
QUALITY.
PERFECTION.

Suzhou Yanlord Peninsula (Townhouse)

COMMITTED TO GROWTH

Nanjing Yanlord Yangtze Riverbay Town

Suzhou Yanlord Peninsula (Townhouse)

COMMITTED TO QUALITY


COMMITTED TO PERFECTION

Nanjing Yanlord International Apartments Clubhouse

Chengdu Yanlord Landmark

CHAIRMAN'S MESSAGE

Moving forward we believe that the growing maturity of our investment property portfolio will not only become a core segment of the Group's revenue but will also become an integral component in the Group's branding initiatives.

MR. ZHONG SHENG JIAN
Chairman and CEO
钟声坚 先生
集团董事局主席兼总裁

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 2011 ("FY 2011").

2011 continues to be a volatile year as uncertainty arising from the unresolved European debt crisis coupled with sustained pressures from austerity measures such as credit tightening and housing restrictions promulgated by the PRC central government weighed upon consumer sentiments.

Against the challenging external and domestic backdrop, 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 future development plans.

RESULTS AND HIGHLIGHTS FOR FY 2011

Market sentiments and consequently, transaction volumes in the PRC real estate sector continue to be subdued owing to volatilities arising from austerity measures first introduced by the PRC central government in 2010. While physical demand exists in the market, uncertainties arising from rules such as the home purchase restrictions which currently encompass 40 major cities and price discounts by some property developers have kept buyers on the sidelines.

Despite these challenges, market support for Yanlord's quality developments has enabled the Group to post a resilient 21.7% increase in recognised revenue to RMB8.987 billion in FY 2011.

Although we have achieved significant top-line growth for the year, systemic uncertainties particularly in the second half of FY 2011 have inadvertently impacted the sales performance of the Group as most of our development launches had been slated for the period. In addition, concentration in the delivery of lower gross margin first phase developments such as Yanlord Yangtze Riverbay Town (Phase 1) in Nanjing and higher land cost projects such as Yanlord Townhouse in Shanghai and Yanlord G53 Apartments in Nanjing led to a decline in profit attributable to shareholders to RMB1.482 billion in FY 2011 from RMB1.948 billion in FY 2010.

Challenges continue to exist over the near-term. However, Yanlord remains confident about the long term outlook of the PRC real estate sector as well as the future performance of the Group. As at 31 December 2011, the Group had total pre-contracted sales amounting to RMB5.378 billion. The progressive recognition of these pre-contracted sales in subsequent financial periods provides the Group with greater transparency and confidence of our performance in FY 2012.

GROWING MATURITY OF INVESTMENT PORTFOLIO TO AUGMENT PERFORMANCE

FY 2011 was another significant year in the development of our investment property portfolio. The epitome of Chengdu's retail market, Yanlord Landmark has captured the hearts of celebrities and socialites who frequently visit for the latest fashion and apparel from the flagship stores of many international luxury brands. Joining its extensive list of international brands in FY 2011 were Maxmara and Loewe. The Grade "A" office tower at Yanlord Landmark has similarly made headway with a current tenancy of 74% and showcases a tenancy mix of Fortune 500 and global multi-national companies such as Royal Dutch Shell, Mitsubishi and Novartis. The serviced residence tower in Yanlord Landmark managed by Fraser Suites also achieved greater room occupancy and higher room rates in FY 2011. Opened for just over a year, Yanlord Landmark continues to grow in maturity and contributed RMB172 million to the Group's total rental income in FY 2011.

Continuing the Group's success in Chengdu, Korea's Lotte Department Store and Korea's CGV Cinemas had their grand opening at the approximately 70,000 square metres ("sqm") Yanlord Riverside Plaza in Tianjin in June and July 2011 respectively. Riding on the positive market response in Tianjin towards these two anchor tenants, the Group subsequently launched an underground foodcourt in Yanlord Riverside Plaza in December 2011. Rental contribution from Yanlord Riverside Plaza in the second half of 2011 totalled RMB21 million.

In December 2011, the Group signed its second management contract with the InterContinental Hotels Group for the management of its 5-star hotel development in Hai Tang Bay, Sanya. This follows a similar hotel management contract for InterContinental to manage the 5-star hotel development in Yanlord Marina Centre in Zhuhai which is currently under construction. Based on the agreements, the Group's hotel development will be co-managed under the InterContinental, Crowne Plaza and Hotel Indigo brands.

Moving forward we believe that the growing maturity of our investment property portfolio will not only become a core segment of the Group's revenue but will also become an integral component in the Group's branding initiatives.

CHAIRMAN'S MESSAGE

SELECTIVE ACQUISITIONS TO DRIVE FUTURE DEVELOPMENT

The Group continues to adopt a calculated and prudent approach to land acquisitions in FY 2011. Following comprehensive feasibility studies on various opportunities, I am pleased to report that in 2011, Yanlord successfully completed three land acquisitions in Tianjin, Zhuhai and Shanghai. Subsequent to the joint acquisition of a prime residential development site of 364,787 sqm GFA in Jinnan District, Tianjin with an affiliate of GIC Real Estate in January 2011, the Group, together with Ho Bee Investment Ltd ("Ho Bee") and Shanghai Youyou (Group) Co., Ltd. ("Shanghai Youyou Group"), in a 60%, 20%, 20% joint venture, successfully acquired in October 2011, two adjacent prime residential sites with a combined GFA of 499,329 sqm in Tang Jia Wan District, Zhuhai. Nestled along Zhuhai's picturesque coastline, these land parcels will be developed into an international community featuring prime waterfront living.

Similarly in November 2011, the Group announced its acquisition of a 50% equity ownership of Shanghai Renpin Property Development Co., Ltd. ("Shanghai Renpin"), a wholly owned subsidiary of Shanghai Youyou Group. With this latest acquisition, Yanlord gained a 50% ownership of Shanghai Renpin's 148,363 sqm GFA prime residential development site in Shanghai's most prestigious international community district, the Century Park International Community District. Ideally situated within the key residential district of the minor Lujiazui Financial Centre, the site is surrounded by a comprehensive suite of amenities such as the lush natural surroundings of the million square metres Century Park and will be developed into a prime international community.

Sited in prime locations within key high-growth cities in the PRC, I am confident that these new acquisitions together with our existing land bank will contribute positively to the Group's future development.

OUTLOOK

As the latest round of PRC property cooling measures enters its second year of implementation, the knock-on effects on both the real estate industry and other related sectors have exhibited varied results. While the near-term outlook continues to remain volatile, there remains little doubt about the long term potential of the PRC real estate sector. The underlying reason for the continued confidence in the sector lies simply in the sustained growth of the PRC real economy.

Despite uncertainty in the global economy and a seemingly tighter credit environment within the PRC, developments at all levels of the country continue unabated. In the long-run, development in the world's most populous country will be largely driven by internal consumption. With rising affluence among the population, aspirations of home ownership will increase and similarly demands for better quality homes will be more prevalent as the market matures. As such, the continued ability to capture the demands of an ever discerning buyer remains a key competitive advantage for any property developer. With its illustrious history and established track record for product excellence, Yanlord continues to deliver products that exceed the demands of our customers and is well poised to capitalise on this next wave of growth.

The PRC real estate sector continues to exhibit long term growth potential, however near-term uncertainties in the global economy coupled with volatilities arising from austerity measures promulgated by the PRC central government continue to weigh on the PRC real estate sector. While we have achieved a resilient set of results for FY 2011, we are nonetheless cautious about the near-term challenges that may arise. In line with the Group's prudent financial policies, the Board of Directors has decided to retain earnings for FY 2011 and will not distribute a dividend for FY 2011. This will serve to further augment the Group's financial flexibility and allow it to better mitigate any uncertainty posed by the economic environment.

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. In the years ahead, we will continue to build on our proven business strategies and endeavour to increase shareholder value through better operational and financial performance.

Mr. Zhong Sheng Jian
Chairman and CEO

主席致辞

集团已经拥有各类型的投资类物业，从各地投资类物业的经营状况来看，未来数年，投资类物业对集团营业收入及品牌的贡献将更加显着。

钟声坚 先生
集团董事局主席兼总裁

尊敬的各位股东：

2011年，全球经济仍不均衡，欧美债务危机未见好转，中国政府继续致力于应对通货膨胀，对房地产的宏观调控贯穿全年，措施力度也渐趋严厉，房地产业相关各方均面临重大考验，本人愿意在呈报集团业绩同时，将自己的分析思考与众位股东做一分享。

一、成绩与评估

中国政府自2010年开始楼市调控，延续至2011年，政策更加严厉，限购措施覆盖了40个主要城市，由此造成楼市成交面积显着下降，多处出现折扣销售楼盘。而在此背景下，仁恒2011年实现营业收入人民币89.87亿元，同2010年比增长21.7%， 显示仁恒品牌在中国高端住宅市场的影响力。2011年营业收入虽然取得增长，但由于大环境的影响，集团全年销售量并未取得预期增长。同时基于集团2011年交付的产品组合偏向项目毛利率较低的一期项目如南京仁恒江湾城一期，以及土地成本偏高的项目如上海仁恒怡庭及南京仁恒G53公寓，因此本公司股东权益持有人应占净利润也从2010年的人民币19.48亿元下降至2011年的人民币14.82亿元。

尽管如此，集团仍对中国房地产行业以及仁恒未来业绩保持信心。截至2011年12月31日已签定的预售合同金额为人民币53.78亿元。这些预售合同金额将在往后的财政季度陆续入帐，为集团2012年财务表现奠定稳健基础。

投资类物业逐年递增，经营日趋成熟，已成为集团业务重要增长点

集团位于成都的旗舰项目——仁恒置地广场继续保持强劲的发展势头，其中的零售商场陆续增加 Maxmara 和 Loewe 等知名品牌商铺，进一步巩固其中国西部时尚地标地位，仁恒置地广场甲级写字楼的出租率达到 74%，集中了壳牌(Royal Dutch Shell)、三菱电机(Mitsubishi)、 诺华制药(Novartis)等众多国际知名企业；项目的另一组成部份——成都仁恒辉盛阁国际公寓也实现了较高的出租率和租金水平。2011年，仁恒置地广场投入营运刚满一年，即为集团创造租金收入人民币1.72亿元。

天津仁恒海河广场商业一期近7万平方米的购物中心于2011年交付使用，主力租户韩国乐天百货和韩国CGV影院分别于2011年6月份和7月份正式开业，地下美食广场也于2011年12月份开业， 2011年下半年实现租金收入人民币2,129万元。

主席致辭

Shanghai Yanlord Riverside City

继珠海滨海中心酒店项目与洲际酒店集团签署委托管理协议後，集团位于海南省三亚市海棠湾的酒店项目也于2011年12月份与洲际酒店集团正式签订合作协议。未来集团酒店将拥有洲际酒店集团旗下三大品牌——洲际、皇冠假日和英迪格。

集团已经拥有各类型的投资类物业，从各地投资类物业的经营状况来看，未来数年，投资类物业业对集团营收及品牌的贡献将更加显着。

适时增加土地储备，增强发展後劲

集团继续遵循审慎原则，在慎密分析的基础上，于2011年先後在天津，珠海和上海拿地。继2011年1月，集团与GIC旗下公司成功竞得可开发建筑面积364,787平方米的天津市津南区海河教育园地块后，10月份，集团联合新加坡和美集团、上海由由（集团）股份有限公司（“由由集团”）按60%：20%：20%的股权比例，成功竞得珠海唐家湾滨海地块，地块可开发总面积499,329平方米，适宜打造大型海景住宅社区。同样在11月份，集团宣布收购由由集团旗下的上海仁品房地产开发有限公司50%股权，从而获得後者位於上海浦东花木地区开发地块50%的权益。该地块位於陆家嘴金融贸易区东侧，邻近世纪公园，可开发建筑面积为148,363平方米。该项目将成为代表最新设计和建造水平的高档居住社区。

综观仁恒在建及储备地块，区位优势及升值潜力相当显着，公司由此拥有可观的发展後劲。

二、未来打算与展望

本轮房地产市场调控已持续近两年，与房地产业相关的各方均不同程度受到影响，然而无论消费者、银行、还是地产开发企业，各方对中国房地产价值的判断并未发生逆转。本人曾于去年年报中阐述过中国房产前景保持稳定向上趋势的原因，在此不再赘述。就以目前情况来看，中国各级政府的基础设施建设并未停滞，无论是新城建设、还是旧区改造，伴随基础设施的改善提升，地块及附属建筑物的价值增值乃长期趋势，并不会因为一时调控而改变。且中国未来发展终将以内需为主要动力，房产的升级置换也必定是社会财富流转的重要形式。

在中国未来商品住宅市场上，自住需求会是主导力量。届时，能否把握目标客户居住需求，是否拥有品牌影响力，将是决定地产企业市场竞争力的关键。而在这两方面，仁恒的优势显而易见。如今仁恒已经拥有各类住宅产品的成功开发经验，团队的产品研发实力、品质管理能力等，也得到消费者及业内人士的赞赏，这将会是仁恒可持续发展的可靠保证。

中国房地产行业未来仍然处于增长期，但由于全球经济持续不稳定及中国楼市调控的影响，中国房地产行业将持续呈现相当的不确定性。鉴于集团一贯谨慎的财务政策同时为了进一步提升于集团面对经济环境所带来的不确定因素的灵活性，因此董事局决定采取较为保守的态度保留2011财年盈利，不派发2011年度股息。

三、致谢

本人及仁恒管理团队感谢股东的关心和支持。我们将更加勤勉地工作，争取更好的业绩回报股东。

钟声坚 先生
集团董事局主席兼总裁

OPERATIONS REVIEW

While market sentiments remained subdued in 2011 owing to uncertainties arising from austerity measures, buyer interest continued to be robust for Yanlord's high quality developments.

2011 was a challenging year for the PRC property sector as uncertainties arising from austerity measures promulgated by the PRC central government weighed on buyer sentiments. In particular, measures such as restrictions on home mortgages and home purchases led to significant declines in sales volumes across the industry during the second half of 2011. This inadvertenly impacted the sales performance of the Group as most of its development launches had been slated for the second half of 2011.

Despite this challenging market environment, Yanlord continued to post a resilient set of results driven by the continued market support for its quality developments. Recognised revenue in FY 2011 rose 21.7% or RMB1.604 billion to RMB8.987 billion from RMB7.384 billion in FY 2010. The Group derived substantially its revenue from the sale of residential properties while a fraction was from the rental of investment properties, provision of property management services and other ancillary services. Total gross floor area ("GFA") delivered in FY 2011 was 394,722 sqm, while average selling prices ("ASP") for units delivered in FY 2011 at RMB22,239 per sqm was comparable with that in FY 2010, reflecting the pricing stability of Yanlord's quality developments despite the current market volatility.

In FY 2011, Yanlord's project delivery was concentrated in the delivery of lower gross margin first phase developments such as Yanlord Yangtze Riverbay Town (Phase 1) in Nanjing and higher land cost projects such as Yanlord Townhouse in Shanghai and Yanlord G53 Apartments in Nanjing. In line with the changes in the delivered product mix composition, gross profit of the Group declined to RMB3.024 billion in FY 2011 from RMB4.029 billion


Nanjing Yanlord Yangtze Riverbay Town

in FY 2010 while gross margin of the Group declined from 54.6% in FY 2010 to 33.6% in FY 2011.

Profit before tax in FY 2011 was RMB3.137 billion compared with RMB4.514 billion in FY 2010, similarly net profit and net profit margin for the year were lower at RMB1.820 billion and 20.2% respectively. Attributable to the Group's prudent financial policies, Yanlord remains in a strong financial position with cash and bank balances of RMB4.274 billion as at 31 December 2011. Fully diluted earnings per share in FY 2011 was 70.57 Renminbi cents.

SALE OF PROPERTY

While market sentiments remained subdued in 2011 owing to uncertainties arising from austerity measures, buyer interest continued to be robust for Yanlord's high quality developments.

Reflecting the strong market support, the preliminary launches of the Group's latest projects, Yanlord Sunland Gardens in Shanghai and Yanlord Riverside Gardens in Tianjin recorded sell-through rates of over 60.3% on its opening day and 58.4% respectively. Similarly, the Group's existing projects such as Yanlord Yangtze Riverbay Town and Yanlord G53 Apartments in Nanjing, Yanlord Townhouse and Bayside Gardens in Shanghai, Yanlord Lakeview Bay in Suzhou, Yanlord Riverside Plaza in Tianjin as well as Yanlord New City Gardens in Zhuhai continued to receive strong take up rates at the respective launches of new batches of apartment units reiterating Yanlord's strong brand equity and stands testament to the Group's ability to deliver high-quality fully fitted developments that consistently exceed consumer demands.

In addition to the above mentioned projects, Yanlord has also slated to launch new projects as well as new phases of existing projects in FY 2012, namely, Yanlord Riverbay (Phase 1) in Chengdu, Yanlord Lakeview Bay - Land Parcel A2 in Suzhou, Nanhu Eco-City - Land Parcel A9 in Tangshan and Yanlord Riverside Plaza (Phase 2) in Tianjin. Sited in prime locations, the Group is confident that these projects will be well received by home buyers and will contribute significantly to the Group's future financial performance.

PROJECT DEVELOPMENT

Progress at the Group's various developments remains on schedule with total GFA under construction of 1.83 million sqm GFA as at 31 December 2011.

In FY 2011, the Group initiated construction works at Yanlord Riverbay (Phase 1) in Chengdu, Yanlord Lakeview Bay – Land Parcel A5 in Suzhou, Nanhu Eco-City - Land Parcel A9 in Tangshan, Yanlord Rosemite in Shenzhen, Yanlord Riverside Plaza (Phase 2) in Tianjin and Yanlord Marina Centre - Section A in Zhuhai. These projects are currently in various phases of development and will be progressively available for pre-sale from FY 2012.

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 has won the recognition of both our clients and industry peers. Testament to our efforts, Yanlord Townhouse in Shanghai was awarded the prestigious "Shanghai City Gold Award for Residential Development Design" by the Shanghai Real Estate Association and Bayside Gardens in Shanghai received its National Level - 3A accreditation for residential development from the PRC Ministry of Construction.

Nanjing Yanlord International Apartments Clubhouse

OPERATIONS REVIEW

INVESTMENT PROPERTY PORTFOLIO

FY 2011 continues to be a significant year in the development of our investment property portfolio. The epitome of Chengdu's retail market, Yanlord Landmark has captured the hearts of celebrities and socialites that frequently visit for the latest fashion and apparel from the flagship stores of international luxury brands such as Louis Vuitton, Christian Dior, Prada, Ermenegildo Zegna, Burberry, and Hugo Boss. Building on this strong appeal, Yanlord Landmark added another flagship store to its repertoire with the opening of the 700 sqm Maxmara flagship store in 2011. In addition to the success of the retail mall, the Grade A office tower in Yanlord Landmark has similarly attracted the attention of numerous MNCs and Fortune 500 companies. Occupancy at the retail mall and office tower was 90% and 74% respectively at the end of FY 2011.

Continuing the Group's success in Chengdu, Korea's Lotte Department Store and Korea's CGV Cinemas had their grand opening at the approximately 70,000 sqm Yanlord Riverside Plaza in Tianjin in June and July 2011 respectively. Riding on to positive market response in Tianjin towards these two anchor tenants, the Group subsequently launched an underground foodcourt in Yanlord Riverside Plaza in December 2011.

The Group's hospitality segment similarly made headway in FY 2011. The premier serviced apartment tower managed by Fraser Suites in Yanlord Landmark saw all 360 rooms entering operation in FY 2011. Priced at a market leading average room rate of RMB874 per night, the serviced apartments continue to attract well heeled and discerning business travelers who appreciate comfort and service excellence.

In December 2011, the Group signed its second management contract with the InterContinental Hotels Group for the management of its 5-star hotel development in Hai Tang Bay, Sanya. This follows a similar hotel management contract for the approximately 86,000 sqm GFA integrated development, Yanlord Marina Centre in Zhuhai which is currently under construction. Based on the agreements, the hotel developments in Zhuhai and Sanya will be managed under the InterContinental, Crowne Plaza and Hotel Indigo brands.

To date, the Group has retained an aggregate GFA of approximately 544,000 sqm of prime investment property projects. As at 31 December 2011, the Group had in total completed commercial development of approximately 335,000 sqm GFA. In FY2011, total contribution from investment properties was RMB269 million.

Chengdu Yanlord Landmark

LANDBANK ACQUISITIONS

While the PRC market environment in 2011 was characterized by uncertainty and volatilities arising from a weaker global economy and austerity measures introduced by the PRC central government, the PRC real estate sector continued to exhibit strong growth potential driven largely by the continued expansion of its domestic economy. Capitalising on the unique opportunities created by the weaker macro environment, the Group successfully added 1.01 million sqm GFA to its prime land bank in 2011 through the selective acquisition of land parcels in three of China's high growth regions, namely in Tianjin, Zhuhai and Shanghai.

In January 2011, Yanlord and an affiliate of GIC Real Estate acquired a 364,787 sqm prime residential development site in Jinnan District. Situated within the planned Tianjin Haihe Academic Park, the residential site is bordered by key arterial roads and benefits from Tianjin government initiatives to develop the area into an educational district.

In October 2011, Yanlord together with Ho Bee and Shanghai Youyou Group, in a 60%, 20%, 20% joint venture, successfully acquired two adjacent prime residential sites with a combined GFA of 499,329 sqm in Tang Jia Wan District, Zhuhai. Nestled along Zhuhai's picturesque coastline, these land parcels will be developed into a prime international community that caters to discerning

Chengdu Yanlord Landmark

entrepreneurs and business professionals from Hong Kong, Macau and the Greater Pearl River Delta region.

In November 2011, the Group announced its acquisition of a 50% equity ownership of Shanghai Renpin, a wholly owned subsidiary of Shanghai Youyou Group. With this latest acquisition, Yanlord gained a 50% ownership of Shanghai Renpin's 148,363 sqm GFA prime residential development site in Shanghai's most prestigious international community district, the Century Park International Community District. Ideally situated within the key residential district of the minor Lujiazui Financial Centre, the site is surrounded by a comprehensive suite of amenities such as the lush natural surroundings of the million square metre Century Park and will be developed into a prime international community.

As at 31 December 2011, the Group had, in total, undeveloped and under development land bank reserves of 5.14 million sqm GFA. Sited in prime districts within key high-growth cities in the PRC, these land parcels possess significant development potential and are expected to contribute positively to the Group's future development.

FUND RAISING

To drive the sustained development and further augment its financial flexibility, the Group announced in March 2011 of its successful issue of US$400 million 10.625% Senior Notes due 2018. Receiving very positive responses from the market, the notes were oversubscribed and served to further extend the Group's investors base. Reflecting the Group's prudent financial policies, the proceeds of the bond were used to pre-pay a US$400 million syndicated loan that would have been due in 2012.

Capitalising on the unique opportunities created by the weaker macro environment, the Group successfully added 1.01 million sqm GFA to its prime land bank in 2011 through the selective acquisition of land parcels in three of China's high growth regions, namely in Tianjin, Zhuhai and Shanghai.

Chengdu Yanlord Landmark

OPERATIONS REVIEW

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, ensuring that every aspect is well coordinated and fine tuned to complement each other.

Recognising the need for balance between the requirements of our consumers and environmental preservation, the Group continues to introduce environmental initiatives and seeks to optimize the usage of land in our developments. Reflecting the consumer support and industry recognition for our efforts, our projects, Yanlord Townhouse and Yanlord Sunland Gardens were awarded the "Shanghai City Gold Award for Residential Development Design" and "Merit Award for Residential Design, Residential Unit Layout and Development Management" respectively by the Shanghai Real Estate Association in FY 2011.

PROPERTY MANAGEMENT

The Group is a pioneer in the introduction of international property management concepts to the PRC. Driven by a commitment to provide a comfortable and endearing living environment for our customers, the Group employs the latest technology and quality assurance standards to continually optimise our property management model.

An integral part of the "Yanlord" experience, our property management services continues to grow in tandem with our property development services. By the end of 2011, Yanlord's property management services spans across the six cities of Shanghai, Nanjing, Suzhou, Zhuhai, Chengdu and Tianjin.

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.

Building on this commitment, we initiated the development of a centre of excellence in 2011 where mentors can share best practices. In addition, we have streamlined existing appraisal processes and enhanced training programmes to further augment talent development within the Group. Through the implementation of these training programs and other relevant development opportunities offered to employees, the Group seeks to achieve its strategic objective to maximise utilisation and development of human resources within the organisation.

Shanghai Yanlord Townhouse

Yanlord was awarded the "Most Transparent Company Award – Foreign Listed Company" in October 2011 by the Securities Investors Association (Singapore) ("SIAS") for the fourth time and underscores the broad support for Yanlord by the investment community.

INVESTOR RELATIONS

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 major announcements and press releases pertaining to material updates on the Group are also promptly released on the SGX website, ensuring that investors receive timely and accurate information.

Reflecting the Group's efforts and success in maintaining strong relations with the investment community and as testament to our efforts to continually enhance our corporate governance and disclosure processes, Yanlord was awarded the "Most Transparent Company Award – Foreign Listed Company" in October 2011 by the Securities Investors Association (Singapore) ("SIAS") for the fourth time and underscores the broad support for Yanlord by the investment community.

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

业务回顾

2011年，虽然面对着楼市宏观调控的大背景下，但集团的优质产品仍受消费者青睐。

Nanjing Yanlord G53 Apartments

业绩概要

2011年，中国房地产受到来自中国中央政府宏观调控的影响持续波动；从全国范围看，2011年上半年市场表现较好，下半年特别是进入2011年10月份以后，以限购、限贷为重点的调控政策效应显现，使得房地产市场发生急剧变化。基于集团可售项目集中于2011后半年，因此集团销售量未能取得预期增长。

虽然面对着不利的市场局面，但基于仁恒产品在过去19年来建立起来的影响力，集团2011 年全年之营业收入仍取得21.7%的稳健增长，达人民币89.87亿元，相比 2010年全年之人民币 73.84亿元，增加了人民币 16.04亿元。集团营业收入主要来自住宅物业销售，另有一小部分来自投资性房地产租赁、物业管理及其它相关服务。2011年全年之物业销售面积394,722平方米，均价达到每平方米人民币 22,239元，与2010年基本持平，显示了仁恒产品在市场不利局面下的抗跌能力。

集团2011年全年毛利润为人民币30.24亿元，与2010年全年之人民币40.29亿元相比，有所下降。集团2011 年全年毛利率为33.6%，相比2010年全年的54.6%，有所下降。由于 2011年全年物业交付组合内容的改变，转置为交付毛利率较低的一期单位如南京仁恒江湾城一期以及土地成本较高的项目如上海仁恒怡庭及南京仁恒G53公寓，增加了每平方米的销售成本。

此外，集团 2011年全年税前利润为人民币 31.37亿元，相比 2010 年全年之人民币 45.14亿元，有所下降。同样的，集团 2011 年全年的净利润与净利润率分别为人民币18.20亿元和20.2%。有赖于仁恒审慎的财政政策和良好的物业表现，集团仍保持稳健的财务状况，截至2011年12月31日，现金及银行存款达人民币42.74亿元。2011年摊薄每股盈利为人民币70.57分。

Chengdu Yanlord Landmark

物业销售

2011年，虽然面对着楼市宏观调控的大背景下，但集团的优质产品仍受消费者青睐。年内首次开盘的上海仁恒森兰雅苑在开盘的头一天销售率超过首批推出房源的60.3%。同样在天津的新项目，仁恒河滨花园首批推出房源销售率也达到58.4%。在高端物业市场遭受政策猛烈冲击的情况下还能取得如此成绩，再次验证了仁恒成熟稳健的经营管理能力，以及仁恒品牌在高端物业购买人群中的号召力。

除新项目热销外，其他在售项目如上海仁恒怡庭、上海御澜湾苑、苏州仁恒双湖湾、南京仁恒江湾城、南京仁恒G53公寓 、 珠海仁恒星园及天津海河广场等也取得尚佳的销售业绩，也充分显现了集团在国际化社区营造能力上的综合优势。

2012年，除目前在售项目以外，天津海河广场二期，苏州仁恒双湖湾A2地块，成都仁恒滨河湾一期，唐山仁恒湖滨城A9地块将首次推盘进入销售，有望成为集团住宅销售新的亮点。

项目开发

2011各开发项目有序推进，年末在建面积为183万平方米。2011年集团新开工项目包括成都仁恒滨河湾一期、珠海滨海中心A标段、天津海河广场二期、苏州仁恒双湖湾A5地块、唐山南湖生态城地块，A9地块以及深圳仁恒峦山美地花园等。同时集团位于天津的首个集商场、美食广场与一体的综合项目—天津仁恒购物中心，也在2011年实现全面开业。

在秉承一贯工程质量控制的基础上，2011年集团进一步优化精装修施工组织与项目进度管理。反映了客户对集团工程质量的认可，上海的仁恒怡庭在2011年里获上海市优秀住宅金奖，御谰湾项目也被国家建设部评为国家3A住宅、上海节能示范项目。

投资地产

仁恒秉承统一规划、持有经营的理念在重点城市、优质地段开发具有投资价值的商业房地产项目。截至2011年12月31日，仁恒已建、在建和规划中的商业物业共约54万平方米，已投入使用的商业房地产共约34万平方米，2011年实现总收入人民币2.69亿元。

在2011年，各主要投资性房地产项目均取得不俗的业绩。汇集了众多奢侈品牌旗舰店如Louis Vuitton、Christian Dior、Prada、Ermenegildo Zegna、Burberry、Hugo Boss的成都仁恒置地广场购物中心在原先的基础上，新增了面积超过700平方米的Maxmara旗舰店。仁恒置地广场深受商家的青睐，购物中心以及写字楼在2011年的出租率分别达90%及74%。同时成都仁恒辉盛阁国际公寓里的360套客房也在2011年末全部开出，短租市场的平均房价人民币874元/晚，位于市场前列，随着客房全部开出和出租率的提升，未来前景看好。

天津海河广场商业一期近7万平方米的购物中心于2011年交付使用，主力租户韩国乐天百货和韩国CGV影院分别于2011年6月份和7月份正式开业，地下美食广场也于2011年12月份开业。

正在兴建的珠海滨海中心综合体项目，总建筑面积约8.6万平方米，规划有国际豪华五星级酒店、甲级办公楼和高端零售商业。

位于海南省三亚市海棠湾的酒店项目于2011年12月份与洲际酒店集团正式签订管理合同，酒店品牌为皇冠假日酒店和英迪格酒店，这是继珠海滨海中心洲际酒店项目后，仁恒置地与洲际酒店集团的再一次合作。

2012年，成都仁恒置地广场购物中心、写字楼以及天津海河广场购物中心将继续为集团提供稳定的租金收入。面向长租市场的成都仁恒辉盛阁国际公寓随着客源积累，业绩预计有较大幅度提升。

从集团商业物业和酒店运营的情况来看，集团的商业和酒店综合性物业正逐步发挥其战略价值，成为新的增长点。

业务回顾

土地储备

2011年，集团把握中国政府对房地产行业宏观调控带来的土地市场竞争趋缓的机遇，审时度势，继续在长三角的上海、珠三角的珠海、环渤海经济圈的天津这三个经济发达、产业实力雄厚、居民具有较强购买力的高增长城市位置优越、富有增值潜力的地段储备土地，全年集团新增土地储备合计建筑面积101万平方米，进一步增强了公司在上述城市的可持续发展能力。

2011年1月，集团与GIC旗下公司成功竞得天津市津南区海河教育园的优质地块。项目坐落于海河教育园区，东临天津大道，南靠月牙河，西侧达文路，北临雅润路。该地块是纯住宅项目，可开发总建筑面积364,787平方米。

2011年10月，集团联合新加坡和美集团及由由集团按60%、20%、20%的投资比例组成的联合公司成功竞得珠海市唐家湾情侣北路两宗地块。两宗地为相邻用地，可作整体规划。两个地块合计总建筑面积达499,329平方米。将打造成为珠海唐家湾地区一流的一线海景大型国际化居住社区。

2011年11月，集团宣布收购由由集团旗下的上海仁品房地产开发有限公司50%股权，从而获得上海浦东新区花木社区地块50%的权益。该地块位于上海市浦东新区杨高南路浦建路，可开发总建筑面积148,363平方米。将打造成为浦东新区世纪公园周边、陆家嘴金融贸易区紧邻的高端国际化社区。

截至2011年底，集团总土地储备余额为约514万平方米，这些项目均位于中国高增长城市重点发展的区域或城市的核心地段，具有良好的发展潜力。房地产作为一个周期性行业，在资金条件允许的情况下，审时度势、综合权衡，采取反周期策略来储备土地是有利于企业长远可持续发展的选择。

企业融资

在2011年房地产宏观调控不断深入的形势下，仁恒凭借良好的品牌、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，为了促进集团业务的持续扩张并满足集团的资本需求，集团于2011年3月发售了4亿美元的七年期高收益债券。通过这次交易，集团增加了平均借款期限，拓宽了投资者群体，使仁恒与国际资本市场的联系更加紧密。所筹资金主要已用于预付集团将在2012年到期的4亿美金银团贷款。

产品研发

在房地产开发中，设计是生产力，产品的生命力在于不断的创新。仁恒产品一贯秉承“创新改变生活”的设计理念，致力于为客户推出温馨、雅致、内敛、优美的居所。

在产品研发过程中，仁恒本着节约资源，优化环境的原则，对不同定位的每个项目精心研发。例如：在仁恒怡庭及仁恒森兰雅苑项目中，充分利用地下室的空间资源，发挥节地效益的原则，创造产品价值的最大化。2011年，上海仁恒怡庭及仁恒森兰雅苑项目由于在设计上的别出心裁及良好的市场美誉度，分别获得了上海市房地产行业协会颁发的“上海市住宅设计金奖”和“住宅设计、户型设计、住宅产业化”3个单相奖的优异成绩。

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，同样也以特色、格调、精巧取胜，意在将商业利益与人性化设计相互结合，追求仁恒一贯坚持的品质。

Shanghai Yanlord Townhouse

物业服务

2011年仁恒物业在立足高端物业服务的基础上，开拓创新，务实求精，在继续巩固基础管理的同时，着力于服务品质的提升和物业延伸经营的完善，将物业服务向科学化、专业化、精细化、个性化方向推进。

根据集团在各地开发业务量的增长，仁恒物业的管理项目与面积也稳步攀升。截至2011年底，仁恒物业管理项目，分布于上海、南京、苏州、珠海、成都、天津六个城市。

通过整合利用“仁恒”现有的优势资源，仁恒物业从物业管理的“规范性和统一性”着手，着力维护与打造“仁恒”品牌形象，不断挖掘高端物业品牌的内涵与外延，得到了业界和客户的广泛认可。在2011年，仁恒物业又获以下殊荣：

- 上海物业荣获上海市物业管理行业诚信承诺AAA级企业称号、上海物业协会2011年企业杂志银奖。
- 南京仁恒物业获江苏省省级“优秀物业服务企业”称号。
- 苏州星岛仁恒项目获国优称号、星屿仁恒项目获江苏省省优称号。
- 天津海河广场获天津市优项目称号。

仁恒物业始终以满足客户需求为中心，不断创新、探索与实践，提升物业整体服务质量和运作水准，从而进一步提高了仁恒的服务能力。

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，2011年成立了集团人才培训发展领导小组和人才培训中心，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。

2011年，集团致力于加强人力资源的专业性与系统性，通过评估、培训和发展组织内部有潜力的人，建立优秀人才库并持续提供企业发展所需要的核心能力。通过制定年度培训计划，提供各类丰富的培训机会，辅之以人力资源优化措施，为员工提供更多的职业挑战和学习机会，拓宽其职业通道，从而实现员工自我价值与企业愿景的双赢发展。

Shanghai Yanlord Townhouse

投资关系

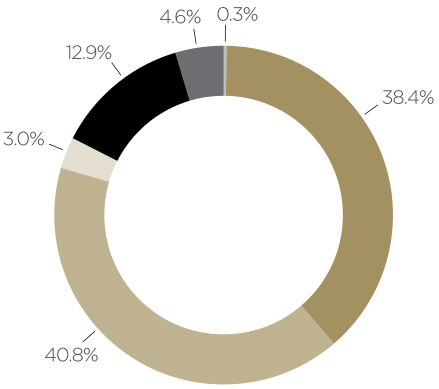
集团十分重视企业的透明度及企业管治水平，并通过与投资市场的主动沟通，使各方更了解仁恒的业务发展策略及增长潜力。

集团注重向投资者提供及时、准确的讯息批露，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。

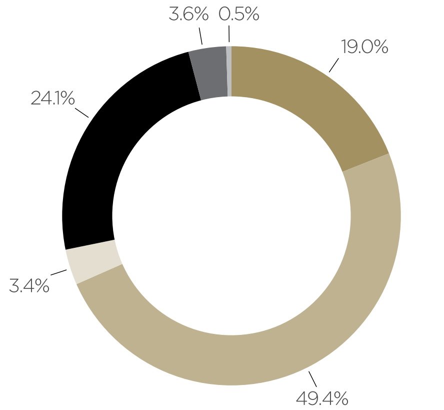
2011年，仁恒第四度获得新加坡证券投资者协会颁发的“最高企业透明度－国际公司”银奖。

OPERATIONAL HIGHLIGHTS

PROPERTY SALES CONTRIBUTION BY CITY IN FY 2011

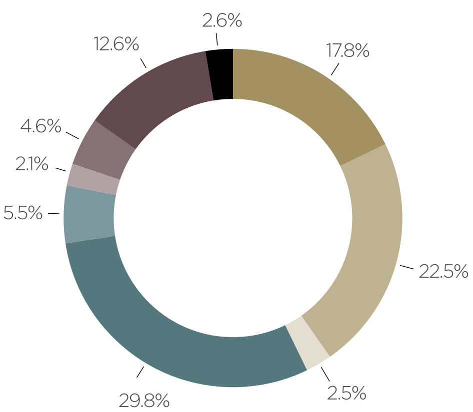


GFA CONTRIBUTION BY CITY IN FY 2011

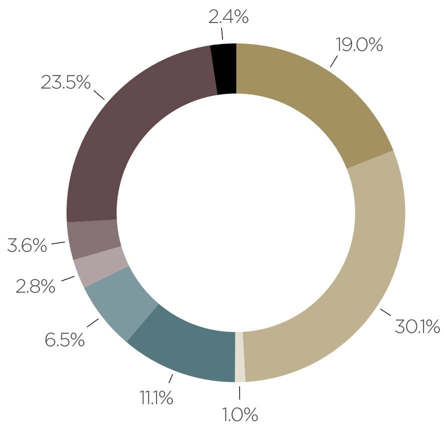


- Shanghai
- Nanjing
- Suzhou
- Zhuhai
- Tianjin
- Others

PROPERTY SALES CONTRIBUTION BY PROJECT IN FY 2011



GFA CONTRIBUTION BY PROJECT IN FY 2011

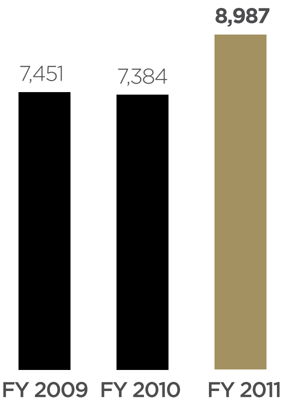


- Nanjing Yanlord G53 Apartments
- Nanjing Yanlord Yangtze Riverbay Town (Phase 1)
- Shanghai Yanlord Riverside City (Phase 3)
- Shanghai Yanlord Townhouse
- Shanghai Yunjie Riverside Gardens (Phase 2)
- Suzhou Yanlord Peninsula (Apartment)
- Tianjin Yanlord Riverside Plaza (Phase 1)
- Zhuhai Yanlord New City Gardens (Phase 2 - Section 2)
- Others

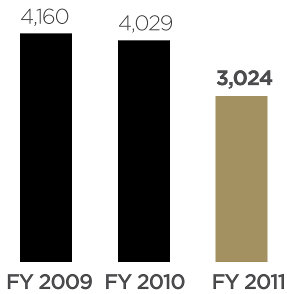
FINANCIAL HIGHLIGHTS

REVENUE AND PROFITABILITY

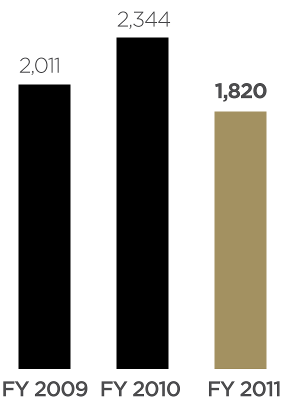
REVENUE
(RMB MILLION)



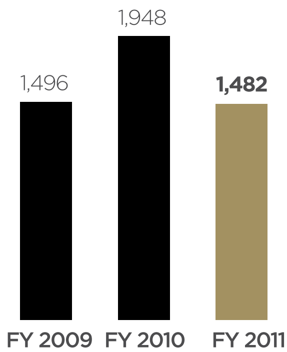
GROSS PROFIT
(RMB MILLION)



PROFIT FOR THE YEAR
(RMB MILLION)



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RMB MILLION)



Credit Ratios

As at 31 December	2009	2010	2011
Net Debt / Equity (1)	4%	34%	52%
Total Debt / Equity (1)	47%	63%	70%
Total Debt / Capitalization (2)	32%	39%	41%

(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%	December-04	April-06	40,655	39,999	S
Hengye Star Gardens (恒业星园)	Chengdu	51%	May-06	April-08	83,943	2,027	R, S
Yanlord Landmark [1] (仁恒置地广场) [1]	Chengdu	100%	August-06	December-10	165,755	157,437	O, S, H
Xintian Centre (新天商业中心)	Guiyang	67%	November-03	October-04	14,376	-	S
Yanlord Villas (仁恒别墅)	Guiyang	67%	June-04	March-06	36,131	-	R
Bamboo Gardens (翠竹园)	Nanjing	100%	November-00	December-08	394,310	150	R
Orchid Mansions [1] (玉兰山庄) [1]	Nanjing	100%	November-00	September-03	69,649	340	R
Plum Mansions, including Lakeside Mansions (梅花山庄.湖畔之星)	Nanjing	100%	May-94	December-02	327,667	583	R
Yanlord G53 Apartments [1] (仁恒G53 公寓) [1]	Nanjing	60%	July-09	December-11	97,731	16,859	R, S
Yanlord International Apartments, Tower A [1] (仁恒国际公寓，A栋) [1]	Nanjing	100%	May-04	December-07	43,567	37,940	H
Yanlord International Apartments, Tower B (仁恒国际公寓，B栋)	Nanjing	100%	May-04	June-08	67,683	432	R
Yanlord Yangtze Riverbay Town (Phase 1) [1] (仁恒江湾城，一期) [1]	Nanjing	60%	January-08	January-11	124,601	2,242	R, S
Yanlord Apartments (仁恒公寓)	Shanghai	67%	November-94	November-97	13,579	-	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 32-63 years as at 31 December 2011

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 Gardens (仁恒滨江园)	Shanghai	67%	November-97	September-03	415,360	-	R
Yanlord Plaza (仁恒广场)	Shanghai	67%	March-93	November-96	53,049	1,499	R, S
Yanlord Riverside City [1] (仁恒河滨城) [1]	Shanghai	67%	May-03	June-10	741,417	15,783	R, S
Yanlord Riverside Gardens (仁恒河滨花园)	Shanghai	56%	May-02	March-07	319,756	-	R
Yanlord Town (仁恒家园)	Shanghai	50%	September-05	December-07	75,573	-	R
Yanlord Townhouse (仁恒怡庭)	Shanghai	100%	September-09	December-11	65,572	21,618	R
Yunjie Riverside Gardens (运杰河滨花园)	Shanghai	51%	March-05	July-11	253,047	14,909	R, S
Yanlord Peninsula (Apartment) (星屿仁恒)	Suzhou	100%	May-06	June-10	100,342	2,643	R
Yanlord Peninsula (Townhouse) (星岛仁恒)	Suzhou	100%	November-05	June-09	91,963	1,035	R
Yanlord Riverside Plaza (Phase 1) [1] (海河广场，一期) [1]	Tianjin	100%	October-07	December-11	205,503	83,856	R, S
Yanlord New City Gardens (Phase 1) [1] (仁恒星园，一期) [1]	Zhuhai	90%	September-06	December-07	97,747	7,571	R, S
Yanlord New City Gardens (Phase 2 - Section 1) (仁恒星园，二期一段)	Zhuhai	90%	August-07	December-09	108,761	533	R
Yanlord New City Gardens (Phase 2 - Section 2) (仁恒星园，二期二段)	Zhuhai	90%	May-08	August-11	124,252	30,661	R
TOTAL					**4,131,989**	**438,117**	

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

[1] Consists of properties held for investment with unexpired terms of lease between 32-63 years as at 31 December 2011

DEVELOPMENT SCHEDULE SUMMARY

PROPERTIES UNDER DEVELOPMENT

Project	City	Interest Attributable	Actual Commencement Date	Estimated Completion Date	GFA (sqm)	Type
Yanlord Riverbay (Phase 1) [1] (仁恒滨河湾，一期) [1]	Chengdu	70%	November-11	1st Quarter 2014	145,799	R
Yanlord Yangtze Riverbay Town (Phase 2) (仁恒江湾城，二期)	Nanjing	60%	September-09	November-12	191,814	R, S
Bayside Gardens (御澜湾苑)	Shanghai	51%	May-10	3rd Quarter 2013	117,236	R
Yanlord Sunland Gardens (Phase 1) (仁恒森兰雅苑，一期)	Shanghai	60%	June-10	1st Quarter 2013	174,228	R
Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑，二期)	Shanghai	60%	July-12	1st Quarter 2015	98,418	R
Yanlord Rosemite [2] (仁恒峦山美地花园) [2]	Shenzhen	100%	December-11	4th Quarter 2014	149,700	R, S
Suzhou Wuzhong Area C1 Land - Villas (苏州吴中区C1地块 - 别墅)	Suzhou	100%	October-08	September-12	22,614	R
Yanlord Lakeview Bay - Land Parcel A2 (仁恒双湖湾，A2 地块)	Suzhou	60%	October-10	1st Quarter 2013	61,525	R
Yanlord Lakeview Bay - Land Parcel A5 (仁恒双湖湾，A5 地块)	Suzhou	60%	May-11	2nd Quarter 2015	51,077	R
Yanlord Lakeview Bay - Land Parcel A6 (仁恒双湖湾，A6 地块)	Suzhou	60%	May-10	December-12	78,556	R, S
Yanlord Lakeview Bay - Land Parcel A7 (仁恒双湖湾，A7 地块)	Suzhou	60%	October-09	May-12	64,524	R, S
Tangshan Nanhu Eco-City - Land Parcel A9 (唐山南湖生态城地块，A9 地块)	Tangshan	50%	November-11	3rd Quarter 2014	110,233	R
Yanlord Riverside Gardens (Phase 1) (仁恒河滨花园，一期)	Tianjin	80%	October-09	July-12	163,476	R
Yanlord Riverside Plaza (Phase 1) (海河广场，一期)	Tianjin	100%	October-07	3rd Quarter 2013	18,973	R, S
Yanlord Riverside Plaza (Phase 2) (海河广场，二期)	Tianjin	100%	January-11	4th Quarter 2016	87,073	R
Yanlord Marina Centre - Section A [3] (仁恒滨海中心 - A标段) [3]	Zhuhai	95%	July-11	4th Quarter 2016	86,350	O, S, H
Yanlord Marina Centre - Section B (仁恒滨海中心 - B标段)	Zhuhai	95%	November-09	2nd Quarter 2014	130,232	R, S
Yanlord New City Gardens (Phase 2 - Section 2) (仁恒星园，二期二段)	Zhuhai	90%	May-08	June-12	79,057	R
TOTAL					**1,830,885**	

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

(1) Formerly known as Chengdu Jinjiang Panchenggang Land (成都锦江攀成钢地块)
(2) Formerly known as Shenzhen Longgang Town Centre Land (深圳龙岗中心城地块)
(3) Consists of GFA of 66,181 sqm under construction-in-progress in property, plant and equipment

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Project	City	Interest Attributable	Estimated Commencement Date	Estimated Completion Date	GFA (sqm)	Type
Yanlord Riverbay (Phase 2&3) [1] (仁恒滨河湾，二及三期) [1]	Chengdu	70%	2013	2016	244,860	R
Yanlord Yangtze Riverbay Town (Phase 3&4) (仁恒江湾城，三及四期)	Nanjing	60%	July-12	2016	330,690	R
Sanya Hai Tang Bay - Land Parcel 9 [2] (三亚海棠湾，9 号地块) [2]	Sanya	100%	September-12	2015	77,509	R. H
Shanghai Qingpu Xujing Town Land (上海青浦徐泾镇地块)	Shanghai	60%	July-12	2015	246,487	R
Shanghai San Jia Gang Land Plot (仁恒滨海度假村)	Shanghai	67%	November-12	2014	35,831	R
Shanghai Tang Dong Nan Land (上海唐东南地块)	Shanghai	50%	2013	2016	148,363	R
Yanlord Eastern Gardens (仁恒东郊花园)	Shanghai	100%	2013	2016	179,944	R
Yanlord Sunland Gardens (Phase 2) (仁恒森兰雅苑，二期)	Shanghai	60%	July-12	2015	63,656	R
Shenzhen Longgang District Economic Residential Housing (深圳龍崗区 - 经济适用房)	Shenzhen	75%	Under Planning	Under Planning	144,064	R
Shenzhen Longgang District Redevelopment Project (深圳龍崗区 - 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%	2013	2016	81,502	R
Tangshan Nanhu Eco-City Land Parcels (唐山南湖生态城地块)	Tangshan	50%	April-12	2015	277,405	R, O
Tianjin Jinnan Land (天津津南地块)	Tianjin	60%	July-12	2015	364,787	R
Yanlord Riverside Gardens (Phase 2) (仁恒河滨花园，二期)	Tianjin	80%	September-12	2016	163,494	R
Yanlord Riverside Plaza (Phase 2) (海河广场，二期)	Tianjin	100%	May-12	2016	62,800	O
Zhuhai Tang Jia Wan - Land Parcels S2, SC & SD (珠海唐家湾，S2、SC、SD 地块)	Zhuhai	60%	2014	2017	346,423	R
Zhuhai Tang Jia Wan - Land Parcels S3 & SB (珠海唐家湾，S3、SB 地块)	Zhuhai	60%	2013	2015	152,906	R
TOTAL					**3,310,721**	

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

[1] Formerly known as Chengdu Jinjiang Panchenggang Land (成都锦江攀成钢地块)
[2] Consists of GFA of 46,500 sq.m. under construction-in-progress in property, plant and equipment

OUR PROJECT SHOWCASE

Shanghai Yanlord Townhouse

Yanlord Townhouse is the Group's latest representation of its steadfast commitment to developing high quality residential projects that continually exceed the demand of its customers. Ideally situated within one of few remaining wetland ecological conservation zones in Shanghai, the approximately 66,000 sqm GFA Yanlord Townhouse development comprises of high-quality fully furnished villas and stylistic apartment blocks that are seamlessly integrated with the lush natural surroundings. Featuring a comprehensive range of amenities including private elevators, heated indoor swimming pools, tennis courts, clubhouses and expansive gardens, Yanlord Townhouse builds on key European architectural elements coupled with the Asian concept of harmony to create a unique blend that balances form and functionality. Sited in new Jiangwan City, in close proximity to the Shanghai Wu Jiao Chang Sub-Central Business District and the Yangpu University District, Yanlord Townhouse seeks to provide its residents with homes that satisfy their business schedules and recreational needs.

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 Yanlord Sunland Gardens will feature high quality, fully-fitted apartments and duplexes that target discerning buyers from the various multi-national 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 was launched in August 2011 with over 60% of units launched sold on the opening day.

OUR PROJECT SHOWCASE

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 305,000 sqm, which will be developed into a total GFA of approximately 647,000 sqm. The project is divided into four phases of which the first phase was delivered in FY 2011. Construction works for the second phase is currently ongoing.

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 375,000 sqm Yanlord Lakeview Bay is the first residential project in Suzhou designed in accordance with the 3A standards of the national Housing and Urban and 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.

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, five-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 165,000 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 multi-national corporations such as Mitsubishi, Novatris and Royal Dutch Shell. Managed by Fraser Suites from Singapore, the serviced apartments 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 and Hugo Boss.

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. Yanlord Riverside Plaza Phase 2 will be available for pre-sale in 2012.

OUR PROJECT SHOWCASE

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 327,000 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 of Housing and Urban-Rural Development and was awarded the Green Development (Grade III) for its design. The inaugural batch of apartment units was launched in July 2011 with over 58% of units launched sold during the opening weekend.

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 successfully 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.

BOARD OF DIRECTORS

Mr. Zhong Sheng Jian
Chairman and CEO

Mr. Zhong Sheng Jian is the founder, Chairman and CEO of Yanlord Land Group Limited and is responsible for its overall management and strategy development. His last re-election as our director was on April 29, 2010. 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, Australia and Thailand. 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, Singapore-Guangdong Collaboration Council and Network China. 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 Council Member 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 appointed as our director on May 11, 2006. His last re-election as our director was on April 29, 2009. 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 CEO and Chairman, 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 Masters Degree from the Washington University-Fudan University EMBA programme and a Bachelor 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 appointed as our director on May 11, 2006. Her last re-election as our director was on April 29, 2011. 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 appointed as our director on September 20, 2006. His last re-election as our director was on April 29, 2010. 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.




BOARD OF DIRECTORS

Mr. Ronald Seah Lim Siang
Lead Independent Director

Mr. Ronald Seah Lim Siang is our Lead Independent Director and was appointed to the Board 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 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 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 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 Vice President of the International Olympic Committee (IOC). He is also the Chairman of the NTUC Fairprice Co-operative Ltd and an Independent Director of SPH Holdings Ltd. Mr. Ng has served and is serving as Independent Director on several public listed and private companies ranging from insurance, finance, venture capital, leisure industries and transport. 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 Ltd 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 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 appointed to the Board on May 11, 2006. Her last re-election as our Director was on April 29, 2009. She is the Regional Managing Director of Blue Ocean Associates Pte Ltd, a private investment and investment advisory firm. Prior to this, Ms. Ng was with the Singapore Exchange, where she was responsible for developing Singapore's capital market by bringing foreign companies to list in Singapore. Additionally, she was part of the Singapore Exchange's IPO Approval Committee. Ms. Ng practiced 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 fund-raising exercises. Ms. Ng also sits on the board of NTUC Fairprice Cooperative and Eu Yan Sang International Limited.

Ms. Ng holds a degree in LLB (Honors) from Queen Mary and Westfield College, University of London, and was admitted as an advocate and solicitor of the Singapore Supreme Court.

Lt-Gen (Ret) Ng Jui Ping
Independent Director

Lt-Gen (Ret) Ng is our Independent Director and was appointed on September 20, 2006. His last re-election as our director was on April 29, 2010.

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, the General 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 now heads Oppenheimer Investments Limited, a Financial Advisory and Investment Bank anchored in London and New York, as its Chairman, Asia Pacific. He also wholly owns and is Chairman of August Asia Consulting Pte. Ltd., a business advisory. He is also an Independent Director on the SGX-ST listed Boards of Pacific Andes Resources Development Limited and Singapore Shipping Corporation Limited. General Ng is also Advisor to various business groups including AGT International, a global Public Safety and Security corporation headquartered in Switzerland and Swiss Asia Banking School AG.

The General 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 Chartered Industries of Singapore Pte Ltd; Corporate Advisor to Singapore Technologies Pte Ltd and Singapore Technologies Engineering Ltd and Chairman of Singapore Technologies Automotive Ltd. He was Advisor to Aldar, the largest Abu Dhabi property developer, and to Chesterton International Property Consultants Pte Ltd.

General Ng holds a Master of Arts degree in History from Duke University, USA and also completed the Advanced Management Programme in Harvard Business School, USA.




KEY MANAGEMENT

Mr. Chen Yue,
Executive Vice-President

Mr. Chen Yue has been our Executive Vice-President since April 2005 and is responsible for projects 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.

Ms. Tan Shook Yng,
Executive Vice-President

Ms. Tan Shook Yng has been our Group General Counsel and Company Secretary since 2006 and our Executive Vice-President since April 2010. She is responsible for our corporate planning and overseeing our legal and regulatory compliance functions. She has more than 10 years of experience as a lawyer practicing cross-border corporate, commercial and corporate finance laws, including areas of mergers and acquisitions, restructuring, initial public offerings, rights and bond issues, private placement, joint ventures, investment advice, stock exchange issues and employee share schemes. Prior to joining our Group, she was a partner of a leading Singapore law firm, co-heading its Greater China Practice Group. Ms. Tan's prior work experience includes a position as the Senior Assistant Registrar of the Registry of Companies & Businesses of Singapore (now known as Accounting and Corporate Regulatory Authority of Singapore), and a senior associate with international law firm, Baker & McKenzie. She is an advocate and solicitor of the Supreme Court of Singapore and a member of the Singapore Academy of Law.

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. Zhuang Hui Ping,
General Manager - Shanghai

Mr. Zhuang Hui Ping has been the General Manager of our Shanghai operations since 2005 and is responsible for the overall management of our business and properties in Shanghai. From 2004 to 2005, he was responsible for managing our real estate business in Suzhou as a General Manager of Suzhou Zhonghui Property Development Co., Ltd. Prior to that, he was the Assistant General Manager of Yanlord Investment (Nanjing) Co., Ltd from 1996 to 2004. Between 1987 and 1999, he was the Assistant General Manager of Yanlord Industrial (Shenzhen) Co., Ltd and was also responsible for the sales and marketing policies of the business. Between 1995 and 1996, he was the Assistant Manager of Riverfront Jin Feng Trading Co., Ltd as an Assistant Manager. Mr. Zhuang graduated from PLA Nanjing Institute of Politics with a Bachelor's Degree.

Mr. Zhang Hao Ning,
General Manager - Nanjing

Mr. Zhang Hao Ning is the General Manager of our Nanjing operations since 2005 and is responsible for the overall management of our business in Nanjing. He was our Assistant General Manager between 2000 and 2005, and the Manager of our 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 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. 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 an Assistant General Manager and later the General Manager of Yanlord Land (Chengdu) Co., Ltd. He was involved in the day to day operations of the company. Mr. Huang has been with the Yanlord group for more than 15 years 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 the setting up of industrial centres for two years. From 1994 to 2002, he was an 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 operations 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 of Advanced Business Management conducted by Qinghua University, Zhuhai.

Mr. Dai Gang,
General Manager - Tianjin

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 an electric engineer to Project Manager, department manager, deputy chief engineer and Vice General Manager. 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 Gang graduated from Shanghai Textile Technology College and majored in Industrial Automation. Mr. Dai is a certified supervisory engineer.

Mr. Zhong Bailing,
General Manager - Shenzhen

Mr. Zhong Bailing has been the General Manager of our Shenzhen operations since March 2010 and is 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 projects 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. Gao Yongjun,
General Manager - Sanya

Mr. Gao Yongjun has been the General Manager of our Sanya operations from March 2010 and is responsible for the overall management of our business in Sanya. Mr. Gao joined Yanlord in March 1998 and worked as project manager, director of engineering department and Assistant General Manager at our Nanjing subsidiary over the years, taking charge of project development and landscaping. Between December 2006 and March 2010, Mr. Gao was 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.

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

EXECUTIVE VICE-PRESIDENT/ COMPANY SECRETARY

Tan Shook Yng

GROUP FINANCIAL CONTROLLER

Jim Chan Chi Wai

HEAD, CORPORATE FINANCE AND RELATIONS

Anyi Wang

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 #32-00
DBS Building Tower Two
Singapore 068809
Partner-in-charge:
Wong-Yeo Siew Eng
(Appointed on April 29, 2008)

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

STOCK EXCHANGE LISTING

Singapore Exchange Securities
Trading Limited

DATE AND COUNTRY OF INCORPORATION

February 13, 2006, Singapore

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, 2011.

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.

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]	5,487,000	9,067,000	1,267,514,000	1,278,390,000
Zhong Siliang	20,000	320,000	-	-
Chan Yiu Ling [2]	20,000	720,000	25,000	25,000
Hong Zhi Hua [3]	310,000	630,000	-	-
Ronald Seah Lim Siang	30,000	20,000	-	-
Ng Ser Miang	400,000	705,000	-	-
Ng Shin Ein	38,000	118,000	-	-
Ng Jui Ping	-	100,000	-	-
b) Senior notes due 2017 (US$'000)				
Zhong Sheng Jian	4,000	2,500	-	-
Ng Ser Miang	1,500	2,000	-	-
Ng Shin Ein	-	100	-	-

(1) Zhong Sheng Jian is deemed to be interested in 1,278,390,000 (2010 : 1,267,514,000) 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.

REPORT OF THE DIRECTORS

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

The directors' beneficial interest in other related corporations' shares and debentures were 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**
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, 2012 were the same as at December 31, 2011.

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 Pre-IPO Share Option Scheme ("Pre-IPO ESOS")

(a) The options to subscribe for an aggregate of 14,592,000 ordinary shares in the capital of the Company granted on June 21, 2006 under the Pre-IPO ESOS were fully exercised and / or lapsed, as the case may be, by June 20, 2011. The Pre-IPO ESOS is non-recurring and there was no further grant of any options under this Scheme.

The options under the Pre-IPO ESOS grant the right to the holder to subscribe for new ordinary shares of the Company at a discount of fifteen percent (15%) of the IPO offer share price of S$1.08. The options granted under the Pre-IPO ESOS are exercisable after the second anniversary of the date of grant of the options and all options must be exercised before the fifth anniversary from the date of grant of the options.

Each option grants the holder the right to subscribe for one ordinary share in the Company. The options may be exercised in full or in part thereof.

The Pre-IPO ESOS was administered by the Pre-IPO Share Option Management Committee ("Pre-IPO ESOS Committee") comprising the following members:

Zhong Sheng Jian	Chairman and Chief Executive Officer
Zhong Siliang	Executive Director
Chan Yiu Ling	Executive Director
Ronald Seah Lim Siang	Lead Independent Director

In exercising its discretion, the Pre-IPO ESOS Committee must act in accordance with any guidelines that may be provided by the Board of Directors.

(b) The details of the movement of the options granted under the Pre-IPO ESOS during the financial year are set out below:

Date of grant	Balance at beginning of year	Granted	Exercised	Lapsed	Balance at end of year	Exercise period	Exercise price per share
June 21, 2006	4,572,000	-	(4,572,000)	-	-	June 22, 2008 to June 20, 2011	S$0.92

(c) The details of share options granted under the Pre-IPO ESOS to the directors of the Company are as follows:

Directors	Options granted during the year	Aggregate options granted since commencement of Pre-IPO ESOS up to end of year	Aggregate options exercised since commencement of Pre-IPO ESOS up to end of year	Aggregate options outstanding as at end of year
Chan Yiu Ling	-	700,000	(700,000)	-
Hong Zhi Hua	-	300,000	(300,000)	-
Zhong Siliang	-	300,000	(300,000)	-

The directors' interests in the options of the Company as at January 21, 2012 were the same as at December 31, 2011.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS AND CONVERTIBLE NOTES (Cont'd)

5.1 Yanlord Land Group Pre-IPO Share Option Scheme ("Pre-IPO ESOS") (Cont'd)

(d) Pursuant to the rules of Pre-IPO ESOS, the scheme expired on May 10, 2011 and any unexercised options lapsed on June 20, 2011. During the financial year,

(i) no participant to the Pre-IPO ESOS is a controlling shareholder of the Company nor its associates; and

(ii) no participant to the Pre-IPO ESOS received options which represent 5% or more of the total number of options available under the Pre-IPO ESOS.

5.2 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.

5.3 Convertible Notes

The Company issued convertible notes due in 2012 and convertible notes due in 2014 in 2007 and 2009 respectively as disclosed in Note 22 to the financial statements.

REPORT OF THE DIRECTORS

6 OPTIONS EXERCISED

During the financial year, 4,572,000 shares were issued pursuant to the exercise of options granted under the Pre-IPO ESOS.

Save as disclosed above, 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

Save as disclosed above, 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 27, 2012

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 53 to 117 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, 2011, 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 27, 2012

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 statements of financial position of the Group and the Company as at December 31, 2011, the income statement, 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 53 to 117.

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, 2011 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
Certified Public Accountants
Singapore

March 27, 2012

STATEMENTS OF FINANCIAL POSITION

December 31, 2011

		GROUP		COMPANY	
	Note	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	768,468	273,828	-	-
Investment properties	8	7,079,370	5,698,645	-	-
Properties for development	9	19,728,223	15,973,484	-	-
Investments in subsidiaries	10	-	-	2,508,521	2,618,181
Investment in an associate	11	-	-	-	-
Investments in jointly controlled entities	12	341,713	194,647	-	-
Available-for-sale investment	13	49,348	49,348	-	-
Intangible asset	14	613	613	-	-
Deferred tax assets	15	138,114	137,652	-	-
Total non-current assets		28,105,849	22,328,217	2,508,521	2,618,181
Current assets					
Inventories		12,827	2,892	-	-
Completed properties for sale	9	2,125,680	875,702	-	-
Properties under development for sale	9	16,674,133	14,163,933	-	-
Trade receivables		31,571	15,857	-	-
Other receivables and deposits	16	233,804	688,910	268	2,235
Non-trade amounts due from:					
Subsidiaries	5	-	-	12,024,249	10,833,322
Associate	11	131	86	-	-
Non-controlling shareholders of subsidiaries	17	451,978	908,192	-	-
Other related party	6	486	510	-	-
Held-for-trading investment	18	4,712	9,286	-	-
Pledged bank deposits	19	5,092	5,257	-	-
Cash and cash equivalents	19	4,273,644	5,814,453	1,502	11,002
Total current assets		23,814,058	22,485,078	12,026,019	10,846,559
Total assets		51,919,907	44,813,295	14,534,540	13,464,740

STATEMENTS OF FINANCIAL POSITION

December 31, 2011

	Note	GROUP 2011 RMB'000	GROUP 2010 RMB'000	COMPANY 2011 RMB'000	COMPANY 2010 RMB'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	20	7,261,726	7,231,236	7,261,726	7,231,236
Reserves		7,553,064	5,856,059	(179,022)	(56,694)
Equity attributable to equity holders of the Company		14,814,790	13,087,295	7,082,704	7,174,542
Non-controlling interests		9,216,095	6,743,089	-	-
Total capital and reserves		24,030,885	19,830,384	7,082,704	7,174,542
Non-current liabilities					
Bank loans - due after one year	21	7,362,137	6,617,160	284,653	-
Convertible notes	22	-	1,772,433	-	1,772,433
Senior notes	23	4,327,241	1,939,500	4,327,241	1,939,500
Deferred tax liabilities	15	968,712	797,490	-	-
Non-trade amount due to:					
Non-controlling shareholders of subsidiaries	17	216,000	-	-	-
Total non-current liabilities		12,874,090	11,126,583	4,611,894	3,711,933
Current liabilities					
Bank loans - due within one year	21	2,947,693	1,942,853	147,900	-
Convertible notes	22	1,790,388	-	1,790,388	-
Trade payables	24	3,301,308	3,092,504	-	-
Other payables	25	3,868,406	5,910,526	157,144	87,750
Non-trade amounts due to:					
Subsidiary	5	-	-	713,330	2,458,226
Directors	6	31,222	32,470	31,180	32,289
Non-controlling shareholders of subsidiaries	17	241,649	274,458	-	-
Income tax payable		2,834,266	2,603,517	-	-
Total current liabilities		15,014,932	13,856,328	2,839,942	2,578,265
Total equity and liabilities		51,919,907	44,813,295	14,534,540	13,464,740

See accompanying notes to financial statements.

CONSOLIDATED INCOME STATEMENT

Financial year ended December 31, 2011

	Note	GROUP 2011 RMB'000	GROUP 2010 RMB'000
Revenue	26	8,987,442	7,383,750
Cost of sales		(5,963,710)	(3,354,696)
Gross profit		3,023,732	4,029,054
Other operating income	27	1,020,113	1,138,544
Selling expenses		(160,015)	(140,135)
Administrative expenses		(486,403)	(352,784)
Other operating expenses		(24,215)	(24,254)
Finance cost	28	(233,042)	(133,122)
Share of loss of an associate	11	-	(2,441)
Share of loss of jointly controlled entities	12	(3,387)	(683)
Profit before income tax		3,136,783	4,514,179
Income tax	29	(1,316,915)	(2,170,323)
Profit for the year	30	1,819,868	2,343,856
Profit attributable to:			
Equity holders of the Company		1,482,440	1,947,977
Non-controlling interests		337,428	395,879
		1,819,868	2,343,856
Earnings per share (cents)	31		
- Basic		76.14	100.22
- Diluted		70.57	92.38

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended December 31, 2011

		GROUP	
	Note	2011 RMB'000	2010 RMB'000
Profit for the year	30	1,819,868	2,343,856
Other comprehensive income (expense):			
Currency translation difference		352,965	(82,191)
Other comprehensive income (expense) for the year		352,965	(82,191)
Total comprehensive income for the year		2,172,833	2,261,665
Total comprehensive income attributable to:			
Equity holders of the Company		1,828,196	1,863,102
Non-controlling interests		344,637	398,563
		2,172,833	2,261,665

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2011

	Note	Share capital RMB'000	Currency translation reserve RMB'000	Equity reserve RMB'000	Statutory reserve RMB'000	Merger deficit RMB'000	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, 2010		7,226,578	(463,030)	526,958	451,366	(1,834,019)	(336,747)	5,916,310	11,487,416	3,916,719	15,404,135
Total comprehensive income for the year		-	(84,875)	-	-	-	-	1,947,977	1,863,102	398,563	2,261,665
Issuance of shares under Pre-IPO Share Option Scheme	20	4,658	-	(1,320)	-	-	-	-	3,338	-	3,338
Redemption of convertible notes		-	-	(108,901)	-	-	-	-	(108,901)	-	(108,901)
Recovery of non-controlling shareholder's share of reserves		-	-	-	-	-	-	-	-	123,096	123,096
Capital injection by non-controlling shareholders		-	-	-	-	-	-	-	-	3,116,272	3,116,272
Dividends	32	-	-	-	-	-	-	(157,660)	(157,660)	-	(157,660)
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	(811,561)	(811,561)
Appropriations		-	-	-	(188,051)	-	-	188,051	-	-	-
Balance at December 31, 2010		7,231,236	(547,905)	416,737	263,315	(1,834,019)	(336,747)	7,894,678	13,087,295	6,743,089	19,830,384
Total comprehensive income for the year		-	345,756	-	-	-	-	1,482,440	1,828,196	344,637	2,172,833
Issuance of shares under Pre-IPO Share Option Scheme	20	30,490	-	(8,696)	-	-	-	-	21,794	-	21,794
Change of interest in a subsidiary		-	-	-	-	-	(67)	-	(67)	67	-
Acquisition of a subsidiary	10	-	-	-	-	-	-	-	-	1,655,127	1,655,127
Capital injection by non-controlling shareholders		-	-	-	-	-	-	-	-	983,461	983,461
Dividends	32	-	-	-	-	-	-	(122,428)	(122,428)	-	(122,428)
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	(510,286)	(510,286)
Appropriations		-	-	-	293,260	-	-	(293,260)	-	-	-
Balance at December 31, 2011		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

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2011

	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, 2010		7,226,578	(190,451)	526,958	(249,699)	7,313,386
Total comprehensive income for the year		-	353,908	-	(229,529)	124,379
Issuance of shares under Pre-IPO Share Option Scheme	20	4,658	-	(1,320)	-	3,338
Redemption of convertible notes		-	-	(108,901)	-	(108,901)
Dividends	32	-	-	-	(157,660)	(157,660)
Balance at December 31, 2010		7,231,236	163,457	416,737	(636,888)	7,174,542
Total comprehensive income for the year		-	(315,087)	-	323,883	8,796
Issuance of shares under Pre-IPO Share Option Scheme	20	30,490	-	(8,696)	-	21,794
Dividends	32	-	-	-	(122,428)	(122,428)
Balance at December 31, 2011		7,261,726	(151,630)	408,041	(435,433)	7,082,704

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2011

	Note	GROUP 2011 RMB'000	GROUP 2010 RMB'000
Operating activities			
Profit before income tax		3,136,783	4,514,179
Adjustments for:			
Allowance for doubtful debts and bad debts written off		3	5
Depreciation expense		30,802	25,587
Dividend income from available-for-sale investment		(1,015)	(5,483)
Dividend income from held-for-trading investment		(216)	(229)
Fair value gain on investment properties		(949,772)	(906,296)
Fair value loss on held-for-trading investment		4,178	131
Fair value loss (gain) on put option		16,646	(23,410)
Finance cost		233,042	133,122
Interest income		(55,157)	(45,883)
Loss on redemption on convertible notes		-	17,949
Net gain on disposal of property, plant and equipment		(2,054)	(577)
Net loss on disposal of investment properties		703	4,014
Share of loss of an associate		-	2,441
Share of loss of jointly controlled entities		3,387	683
Operating cash flows before movements in working capital		2,417,330	3,716,233
Properties for development		(6,271,916)	(9,476,257)
Inventories		(9,935)	(366)
Completed properties for sale		224,020	284,616
Properties under development for sale		825,173	(1,438,019)
Trade and other receivables and deposits		439,122	(154,985)
Trade and other payables		(1,910,536)	1,983,059
Cash used in operations		(4,286,742)	(5,085,719)
Interest paid		(937,213)	(760,180)
Income tax paid		(846,288)	(1,574,014)
Net cash used in operating activities		(6,070,243)	(7,419,913)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2011

	Note	GROUP 2011 RMB'000	GROUP 2010 RMB'000
Investing activities			
Acquisition of a subsidiary	10	(511,096)	-
Investment in an associate	11	-	(2,441)
Investments in jointly controlled entities	12	(150,453)	(58,487)
Dividend received from available-for-sale investment		1,015	5,483
Dividend received from held-for-trading investment		216	229
Interest received		49,148	41,648
Decrease in pledged bank deposits		165	19,090
Proceeds on disposal of property, plant and equipment		9,224	2,237
Proceeds on disposal of investment properties		15,741	41,452
Purchase of property, plant and equipment		(100,473)	(59,044)
Payment for investment properties		(167,539)	(714,201)
Advance to an associate		(45)	(86)
Repayment from jointly controlled entities		-	120
Repayment from (Advance to) non-controlling shareholders of subsidiaries		648,247	(346,150)
Net cash used in investing activities		(205,850)	(1,070,150)
Financing activities			
Dividend paid	32	(122,428)	(157,660)
Dividends paid to non-controlling shareholders of subsidiaries		(695,561)	(497,865)
Net proceeds on issue of new shares under Pre-IPO Share Option Scheme		21,794	3,338
Net proceeds on issue of senior notes		2,580,481	1,995,556
Proceeds from bank loans		6,112,286	6,399,895
Repayment of bank loans		(4,271,903)	(1,440,977)
Redemption of convertible notes		-	(1,512,745)
(Repayment to) Advance from directors		(1,249)	6,687
Repayment to a shareholder		-	(243)
Advance from (Repayment to) non-controlling shareholders of subsidiaries		132,361	(70,050)
Cash injection from non-controlling shareholders of subsidiaries		983,461	3,116,272
Net cash from financing activities		4,739,242	7,842,208
Net decrease in cash and cash equivalents		(1,536,851)	(647,855)
Cash and cash equivalents at beginning of year	19	5,814,453	6,552,697
Effect of exchange rate changes on the balance of cash held in foreign currencies		(3,958)	(90,389)
Cash and cash equivalents at end of year	19	4,273,644	5,814,453

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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, 2011 were authorised for issue by the Board of Directors on March 27, 2012.

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").

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2011. 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.

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

- Amendments to FRS 12 *Income Taxes – Deferred Taxes: Recovery of Underlying Assets*
- 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 113 *Fair Value Measurement*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Consequential amendments were also made to various standards as a result of these new / revised standards. The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption except for the following:

Amendments to FRS 12 *Income Taxes – Deferred Taxes: Recovery of Underlying Assets*

The amendments to FRS 12 introduce an exception to the measurement principle when deferred tax assets or deferred tax liabilities arise from:

- investment property measured using the fair value model in FRS 40 *Investment Property;* and
- investment property acquired in a business combination if it is subsequently measured using the fair value model in FRS 40.

Currently, the Group measures deferred tax assets and deferred tax liabilities arising from investment properties to reflect the tax consequences that would follow from the manner in which the Group expects to recover the carrying amount of its investment properties (which may differ depending on whether the recovery is from use or from sale or from both). Such manner of recovery is based on estimates of future transactions based on current intention.

The amendments introduce a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The amendments are effective for annual periods beginning on or after January 1, 2012.

If it is likely that the Group will not rebut the presumption, deferred taxes will be provided on the basis that the carrying amount of its investment properties will be recovered entirely from sale.

Management has assessed that the retrospective application will not have an effect on the amounts reported in 2011 and in the period of initial adoption.

FRS 110 *Consolidated Financial Statements* and FRS 27 *Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation - Special Purpose Entities.*

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2013, with full retrospective application.

When the Group adopts FRS 110, entities it currently consolidates may not qualify for consolidation, and entities it currently does not consolidate may qualify for consolidation. The Group does not expect FRS 110 to have a significant impact on its existing investments in the period of initial adoption.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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, 2013, with full retrospective application.

When the Group adopts FRS 111, arrangements currently accounted for as jointly controlled operations and jointly controlled assets may have to be equity accounted for as joint ventures; and arrangements currently accounted for as jointly controlled entities may have to be accounted for as joint operation. For arrangements that are joint ventures and were previously proportionately consolidated, 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, 2013, and the Group is currently estimating extent of additional disclosures needed.

FRS 113 *Fair Value Measurement*

FRS 113 is a single new Standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other Standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases,* net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets.*

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other Standards regarding which items should be measured or disclosed at fair value.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. Comparative information is not required for periods before initial application.

The Group is currently estimating the effects of FRS 113 in the period of initial adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenses are eliminated 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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

The policy described above is applied to all business combinations that take place on or after January 1, 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Investments 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.

Other financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss", "available-for-sale" financial assets 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.

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 (b) (vi).

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are not classified into any of the other categories. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 recognition of interest 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.

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.

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.

With the exception of available-for-sale equity instruments, 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 the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised in other comprehensive income.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 - *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 - *Revenue.*

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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

The Group as lessor

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.

The Group as lessee

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 whereby the commencement of physical construction is not expected to happen within the next twelve months after 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.

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 borrowing costs capitalised to the unsold properties with such apportionment based on floor area. 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 estimated by management in the absence of comparable transactions 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, substantially 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 the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. The fair value of an investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. 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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 34. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions. At the end of each reporting period, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled employee benefits reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 income statement 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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 RMB337 million (2010 : RMB356 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 RMB257 million (2010 : RMB159 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 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")

All 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 and this applies also to all property development companies in Shanghai Pudong New District.

The management, after taking into consideration its due diligence, as described in Note 29, 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, 2011, the carrying amounts of properties for development and properties under development for sale are RMB19.728 billion (2010 : RMB15.973 billion) and RMB16.674 billion (2010 : RMB14.164 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.

Key sources of estimation uncertainty

There are 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 totaled RMB38.528 billion as at December 31, 2011 (2010 : RMB31.013 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

Carrying amounts of properties for development, completed properties for sale and properties under development for sale (Cont'd)

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.

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	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Financial assets				
Fair value through profit or loss:				
Held-for-trading investment	4,712	9,286	-	-
Loans and receivables				
(including cash and cash equivalents)	4,858,301	6,857,196	12,025,751	10,844,324
Available-for-sale investment	49,348	49,348	-	-
Financial liabilities				
Fair value through profit or loss:				
Derivative financial instrument	27,220	11,955	27,220	11,955
Amortised cost	20,700,968	16,018,308	7,424,616	6,278,243

(b) 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 does not hold or issue derivative financial instruments for speculative purposes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

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.

(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. The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its 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	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
US dollars	4,577,222	1,969,385	125,430	853,671	4,424,110	1,969,385	141	8,539,900
HK dollars	935,926	2,654,798	7,256	468,630	141,855	1,851,855	19	938,451
SG dollars	242,882	-	-	-	-	-	-	-
RMB	-	-	-	81,675	-	-	-	-

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. A positive number below indicates an increase in profit before income tax 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.

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

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

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

	US dollar impact		HK dollar impact		SG dollar impact		RMB impact	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
GROUP								
Increase (decrease) in profit before income tax	129,664	32,497	27,049	63,675	7,074	-	-	(2,379)
COMPANY								
Increase (decrease) in profit before income tax	128,853	(191,374)	4,131	26,604	-	-	-	-

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 current year end as compared with the preceding year end as a result of the issuance of US$400 million senior notes due 2018 on March 29, 2011, as well as the decrease in US dollar denominated cash and cash equivalents. The Group's sensitivity to HK dollar exchange rate has decreased during the current year due to the decrease in HK dollar denominated bank loan at 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 bank loan at current year end as compared with the preceding year end. The Group's sensitivity to RMB exchange rate at the preceding year end was due to RMB denominated non-trade amounts due from non-controlling shareholders of a subsidiary. The Group has no exposure to foreign exchange risk on RMB at current year end.

The Company's sensitivity to US dollar exchange rate has decreased during the current year mainly due to the decrease in net US dollar exposure at current year end as compared with the preceding year end. The change from the US dollar denominated net assets at the preceding year end to the US dollar denominated net liabilities at current year end is mainly due to the issuance of US$400 million senior notes due 2018 on March 29, 2011, as well as the decrease in US dollar denominated non-trade amount due from a subsidiary. 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 amount due to a subsidiary at current year end as compared with preceding year end.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(ii) Interest rate risk management (Cont'd)

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, 2011 would decrease / increase respectively by RMB103 million (2010 : decrease / increase respectively by RMB86 million). This is mainly attributable to the Group's exposure to its variable rate of borrowings.

- 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.

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

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, 2011 would decrease / increase respectively by RMB4 million (2010 : decrease / increase respectively by RMB Nil). This is mainly attributable to the Company's exposure to its variable rate of borrowings.

(iii) Equity price risk management

The Group is exposed to equity price risk arising from equity investment classified as held-for-trading. Available-for-sale investment is held for strategic rather than trading purposes. The Group does not actively trade available-for-sale investment.

Further details of equity investments can be found in Notes 13 and 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.

(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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(iv) Credit risk management (Cont'd)

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 17). Information on credit risk relating to other receivables are disclosed in Note 16. 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 RMB1.120 billion (2010 : RMB1.857 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, 2011, the Group had available RMB3.270 billion (2010 : RMB5.782 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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(v) Liquidity risk management (Cont'd)

	Weighted effective average 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
GROUP							
2011							
Non-interest bearing		4,084,729	20,000	-	-	-	4,104,729
Variable interest rate instruments	6.1	3,127,502	5,043,214	3,180,919	294,009	(1,335,814)	10,309,830
Fixed interest rate instruments	10.8	1,941,075	-	234,220	4,410,630	(299,516)	6,286,409
Total		9,153,306	5,063,214	3,415,139	4,704,639	(1,635,330)	20,700,968
2010							
Non-interest bearing		3,509,649	-	-	-	-	3,509,649
Variable interest rate instruments	5.1	2,041,939	4,579,706	2,612,384	292,602	(966,618)	8,560,013
Fixed interest rate instruments	10.4	263,339	120,667	1,905,263	1,986,808	(327,431)	3,948,646
Total		5,814,927	4,700,373	4,517,647	2,279,410	(1,294,049)	16,018,308

The maximum amount that the Group could be obliged to settle under the financial guarantee contracts related to bank loans of buyers is RMB1.120 billion (2010 : RMB1.857 billion) (Note 37). The earliest period that the guarantees could be called is within 1 year (2010 : 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.

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

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

(v) Liquidity risk management (Cont'd)

	Weighted effective average 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							
2011							
Non-interest bearing		901,654	-	-	-	-	901,654
Variable interest rate instruments	5.0	155,295	313,118	-	-	(35,860)	432,553
Fixed interest rate instruments	11.0	1,941,075	-	-	4,410,630	(261,296)	6,090,409
Total		2,998,024	313,118	-	4,410,630	(297,156)	7,424,616
2010							
Non-interest bearing		2,578,265	-	-	-	-	2,578,265
Fixed interest rate instruments	10.7	-	120,667	1,905,263	1,986,808	(312,760)	3,699,978
Total		2,578,265	120,667	1,905,263	1,986,808	(312,760)	6,278,243

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(v) Liquidity risk management (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 effective average interest rate %	On demand or within 1 year RMB'000	More than 1 year to 5 years RMB'000	More than 5 years RMB'000	Adjustments RMB'000	Total RMB'000
GROUP						
2011						
Non-interest bearing		4,533,034	-	49,348	-	4,582,382
Variable interest rate instruments	6.2	88,678	-	-	(5,177)	83,501
Fixed interest rate instruments	3.3	254,694	-	-	(8,216)	246,478
Total		4,876,406	-	49,348	(13,393)	4,912,361
2010						
Non-interest bearing		4,644,986	-	49,348	-	4,694,334
Variable interest rate instruments	5.3	83,493	-	-	(4,202)	79,291
Fixed interest rate instruments	1.3	2,169,122	-	-	(26,917)	2,142,205
Total		6,897,601	-	49,348	(31,119)	6,915,830

In 2011 and 2010, the Company's non-derivative financial assets are non-interest bearing with expected maturity within a year.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quoted for similar instruments; and

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

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

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

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

The management considers that carrying values approximate the fair values of other classes of financial assets and liabilities except for the convertible notes stated at amortised cost in respect of which fair value is disclosed in Note 22.

Except as detailed in the following table and in Note 13, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

	2011		2010	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
GROUP AND COMPANY				
Financial Liabilities				
Convertible notes	1,790,388	1,941,399	1,772,433	1,938,584
Senior notes	4,327,241	3,348,928	1,939,500	1,939,500

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

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

Financial instruments measured at fair value

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
GROUP				
2011				
Financial Asset				
Fair value through profit or loss:				
Held-for-trading investment	4,712	-	-	4,712
Financial Liability				
Fair value through profit or loss:				
Derivative financial instrument	-	-	27,220	27,220
2010				
Financial Asset				
Fair value through profit or loss:				
Held-for-trading investment	9,286	-	-	9,286
Financial Liability				
Fair value through profit or loss:				
Derivative financial instrument	-	-	11,955	11,955
COMPANY				
2011				
Financial Liability				
Fair value through profit or loss:				
Derivative financial instrument	-	-	27,220	27,220
2010				
Financial Liability				
Fair value through profit or loss:				
Derivative financial instrument	-	-	11,955	11,955

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy in 2010 and 2011.

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

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

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

Financial instruments measured at fair value based on level 3

	Derivative financial instrument RMB'000	Total RMB'000
GROUP AND COMPANY		
2011		
At January 1, 2011	(11,955)	(11,955)
Total gains or losses in profit or loss (Note 30)	(16,646)	(16,646)
Total gains or losses in other comprehensive income	1,381	1,381
At December 31, 2011	(27,220)	(27,220)
2010		
At January 1, 2010	(34,392)	(34,392)
Total gains or losses in profit or loss (Note 30)	23,410	23,410
Total gains or losses in other comprehensive income	(973)	(973)
At December 31, 2010	(11,955)	(11,955)

Significant assumptions in determining fair value of financial assets and liabilities

Derivative financial instrument

Fair value is estimated using a Binominal Model that consists of some assumptions that are supportable by observable market rates, which includes risk free rate of 0.38% (2010 : 0.95%); volatility rate of 40.10% (2010 : 64.32%) and expected dividend yield rate of Nil% (2010 : Nil%). The interest rate used to discount cash flows was 8.49% (2010 : 8.94%), which was derived from factors such as risk free rate and credit spread of comparable companies with similar credit ratings and bonds' maturity, as well as recent yield references from various financial institutions.

(c) 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 non-trade amounts due to non-controlling shareholders of subsidiaries. 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

The net debt to equity ratio as at December 31, 2011 and 2010 were as follows:

	GROUP	
	2011 RMB'000	2010 RMB'000
Total debt	16,749,352	12,508,659
Cash and cash equivalents	(4,273,644)	(5,814,453)
Net debt	12,475,708	6,694,206
Equity	24,030,885	19,830,384
Net debt to equity ratio	51.9%	33.8%

The Group's overall strategy remains unchanged from 2010. 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 borrowings with the financial institutions providing the facilities to the Group. The Group is in compliance with externally imposed capital requirements for the financial years ended December 31, 2011 and 2010.

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 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.

The Company's non-trade amounts due from subsidiaries that are not substantially denominated in the functional currency of the Company are as follows:

	COMPANY	
	2011 RMB'000	2010 RMB'000
US dollars	-	8,534,378
HK dollars	-	936,680

The Company's non-trade amount due to a subsidiary that is not denominated in the functional currency of the Company is as follows:

	COMPANY	
	2011 RMB'000	2010 RMB'000
HK dollars	141,855	1,851,855

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.

The Group's and Company's balances with related parties are substantially denominated in the functional currencies of the respective entities.

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Sale of properties to related parties	(22,315)	(12,788)
Sale of properties to a non-controlling shareholder of a subsidiary	(20,825)	-
Sale of property, plant and equipment to a related party	-	(480)
Interest income from non-controlling shareholders of subsidiaries	(6,358)	(5,935)
Interest income from an associate	-	(8,153)
Other income from a jointly controlled entity	(1,644)	(1,626)
Interest expenses to non-controlling shareholders of subsidiaries	14,847	15,999
Rental expense to a non-controlling shareholder of a subsidiary	244	548
Rental expenses to related parties	8,204	8,506
Consultancy fee to a non-controlling shareholder of a subsidiary	-	630

At the end of the reporting period, the Group has outstanding commitments of RMB23 million (2010 : RMB10 million) to related parties 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 the future minimum lease receipts of RMB1 million (2010 : RMB2 million).

At December 31, 2011, the Group has committed to sell an investment property to a non-controlling shareholder of subsidiaries for a consideration of RMB59 million.

At the end of the reporting period, the Group has pre-contracted properties sales of RMB12 million (2010 : RMB30 million) to related parties. As at December 31, 2011, advances amounting to RMB4 million (2010 : RMB15 million) has been received from related parties in relation to the pre-contracted properties sales.

As at December 31, 2011, a bank loan of the Company amounted to RMB433 million (2010 : RMB Nil) for the purposes of general working capital of the Group has been secured by a legal charge extended by the Company's ultimate holding company and a personal guarantee from a director.

As at December 31, 2011, 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 RMB153 million (2010 : RMB Nil).

Compensation of directors and key management personnel

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Short-term benefits	28,016	57,568
Post-employment benefits	814	783
	28,830	58,351

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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, 2010	128,398	55,730	76,970	5,000	266,098
Additions	25,668	16,634	16,742	-	59,044
Transfer from properties under development for sale	14,152	-	-	-	14,152
Transfer from properties for development	-	-	-	54,787	54,787
Disposals	(479)	(5,496)	(2,816)	-	(8,791)
Exchange difference	-	(15)	(8)	-	(23)
At December 31, 2010	167,739	66,853	90,888	59,787	385,267
Additions	18,093	8,769	21,866	51,745	100,473
Transfer from completed properties for sale	6,152	-	-	-	6,152
Transfer from properties for development	-	-	-	429,276	429,276
Disposals	(4,395)	(2,393)	(2,753)	(5,000)	(14,541)
Transfer to properties under development for sale	-	-	(106)	-	(106)
Exchange difference	-	(20)	(12)	-	(32)
At December 31, 2011	187,589	73,209	109,883	535,808	906,489
Accumulated depreciation:					
At January 1, 2010	18,117	32,581	40,087	-	90,785
Depreciation for the year	8,345	8,167	11,291	-	27,803
Eliminated on disposals	(117)	(4,498)	(2,516)	-	(7,131)
Exchange difference	-	(12)	(6)	-	(18)
At December 31, 2010	26,345	36,238	48,856	-	111,439
Depreciation for the year	6,400	10,030	17,625	-	34,055
Eliminated on disposals	(2,733)	(2,111)	(2,527)	-	(7,371)
Transfer to properties under development for sale	-	-	(76)	-	(76)
Exchange difference	-	(18)	(8)	-	(26)
At December 31, 2011	30,012	44,139	63,870	-	138,021
Carrying amount:					
At end of year	157,577	29,070	46,013	535,808	768,468
At beginning of year	141,394	30,615	42,032	59,787	273,828

In 2011, depreciation for the year includes an amount of RMB3 million (2010 : RMB2 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 21.

8 INVESTMENT PROPERTIES

	GROUP	
	2011 RMB'000	2010 RMB'000
At fair value or cost:		
Balance as at beginning of year	5,698,645	3,222,995
Additions	167,539	714,201
Transfer from properties under development for sale	339,157	900,619
Change in fair value (Note 27)	949,772	906,296
Disposals	(75,743)	(45,466)
Balance as at end of year	7,079,370	5,698,645

The fair value of investment properties is stated at the valuation provided by an independent valuer, CBRE HK Limited, for investment properties as at December 31, 2011 and 2010 by making 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 carrying amounts of investment properties pledged to banks to secure the bank loans granted to the Group are disclosed in Note 21.

The rental income earned by the Group from its investment properties amounted to RMB258 million (2010 : RMB103 million). Direct operating expenses arising on the investment properties in the year amounted to RMB1 million (2010 : RMB1 million).

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

	GROUP	
	2011 RMB'000	2010 RMB'000
At cost:		
Properties for development (Non-current assets)	19,728,223	15,973,484
Completed properties for sale (Current assets)	2,125,680	875,702
Properties under development for sale (Current assets)	16,674,133	14,163,933
	38,528,036	31,013,119

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	
	2011 RMB'000	2010 RMB'000
Properties for development	453,566	303,568
Completed properties for sale	95,849	30,800
Properties under development for sale	958,171	659,753

The interest rates are as disclosed in Notes 21, 22 and 23.

The carrying amounts of properties pledged to banks to secure bank loans granted to the Group are disclosed in Note 21.

As at December 31, 2011, properties for development include an amount of RMB2.206 billion relating to a plot of land acquired through the acquisition of a subsidiary (Note 10).

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December 31, 2011

10 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2011 RMB'000	2010 RMB'000
Unquoted equity shares, at cost	2,508,521	2,618,181

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
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	Investment holding
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

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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
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 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 Co., Ltd. [(2)] [(b)] 貴阳仁恒房地产开发有限公司	PRC	67	67	Property development
Guiyang Yanlord Property Management Co., Ltd. [(b)] 貴阳仁恒物业管理有限公司	PRC	100	67	Property management
Nanjing Yanlord Garden Co., Ltd. [(b)] 南京仁恒园林有限公司	PRC	100	100	Landscaping and gardening

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December 31, 2011

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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 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
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
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
Shanghai Renpin Property Development Co., Ltd. [(4) (b)] 上海仁品房地产开发有限公司	PRC	50	-	Property development and management
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

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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	56	56	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
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

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10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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
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
Tianjin Yanlord Beiyang Real Estate Co., Ltd. (5) (b) 天津仁恒北洋置业有限公司	PRC	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. (5) (b) 珠海仁恒和由置地有限公司	PRC	57	-	Property development and management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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. [5] [b] 珠海仁恒由美置地有限公司	PRC	57	-	Property development and management

(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) Liquidated on January 29, 2012.

(3) The proportion of ownership interest and voting power held by the Group is 50.2%.

(4) The acquisition of a subsidiary is in substance the acquisition of the underlying assets owned by the subsidiary and not an acquisition of business. Pursuant to the share transfer agreement signed between a subsidiary, Shanghai Yanlord Investment Management Co., Ltd. ("SYIM") and a third party, Shanghai Youyou (Group) Co., Ltd. ("SYY") on October 25, 2011, SYIM agreed to acquire a 50% equity interest in Shanghai Renpin Property Development Co., Ltd. ("SRPD"), a company newly incorporated in June 2011 by SYY, at a total consideration of RMB1.655 billion. SYY continues to have a 50% interest in SRPD subsequent to the share transfer. Although the Group does not effectively own more than 50% of the interest in SRPD, it has control over the financial and operating policies of SRPD and hence regards SRPD as its subsidiary. The principal asset acquired by the Group at the point of acquisition of equity shares in Shanghai Renpin Property Development Co., Ltd. consists of a plot of land, which has been injected by SYY as capital in SRPD. Based on the terms of the agreement, SYIM had paid RMB520 million in 2011 and the outstanding consideration of RMB1.135 billion is payable when the land is ready for development purpose. As at December 31, 2011, SRPD has not obtained all the necessary permits required to commence development of the land. The liability to make the outstanding payment has not yet crystallised, and is therefore disclosed as a capital commitment in Note 36 to the financial statements. The fair value of the acquired land, net of the outstanding consideration of RMB1.135 billion is included in the Group's properties for development in Note 9 to the financial statements.

The agreement between SYY and SYIM requires the first RMB450 million of future profits after tax to be paid to SYY. Any profit after tax in excess of this amount is to be shared between SYY and SYIM in proportion to their respective equity stake in SRPD.

(5) Incorporated during the year.

Notes on auditors

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

(b) Audited by Deloitte Touche Tohmatsu, Shanghai for consolidation purposes.

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11 INVESTMENT IN AN ASSOCIATE

On May 26, 2010, the Group has through its subsidiary, Yanlord Land Pte. Ltd. ("YLPL"), entered into an investment agreement ("IA") with Reco Yizhong Private Limited ("Reco") for Reco to own YLPL's 75% shareholding interest in Yanlord Property Investments Pte. Ltd. ("YPI") for a consideration of RMB72 (equivalent to S$15), which approximated the fair value of YPI's net assets. Upon completion, the Group's beneficial interest in YPI held through YLPL was reduced to 25%. Subsequent to the completion of the IA, YLPL and Reco made further investment into YPI proportionate to their respective shareholding interest in 2010.

	GROUP	
	2011 RMB'000	2010 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)	131	86

Details of the Group's associate are as follows:

Name of associate	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
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.

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Total assets	67	74
Total liabilities	(205)	(141)
Net liabilities	(138)	(67)
Group's share of associate's net liabilities [1]	-	-
Loss for the year	(4,338)	(11,464)
Group's share of associate's loss for the year [1]	-	(2,441)

[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, 2011, the Group's share of unrecognised losses of the associate for the year and cumulatively amounted to RMB1.1 million (2010 : RMB0.4 million) and RMB1.5 million (2010 : RMB0.4 million) respectively.

12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	GROUP	
	2011 RMB'000	2010 RMB'000
Cost of investments in jointly controlled entities	346,557	196,104
Share of post-acquisition loss	(4,844)	(1,457)
	341,713	194,647

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

Name of jointly controlled entity	Country of incorporation (or registration) and operation	Proportion of ownership interest and voting power held		Principal activity
		2011 %	2010 %	
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
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

[(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, Shanghai for consolidation purposes.

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12 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Cont'd)

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Total assets	599,588	341,583
Total liabilities	(91)	(97)
Net assets	599,497	341,486
Group's share of jointly controlled entities' net assets	341,713	194,647
Loss for the year	(5,943)	(1,198)
Group's share of jointly controlled entities' loss for the year	(3,387)	(683)

13 AVAILABLE-FOR-SALE INVESTMENT

	GROUP	
	2011 RMB'000	2010 RMB'000
Unquoted equity shares, at cost	49,348	49,348

The investment included above represents an investment in unquoted equity shares that presents the Group with opportunity for return through dividend income and capital appreciation. The management is of the view that the fair value of unquoted equity shares cannot be measured reliably as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. Accordingly, this investment is stated at cost.

The available-for-sale investment is denominated in the functional currency of the respective entity.

The management has evaluated whether there is any indicator of impairment for unquoted equity shares carried at cost, by considering both internal and external sources of information, and is satisfied that there is no such indicator.

14 INTANGIBLE ASSET

	GROUP	
	2011 RMB'000	2010 RMB'000
Club membership	613	613

At December 31, 2011 and 2010, 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 2011 RMB'000	GROUP 2010 RMB'000
Deferred tax assets	138,114	137,652
Deferred tax liabilities	(968,712)	(797,490)

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, 2010	(366,549)	31,954	(200,341)	51,360	(483,576)
(Charge) Credit to income statement for the year (Note 29)	(221,099)	16,738	(122,741)	37,600	(289,502)
Transfer to income tax payable	-	-	113,240	-	113,240
At December 31, 2010	(587,648)	48,692	(209,842)	88,960	(659,838)
(Charge) Credit to income statement for the year (Note 29)	(242,289)	5,150	(76,447)	(4,688)	(318,274)
Transfer to income tax payable	-	-	147,514	-	147,514
At December 31, 2011	(829,937)	53,842	(138,775)	84,272	(830,598)

Pursuant to PRC tax regulations, at the end of the reporting period, the Group has unutilised tax losses of RMB595 million (2010 : RMB515 million) available for offset against future profits. A deferred tax asset of RMB84 million (2010 : RMB89 million) has been recognised in respect of RMB337 million (2010 : RMB356 million) of such losses at the PRC tax rate of 25%. No deferred tax asset has been recognised in respect of the remaining RMB257 million (2010 : RMB159 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.

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16 OTHER RECEIVABLES AND DEPOSITS

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Advances to suppliers	7,275	9,642	-	-
Deposits for purchase of land for development and construction of properties	20,711	307,431	-	-
Staff loans	10,788	11,935	-	-
Prepayments	5,173	6,751	268	2,235
Sales tax prepayments	105,246	252,245	-	-
Interest receivables	139	357	-	-
Other receivables [1]	84,472	100,549	-	-
	233,804	688,910	268	2,235

(1) Included in other receivables is an advance of RMB20 million (2010 : 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.

The other receivables and deposits are substantially denominated in the functional currencies of the respective entities.

17 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) An amount of RMB60 million (2010 : RMB31 million) which bears interest at 5.0% (2010 : 5.0%) per annum is secured by undistributed retained earnings of a subsidiary yet to be distributed as dividends to the non-controlling shareholder of that subsidiary.

b) Amounts of RMB17 million and RMB67 million (2010 : RMB79 million) which bear interest at 5.8% and 6.3% per annum respectively (2010 : 5.3% per annum) are secured by expected future earnings that will be distributed by a subsidiary to the non-controlling shareholders of that subsidiary.

As at December 31, 2011, current amounts due to non-controlling shareholders of subsidiaries are unsecured, interest-free and repayable on demand except for an amount of RMB153 million, which is guaranteed by the Company.

As at December 31, 2010, current amounts due to non-controlling shareholders of subsidiaries were unsecured, interest-free and repayable on demand except for an amount of RMB249 million which bore interest at 5.9% per annum.

As at December 31, 2011, non-current amounts of RMB145 million and RMB51 million due to a non-controlling shareholder of a subsidiary are unsecured, bear interest at 6.4% and 6.7% per annum respectively and are repayable within 3 years. The remaining 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.

The carrying amounts of amounts due from / to non-controlling shareholders of subsidiaries approximate their fair values due to the relatively short term maturity of interest-free balances or the interest rates approximate the prevailing market rates.

17 NON-TRADE AMOUNTS DUE FROM / TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES (Cont'd)

The non-trade amounts due from non-controlling shareholders of subsidiaries that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP	
	2011 RMB'000	2010 RMB'000
US dollars	60,750	23,426
HK dollars	1,632	10,080
RMB	-	81,675

The non-trade amounts due to non-controlling shareholders of subsidiaries that are not denominated in the functional currency of the respective entity is as follows:

	GROUP	
	2011 RMB'000	2010 RMB'000
US dollars	153,112	-

18 HELD-FOR-TRADING INVESTMENT

	GROUP	
	2011 RMB'000	2010 RMB'000
Quoted equity security, at fair value	4,712	9,286

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.

The held-for-trading investment is denominated in HK dollars.

19 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Cash on hand	2,114	1,890	-	-
Cash at bank	4,087,343	3,703,675	1,502	11,002
Fixed deposits	184,187	2,108,888	-	-
Cash and cash equivalents	4,273,644	5,814,453	1,502	11,002
Pledged bank deposits	5,092	5,257	-	-

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19 CASH AND CASH EQUIVALENTS AND PLEDGED BANK DEPOSITS (Cont'd)

Pledged bank deposits, cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of 6 months (2010 : 6 months) or less. The carrying amounts of these assets approximate their fair values.

The effective interest rates for fixed deposits is 2.8% (2010 : 1.2%) per annum. The pledged bank deposits are non-interest bearing, except for one deposit amounting to RMB3 million (2010 : RMB3 million) with an interest rate of 2.8% (2010 : 2.8%) per annum.

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 construction contracts required by local authority.

The cash and cash equivalents that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
US dollars	64,680	830,245	141	5,522
HK dollars	912	449,264	19	1,771

20 SHARE CAPITAL

	GROUP AND COMPANY			
	2011 '000	2010 '000	2011 RMB'000	2010 RMB'000
	Number of ordinary shares			
Issued and paid up:				
At beginning of year	1,944,164	1,943,424	7,231,236	7,226,578
Issuance of shares under Pre-IPO Share Option Scheme	4,572	740	30,490	4,658
At end of year	1,948,736	1,944,164	7,261,726	7,231,236

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 BANK LOANS

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
The bank loans are repayable as follows:				
On demand or within one year	2,947,693	1,942,853	147,900	-
More than one year but not exceeding two years	4,494,843	4,155,813	284,653	-
More than two years but not exceeding five years	2,661,337	2,246,597	-	-
More than five years	205,957	214,750	-	-
	10,309,830	8,560,013	432,553	-
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,947,693)	(1,942,853)	(147,900)	-
Amount due for settlement after 12 months	7,362,137	6,617,160	284,653	-
Secured:				
- Current bank loans	2,549,793	1,305,500	147,900	-
- Non-current bank loans	5,410,453	3,756,097	284,653	-
	7,960,246	5,061,597	432,553	-
Unsecured	2,349,584	3,498,416	-	-
	10,309,830	8,560,013	432,553	-

The following assets are pledged for the above secured bank loans:

	GROUP	
	2011 RMB'000	2010 RMB'000
Properties for development	1,279,114	1,029,930
Completed properties for sale	497,318	13,896
Properties under development for sale	7,949,603	7,458,784
Investment properties	3,881,250	4,929,719
Construction-in-progress	53,177	41,818

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December 31, 2011

21 BANK LOANS (Cont'd)

The bank loans that are not denominated in the functional currencies of the respective entities are as follows:

	GROUP	
	2011 RMB'000	2010 RMB'000
HK dollars	935,926	2,616,416
SG dollars	241,104	-

As at the end of the reporting period, the bank loan for the purpose of property development, amounting to RMB936 million (2010 : RMB2.616 billion) bears floating interest rate of 3.5% (2010 : 2.8%) plus HIBOR per annum and the effective interest rate was 4.3% (2010 : 4.2%) per annum. Another bank loan for similar purpose amounting to RMB241 million (2010 : RMB Nil) bears floating interest rate of 2.75% (2010 : Nil) plus SWAP offer rate per annum, with an effective interest rate of 3.4% (2010 : Nil) per annum.

All other bank loans, which are similarly held for the purpose of property development, bear floating interest rates based on a bank's prime rate and the average effective interest rate was 6.4% (2010 : 5.4%) per annum.

A bank loan held by the Company for the purpose of general working capital, amounting to RMB433 million (2010 : RMB Nil) bears floating interest rate of 3.5% (2010 : Nil) plus SIBOR per annum and the effective interest rate was 5.0% (2010 : Nil) per annum. The bank loan is secured by a legal charge extended by the Company's ultimate holding company and a personal guarantee from a director.

The carrying amounts of bank loans approximate their fair values as the interest rates approximate the prevailing market rates.

22 CONVERTIBLE NOTES

The convertible notes comprise notes issued in 2007 and 2009.

(a) The convertible notes issued on February 6, 2007 ("Notes 2012") will mature on February 6, 2012. The Notes 2012 accrue interest at 4.00% per annum, compounded semi-annually. Accrued interest on Notes 2012 is payable only at maturity or upon early redemption, and will be foregone upon conversion of the Notes 2012. The conversion price was initially S$2.7531 per share, and has been adjusted on account of the dividend distributions to S$2.6200 and S$2.5900 per share as at December 31, 2010 and 2011 respectively. The conversion price may be further adjusted for certain specified dilutive events. On February 4, 2010, the holders of S$315 million outstanding Notes 2012 exercised the option to redeem the outstanding Notes 2012. As of December 31, 2011, S$24 million (2010 : S$24 million) Notes 2012 remained outstanding for conversion into ordinary shares. The Notes 2012 are convertible into 9,169,884 and 9,064,885 new ordinary shares of the Company as at December 31, 2011 and 2010 respectively based on the adjusted conversion price at the option of the holders.

22 CONVERTIBLE NOTES (Cont'd)

(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 on account of the dividend distributions to S$2.5900 and S$2.5600 per share as at December 31, 2010 and 2011 respectively. The conversion price may be further adjusted for certain specified dilutive and other events. As at December 31, 2011, S$375 million (2010 : S$375 million) Notes 2014 remained outstanding for conversion into ordinary shares. The Notes 2014 are convertible into 146,484,375 and 144,787,644 new ordinary shares of the Company as at December 31, 2011 and 2010 respectively based on the adjusted conversion price at the option of the holders. 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.

As at December 31, 2011, both Notes 2012 and Notes 2014 are classified as current liabilities as Notes 2012 will mature on February 6, 2012 and the holders of Notes 2014 have the right to require the Company to redeem all or some of Notes 2014 on July 13, 2012.

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	
	2011 RMB'000	2010 RMB'000
Nominal value of Notes 2012 and Notes 2014 issued	4,148,668	4,330,027
Equity component (gross before allocation of transaction costs)	(632,066)	(659,696)
Transaction costs [1]	(94,712)	(98,854)
Liability component at date of issue [2]	3,421,890	3,571,477
Cumulative interest accrued	822,236	666,339
Cumulative interest paid	(213,579)	(111,458)
Converted to equity	(585,662)	(611,267)
Redemption	(1,595,727)	(1,665,484)
Fair value adjustment	(7,452)	(24,232)
Total	1,841,706	1,825,375
Interest payable within one year included in other payables (Note 25)	(51,318)	(52,942)
Liability component at end of year [2]	1,790,388	1,772,433

[1] Transaction costs included non-audit fees of RMB2 million and RMB1 million paid to the auditors of the Company and its affiliated firm in 2009 and 2007 respectively in connection with the offer of convertible notes of the Company.

[2] Included in liability component is put option of holders of Notes 2014 amounting to RMB27 million (2010 : RMB12 million) as at December 31, 2011. The fair value of put option of holders of Notes 2014 is stated at the valuation provided by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, for put option of holders of Notes 2014 as at December 31, 2011 and 2010 by using the Binominal Model.

22 CONVERTIBLE NOTES (Cont'd)

The cumulative interest accrued on Notes 2012 is calculated by applying an effective interest rate of 8.0% (2010 : 8.0%) per annum to the liability component. The cumulative interest accrued on Notes 2014 is calculated by applying an effective interest rate of 11.3% (2010 : 11.3%) per annum to the liability component.

The management estimates the fair value of the liability component of the Notes 2012 at December 31, 2011 to be approximately RMB139 million (2010 : RMB133 million). This fair value has been calculated by assuming redemption on February 6, 2012 and using interest rate of 18.3% (2010 : 9.7%) per annum, compounded semi-annually. The interest rate is based on Singapore government's two-year treasury bill rate of 0.3% (2010 : two-year treasury bill rate of 1.6%) per annum which will mature on February 1, 2014 (2010 : April 1, 2013), a credit spread risk margin of 14.5% (2010 : 5.9%) per annum and holding the liquidity risk rate as a percentage of both the risk free rate and the liquidity risk rate constant.

An independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, estimates the fair value of the liability component of the Notes 2014 (excluding put option) at December 31, 2011 to be approximately RMB1.776 billion (2010 : RMB1.794 billion). Fair value is estimated using a Binominal Model that consists of some assumptions that are supportable by observable market rates, which includes risk free rate of 0.38% (2010 : 0.95%), volatility rate of 40.10% (2010 : 64.32%) and expected dividend yield rate of Nil% (2010 : Nil%). The interest rate used to discount cash flows was 8.49% (2010 : 8.94%), which was derived from factors such as risk free rate and credit spread of comparable companies with similar credit ratings and bonds' maturity as well as recent yield references from various financial institutions.

Notes 2012 and Notes 2014 are denominated in the functional currency of the Company.

23 SENIOR NOTES

The senior notes comprise notes issued in 2010 and 2011.

(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.

	GROUP AND COMPANY	
	2011 RMB'000	2010 RMB'000
Nominal value of senior notes issued	4,516,584	2,101,733
Transaction costs [1]	(98,551)	(53,693)
At date of issue	4,418,033	2,048,040
Cumulative interest accrued	506,823	133,787
Cumulative interest paid	(397,316)	(96,091)
Exchange difference	(103,430)	(116,351)
Total	4,424,110	1,969,385
Interest payable within one year included in other payables (Note 25)	(96,869)	(29,885)
Liability (non-current) at end of year	4,327,241	1,939,500

(1) Transaction costs included non-audit fees of RMB2 million and RMB2 million paid to the auditors of the Company in 2011 and 2010 respectively in connection with the issuance of senior notes of the Company (Note 30).

23 SENIOR NOTES (Cont'd)

The cumulative interest accrued on Notes 2017 is calculated by applying an effective interest rate of 10.3% (2010 : 10.3%) per annum. The cumulative interest accrued on Notes 2018 is calculated by applying an effective interest rate of 11.3% per annum.

The management estimates the fair value of Notes 2017 and Notes 2018 at December 31, 2011 to be approximately RMB1.446 billion and RMB1.903 billion respectively. These fair values are based on the quoted market price on the last market day of the financial year.

The management is of the view that the carrying amount of Notes 2017 approximates its fair value as its market interest rate as at December 31, 2010 approximates its nominal interest rate.

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 RMB1.890 billion (equivalent to US$300 million) as at the end of 2011. 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. Additionally, shares in six of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2018.

The management is of the view that the fair values of the financial guarantees provided by the subsidiaries are not significant.

24 TRADE PAYABLES

	GROUP	
	2011 RMB'000	2010 RMB'000
Outside parties	3,301,308	3,092,504

The average credit period for trade payables is 105 days (2010 : 107 days).

The trade payables are denominated in the functional currencies of the respective entities.

25 OTHER PAYABLES

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Advances received from customers	3,357,856	5,551,641	-	-
Accrued expenses	40,753	43,671	7,517	4,922
Interest payable	170,133	92,864	149,627	82,828
Other payables	299,664	222,350	-	-
	3,868,406	5,910,526	157,144	87,750

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

25 OTHER PAYABLES (Cont'd)

The other payables that are not denominated in the functional currencies of the respective entities are as follow:

	GROUP		COMPANY	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
US dollars	96,869	29,885	96,869	29,885
SG dollars	1,778	-	-	-

26 REVENUE

	GROUP	
	2011 RMB'000	2010 RMB'000
Gross income from property development	9,025,386	7,497,669
Less: Business tax	(501,519)	(374,258)
Net income from property development	8,523,867	7,123,411
Gross income from property investment	304,603	118,239
Less: Business tax	(35,388)	(10,263)
Net income from property investment	269,215	107,976
Gross income from others	209,755	162,923
Less: Business tax	(15,395)	(10,560)
Net income from others	194,360	152,363
Total	8,987,442	7,383,750

27 OTHER OPERATING INCOME

	GROUP	
	2011 RMB'000	2010 RMB'000
Dividend income from available-for-sale investment	1,015	5,483
Dividend income from held-for-trading investment	216	229
Fair value gain on investment properties (Note 8)	949,772	906,296
Fair value gain on put option	-	23,410
Interest income	55,157	45,883
Net gain on disposal of property, plant and equipment	2,054	577
Net foreign exchange gain	-	100,569
Government subsidies	7,272	8,761
Others	4,627	47,336
Total	1,020,113	1,138,544

28 FINANCE COST

	GROUP	
	2011 RMB'000	2010 RMB'000
Interest on bank loans	557,272	363,442
Interest on convertible notes	194,080	189,866
Interest on senior notes	399,797	129,247
Interest to non-controlling shareholders of subsidiaries	14,847	15,999
Total	1,165,996	698,554
Less: Interest capitalised in		
- properties for development	(234,793)	(101,264)
- properties under development for sale	(698,161)	(464,168)
Net	233,042	133,122

29 INCOME TAX

	GROUP	
	2011 RMB'000	2010 RMB'000
Current - Foreign	550,624	585,796
Deferred income tax (Note 15)	241,827	166,761
Deferred withholding tax (Note 15)	76,447	122,741
Land appreciation tax ("LAT")	464,070	1,270,861
(Over) under provision in prior years	(16,053)	24,164
Total	1,316,915	2,170,323

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

Taxation arising in the PRC is calculated at the prevailing rate of 25.0% (2010 : 22.0%) for major PRC operating subsidiaries. The prevailing rates in the other subsidiaries are 24.0% to 25.0% in 2011 (2010 : 22.0% to 25.0%).

On March 16, 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No.63 of the President of the PRC, with an effective date of January 1, 2008. On December 28, 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25.0% Enterprise Income Tax, commencing January 1, 2008 except that certain subsidiaries which originally enjoy the preferential tax rates shall gradually transit to the tax rate of 25.0% within 5 years after the enforcement of the new tax law.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

29 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	
	2011 RMB'000	2010 RMB'000
Income tax expense at PRC applicable tax rate of 25%* (2010 : 22%*)	784,196	993,119
Non-deductible items	88,257	29,413
Non-taxable items	(19,925)	(5,281)
Effect of unutilised tax losses not recognised as deferred tax assets	21,982	9,183
Effect of different tax rates for certain subsidiaries	(715)	29,966
LAT	464,070	1,270,861
Effect of tax deduction on LAT	(116,017)	(279,589)
Withholding tax incurred	76,447	122,741
(Over) under provision in prior years	(16,053)	24,164
Others	34,673	(24,254)
Total income tax expense	1,316,915	2,170,323

* 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 RMB85 million (2010 : RMB121 million) on the undistributed earnings of the PRC subsidiaries has been charged to the consolidated income statement 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 2011 and 2010, 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, 2011.

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

30 PROFIT FOR THE YEAR

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Depreciation of property, plant and equipment	30,802	25,587
Employee benefits expense (including directors' remuneration):		
Retirement benefit scheme contributions	22,876	16,519
Salaries and other short-term benefits	213,607	252,659
Total employee benefits expense	236,483	269,178
Directors' fees	2,056	1,963
Directors' remuneration:		
- of the Company	1,382	30,534
- of the subsidiaries	4,597	4,451
	5,979	34,985
Fair value gain on investment properties (Note 8)	(949,772)	(906,296)
Fair value loss on held-for-trading investment	4,178	131
Fair value loss (gain) on put option	16,646	(23,410)
Loss on redemption on convertible notes	-	17,949
Net gain on disposal of property, plant and equipment	(2,054)	(577)
Net loss on disposal of investment properties	703	4,014
Net foreign exchange loss (gain)	109,343	(100,569)
Cost of completed properties for sale recognised as expenses	5,768,315	3,205,609
Audit fees:		
- paid to auditors of the Company	3,840	3,691
- paid to other auditors	1,200	798
Total audit fees	5,040	4,489
Non-audit fees:		
- paid to auditors of the Company [1]	210	541
- paid to other auditors	793	700
Total non-audit fees	1,003	1,241
Aggregate amount of fees paid to auditors	6,043	5,730

[1] Total non-audit fees paid to auditors of the Company for the year are RMB2 million (2010 : RMB3 million), of which RMB2 million (2010 : RMB2 million) paid in connection with the issuance of senior notes of the Company have been capitalised in the carrying amount of the senior notes (Note 23).

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

31 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	
	2011 RMB'000	2010 RMB'000
Earnings		
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Company)	1,482,440	1,947,977
Effect of dilutive potential ordinary shares:		
Interests on convertible notes	1,112	2,052
Earnings for the purposes of diluted earnings per share	1,483,552	1,950,029

	GROUP	
	2011 '000	2010 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,946,882	1,943,647
Effect of dilutive potential ordinary shares:		
Share options	468	2,474
Convertible notes	154,884	164,811
Weighted average number of ordinary shares for the purposes of diluted earnings per share	2,102,234	2,110,932

	GROUP	
	2011	2010
Earnings per share (cents):		
Basic	76.14	100.22
Diluted	70.57	92.38

32 DIVIDENDS

For the financial year ended December 31, 2010, the directors declared a first and final one-tier tax exempt dividend of 6.29 cents (equivalent to 1.22 Singapore cents) per ordinary share amounting to RMB122,428,188, which was paid during 2011.

In 2010, RMB157,659,638 of dividends was paid in respect of a first and final one-tier tax exempt dividend of 8.11 cents (equivalent to 1.68 Singapore cents) per ordinary share declared for the financial year ended December 31, 2009.

No dividend has been declared for the financial year ended December 31, 2011.

33 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 investment 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	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Property development	8,523,867	7,123,411	2,467,594	3,713,646
Property investment	269,215	107,976	1,027,247	934,212
Others	194,360	152,363	(358,058)	(133,679)
Total	8,987,442	7,383,750	3,136,783	4,514,179

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	
	2011 RMB'000	2010 RMB'000
Property development	43,742,388	37,041,226
Property investment	7,424,858	6,022,678
Others	752,661	1,749,391
Total assets	51,919,907	44,813,295

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

33 SEGMENT INFORMATION (Cont'd)

Other segment information

	GROUP			
	Depreciation		Additions to non-current assets	
	2011 RMB'000	2010 RMB'000	2011 RMB'000	2010 RMB'000
Property development	18,506	19,060	6,486,046	9,893,997
Property investment	10,214	4,174	522,472	1,473,446
Others	5,335	4,569	20,445	5,263
Total	34,055	27,803	7,028,963	11,372,706

34 SHARE-BASED PAYMENTS

The options under the Scheme grant the right to the holder to subscribe for new ordinary shares of the Company at the discount of fifteen percent (15%) of the IPO offer share price of S$1.08. The options granted under the Scheme will be exercisable after the second anniversary of the date of grant of the options and all options must be exercised before the fifth anniversary from the date of grant of the options. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 1% of the issued share capital of the Company on the date immediately preceding the Offer Date of the Option.

Each option grants the holder the right to subscribe for one ordinary share in the Company. The options may be exercised in full or in part thereof. By virtue of the options, the holders do not have the right to participate in any share issue of the other companies in the Group. Options granted are cancelled when the holder is no longer a full time employee of the Company or any corporations in the Group subject to certain exceptions in accordance with the rules of the Scheme.

The above share option scheme is administered by a Pre-IPO Share Option Management Committee.

Details of the share options outstanding during the year are as follows:

	GROUP AND COMPANY			
	2011		2010	
	Number of share options '000	Weighted average exercise price S$	Number of share options '000	Weighted average exercise price S$
Outstanding and exercisable at beginning of year	4,572	0.92	5,312	0.92
Exercised during the year	(4,572)	0.92	(740)	0.92
Outstanding and exercisable at end of year	-	-	4,572	0.92

The weighted average share price at the date of exercise for share options exercised during the year was S$1.35 (2010 : S$1.78). Pursuant to the rules of the Scheme, the Scheme expired on May 10, 2011 and any unexercised options lapsed on June 20, 2011.

In 2011 and 2010, no expense related to equity-settled share-based payment transactions were recognised by the Group and the Company.

35 OPERATING LEASE ARRANGEMENTS

The Group as leasee

	GROUP	
	2011 RMB'000	2010 RMB'000
Minimum lease payments under operating leases recognised as an expense in the year	14,994	15,409

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Within one year	15,804	14,414
In the second to fifth year inclusive	19,622	12,928
More than five years	10,158	10,120
	45,584	37,462

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 3 years (2010 : less than 3 years).

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 RMB218 million (2010 : RMB112 million).

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Within one year	267,352	196,130
In the second to fifth year inclusive	645,886	630,095
More than five years	904,869	916,298
	1,818,107	1,742,523

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

36 CAPITAL EXPENDITURE COMMITMENTS

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

	GROUP	
	2011 RMB'000	2010 RMB'000
Construction of properties	2,258,892	2,681,588
Acquisition of land use rights	1,823,736	2,937,570
Additional payment to a non-controlling shareholder upon fulfilment of the terms of the share transfer agreement (Note 10)	1,135,127	-
Additional capital injection in a subsidiary	-	300,000
Others	918	5,892
	5,218,673	5,925,050

37 CONTINGENCIES AND GUARANTEES

As at December 31, 2011, the Group has provided guarantees of approximately RMB1.120 billion (2010 : RMB1.857 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 buy 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, 2011, the Company, together with five of its subsidiaries, has provided a joint guarantee to banks in respect of a loan facility granted to a subsidiary amounting to RMB945 million (equivalent to US$150 million) for a term of three years up to July 3, 2014.

As at December 31, 2011, the Company has provided a guarantee to a bank in respect of a loan facility granted to a subsidiary amounting to RMB243 million (equivalent to S$50 million) for a term of three years up to September 19, 2014.

As at December 31, 2011, 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 RMB153 million (equivalent to US$24 million).

As at December 31, 2010, the Company, together with six of its subsidiaries, had provided a joint guarantee to banks in respect of a loan facility granted to a subsidiary amounting to RMB2.649 billion (equivalent to US$400 million) and up to December 17, 2012. On June 20, 2011, the loan and interest payable were fully repaid and the loan facility was cancelled accordingly.

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

38 EVENTS AFTER THE REPORTING PERIOD

On February 6, 2012, the Company had fully redeemed the outstanding Notes 2012. The holders of the outstanding Notes 2012 were paid the principal amount of RMB119 million (equivalent to S$24 million) together with the interest of RMB26 million (equivalent to S$5 million), accrued based on the rate of 4.0% per annum, compounded semi-annually as at February 6, 2012.

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 2011	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) FY 2011
Pretty Honour Investment Limited*	RMB20,538,000	Not applicable

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

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

SHAREHOLDING STATISTICS

As at March 12, 2012

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

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 - 999	12	0.13	903	0.00
1,000 - 10,000	6,330	70.68	33,029,864	1.70
10,001 - 1,000,000	2,580	28.81	108,402,403	5.56
1,000,001 and above	34	0.38	1,807,303,306	92.74
TOTAL	**8,956**	**100.00**	**1,948,736,476**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholder	No. of Shares	Percentage %
YANLORD HOLDINGS PTE. LTD.	920,790,000	47.25
UOB KAY HIAN PTE LTD	460,925,658	23.65
HL BANK NOMINEES (SINGAPORE) PTE LTD	101,337,000	5.20
CITIBANK NOMINEES SINGAPORE PTE LTD	59,179,930	3.04
BNP PARIBAS SECURITIES SERVICES SINGAPORE	49,235,919	2.53
HSBC (SINGAPORE) NOMINEES PTE LTD	41,473,695	2.13
DBS NOMINEES PTE LTD	32,873,919	1.69
DBSN SERVICES PTE LTD	22,102,083	1.13
RAFFLES NOMINEES (PTE) LTD	21,289,116	1.09
DB NOMINEES (SINGAPORE) PTE LTD	12,410,541	0.64
UNITED OVERSEAS BANK NOMINEES (PTE) LTD	12,060,840	0.62
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	11,080,000	0.57
WANG NANHUA	9,538,000	0.49
MAYBANK KIM ENG SECURITIES PTE LTD	9,220,000	0.47
MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	7,829,811	0.40
PHILLIP SECURITIES PTE LTD	4,504,000	0.23
CIMB SECURITIES (SINGAPORE) PTE LTD	2,869,000	0.15
OCBC SECURITIES PRIVATE LTD	2,725,000	0.14
ONG ENG LOKE	2,140,000	0.11
BNP PARIBAS NOMINEES SINGAPORE PTE LTD	2,000,000	0.10
TOTAL	**1,785,584,512**	**91.63**

SHAREHOLDING STATISTICS

As at March 12, 2012

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Percentage (%)	Deemed Interest	Percentage (%)	Total Interest (%)
	No. of Shares Held				
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
LIM ENG HOCK[3]	-	-	117,429,000	6.03	6.03
WEE EE CHAO	-	-	97,543,000	5.01	5.01
KUOK KHOON HONG[4]	-	-	97,582,600	5.01	5.01
MARTUA SITORUS[5]	-	-	99,309,000	5.10	5.10
TERZETTO CAPITAL LIMITED	99,309,000	5.10	-	-	5.10
BURLINGHAM INTERNATIONAL LIMITED[6]	-	-	99,309,000	5.10	5.10
K INVESTMENT SERVICES LIMITED	-	-	99,309,000	5.10	5.10
RIDGWAY CAPITAL LIMITED[7]	-	-	99,309,000	5.10	5.10
HPRY HOLDINGS LIMITED[8]	7,398,600	0.38	90,543,000	4.65	5.03

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 Lim Eng Hock is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited and Meriton Capital Limited.

4 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.

5 Martua Sitorus is deemed to have an interest in the shares of the Company held by Burlingham International Limited.

6 Burlingham International Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.

7 Ridgway Capital Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.

8 HPRY Holdings Limited is deemed to have an interest in the shares of the Company held by Terzetto Capital Limited.

Based on the information available to the Company as at 12 March 2012, approximately 24% 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.

CORPORATE GOVERNANCE STATEMENT

Yanlord Land Group Limited ("Company" and its group of companies, "Group") is committed to complying with the Code of Corporate Governance 2005 ("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 and major undertakings. 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 number of meetings held and attended by each of the Board and Board Committees is as 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	6	6	—	—	1	1	—	—	1	1
Zhong Siliang	6	6	—	—	—	—	—	—	—	—
Chan Yiu Ling	6	6	—	—	—	—	—	—	—	—
Hong Zhi Hua	6	6	—	—	—	—	—	—	—	—
Ronald Seah Lim Siang	6	6	5	5	1	1	1	1	—	—
Ng Ser Miang	6	6	—	—	1	1	—	—	1	1
Ng Shin Ein	6	6	5	5	—	—	1	1	1	1
Ng Jui Ping	6	6	5	5	—	—	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 new director, upon appointment, would be given information on the Group's business, structure and corporate and strategic direction. The directors are also encouraged to visit the development sites of the Group as and when time permits, and to receive further relevant briefings, particularly on relevant new laws and regulations, from time to time, if necessary.

CORPORATE GOVERNANCE STATEMENT

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

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.

Principle 3: Chairman and Chief Executive Officer

Zhong Sheng Jian currently fulfills the role of Chief Executive Officer ("CEO") and Chairman of the Board ("Chairman").

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, Zhong Sheng Jian is responsible for, among others, exercising control over the quality, quantity and timeliness of the flow of information between the management of the Company ("Management") and the Board, and assisting in ensuring compliance with the Company's guidelines on corporate governance.

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 who is not directly associated with a substantial shareholder as prescribed in the Code. The other 2 members are Zhong Sheng Jian and Ronald Seah Lim Siang. The NC is guided by its terms of reference which set out its responsibilities. The NC is responsible for:

(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 and contribution of each director to the effectiveness of the Board.

CORPORATE GOVERNANCE STATEMENT

A new director would be appointed by the Board after taking into consideration the recommendation made by the NC. 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.

The Company has in place a system to assess the performance of the Board as a whole and the contribution of each director to the effectiveness of the Board ("Performance Assessment"). The results of the Performance Assessment were reviewed by the NC and circulated to the Board for consideration thereafter.

The NC, in considering the re-appointment of any director, evaluates the performance of the director. The assessment parameters include attendance record at meetings of the Board and Board Committees, intensity of participation at meetings and the quality of interventions.

The Board adopts the independence test recommended by the Code. Taking into account the independence test, the NC considers and determines the independence of directors.

Key information regarding the directors is set out in this 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 Company's Management and Company Secretary at all times.

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 its 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 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 of the executive directors. 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 reviews the remuneration of senior management and administers the Company's Share Option Scheme 2006.

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) 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 remuneration from the Company.

The remuneration (which includes basic salaries, annual performance incentive, directors' fees and other benefits including benefits-in-kind) paid or payable to each of the following personnel as at 31 December 2011 ("FY2011") based on their respective employment periods served in FY2011, in bands of S$250,000, are as follows:

(1) Remuneration of Directors for FY2011

Remuneration Band	Basic Salary	Annual Performance Incentive	Directors' Fees	Other benefits including Benefits-in-kind	Total
S$250,000 to S$499,999					
Zhong Sheng Jian	96.2%	0	0	3.8%	100%
Below S$250,000					
Chan Yiu Ling	100%	0	0	0	100%
Hong Zhi Hua	100%	0	0	0	100%
Zhong Siliang	100%	0	0	0	100%
Ronald Seah Lim Siang	0	0	100%	0	100%
Ng Ser Miang	0	0	100%	0	100%
Ng Shin Ein	0	0	100%	0	100%
Ng Jui Ping	0	0	100%	0	100%

(2) Remuneration of the top 5 Key Executive Officers (who are not also directors) for FY2011

Remuneration Band	Basic Salary	Annual Performance Incentive	Directors' Fees	Other benefits including Benefits-in-kind	Total
S$250,000 to S$499,999					
Tan Shook Yng	100%	0	0	0	100%
Zhuang Hui Ping	100%	0	0	0	100%
Below S$250,000					
Chen Yue	100%	0	0	0	100%
Dai Gang	100%	0	0	0	100%
Lam Ching Fung	100%	0	0	0	100%

CORPORATE GOVERNANCE STATEMENT

(3) 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$150,000 during the year.

Remuneration Band	Position	Relationship	Basic Salary	Annual Performance Incentive	Directors' Fees	Other benefits including Benefits-in-kind	Total
Below S$250,000							
Zheng Xi	Vice-Chairman of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian; and uncle of Zhong Siliang, an executive director	100%	0	0	0	100%
Chung Chiu Yan	Director of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian; and father of Zhong Siliang, an executive director	100%	0	0	0	100%

The Company has the following share option schemes:

(1) Yanlord Land Group Pre-IPO Share Option Scheme, which expired on 10 May 2011; and
(2) Yanlord Land Group Share Option Scheme 2006 (collectively, the "Schemes").

Details of the Schemes 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 information, which present a balanced and comprehensive assessment of the Group's performance, financial position and prospects on a regular basis.

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 Audit Committee. The Board reviews and approves the results and authorizes the release of results to the public via SGXNET.

Principle 11: Audit Committee ("AC")

The AC comprises 3 independent 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.

CORPORATE GOVERNANCE STATEMENT

The AC assists the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, 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 AC meets periodically to perform the following functions:

(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 SGX-ST Listing Manual and any other relevant statutory or regulatory requirements;

(c) review the internal control procedures and ensure co-ordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems 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 SGX-ST 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 RMB8 million to the external auditors, comprising audit fees of RMB5 million and non-audit services fee of RMB3 million for the year under review. In compliance with Rule 1207(6)(b) of the Listing Manual issued by Singapore Exchange Securities Trading Limited, the AC confirmed that it has undertaken a review of all non-audit services provided by the external auditors and they would not, in the AC's opinion, affect the independence of the external auditors.

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

Principle 12: Internal Controls

The Board is responsible for the Company's internal control measures to safeguard shareholders' investments. 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.

CORPORATE GOVERNANCE STATEMENT

The Board, with the concurrence of the AC, is satisfied that in the absence of any evidence to the contrary, there are adequate internal controls in the Company addressing financial, operational and compliance risks.

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 China.

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 reports directly to the AC chairman, and administratively to the Chairman and CEO.

The key role of the Internal Audit is to promote effective internal control in the Group and to monitor the performance and effective application of internal control procedures. The Internal Audit is expected to meet the standard set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC is satisfied that the Company's internal audit function is adequately resourced.

COMMUNICATION WITH SHAREHOLDERS

Principles 14 & 15: Communication with Shareholders

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. 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.

The Company 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.

At the AGM, shareholders will be given the opportunity to express their views and make enquiries regarding the business and operations of the Group. Separate resolutions are proposed for substantially separate issues at the AGM.

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-ST. 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 OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("AGM") of Yanlord Land Group Limited ("Company" or "Yanlord") will be held on Wednesday, 25 April 2012 at 2.00 p.m. at the Taurus Room, 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 2011 together with the auditors' report thereon.

(Resolution 1)

2. To approve the payment of Directors' Fees of S$400,000 (equivalent to approximately RMB2,055,960) for the year ended 31 December 2011 (FY2010: S$400,000, equivalent to approximately RMB1,963,320).

(Resolution 2)

3. 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 3a)**
   b) Hong Zhi Hua **(Resolution 3b)**
   c) Ng Shin Ein **(Resolution 3c)**

4. To re-appoint Messrs Deloitte & Touche LLP, Singapore as Auditors of the Company and to authorize the Directors to fix their remuneration.

(Resolution 4)

AS SPECIAL BUSINESS

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

5A. 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);

NOTICE OF ANNUAL GENERAL MEETING

(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 5)

5B. 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 in the capital of the Company 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 in the capital of the Company from time to time.

(Resolution 6)

5C. 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 shares fully paid in the capital of the Company 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) on 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 generally and unconditionally ("Share Buyback Mandate");

NOTICE OF ANNUAL GENERAL MEETING

(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,

whichever is earlier.

In this Resolution:-

"Maximum Percentage" means that number of issued shares representing not more than 10% of the total number of issued and fully paid-up 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, 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 holders of shares, 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.
{Please refer to below Note (vi)} **(Resolution 7)**

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

BY ORDER OF THE BOARD
Tan Shook Yng
Company Secretary

10 April 2012
Singapore

NOTICE OF ANNUAL GENERAL MEETING

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 3c: Ng Shin Ein who is considered an independent director will, upon re-appointment as a Director of the Company, remain as Chairman of the Risk Management Committee and member of the Audit and Remuneration Committees.

(iv) Resolution 5, if passed, is to empower the Directors from the date of the AGM to be held on 25 April 2012 until the date of next AGM, to issue shares in the Company 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).

(v) Resolution 6, 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 in the capital of the Company 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 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time.

(vi) Resolution 7 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.

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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 2011 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 Meeting (defined below), 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 annual general meeting of the Company ("Meeting") to be held at the Taurus Room, Marina Mandarin Singapore, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Wednesday, 25 April 2012 at 2.00 p.m. and at any adjournment thereof. (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 Meeting. 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	Approval of Directors' Fees		
3	(a) Re-election of Zhong Siliang as Director		
	(b) Re-election of Hong Zhi Hua as Director		
	(c) Re-election of Ng Shin Ein as Director		
4	Re-appointment of Auditors		
	SPECIAL BUSINESS		
5	Authority for Directors to issue shares and convertible securities		
6	Authority for Directors to grant options and to issue shares under Yanlord Share Option Scheme 2006		
7	Renewal of Share Buyback Mandate		

Dated this __________ day of _______________ 2012

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

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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 Meeting 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 Meeting, 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 Meeting, 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 Meeting.

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YANLORD

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