

YANLORD LAND GROUP LIMITED

ANNUAL REPORT
20

18



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**MAINTAINING
OUR LEAD
WORKING AS ONE
TO PAVE THE WAY
FORWARD**



People are our greatest asset. Working in synergy has propelled Yanlord to grow from strength to strength in every way. We strive to empower the development of human capital and bring out the best in our people, which will in turn bring out the best of Yanlord and propel our brand further.

KEY FIGURES

RMB

24.888B

REVENUE

RMB

3.545B

PROFIT ATTRIBUTABLE
TO OWNERS OF THE
COMPANY

SGD

6.80¢

PROPOSED
DIVIDEND

10.2%

GROWTH IN PROFIT
ATTRIBUTABLE TO OWNERS
OF THE COMPANY

46.0%

GROSS PROFIT
MARGIN

RMB

36,293

AVERAGE SELLING
PRICE PER SQM

RMB

10.317B

CASH AND CASH
EQUIVALENTS

MISSION

**MANAGING WITH
BENEVOLENCE AND
INTEGRITY, ACHIEVING
PERPETUITY THROUGH
PERSEVERANCE**

2



ABOUT US

YANLORD DEVELOPS HIGH QUALITY PROPERTIES THAT DISTINGUISH OURSELVES AMIDST THE LOCALITIES THAT WE ARE IN. PROPERTIES DEVELOPED BY US ARE CHARACTERISED BY OUTSTANDING ARCHITECTURAL DESIGN AND QUALITY CONSTRUCTION. WITH A TRACK RECORD IN DEVELOPMENTS LOCATED AT PRIME LOCATIONS, OUR BRAND NAME, JUST LIKE THE PROPERTIES WE BUILD, IS AN ICON IN ITSELF.

**STANDING
FIRM
BUILDING
ON STRONG
FOUNDATIONS**


CROWNE PLAZA
SANYA HAITANG BAY RESORT
三亚海棠湾皇冠假日度假酒店



Building on a solid track record has enabled Yanlord to remain resilient in a dynamic Chinese economy. Guided by more than two decades of experience operating in the real estate industry, we are able to navigate challenges effectively and deliver steadfast results to our stakeholders.

SANYA
HAI TANG BAY -
LAND PARCEL 9
三亚海棠湾二9号地块

BOLD

**EXECUTING BOLD
STRATEGIES
INVESTING IN
HIGH-GROWTH
CITIES**



An architectural rendering of a modern urban development at dusk. The scene features several high-rise buildings with illuminated windows, creating a warm glow against the deep blue twilight sky. In the foreground, a wide, paved plaza is visible with a few stylized figures of people walking and a small dog. The buildings have a contemporary design with a mix of dark and light facades. The overall atmosphere is one of a vibrant, modern city environment.

At Yanlord, we seek to identify valuable opportunities that deliver high yield. Capitalising on our strengths and sizeable landbank in prime locations within high-growth cities in the PRC, this places us in an ideal position to tap into long-term growth prospects to generate greater returns.

STAYING ON THE CUTTING EDGE INNOVATING TO ENHANCE STAKEHOLDER VALUE

EDGE





We value innovation and it shows. Yanlord's properties and developments are defined by exceptional architectural design and quality construction. This sets us apart from the competition and enables us to stay relevant in today's evolving times.



LEFT AND ABOVE
**HANGZHOU
INTELLIGENT CITY PROJECT**
杭州传化科技城项目

OUR CORPORATE PHILOSOPHY

**"TO DEVELOP LAND
WITH DEVOTION AND
BUILDING QUALITY
ACCOMMODATION
WITH PASSION"**

10

Yanlord
Land Group
Limited

Dear Shareholders,

On behalf of the Board of Directors, it is with great pleasure that I present to you Yanlord Land Group Limited's ("Yanlord" or "Company", and together with its subsidiaries, the "Group") annual report for the financial year ended 31 December 2018 ("FY 2018").

FY 2018 was a volatile year characterised by policy undertones as the People's Republic of China ("PRC") central government actively sought to deleverage, reduce overcapacity and restructure the economy. The policy changes and tighter credit environment in the PRC affected sectors across the country including the real estate sector which continues to be a key pillar of the

Chinese economy. Austerity measures which included purchase restrictions and price caps coupled with the impact of credit policies and cost pressures affected the investment appetite of the sector in general. Against the backdrop of these mixed economic signals and muted global market sentiments, Yanlord's performance continued to be resilient, FY 2018 revenue was largely stable at RMB24.888 billion. Despite the challenges of the macro environment, we saw a healthy 10.2% increase in profit attributable to owners of the Company to RMB3.545 billion compared to FY 2017.

Yanlord's brand equity as a developer of quality homes in the PRC continues to win the recognition of homebuyers, reflecting this market support, average selling price ("ASP") and gross profit margin for the Group continued to lead in the PRC property sector at RMB36,293 per square metre ("sqm") and 46.0% respectively in FY 2018.

While austerity measures may create some near-term volatilities, we remain confident about the outlook for the PRC real estate sector and we would like to take this opportunity to share our views and continued confidence about the outlook of the PRC real estate industry as well as the Group's sustainable growth strategy and future development.

EXCEL

**ZHONG
SHENG JIAN**

Chairman and CEO

**DETERMINED
TO EXCEL**

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Annual
Report
2018



LANDBANKING THROUGH PUBLIC TENDERS, COLLABORATIONS AND ACQUISITIONS

While market sentiments in 2018 were generally tapered owing to the introduction of additional austerity measures, we were nonetheless able to identify attractive opportunities to augment our landbank holdings. Capitalising on our healthy financial position, we actively sought out opportunities to expand our landbank by acquiring projects through public land tenders at reasonable land cost as well as strategic partnership with other developers with existing prime landbanks, mainly in Tianjin, Hangzhou, Nanjing, Suzhou, Nantong and Shenzhen. As at 31 December 2018, we have a total prime landbank of approximately 8.06 million sqm situated across key gateway and high-growth cities across the PRC.

In 2018, we made our maiden foray into the Singapore property market. Following our initial collaboration with Hongkong Land Holdings Limited in Hangzhou, we made the winning joint bid for the freehold Tulip Garden site in Singapore's prime District 10 region in April 2018.

In addition to land banking, we actively review our processes to enhance efficiencies while maintaining our commitment to product quality. Testament to our efforts, New Tang's Mansion in Suzhou, a project whereby we acquired and launched within a year in November 2018 to a strong buyer demand. Building on our brand recognition and core competencies in property development and project management, the Group entered into three strategic collaborations with state-owned companies in Shanghai to oversee the project management of approximately 4,300 rental housing units in Shanghai with a total gross floor area of approximately 400,000 sqm. Through these collaborations, Yanlord will gain a foothold for future opportunities within the state supported and rapidly expanding rental housing market in the PRC and further enhance revenues from the provision of project management services.

PROPERTY INVESTMENT AND HOTEL OPERATIONS PORTFOLIO

2018 was a significant year of development for our Hospitality division as we welcomed the addition of two new five-star hotels in Sanya and Zhuhai respectively. Crowne Plaza Sanya Haitang Bay Resort managed by the the InterContinental Hotels Group PLC, officially opened in February 2018. Winning the hearts of many tourists, Crowne Plaza Sanya Haitang Bay Resort was awarded the "Most Family-Friendly Hotel" in the 18th China Hotel Industry Golden Horse Awards and is currently the best ranked hotel by customer satisfaction in the Haitang Bay area on Ctrip.com, one of the largest online travel portals in the PRC.

Crowne Plaza Sanya Haitang Bay Resort generated revenues of approximately RMB123 million for its initial 11 months of operation. In October 2018, we opened the doors to the InterContinental Zhuhai. Being part of the Yanlord Marina Centre development, the hotel becomes a new landmark of the Greater Bay Area overlooking the newly opened Hong Kong-Zhuhai-Macau Bridge. With the injection of these new projects and maturity of our product offering, we are confident that contribution from our property investment and hotel operations portfolio will grow steadily to complement Yanlord's property development business segment and further strengthen our competitive advantage within the industry.

SANYA
HAI TANG BAY -
LAND PARCEL 9
三亚海棠湾-9号地块



SUSTAINABILITY REPORT

Since our inception in 1993, Yanlord has adhered to our corporate philosophy “to develop land with devotion and building quality accommodation with passion”, we continue to strive for excellence in our business development, employee engagement and property management which have won the recognition of both our clients and industry peers. Testament to our efforts, we have attracted numerous notable international hospitality management companies and renowned retail brands as business partners. Driven by our commitment to enhance the corporate governance, regulations and procedures for the future development of the Group, we will publish our 2018 Sustainability Report according to “Sustainability Report Requirement” of Global Reporting Initiative (GRI).

OUTLOOK

While 2018 proved to be a volatile year for the real estate sector, we are heartened by the recent developments subsequent to the end of the year such as the official announcement of the master plan for the Greater Bay Area development as well as relaxations in the macro credit and tax environment in the PRC. Spurred by this positive catalyst, Chinese equity markets and new property transaction volumes respectively registered a healthy month on month recovery. With previously suppressed real demand for property returning to the market coupled with demand arising from new families and a growing talent pool due to urbanisation within high-growth cluster cities, we remain positive on the long-term outlook of the PRC real estate sector. Capitalising on our track record and comparative advantages in the development of quality projects as well as our sizeable landbank in prime locations within high-growth cities, we are well poised to tap on the long-term growth prospects of the PRC real estate sector to generate greater returns for our stakeholders.

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. The Board of Directors is pleased to propose a first and final dividend of 6.80 Singapore cents (equivalent to approximately 33.33 Renminbi cents) per ordinary share for FY 2018. Looking ahead, we will continue to build on our proven business strategies and endeavor to increase shareholder value through better operational and financial performance.

ZHONG SHENG JIAN

Chairman and CEO

尊敬的各位股东：

2018年是全球经济动荡不安的一年。为对冲经济风险，中国政府继续以“去产能、去库存、去杠杆、降成本、补短板”为重点，对不同行业进行调整。房地产开发作为中国经济支柱之一，融资、建造、销售等各个环节都不同程度地受到影响，信贷收紧、建材涨价等因素与城市政府普遍实施的“限购”相叠加，在一定程度上抑制了地产投资与周转。限购等调控措施贯穿全年，交易门槛持续提升。持续调控促使房企调整受控地区项目的销售策略，市场信号变得复杂。仁恒总体表现平稳，2018年营业收入达人民币248.88亿元与2017年总体持平，其中毛利率保持在46.0%的健康水平，而归属公司股东应占利润则取得稳健的10.2%增长，达人民币35.45亿元；集团获利能力、销售单价仍是中国大陆规模地产企业中的佼佼者。集团全年物业销售均价为人民币36,293元/平方米，在行业中首屈一指，这也体现出了仁恒的行业标杆地位。

2018年市场波动虽然较大，但2019年经济形势开始企稳，本人在此向各位股东提报2018年诸项业绩同时，也将董事局的策略思考与诸位做一分享。

增持重点城市的土地储备、品牌实力驱动业务拓展

2018年，中国大陆土地市场在各方预期逐渐消极的影响下开始降温，到下半年流拍土地增多。集团凭借之前负债率低的优势，股权收购与公开竞拍并举，在已经布局的重点城市增持土地，主要分布在天津、杭州、苏州、南京和南通，另深圳获取两个城市更新项目。其中通过并购而来的苏州浅棠平江，由仁恒去年开始接管建设，同年11月进入销售，集中体现仁恒的开发管理能力与品牌影响。

截至去年年底，集团土地储备约806万平方米，除位于新加坡的本年度新获土储，全部集中在中国城市化最有潜力的区域，发展后劲毋庸置疑。仁恒将继续立足已布局城市，伺机扩大储备。此外，集团与香港置地继在中国杭州合作开发后，于去年4月联手竞得新加坡金香园之整体开发权，此永久地契地块的开发将成为集团拓展新加坡市场的起点。仁恒在25年开发实践中形成了覆盖“设计研发—工程管理—物业维护”产品生命周期的开发管理能力，在持续赢得高端客户青睐的同时，也得到中国地方政府的信赖。2018年，集团在上海和政府国资集团共有3个合作计划，仁恒负责建设商品住宅与人才公寓，合计约4300套，总建筑面积约40万平方米。

集团投资类物业及酒店经营再添一处城市地标

2018年无疑是仁恒“酒店之年”，我们在三亚和珠海新增了两间新的5星级酒店。2月投入使用的三亚海棠湾仁恒皇冠假日度假酒店业绩喜人，11个月实现营业收入人民币1.23亿元，在中国酒店最大酒店预订门户网站之一的携程网上的满意度评分居三亚海棠湾之首。在第18届中国饭店金马奖评选中，该酒店获“中国最佳亲子酒店”荣誉。10月，位于世纪工程“港珠澳大桥”桥头的粤港澳大湾区地标—珠海仁恒滨海中心启用，位于该项目A标段的珠海洲际酒店隆重闪耀登场，一举刷新特区酒店业服务标准。仁恒长期持有资产与销售周转资产的结构进一步优化。





ZHUHAI
YANLORD
MARINA CENTRE
珠海仁恒滨海中心

可持续发展

“善待土地，用心造好房”是仁恒25年从事地产开发一直贯彻始终的建设理念。本着围绕打造高品质产品，仁恒形成了一整套开发管理流程、用人用工制度、以及物业管理规范，为企业的可持续发展打下了坚实基础。近年来，随着集团多元化发展，与国际酒店管理公司、跨国企业、著名零售品牌的合作越来越多，我们在事关企业发展的“环境、社会及公司治理”各方面的理念、规范及操作流程都有进步提升。2018年集团按照全球规范汇报体系(GRI)中的“可持续发展”类项目分类，编制了首份可持续发展报告。

未来展望

在准备本年报期间，中国政府发布粤港澳大湾区发展规划，于此同时，一系列减税降费措施出台，受此利好举措影响，中国股市出现强力反弹，房市表现也开始好转。种种迹象表明，中国的城市集群发展仍有广阔空间，居民的投资能力与意愿在过去一段时间受到压抑，如果经济政策因势利导，国际经济环境继续走向合作共赢，则中国的地产仍旧有长期发展空间，而仁恒所布局的城市必定会成为未来发展的引擎，吸纳更多年轻人群，孕育更多社会财富。虽然短期市场波动难免，但我们坚信仁恒对于开发品质的坚守、稳健的发展策略，必定使我们成为中国长期经济发展的受益者，持续为集团股东创造价值。

致谢

本人谨代表仁恒董事局感谢股东的关心和支持，集团董事局建议每股派发新币6.80分(等值人民币33.33分)的首次及末期股息。未来我们将更加勤勉地工作，以更好的业绩回报股东。

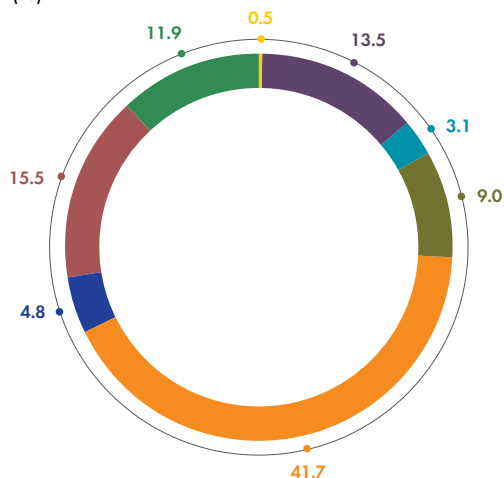
钟声坚

集团董事局主席兼总裁

“仁恒在25年开发实践中形成了覆盖“设计研发—工程管理—物业维护”产品生命周期的开发管理能力，在持续赢得高端客户青睐的同时，也得到中国地方政府的信赖。”

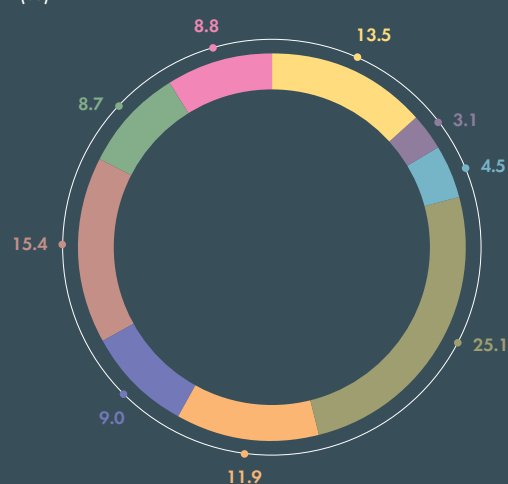
OPERATIONAL HIGHLIGHTS

**PROPERTY SALES CONTRIBUTION
BY CITY IN FY 2018**
(%)



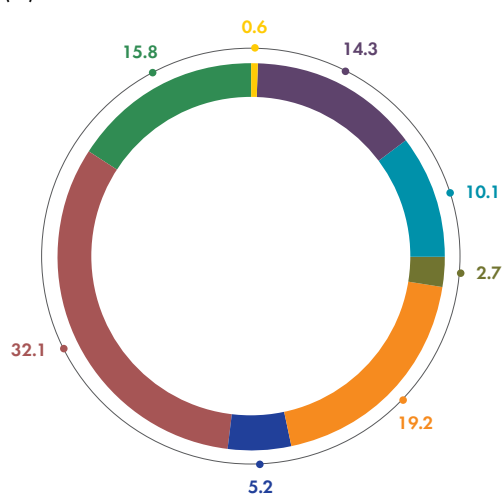
- Chengdu
- Nanjing
- Nantong
- Sanya
- Shanghai
- Suzhou
- Tianjin
- Zhuhai

**PROPERTY SALES CONTRIBUTION
BY PROJECT IN FY 2018**
(%)

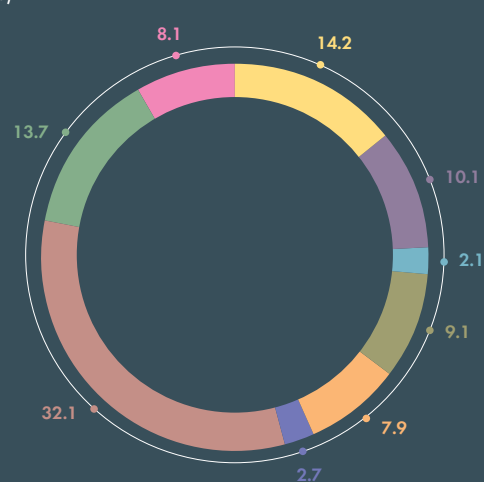


- Nanjing Oasis New Island Gardens
- Nantong Four Seasons Gardens (Phase 1)
- Shanghai Yanlord Eastern Gardens
- Shanghai Yanlord on the Park
- Shanghai Yanlord Western Gardens
- Sanya Hai Tong Bay - Land Parcel 9
- Tianjin Jinnan Land
- Zhuhai Yanlord Marina Peninsula Gardens (Phase 1 and 2)
- Others

**GROSS FLOOR AREA CONTRIBUTION
BY CITY IN FY 2018**
(%)

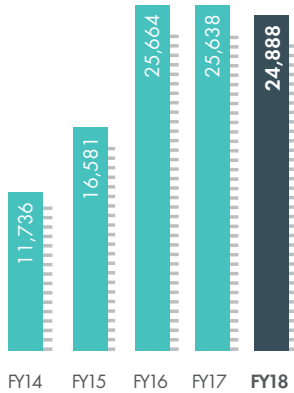


**GROSS FLOOR AREA CONTRIBUTION
BY PROJECT IN FY 2018**
(%)

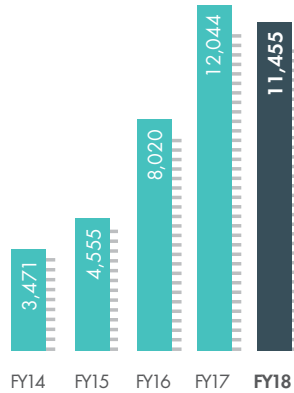


FINANCIAL HIGHLIGHTS

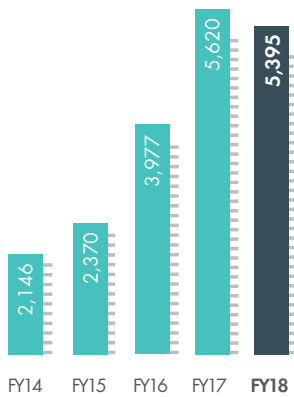
REVENUE (RMB MILLION)



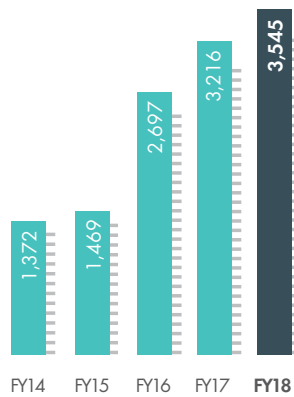
GROSS PROFIT (RMB MILLION)



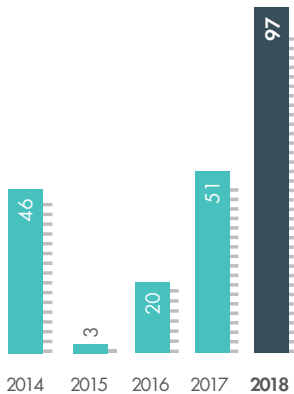
PROFIT FOR THE YEAR (RMB MILLION)



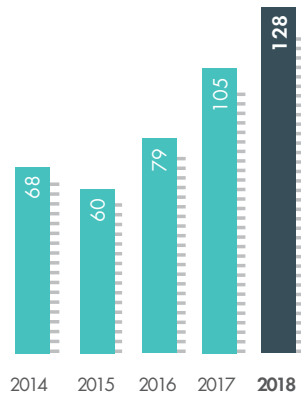
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB MILLION)



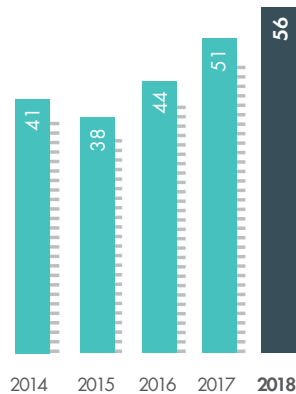
NET DEBT / EQUITY¹ (%) As at December 31



TOTAL DEBT / EQUITY¹ (%) As at December 31



TOTAL DEBT / CAPITALISATION² (%) As at December 31



¹ Equity = Equity attributable to owners of the Company + Non-controlling interests

² Capitalisation = Total debt + Equity attributable to owners of the Company + Non-controlling interests

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SHANGHAI 寓

YANLORD ON THE PARK

18

Yanlord
Land Group
Limited

Ideally situated in close proximity to the Lujiazui Financial District within the key residential area of the Shanghai Century Park International Community District, Yanlord on the Park has a gross floor area ("GFA") of approximately 148,000 sqm and is bordered by the city's arterial thoroughfares such as Jin Kang Road, Pujian Road and the Yanggao South Road. Encapsulating the best of city centre living with a comprehensive suite of amenities such as the lush natural surroundings of the million square metre Century Park, the Shanghai Oriental Arts Centre and the Shanghai Science and Technology Museum. The project will capitalise on the continued eastward expansion of the Lujiazui Financial District and offers our discerning residents with homes that will meet both the requirements of their busy business schedules as well as their recreational needs.



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SHANGHAI

YANLORD WESTERN GARDENS



Located in Shanghai's traditional upscale residential area of Xujing, the site resides in an area with one of the highest concentration of international schools in Shanghai and is in close proximity to the Hongqiao Transportation Hub. With key infrastructures such as Hongqiao Airport in operation and the new Metro Line No.17 which has been completed, the site benefits from the excellent connectivity to become a leading international community in the area. With a site area of approximately 137,000 sqm, the approximately 248,000 sqm GFA development has a building density of 30% and approximately 40% greenery coverage.

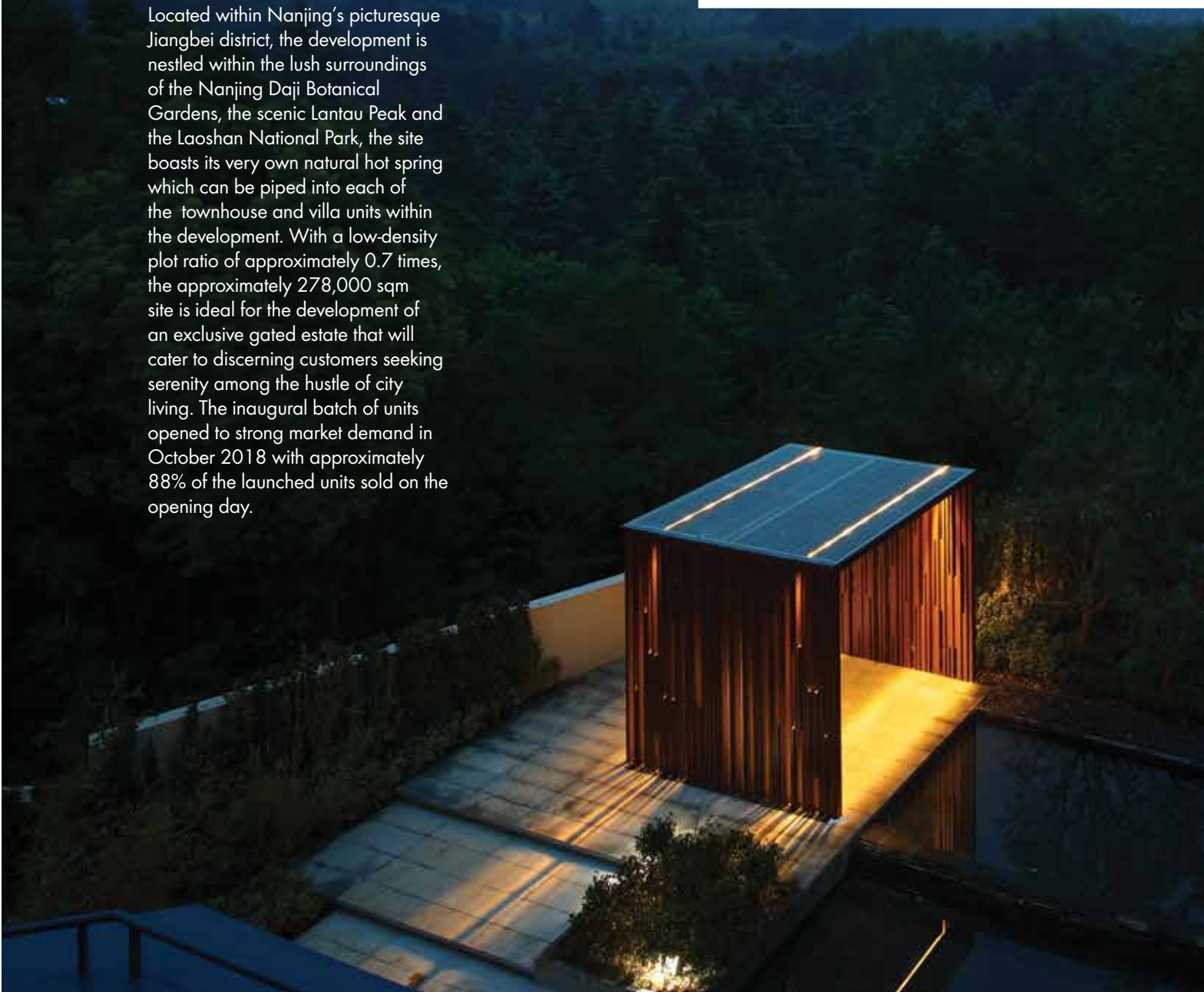


PROJECT SHOWCASE

凤凰山居
NANJING

YANLORD PHOENIX HILL

Located within Nanjing's picturesque Jiangbei district, the development is nestled within the lush surroundings of the Nanjing Daji Botanical Gardens, the scenic Lantau Peak and the Laoshan National Park, the site boasts its very own natural hot spring which can be piped into each of the townhouse and villa units within the development. With a low-density plot ratio of approximately 0.7 times, the approximately 278,000 sqm site is ideal for the development of an exclusive gated estate that will cater to discerning customers seeking serenity among the hustle of city living. The inaugural batch of units opened to strong market demand in October 2018 with approximately 88% of the launched units sold on the opening day.



绿洲
新岛
花园
NANJING

OASIS NEW ISLAND GARDENS



Ideally situated within the Sino-Singapore Nanjing Eco Hi-tech Island – a flagship economic collaboration program developed under the auspices of the Singapore Jiangsu Cooperation Council – Oasis New Island Gardens rests along the island's idyllic riverfront offering an unobstructed view of the Yangtze River and is in close proximity to the New One North Science Park.

Well connected via planned key thoroughfares running through the island as well as the adjacent metro station of the Metro Line No. 10, the approximately 369,000 sqm GFA mixed development will not only feature prime residential offerings but also provide a comprehensive suite of serviced apartments, offices and retail amenities to meet the needs of its residents.

仁
恒
置
地
广
场

CHENGDU 场

YANLORD LANDMARK



Yanlord Landmark is a key property investment project of Yanlord in Western China. Located at the heart of Chengdu's Central Business District along major arterial roads, the project neighbours top-grade office buildings, 5-star hotels and luxury department stores. It is ideally situated with the Metro Line No. 1 and other business resources in close vicinity. Yanlord Landmark has a GFA of approximately 166,000 sqm above ground and incorporates office areas, serviced apartments and a high-end shopping mall offering retail, conference, residence, and other business and recreation facilities. It is positioned to be a top-end property that represents the highest technical and service standards and caters to the needs of MNCs which plan to locate their regional headquarters in Chengdu. Yanlord Landmark is designed by world renowned architectural

consultants ensuring that the project excels in all aspects ranging from engineering and landscaping to business operation. Commencing its operations in 2010, Yanlord Landmark continues to contribute to Chengdu's integration into the global business arena and has successfully attracted numerous international MNCs such as Mitsubishi, Novartis and Royal Dutch Shell. Managed by Fraser Hospitality from Singapore, the serviced apartment tower in Yanlord Landmark began its operations in December 2010 and offers premier levels of luxury and comfort that target the demands of high-end business travellers. 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, Prada, Versace and Ermenegildo Zegna.



PROJECT SHOWCASE

江
湾
雅
园
SUZHOU

RIVERBAY GARDENS

Ideally situated within Suzhou's city administrative district, the Gusu district, the approximately 296,000 sqm Riverbay Gardens enjoys excellent connectivity via key thoroughfares and is adjacent to stations of the city's Metro Lines No. 2 and 5 which is currently under construction. Future residents of the project will also benefit from the comprehensive and mature suite of lifestyle amenities such as shopping malls, hospitals, libraries and schools available to cater to their lifestyle needs.

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Yanlord
Land Group
Limited



浅
棠
平
江
SUZHOU

NEW TANG'S MANSION

Cradled by the lush natural surroundings of Suzhou's Huqiu Wetland Park, the approximately 139,000 sqm New Tang's Mansion is ideally situated within Suzhou's city administrative district, the Gusu district. A scenic home straddling city living with natural tranquillity, the project enjoys excellent connectivity via key thoroughfares and is adjacent to stations of the city's Metro Lines No. 2, 4 and the planned No. 8. A key lifestyle and entertainment hub, future residents of the project will benefit from a comprehensive suite of lifestyle amenities such as shopping malls, hospitals, libraries and schools available to cater to their every lifestyle need.



杭州
传化
科技
城
项目

HANGZHOU

INTELLIGENT CITY PROJECT

The approximately 746,000 sqm GFA Hangzhou Intelligent City Project marks Yanlord's maiden entry into Hangzhou. Ideally situated within the core of Xiaoshan Technology City, a keystone to Hangzhou's Greater Bay initiative, the site has been designated as a key international district and seeks to attract global education, healthcare, hospitality and technology research operators as well as professionals who will augment Hangzhou's role as a key technology hub in China. Well connected via key thoroughfares and stations of the city's planned Metro Lines No.1, 10 and 11, the project will offer future residents with a comprehensive suite of lifestyle services such as schools from early development to tertiary, healthcare and other commercial components. The inaugural phase of residential units was launched in 2018 to strong support from home buyers.





红
咸
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TIANJIN

HONG QIAO LAND

Ideally situated within Tianjin's education district, Tianjin Hong Qiao Land is mixed use site that will include high-end residential and commercial units as well as educational facilities. In addition to excellent connectivity via key thoroughfares and the city's Metro Line No. 1, the site also enjoys a comprehensive suite of lifestyle amenities as well as being in close proximity to one of the Tianjin's focal secondary school (天津市重点中学 - 天津三中) to meet the lifestyle needs of residents.

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Annual
Report
2018



PROJECT SHOWCASE

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ZHUHAI 心

YANLORD MARINA CENTRE

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Yanlord
Land Group
Limited



三亚海棠湾 — 9 号地块

SANYA 块

HAI TANG BAY — LAND PARCEL 9

Yanlord Marina Centre, located along Qinglu South Road near the sea coast, is a key landmark of Zhuhai City. Lying adjacent to Gongbei Customs Checkpoint to Macau, the project enjoys easy access to the recently opened Hong Kong-Zhuhai-Macau Bridge as well as the transport interchange of the light rail connecting Zhuhai and Guangzhou. A key highlight of Zhuhai's city skyline, the approximately 229,000 sqm GFA Yanlord Marina Centre comprises a five-star hotel, high-grade residences, offices and retail shops. In conjunction with the grand opening of the Hong Kong-Zhuhai-Macau Bridge, Yanlord Marina Centre opened the doors to its brand new InterContinental Zhuhai in 2018.



Acquired in January 2010, Sanya Hai Tang Bay – Land Parcel 9, marked Yanlord's maiden venture into Hainan. Buoyed by the PRC Central Government to develop Haitang Bay into an international tourist destination, the idyllic beachfront development has a total GFA of approximately 101,000 sqm and benefits from its proximity to a myriad range of amenities including China's largest duty-free shopping zone. The development comprises 189 luxurious villas for sale and a 404 room 5-star luxury Crowne Plaza Sanya Haitang Bay Resort managed by the InterContinental Hotels Group PLC which successfully entered operations in February 2018.

The PRC property sector in 2018 was underlined by volatility arising from austerity measures targeted at managing heated demand for property. With the key message conveyed in the PRC Central Economic Work Conference emphasising that “Houses are built to be inhabited, not for speculation”, we witnessed numerous rounds of policy changes throughout the year, first with tightening of fiscal policy followed by loosening in the second half of the year. Despite the policy undertone, 2018 remained a compelling year for the sector as physical market performance within Tier-1 markets remained strong. Tier-2 markets in the PRC also witnessed a growing divergence in performance with higher growth cities like the ones that Yanlord operates in showing the strongest rise in ASP and sales volumes, while other Tier-2 as well as Tier-3 and Tier-4 cities actively seeking to spur demand and reduce inventory.

In view of this fluid market environment, we actively sought to manage our project launches to better navigate the changes. In line with the Group’s delivery schedule whereby a greater GFA of units were delivered in the year and changes in product mix of delivered units resulted in lower ASP achieved, revenue of the Group in FY 2018 declined marginally to RMB24.888 billion from RMB25.638 billion in FY 2017. Despite the decline in revenue, gross profit margin remained healthy at 46.0%.

Net attributable profit margin in FY 2018 grew to 14.2% while profit attributable to owners of the Company in FY 2018 rose 10.2% to RMB3.545 billion. Supported by the positive market environment in the Group’s core markets, accumulated pre-sales pending recognition as at 31 December 2018 stood at RMB12.882 billion with advances received for pre-sales of properties amounting to approximately RMB9.858 billion.

Leveraging on our business strategies and comparative advantages in the delivery of high-quality developments and impeccable after sales and property management services in prime locations within high-growth PRC cities, the Yanlord brand continues to gain traction as the epitome for development quality in the PRC. Reflecting this brand premium, we continue to see a steady increase in pre-sale ASP in FY 2018 such as Shanghai Yanlord on the Park rising to approximately RMB106,000/sqm and Sanya Hai Tang Bay – Land Parcel 9 rising to approximately RMB157,000/sqm. We continue to see strong momentum in our core markets such as Nanjing, Suzhou, Zhuhai and Tangshan where we achieved approximately RMB6.0 billion, RMB5.0 billion, RMB2.0 billion and RMB1.4 billion of contracted pre-sales respectively in 2018, placing Yanlord comfortably within the top 10 developers by sales within each of these cities. Customer demand for our developments continued to be healthy with projects like Yanlord Taoyuan Gardens in Nanjing, Riverbay Gardens in Suzhou and Tangshan Nanhu Eco-City-Land

Parcel A8 ranked 3rd, 2nd and 4th by sales value in their respective cities in 2018. Nationwide, Yanlord was ranked as one of the top 100 developers by sales by China Real Estate Information Corp. in FY 2018.

Looking ahead, we remain confident about the financial performance of the Group in next financial year, being driven by continued sales of our developments both in existing cities and newly entered cities as well as the progressive recognition of our accumulated pre-sales.

PROJECT DEVELOPMENT

Pace of development was steady as at 31 December 2018 with 28 projects and total GFA under construction rising 23.6% to 3.55 million sqm.

In FY 2018, the Group commenced construction works on approximately 1.44 million sqm GFA across 13 projects including Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 1), Jinan CBD Project - A3 and B5 Land Parcels, The Mansion In Park (Phase 1) and Yiwang Gardens in Tianjin, Tianjin Beichen No. 2017-189 Land, Yanlord North Shore Gardens in Zhuhai, Suzhou No. 2016-WG-46 Land Parcels, New Tang’s Mansion in Suzhou, Nantong R17014 Land (Phase 1), Yanlord Phoenix Hill (Phase 1) in Nanjing, Nanjing No. 2017G01 Land and Yanlord on the Park in Wuhan. Besides, the Group also newly initiated in rental housing management projects in Nantong, Chengdu and Shanghai.

凤凰山居
NANJING

YANLORD PHOENIX HILL



In FY 2018, we delivered approximately 0.63 million sqm GFA of units to our customers. Adhering to our corporate philosophy “to develop land with devotion and building quality accommodation with passion”, we continue to strive for excellence in our developments which have won the recognition of both our customers and industry peers. Reflecting our efforts, we received 98% score on customer product satisfaction. To better enhance and rationalise existing work flows, we engaged various third-party quality surveyors and inspectors, and are pleased to report that we have achieved a successful one-time delivery rate of 98% for a total of 3,180 units delivered in FY 2018.

Testament to our efforts, we were awarded 2 national level awards and 6 provincial level awards for product and engineering excellence namely, the national level “Luban Award for Engineering Excellence” awarded to Yanlord Riverbay (Phase 2) in Chengdu, the new national level “Gold Award of China’s Construction Engineering Steel Structure” awarded to Yanlord Marina Centre in Zhuhai and the provincial level “White Magnolia Cup” awarded to Yanlord on the Park, Yanlord Eastern Gardens and Yanlord Western Gardens in Shanghai, the “Jin Ling Cup” awarded to Oasis New Island Gardens (Phase 2) in Nanjing as well as “Guangdong Structure and Engineering Excellence” and “Guangdong’s Construction Engineering Excellence – Gold award” awarded to Yanlord Marina Centre in Zhuhai.

LANDBANK

2018 was a volatile year in the PRC land tender market as cities switched their focus towards providing land for rental housing and auctioning land parcels which required the construction of communal amenities. Coupled with the tighter credit environment in the PRC, many cities witnessed a decline in demand for new land tenders and consequently, land tender prices moderated in the second half of 2018. We actively monitor the market for opportunities to replenish and potentially expand our landbank holding and believe that opportunities may exist in the land tender market as well as in collaborations with other reputable developers going forward. In FY 2018, we acquired 12 new projects adding approximately 1.84 million sqm of prime development landbank across our key cities in China and Singapore.

Leveraging on our various acquisition strategies, we successfully acquired landbank in Hangzhou and Singapore, namely Hangzhou West Lake Land and Singapore Tulip Garden through public land tenders. Furthermore, we actively sought out developers with existing prime landbank as acquisition targets. Tianjin Beichen No. 2017-189 Land, Yiwu Gardens in Tianjin, Hangzhou D-05 Land, Nanjing No. 2018G26 Land, Suzhou No. 2018-WG-11 Land Parcels, New Tang’s Mansion in Suzhou and Nantong R17014 Land were seven opportunities whereby we capitalised on our significant brand equity to acquire a leading stake in these developments. In addition, Yanlord Century Mansion in Shenzhen and Shenzhen Longgang District Bantian Redevelopment Project were also acquired during

the year under the Shenzhen government’s city rejuvenation initiative.

FY 2018 saw a continuation of commitment by the Group in land replenishment efforts. Total landbank as at 31 December 2018 was approximately 8.06 million sqm. Besides newly entry in Singapore, also diversified across the prime areas within the core high-growth cities in the PRC namely, Tianjin, Hangzhou, Nanjing, Suzhou, Nantong and Shenzhen, we are confident that these holdings will form the bedrock to launch our future development and performance.

PROPERTY MANAGEMENT

Enhancing our product and service offerings were strategic themes for our property management business segment in FY 2018 following the reorganisation of the Group’s various property management entities to better improve productivity, diversification and efficiency of our business units. We continued to streamline existing processes to develop business opportunities and encourage the sharing of best practices between business units across the Group to further cement our competitive advantage within the industry.

We continued to diversify our service offerings from residential and commercial developments, retail and hospitality assets developed by the Group as well as high-quality outsourcing projects from external parties. Building on our extensive experience, Yanlord actively seeks to enhance our service offerings by exploring effective processes to conceptualise and execute diversified

service patterns to better meet customer needs. With 67 projects currently under management and over 5,000 staffs across different business units, we achieved an average management fee of approximately RMB4.5 per sqm each month in FY 2018.

Reflecting the achievements of our property management business, our business units were recognised by different authorities. Notable accolades added in FY 2018 including:

- Chinese Building Economy – Commercial Building with Highest Brand Value
- 2018 Western China (Sichuan) Property Management Excellence Award
- 2018 Shanghai City 5-Star Property Management Company Award
- Shanghai City Public Satisfaction Champion Award in Property Management
- Vice-chairman of Chengdu City Jinjiang District Commercial Property Management Association
- Tianjin City Nankai District 5-Star Commercial Building
- 2018 Top 100 Property Management Companies of Shanghai
- 2018 Top 100 Property Management Companies of China

2019 will be an inspiring year for our property management division as Yanlord advances into its next growth phase. Driven by the commitment to provide a comfortable and endearing living environment for our customers, the Group will seek to continuously optimise our property management model through the adoption of the latest technologies and quality assurance standards.

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WUHAN

YANLORD ON THE PARK



OPERATIONS REVIEW

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.

To better support the continued development of the Group, we actively engage educational institutes in search of suitable talent who are identified through a systematic approach and are further groomed to take on managerial roles within our growing organisation. In 2018, we actively sought to enhance competencies and synergies within our existing talent pool as well as strategically introducing external talents to further complement our knowledge base. Employees are encouraged to enrol in learning programmes to upgrade their skill sets and perform to their fullest potential. Following a thorough evaluation of existing practices, we enhanced our human resource policies, procedures and strategies at the Group level and will roll out a new specific-to-city evaluation system

in 2019 to continuously assess the performance and quality of our employees and the effectiveness of our strategies and systems to ensure the sustainable long-term growth of the Group. Looking ahead, we will continue to review and refine processes to enhance performance assessments and to encourage closer collaboration within the Group to cement a stronger foundation on which we can propel the Group to its next level of development.

PRODUCT DEVELOPMENT

Providing quality homes to our customers lies at the heart of everything that Yanlord endeavours. As a leading real-estate developer specialising in the high quality real estate development and property

management services, Yanlord attaches great importance towards developing quality residential and commercial real estates and seeks to strike an optimal balance across all aspects of property development, including project planning, architectural design, interior design and landscape design, to ensure that every aspect is amalgamated to maximise the benefit and comfort level for the customers. Balancing form and functionality, we strive continually to develop projects that embody our commitments towards quality and set new benchmarks for the PRC real estate sector.

Recognising the need for balance between the requirements of our customers and environmental preservation, the Group continues to



introduce environmental initiatives and seek to optimise the usage of land at our developments through extensive studies on spatial relationships using systems incorporating Geographic Information System (GIS) technologies. While we may continue to expand our product offerings to include not only residential but commercial, hospitality, cultural and tourism projects, our commitment to quality and the environment remains unchanged.

2018 marked a year of fruition for our research and design team as the InterContinental Zhuhai and Crowne Plaza Sanya Haitang Bay Resort had opened for business. Combining our unwavering commitment to service quality and the luxury of a five-star hotel, we continue to push boundaries

defining travel comfort by adding personal touch. To further enhance our environmental initiatives, we sought to incorporate international design concepts on "Green Space" into our mixed development Yanlord Centre in Shenzhen to further reduce our carbon footprint. We also seek to be a driver of change. One of our latest integrated projects in Suzhou (No. 2016-WG-46 Land Parcels) is located on a historical site, we seamlessly amalgamated the historical appeal of the site with the accessibility of the internet. In 2018, Yanlord embarked on three collaborations in Shanghai to oversee the development of residential units under the "build-to-rent" scheme. Capitalising on our excellent track record for product quality and delivery, we hope to tap on our

industrial know-how to develop this new business for the Group.

As the Chinese property market continues to mature, consumers will no longer be satisfied by run of the mill developments. Building on our past experiences, we seek to enhance our latest product offerings in Chengdu, Shenzhen and Suzhou through a combination of existing ideas towards quality living with a personalised touch to create space not just for living, but that of a home.

Building on our initiatives, we hope to create greater value for our customers and further enhance our position as a developer of quality in real estate market.



仁恒
峦山
美地
花园

SHENZHEN

**YANLORD
ROSEMITE**

PROPERTY INVESTMENT

Despite moderation in PRC economy growth in 2018, rental contribution from our investment property portfolio rose 11.4% to RMB382 million in FY 2018. In forthcoming year, we will welcome the addition of the office building in Zhuhai Marina Centre. A prime mixed development ideally situated next to the Hong Kong –Zhuhai–Macau Bridge, Zhuhai Marina Centre is a new landmark development that is expected to contribute to Zhuhai's rising status as a key centre of growth within the Greater Bay area. The office section of Zhuhai Marina Centre will have a leasable area of 34,000 sqm.

During the year, the Group actively sought to streamline processes and strengthen cost controls as well as upgrade branding strategies to better enhance the management and development of the Group's investment property portfolio. Looking ahead, we will seek to further develop the performance of our investment properties through initiatives such as those targeted at enhancing consumer experience as well as to opportunistically grow our investment portfolio.

FUND RAISING

Despite a tighter credit environment and volatilities in the PRC property market due to austerity measures promulgated by the PRC government, Yanlord continued to receive strong support from both onshore and offshore financial institutions in FY 2018. To better fuel the Group's sustainable development, we successfully tapped the US dollar bond market in April 2018 with the issue of a US\$350 million senior notes due in 2023. Through the fund-raising activity, the Group has demonstrated the ability to effectively tap offshore capital markets to reduce its interest cost and further augment its financial flexibility. It is also reflective of the continued investor confidence in Yanlord.

INVESTOR RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY

Corporate transparency and timely disclosure of information to shareholders is of key importance to Yanlord. We endeavour 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 announcements and press releases pertaining to any relevant operational updates on the Group are also promptly released on the SGX website, ensuring that investors receive timely and accurate information.

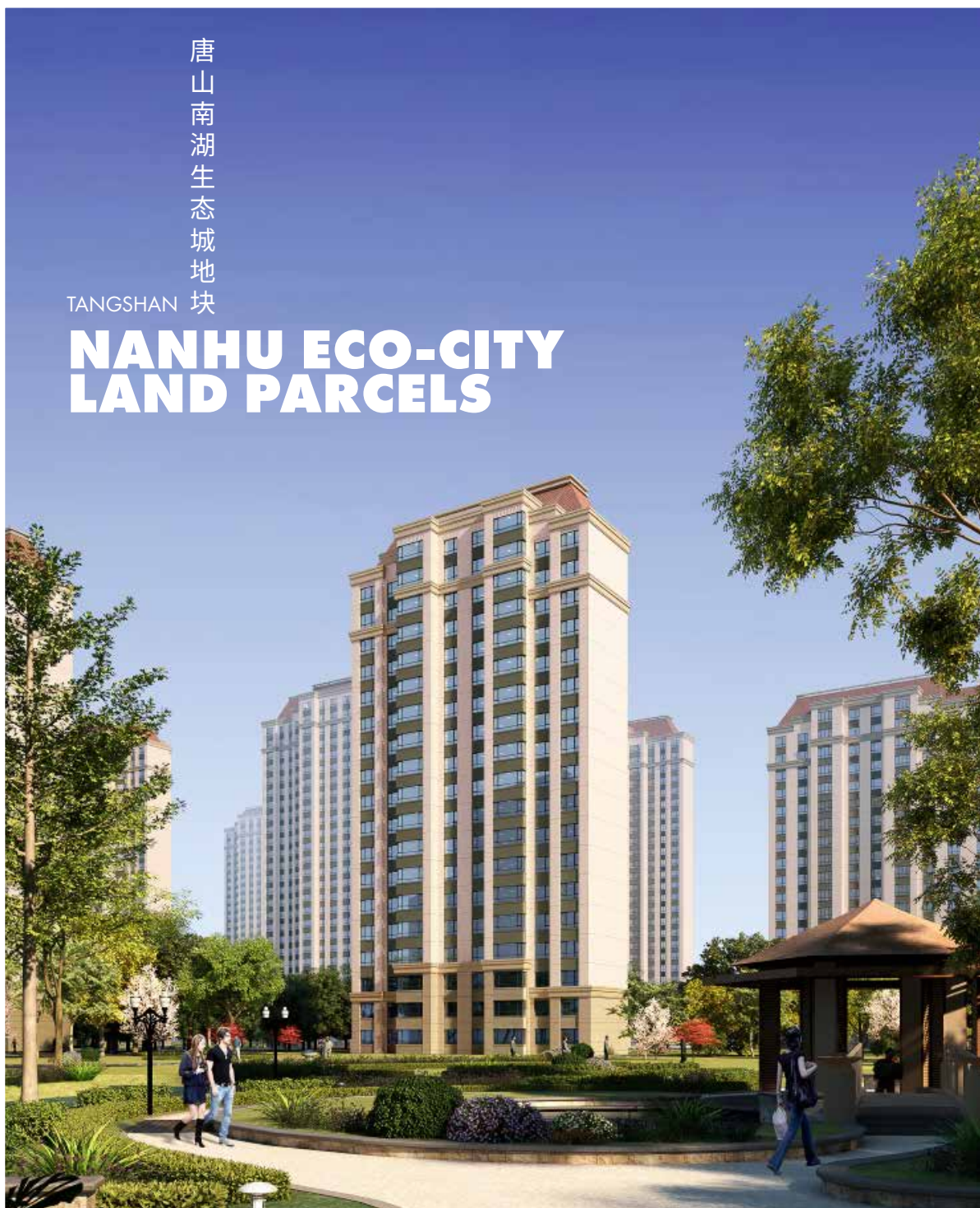
To further enhance communication with the investment community, the Group participated in 21 global investor conferences across Singapore, Hong Kong, New York, London, Shenzhen and Macau in 2018, sharing insights and investment merits in Yanlord with over 1,000 investors and fund managers. In 2018, Yanlord also participated in a series of Corporate Day initiatives under the auspices of the SGX. Being held in Singapore, Hong Kong and London, these conferences were initiatives by the SGX to enhance visibility of locally listed companies and to enhance communication with regional investors.

In addition to achieving high standards of investor relations, good corporate citizenry is another key focus of the Company. Building on our commitment to delivering quality homes to our discerning customers, we continue to focus on environmental conservation through developing eco-friendly developments. Our corporate social responsibilities ("CSR") also extend to student and youth engagement programs such as grants and donations to educational institutes as well as enrichment programs for students. Further details on our CSR initiatives in FY 2018 can be found in our Sustainability Report 2018.

唐山南湖生态城地块

TANGSHAN

NANHU ECO-CITY LAND PARCELS





2018年, 房地产政策调控面临的宏观经济环境更加复杂。在金融财政政策定向“宽松”的同时, 房地产调控政策仍然“从紧”, 延续了中央经济工作会议“房子是用来住的、不是用来炒的”的主基调。同时, 秉持“因城施策、分类指导”的理念, 存在一线强, 二线分化加剧, 三四线去库存的不同区域不同城市的格局。

在波动的市场行情下, 仁恒置地集团2018财年虽然现有项目总交付面积呈增长趋势, 但由于所交付项目产品结构每平方米售价较2017财年有所降低, 因此2018年全年销售收入由2017年的人民币256.38亿元小幅度下降至人民币248.88亿元。尽管如此, 毛利率依旧保持在较高的46.0%的健康水平, 集团归属公司股东应占净利润也同比增长10.2%至人民币35.45亿元, 集团归属公司股东应占净利润率也相应持续增长至14.2%。截止2018年12月31日, 集团累计预售金额达人民币128.82亿元, 已收预售房款为人民币95.59亿元, 这些预售合同金额将陆续入帐, 带动集团未来的财务表现。

仁恒品牌在市场上进一步扩大, 专业创新的产品设计和人性温馨的小区物业管理水平获得了市场和消费者的双重口碑, 仁恒成熟稳重的经营管理能力赢得到市场持续认可, 产品溢价能力再次加大。

凭借集团专业及优秀团队的成熟运作和精准的市场定位, 2018年仁恒物业销售佳绩不断, 上海公园世纪均价约人民币106,000元/平方米, 三亚海棠湾均价至年底的人民币157,000元/平方米。南京单个城市销售额超过人民币60亿元, 苏州单个城市销售额近人民币50亿元, 唐山单个城市销售额近人民币14亿元, 珠海单个城市销售额近人民币20亿元, 4个城市名列当地排名前10名, 仁恒整体实力仍保持在克而瑞统计的中国销售金额排名TOP100。各别项目, 仁恒的南京桃园世纪华庭项目年销售人民币47亿元, 城市排名第3名; 苏州江湾雅园年销售人民币40亿元, 城市排名第2名; 唐山南湖生态城, A8地块销售近人民币14亿元, 城市排名第4名。纵观仁恒各城市项目, 皆有较大发展, 成绩稳定, 为2019年的发展奠定了较好的基础。

项目开发

2018年集团项目开发规模继续扩张, 全年在建项目达到28个, 建筑面积355万平方米, 与2017年相比增加23.6%。

2018年, 集团共有13个项目顺利开工, 开工总建筑面积144万平方米, 包括有杭州传化科技城项目-国际商贸园一期、济南CBD 项目-A3及B5地块、天津仁恒公园世纪一期、天津北辰 No. 2017-189 地块、天津依湾花园、珠海仁恒北岸苑、苏州 No. 2016-WG-46地块、苏州浅棠平江、南通 R17014地块一期、南京凤凰山居一期、南京 No. 2017G01 地块、以及武汉仁恒·公园世纪。另集团于本年开展参与代建项目, 其中有南通人才公寓项目、广安公园四季、以及上海周浦东站项目等。



南京生态科技岛

NANJING 岛

ECO HI-TECH ISLAND

2018年,集团交付面积合计63万平方米。而实际集中交付期间的统计数据显示,一次顺交率达98%以上。另集团在2018年继续加大了第三方实测量检测和工程巡检力度,圆满实现年初各项工作目标。同时,在工程质量创优方面仍屡获殊荣。其中成都仁恒滨河湾二期荣获“国家优质工程奖”,上海仁恒世纪公寓、上海仁恒东邑雅苑、以及上海仁恒西郊雅苑同时荣获“白玉兰”,南京绿洲新岛花园二期荣获“金陵杯”,珠海仁恒滨海中心荣获“中国建筑工程钢结构金奖”、“广东省优质机构”及“广东省建设工程金匠奖”。

土地储备

2018年以来,土地流拍数量明显增加,主要原因在于房地产供需两端信贷资金逐渐收紧,加之土地出让限制政策频出,竞自持、竞配建、限房价等逐渐成为重点城市推地的基本要求,致部分附带条件过多的地块以及非优质地块遭遇流拍。尤其是下半年以来明显降温,既有市场调整后开发商预期改变的因素,也有其资金紧张下投资收缩的影响。

集团所在城市的土地市场也经历了从上半年火热到下半年趋冷的转变。在研判各城市房地产市场的发展周期下,集团投资策略仍主要依托于收并购及旧改市场,在土储方面有较大的收获。

2018年,集团全年共获取了12个新项目,共计土地储备184万平方米。在招拍挂市场上,在杭州和新加坡等地屡有斩获,成功获取了杭州西湖之江项目地块、以及新加坡金香园。在股权合作及收并购方面,集团成功获取了天津北辰 No. 2017-189 地块、天津依湾花园、杭州南星桥项目地块、南京 No. 2018G26 地块、苏州 No. 2018-WG-11 地块、苏州浅棠平江、以及南通 R17014地块。在旧改及城市更新方面,集团成功获取了深圳仁恒世纪大厦、以及深圳龙岗区-坂田城市更新项目。

整体来说,2018年仁恒投资策略上延续了近几年的投资节奏,截止到2018年拿地状况,仁恒土地储备共计约806万平方米,除新加入新加坡土储外,继续加仓天津、杭州、南京、苏州、以及深圳等重点城市,且逐步布局南通等潜力城市,为未来发展奠定基础。

物业管理

2018年仁恒物业板块根据集团整体发展目标要求,进一步优化整合各项资源,居安思危,坚持以经营的思维以及“立足仁恒、确保品质、适度多元、兼顾规模”的发展原则,力争做强品牌、做优团队、做多利润。在仁恒物业各地区公司的努力与配合下,物业板块通过架构调整、资源整合、业务拓展、多元服务、物业费调整等有效措施,确保在各类成本不断上升的大环境下物业公司良性运作。

根据2018年末数据统计,物业板块目前总计管理67个项目,通过服务集团内部开发项目以及对外承接高品质优秀项目,目前物业在管类型覆盖住宅、商业、办公、商业综合体、园区管理、公共建筑等。同时,根据业主的服务需求,积极拓展多元增值服务,服务项目触及经纪业务、教育培训、房屋翻新、拎包入住、会所经营等。2018年物业管理费平均为人民币4.50元/平方米/月,物业从业人员逾5000人。



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**YANLORD
CENTRE**



仁恒物业始终以服务品质为第一要务,持续深耕高端物业服务市场,拓展服务价值,在行业内树立了良好的口碑。通过各地物业公司的努力,在2018年度物业板块荣获以下殊荣:“中国楼宇经济最具品牌价值商务楼宇”、“2018中国西部(成都)创新物业高峰论坛四川品质物业”、“2018年上海市物业服务综合能力五星企业”、“上海市物业服务行业公众满意度第一名”、“成都市锦江区商务楼宇物业管理协会常务副会长单位”、“天津市南开区五星商务楼宇荣誉”、“2018年上海物业服务综合百强企业”、“2018年度中国物业百强企业”等,同时各地管理项目也纷纷取得省级及市级示范物业管理项目称号。

2019年是整个仁恒集团的转型发展年,也是物业板块升级变革年,物业团队将上下齐心、携手并进,以服务为中心,不断开拓创新,提高综合竞争能力,实现业主、住客、企业、社会各方利益的统筹兼顾,平衡发展,把仁恒物业品牌推向一个更高的台阶。

人力资源

公司坚持并倡导“仁信治业、持之以恒”的企业精神,善待土地,善待员工,通过良好的职业发展平台和优秀的企业文化吸引和保留人才。仁恒一贯将人才战略列为集团发展战略的重要组成部分,集团设有人才培训发展领导小组和人才培训中心,组织实施“优才计划”,地方公司也根据业务发展需要推动二级人才培养计划。同时,通过“新仁生”校园招聘计划对第三及第四梯队人才进行补充,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。2018年,集团一方面加大内部潜力人才的培养力度,完成优才专项培养计划,并辅以外部优秀人才的引进,以确保足够核心人才配合企业的发展所需。集团继续完善制度流程建设,更调整了新的架构设置,进一步完善了总部的职能,以适应未来的发展战略与业务需求。同时,集团也刷新了各城市公司的战略评价系统,将于2019年实施该系统,进一步检测战略实施进展,评价战略执行业绩,不断修正战略决策,以期达到预期目标。

产品研发

仁恒主张善待每一寸土地,以人为本,以建筑为载体,以空间为核心,优化整合城市、人文、环境、家庭多重生态系统,在产品设计中将健康生活、和谐邻里、与环境共融等理念不断迭代提升。

仁恒研发部秉持一贯的创造美好生活使命感和行业精品观,讲求“传承经典、突破创新、再造团队”,创造新动力,寻找新办法、进一步适应和匹配中国房地产开发新形势下的新要求。通过重点把控前期项目选择、创造行业标杆项目、开拓新业务类型、打造产品线体系等技术管控手段,不断持续增强仁恒产品竞争力以提高行业地位。

仁恒将更加重视对前期投资的技术支持,把握政策导向、行业趋势,精选土地,优化产品提升土地价值。深度了解城市状况,客群习惯,精准定位产品,确定合理建筑规划。另保持仁恒优良传统,从规划、产品、配套围绕

客户需求进行产品创新,有效规避投资风险,提高产品溢价。采用新技术手段,如凭借地理信息系统(GIS)技术在土地整理方面提高工作效率。仁恒在2018年不断成功获取新项目,伴随企业快速扩张,设计团队积极研究新城市的政策法规、市场导向、客群需求为深耕区域市场做出了充分准备。

同时仁恒也在新领域积极探索,通过项目实践,已经在文旅项目、酒店项目、商办项目、产业地产等领域积累了丰富的设计经验、掌握了相关行业标杆信息,努力探索各类型新业态在定位、规划、技术、运营等方面的内在联系。

珠海仁恒洲际酒店以及三亚海棠湾仁恒皇冠假日度假酒店已于2018年盛大开业。深圳仁恒中心以生态、低碳、智慧为主导,通过引入先进开发理念和绿色生态概念,探索突破国内产业地产开发瓶颈,与国际知名设计团队合作,提高产品品质,以期增加产品溢价。仁恒在千年古城-苏州的仓街商住项目(位于No. 2016-WG-46地块)上,力求打造苏州未来城市名片级、最具有代表性的文化旅游商业项目,项目建成后将提升城市知名度,成为苏州古城最具活力和文化气息的项目。在尊重地块历史文化的前提下,充分结合现在商业模式创造出独特宜人的购物环境。这一类商业地产的专项研发将提升仁恒在商业领域的知名度和品牌号召力。苏州No.2016-WG-46地块商住项目,仁恒完成了自我突破,在特定历史区域内,秉承充分尊重历史传统的原则,以独特的建筑形式承载了现代生活模式,让现代与古典彼此交融,进一步稳固了仁恒在高端住宅方面的行业地位。

业绩概要

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**RIVERBAY
GARDENS**



在当今的市场环境下好房子的标准是多维度，好户型、精装修，人性化、舒适型、环境友好型的，而非供不应求时代下的粗放式产品。仁恒秉承一贯的精细化精装房做法，精益求精，为业主提供高品质的居住空间与良好的居住体验。除了苏州 No. 2016-WG-46地块项目，仁恒在成都及深圳也有类似项目，其设计皆传承经典，对空间舒适度进行持续创新和挖掘、打造社区生活新空间，以酒店式入户的舒适体验、便利的迎宾楼配置、住区会所，不断迭代创新，坚持回归居住本质理念，引领住宅市场新的居住体验。而在珠海仁恒洲际酒店项目，仁恒将传统的工匠精神与奢华酒店的人性化相结合，更加提升了客户的体验感，也为仁恒更好的在酒店开发运营中提升人性化设计、细腻的服务提供了宝贵经验。2018年仁恒顺应了中国的发展趋势，开拓了长租公寓市场，先后在上海开拓了三个代建长租公寓项目，在长租公寓领域仁恒发挥多年积累的精装修交付经验与高品质物业服务特长，为开拓这一新业务创造了良好的开端。

中国政府已指出“中国社会主要矛盾已经转化为人民日益增长的美好生活需要和不平衡不充分的发展之间的矛盾”，所以仁恒将坚持用统一的产品标准和先进理念完成在各地的项目开发运营。仁恒会在产品线及标准化建设方面持续发力，进一步完善技术管理机制，协同制度升级与团队升级，为仁恒品质保驾护航。以传承优质基因、沉淀技术经验、大胆探索创新、快速高效开发为目标，不断推进产品线提升与迭代，保品质、控成本，聚焦客户需求和企业核心诉求，提升产品市场美誉度，实现从“业务支持”到“价值创造”积极转变，从而达成仁恒客户和企业投资人的双赢。

物业投资

2018年在经济增长略有放缓的背景下，集团自持投资性房地产租金总收入人民币3.82亿元，同比增长11.4%。另即将建成珠海仁恒滨海中心写字楼将为集团新增商业经营面积约3.4万平方米，同时为大湾区树立又一高端商业综合体地标。

商业管理方面，集团今年梳理了商业品牌策略与产品架构规划，商业事业部将进一步完善商业管理体系，强化各层面高效协同作用，深入研究客户需求，继续提升消费体验，为顾客提供满意、舒适的个性化消费场所。自持投资性房地产业务是集团的未来重要业务板块，集团将有计划地稳步增加优质自持项目，提升品牌影响力，做到商业与地产板块的相互促进，持续强化企业竞争力。

企业融资

2018年虽然面临宏观调控为国内房地产行业带来了不稳定因素，但仁恒凭借稳健的经营、优秀的品质和周到的服务，依然得到了国内各中外资银行及金融机构的青睐。在内地房地产信贷额度依旧紧缺的情况下，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按项目进度成功提款，确保了各地项目的正常推进。

境外融资方面，为促进集团业务持续扩张并满足集团的资本需求，集团于2018年4月发行，了美元3.50亿元的五年期优先票据，所筹资金主要用于现有及新项目的开发，以及集团拓展用途。这些交易进一步拉近了仁恒与国际资本市场的联系，更反映了银行及投资者对集团的认可。

投资关系及社会责任

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

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

2018年，仁恒参与了21项分别在新加坡、香港、纽约、伦敦、深圳及澳门举办的国际投资者论坛会，与近千名的投资者和基金经理会面并介绍仁恒的运作及投资优点。在2018年，仁恒也在新加坡交易所的带领下分别参与了位于新加坡、香港和伦敦举办的投资峰会，进一步拉近了仁恒与投资者的交流。除了建立良好的投资者沟通渠道，仁恒也进行了不少社会公益及可持续发展计划方案，比如我们已开发和正在开发的一些建筑项目，就含有大量的绿色建筑计划，从设计、建设到管理的每个环节，我们都有较为详细的绿色促进规划。同时，公司每年也会从事社会捐赠等福利活动及向教育等事业提供支持。

DEVELOPMENT SCHEDULE SUMMARY

COMPLETED DEVELOPMENT PROPERTIES

Project	Description	Interest Attributable	Site Area (sqm)	GFA (sqm)	Type
Chengdu					
Hengye International Plaza ⁽¹⁾ 恒业国际广场 ⁽¹⁾	226 units	51%	26,473	40,655	S
Hengye Star Gardens 恒业星园	814 units	51%	23,036	83,943	R,S
Yanlord Landmark ⁽¹⁾ 仁恒置地广场 ⁽¹⁾	425 units (S,H) and 32-storey (O)	100%	19,166	165,755	O,S,H
Yanlord Riverbay (Phase 1) 仁恒滨河湾, 一期	526 units	70%	44,428	126,716	R
Yanlord Riverbay (Phase 2) 仁恒滨河湾, 二期	1,096 units	70%	37,641	142,328	R
Guiyang					
Xintian Centre 新天商业中心	123 units	67%	18,820	14,376	S
Yanlord Villas 仁恒别墅	92 units	67%	53,541	36,131	R
Nanjing					
Bamboo Gardens 翠竹园	2,770 units	100%	233,000	394,310	R
Oasis New Island Gardens (Phase 1) 绿洲新岛花园, 一期	868 units	100%	40,756	102,065	R
Oasis New Island Gardens (Phase 2) 绿洲新岛花园, 二期	718 units	100%	37,911	93,995	R
Oasis New Island Gardens (Phase 3) 绿洲新岛花园, 三期	662 units	100%	30,800	75,454	R
Orchid Mansions ⁽¹⁾ 玉兰山庄 ⁽¹⁾	259 units	100%	94,134	69,649	R
Plum Mansions, including Lakeside Mansions 梅花山庄.湖畔之星	1,943 units	100%	113,182	327,667	R
Yanlord G53 Apartments ⁽¹⁾ 仁恒G53 公寓 ⁽¹⁾	921 units	100%	46,640	96,354	R,S
Yanlord International Apartments, Tower A ⁽¹⁾ 仁恒国际公寓, A栋 ⁽¹⁾	210 units	100%	3,337	42,494	H
Yanlord International Apartments, Tower B 仁恒国际公寓, B栋	254 units	100%	25,078	67,683	R
Yanlord Yangtze Riverbay Town ⁽¹⁾ 仁恒江湾城 ⁽¹⁾	3,927 units	100%	303,379	720,847	R,S

COMPLETED DEVELOPMENT PROPERTIES

Project	Description	Interest Attributable	Site Area (sqm)	GFA (sqm)	Type
Nantong					
Four Seasons Gardens (Phase 1) 四季花园, 一期	528 units	60%	27,750	64,561	R
Sanya					
Sanya Hai Tang Bay - Land Parcel 9 ⁽²⁾ 三亚海棠湾 - 9 号地块 ⁽²⁾	593 units	100%	193,772	101,480	R,H
Shanghai					
Bayside Gardens 御澜湾苑	764 units	51%	117,399	116,408	R,S
Yanlord Apartments 仁恒公寓	95 units	67%	4,146	13,579	R
Yanlord Eastern Gardens 仁恒东邑雅苑	1,194 units	100%	128,532	180,583	R
Yanlord Gardens 仁恒滨江园	1,943 units	67%	138,802	415,360	R
Yanlord on the Park 仁恒世纪公寓	717 units	50%	55,776	148,122	R
Yanlord Plaza 仁恒广场	411 units (R) and 4-storey (O)	67%	10,845	53,049	R,O
Yanlord Riverside City ⁽¹⁾ 仁恒河滨城 ⁽¹⁾	4,216 units (R) and 9-storey (S)	67%	306,406	741,417	R,S
Yanlord Riverside Gardens 仁恒河滨花园	1,663 units	100%	128,895	319,756	R
Yanlord Sunland Gardens ⁽¹⁾ 仁恒森兰雅苑 ⁽¹⁾	1,627 units	100%	202,851	336,038	R,S,H
Yanlord Town 仁恒家园	428 units	50%	94,174	75,573	R
Yanlord Townhouse 仁恒怡庭	269 units	100%	54,208	65,572	R
Yanlord Western Gardens 仁恒西郊雅苑	1,470 units	60%	136,937	247,503	R
Yunjie Riverside Gardens 运杰河滨花园	1,712 units	51%	210,566	253,048	R,S
Shenzhen					
Yanlord Rosemite ⁽¹⁾ 仁恒峦山美地花园 ⁽¹⁾	1,540 units	100%	46,777	148,424	R,S

DEVELOPMENT SCHEDULE SUMMARY

COMPLETED DEVELOPMENT PROPERTIES

Project	Description	Interest Attributable	Site Area (sqm)	GFA (sqm)	Type
Suzhou					
Suzhou Wuzhong Area C1 Land - Villas 苏州吴中区C1地块 - 别墅	22 units	100%	57,857	22,614	R
Tang Yue Bay Gardens 棠悦湾花园	1,366 units	100%	77,820	172,942	R
Yanlord Lakeview Bay ⁽¹⁾ 仁恒双湖湾 ⁽¹⁾	1,699 units	100%	368,104	387,880	R,S
Yanlord Peninsula (Apartment) 星岛仁恒	704 units	100%	78,310	100,342	R
Yanlord Peninsula (Townhouse) 星岛仁恒	350 units	100%	168,000	91,963	R
Tangshan					
Tangshan Nanhu Eco-City - Land Parcel A9 ⁽³⁾ 唐山南湖生态城, A9 地块 ⁽³⁾	759 units	50%	42,626	119,116	R,S
Tangshan Nanhu Eco-City - Land Parcel A19 ⁽³⁾ 唐山南湖生态城, A19 地块 ⁽³⁾	116 units	50%	46,199	38,611	R
Tianjin					
Tianjin Jinnan Land ⁽¹⁾ 景新花园 ⁽¹⁾	3,412 units	60%	165,812	376,440	R,S
Yanlord Riverside Gardens 仁恒河滨花园	2,184 units	80%	130,789	326,006	R
Yanlord Riverside Plaza (Phase 1) ⁽¹⁾ 仁恒海河广场, 一期 ⁽¹⁾	971 units (R) and 7-storey (S)	100%	43,605	217,812	R,S
Yanlord Riverside Plaza (Phase 2) ⁽¹⁾ 仁恒海河广场, 二期 ⁽¹⁾	544 units (R), 29-storey office and retail mall	100%	51,672	163,971	R,O,S
Zhuhai					
Yanlord Marina Centre - Section A ⁽²⁾ 仁恒滨海中心 - A标段 ⁽²⁾	324 units	95%	6,543	58,559	H
Yanlord Marina Centre - Section B ⁽¹⁾ 仁恒滨海中心 - B标段 ⁽¹⁾	409 units	95%	31,722	135,383	R,S
Yanlord Marina Peninsula Gardens (Phase 1) ⁽¹⁾ 仁恒滨海半岛花园, 一期 ⁽¹⁾	1,004 units	57%	62,285	152,926	R,S
Yanlord Marina Peninsula Gardens (Phase 2) 仁恒滨海半岛花园, 二期	1,043 units	57%	62,674	161,606	R,S
Yanlord New City Gardens ⁽¹⁾ 仁恒星园 ⁽¹⁾	2,697 units	90%	229,931	413,012	R,S
Total			4,633,107	8,820,078	

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

⁽¹⁾ Consists of properties held for investment with unexpired terms of lease between 25-63 years as at 31 December 2018

⁽²⁾ Consists of GFA of 127,400 sqm under hotel operations

⁽³⁾ Being held under associate or joint venture

PROPERTIES UNDER DEVELOPMENT

Project	Description	Interest Attributable	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion	Type
Chengdu							
Yanlord Riverbay (Phase 3) 仁恒滨河湾, 三期	656 units	70%	Dec-2019	36,974	125,307	55%	R
Hangzhou							
Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 1) ⁽¹⁾ 杭州传化科技城项目 - 国际商贸园, 一期 ⁽¹⁾	664 units	30%	1st Quarter 2020	39,778	79,631	27%	R
Jinan							
Jinan CBD Project - A3 Land ⁽¹⁾ 济南CBD项目 - A3地块 ⁽¹⁾	Commercial complex	35%	2nd Quarter 2021	9,169	45,838	5%	O,S,H
Jinan CBD Project - B5 Land ⁽¹⁾ 济南CBD项目 - B5地块 ⁽¹⁾	722 units (R) coupling with retail shops	35%	3rd Quarter 2021	47,166	111,311	30%	R,S
Nanjing							
Nanjing Eco Hi-tech Island - Land Parcel G73 南京生态科技岛 - G73地块	Commercial complex	100%	2nd Quarter 2020	45,067	97,034	35%	O,S,H
Yanlord Phoenix Hill (Phase 1) ⁽²⁾ 凤凰山居, 一期 ⁽²⁾	329 units (R) coupling with retail shops	51%	Jul-2019	138,884	78,336	26%	R,S
Yanlord Taoyuan Gardens ^{(1) (3)} 桃园世纪华庭 ^{(1) (3)}	1,010 units	33%	2nd Quarter 2021	61,465	153,427	28%	R,O,S
Nanjing No. 2017G01 Land ⁽¹⁾ 南京 No. 2017G01 地块 ⁽¹⁾	610 units	50%	1st Quarter 2020	52,785	87,123	11%	R
Nantong							
Four Seasons Gardens (Phase 2) 四季花园, 二期	560 units	60%	Jun-2019	34,401	71,870	84%	R,S
Nantong R17014 Land (Phase 1) ⁽¹⁾ 南通 R17014 地块, 一期 ⁽¹⁾	569 units	31%	4th Quarter 2020	46,157	82,999	10%	R

DEVELOPMENT SCHEDULE SUMMARY

PROPERTIES UNDER DEVELOPMENT

Project	Description	Interest Attributable	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion	Type
Shenzhen							
Shenzhen Longgang District Redevelopment Project (Phase 1) 深圳龙岗区 - 城中村改造项目, 一期	1,433 units	95%	2nd Quarter 2021	28,959	125,810	6%	R,S
Yanlord Centre (Phase 1) 仁恒中心, 一期	Serviced apartments coupling with retail shops	100%	Nov-2019	36,953	123,280	70%	S,H
Yanlord Centre (Phase 2) 仁恒中心, 二期	Commercial complex	100%	2nd Quarter 2022	29,790	209,440	0%	O,S,H
Suzhou							
Canal Times ⁽⁴⁾ 运河时代花园 ⁽⁴⁾	301 units	100%	Dec-2019	24,938	52,514	40%	R
New Tang's Mansion ⁽¹⁾ 浅棠平江 ⁽¹⁾	1,039 units	30%	2nd Quarter 2021	56,746	139,297	16%	R
Riverbay Gardens (Phase 1) 江湾雅园, 一期	1,094 units (R) coupling with retail shops	30%	Jan-2019	68,268	158,391	78%	R,S
Riverbay Gardens (Phase 2) 江湾雅园, 二期	768 units (R) coupling with retail shops	30%	Dec-2019	55,045	137,687	52%	R,S
Suzhou No. 2016-WG-46 Land Parcels ⁽⁵⁾ 苏州 No. 2016-WG-46 地块 ⁽⁵⁾	93 units (R) coupling with retail mall	100%	3rd Quarter 2023	84,199	52,090	5%	R,S
Tangshan							
Tangshan Nanhu Eco-City - Land Parcel A8 ⁽¹⁾ 唐山南湖生态城, A8 地块 ⁽¹⁾	1,220 units	50%	4th Quarter 2020	64,656	169,553	37%	R

PROPERTIES UNDER DEVELOPMENT

Project	Description	Interest Attributable	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion	Type
Tianjin							
Tianjin Beichen No. 2017-189 Land ⁽¹⁾ 天津北辰 No. 2017-189 地块 ⁽¹⁾	2,330 units	20%	2nd Quarter 2021	129,904	242,280	1%	R,S
Tianjin Hong Qiao Land (Phase 1) ⁽¹⁾ 红咸雅苑, 一期 ⁽¹⁾	1,500 units (R) coupling with retail shops	25%	Dec-2019	73,207	203,878	34%	R,S
The Mansion In Park (Phase 1) ^{(1) (6)} 仁恒公园世纪, 一期 ^{(1) (6)}	1,072 units (R) coupling with retail shops	50%	3rd Quarter 2021	72,321	161,100	4%	R,S
Yanlord Majestic Mansion ⁽¹⁾ 仁恒海和院 ⁽¹⁾	1,792 units (R) coupling with retail shops	60%	3rd Quarter 2020	193,514	260,925	19%	R,S
Yiwan Gardens ⁽¹⁾ 依湾花园 ⁽¹⁾	1,450 units	17%	3rd Quarter 2021	98,264	160,029	4%	R
Wuhan							
Yanlord on the Park ⁽⁷⁾ 仁恒·公园世纪 ⁽⁷⁾	895 units	55%	3rd Quarter 2020	35,296	151,851	33%	R
Zhuhai							
Yanlord Marina Centre - Section A ⁽⁵⁾ 仁恒滨海中心 - A标段 ⁽⁵⁾	140 units	95%	Jan-2019	3,939	35,250	99%	O,S
Yanlord Marina Peninsula Gardens (Phase 3) 仁恒滨海半岛花园, 三期	1,383 units	57%	4th Quarter 2020	102,725	185,774	45%	R
Yanlord North Shore Gardens ⁽⁸⁾ 仁恒北岸苑 ⁽⁸⁾	445 units	57%	4th Quarter 2022	13,938	43,704	9%	R
Total				1,684,508	3,545,729		

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

⁽¹⁾ Being held under associate or joint venture

⁽²⁾ Formerly known as Nanjing Daji Land Parcels (南京大吉别墅项目)

⁽³⁾ Formerly known as Nanjing No. 2016G01 Land (南京 No. 2016G01 地块)

⁽⁴⁾ Formerly known as Suzhou No. 2016-WG-63 Land Parcels (苏州 No. 2016-WG-63 地块)

⁽⁵⁾ Consists of properties held for investment with unexpired terms of lease between 27-39 years as at 31 December 2018

⁽⁶⁾ Formerly known as Tianjin No. 2013-090 Land Parcels (天津 No. 2013-090 地块)

⁽⁷⁾ Formerly known as Wuhan Metropolis Project (武汉大都会项目)

⁽⁸⁾ Formerly known as Zhuhai No. 2017-21 Land (珠海 No. 2017-21 地块)

DEVELOPMENT SCHEDULE SUMMARY

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Project	Description	Interest Attributable	Site Area (sqm)	GFA (sqm)	Type
Chengdu					
Chongzhou Project Land Parcels 崇州项目地块	Villas	80%	150,067	102,958	R
Hangzhou					
Hangzhou D-05 Land ⁽¹⁾ 杭州南星项目地块 ⁽¹⁾	356 units	50%	31,776	68,312	R
Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 2 and 3) ⁽¹⁾ 杭州传化科技城项目 - 国际商贸园, 二、三期 ⁽¹⁾	606 units (R) coupling with commercial complex	30%	120,241	215,274	R,S,H
Hangzhou Intelligent City Project - Medical Land Parcels ⁽¹⁾ 杭州传化科技城项目 - 国际医疗园 ⁽¹⁾	2,067 units (R) coupling with commercial complex	30%	193,903	450,773	R,O,H
Hangzhou West Lake Land ⁽¹⁾ 杭州西湖之江项目地块 ⁽¹⁾	886 units (R) coupling with retail shops	50%	77,273	120,960	R,S
Nanjing					
Yanlord Phoenix Hill (Phase 2 to 4) ⁽²⁾ 凤凰山居, 二至四期 ⁽²⁾	709 units (R) coupling with retail shops	51%	356,327	199,925	R,S
Nanjing No. 2016G84 Land ⁽¹⁾ 南京 No. 2016G84 地块 ⁽¹⁾	Residential and commercial complex	51%	426,439	533,345	R,H
Nanjing No. 2018G26 Land ⁽¹⁾ 南京 No. 2018G26 地块 ⁽¹⁾	Residential coupling with retail shops	12%	153,262	365,216	R,S
Nantong					
Nantong R17014 Land (Phase 2 and 3) ⁽¹⁾ 南通 R17014 地块, 二、三期 ⁽¹⁾	848 units	31%	85,420	128,866	R
Shanghai					
Shanghai San Jia Gang Land Plot 仁恒滨海度假村	Villas	67%	67,978	33,989	R
Shanghai Yangpu District 81 and 83 Redevelopment Project 上海杨浦区81、83街坊旧区改造项目	1,060 units (R) coupling with retail shops	100%	69,389	183,187	R,S
Shenzhen					
Shenzhen Longgang District Bantian Redevelopment Project 深圳龙岗区 - 坂田城市更新项目	Residential and commercial complex	100%	52,768	235,717	R,O,S

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Project	Description	Interest Attributable	Site Area (sqm)	GFA (sqm)	Type
Shenzhen Longgang District Economic Residential Housing 深圳龙岗区 - 经济适用房	Under planning	95%	48,021	149,080	R
Shenzhen Longgang District Redevelopment Project (Phase 2 and 3) 深圳龙岗区 - 城中村改造项目, 二、三期	3,070 units	95%	72,807	292,470	R,S
Shenzhen Longgang District Redevelopment Project (Phase 4) 深圳龙岗区 - 城中村改造项目, 四期	Residential	95%	13,131	50,660	R
Yanlord Century Mansion ⁽³⁾ 仁恒世纪大厦 ⁽³⁾	370 units (H) coupling with retail shops	65%	5,744	55,100	S,H
Yanlord Landmark 仁恒置地广场	Residential and commercial complex	100%	2,513	13,680	R,O,S
Suzhou					
Suzhou No. 2018-WG-11 Land Parcels ⁽¹⁾ 苏州 No. 2018-WG-11 地块 ⁽¹⁾	1,368 units (R) coupling with retail shops	60%	86,441	185,970	R,S
Tangshan					
Tangshan Nanhu Eco-City Land Parcels ⁽¹⁾ 唐山南湖生态城地块 ⁽¹⁾	Office tower	50%	32,964	73,949	O
Tianjin					
Tianjin Hong Qiao Land (Phase 2) ⁽¹⁾ 红咸雅苑, 二期 ⁽¹⁾	Office tower coupling with retail shops	25%	33,713	56,760	O,S
The Mansion In Park (Phase 2 and 3) ^{(1) (4)} 仁恒公园世纪, 二、三期 ^{(1) (4)}	Commercial complex	50%	62,972	127,358	S,H
Subtotal (PRC)			2,143,149	3,643,549	
Singapore					
Tulip Garden ⁽¹⁾ 金香园 ⁽¹⁾	672 units	50%	29,423	51,785	R
Subtotal (Non-PRC)			29,423	51,785	
Total			2,172,572	3,695,334	

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

⁽¹⁾ Being held under associate or joint venture

⁽²⁾ Formerly known as Nanjing Daji Land Parcels (南京大吉别墅项目)

⁽³⁾ Formerly known as Shenzhen Luohu Land Parcel (深圳罗湖地块)

⁽⁴⁾ Formerly known as Tianjin No. 2013-090 Land Parcels (天津 No. 2013-090 地块)

BOARD OF DIRECTORS



ZHONG SHENG JIAN

Chairman and CEO

Member of Nominating Committee

Member of Risk Management Committee

Date When First Appointed: February 13, 2006

Date of Last Re-election: April 27, 2017

Country of Principal Residence: Singapore

Relationship: Father of Mr. Zhong Ming and uncle of Mr. Zhong Siliang, our Executive Directors

Mr. Zhong Sheng Jian (61) is the founder of Yanlord Land Group Limited and is responsible for the overall management and strategy development of Yanlord Land Group Limited. Since the 1980s, Mr. Zhong has founded and established a number of businesses in trading, manufacturing and real estate spanning China, Singapore and Hong Kong. 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 Singapore Exchange ("SGX") mainboard listed Yanlord Land Group Limited. Mr. Zhong is also the Executive Chairman and Non-Independent and Executive Director of United Engineers Limited, a company listed on the mainboard of the SGX.

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

Mr. Zhong is a council member of several Singapore-China investment and trade committees, including Singapore-Sichuan Trade & Investment Committee, Singapore-Tianjin Economic & Trade Council, Singapore-Jiangsu Cooperation Council, Singapore-Guangdong Collaboration Council and Singapore-China Business Council. He is also the Honorary President of Teochew Poit Ip Huay Kuan, council member of the Singapore Chinese Chamber of Commerce & Industry, Director of Business China, Vice-President of the Singapore Federation of Chinese Clan Associations and Vice Chairman of the Singapore Chinese Cultural Centre.

In 2010, Mr. Zhong was named and awarded the Singapore Businessman of the Year 2009. In 2015, Mr. Zhong was awarded with the Public Service Medal (Pingat Bakti Masyarakat), a Singapore National Day Award.



ZHONG SILIANG

Executive Director

Date When First Appointed: May 11, 2006

Date of Last Re-election: April 28, 2016

Country of Principal Residence: Singapore

Relationship: Nephew of Mr. Zhong Sheng Jian, our Chairman and CEO, and cousin of Mr. Zhong Ming, our Executive Director

Since October 2005, Mr. Zhong Siliang (41) has held the position of Assistant General Manager of our Investments Department and in this capacity, he assists in the evaluation of new business developments and conducts feasibility studies on potential property transactions for investments.

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

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



CHAN YIU LING

Executive Director

Date When First Appointed: May 11, 2006

Date of Last Re-election: April 27, 2018

Country of Principal Residence: Hong Kong

Relationship: None

Since 1999, Ms. Chan Yiu Ling (55) 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.

BOARD OF DIRECTORS



ZHONG MING

Executive Director

Date When First Appointed: October 1, 2016
Date of Last Re-election: April 27, 2017
Country of Principal Residence: Singapore
Relationship: Son of Mr. Zhong Sheng Jian, our Chairman and CEO, and cousin of Mr. Zhong Siliang, our Executive Director

Since 2013, Mr. Zhong Ming (32) has been holding various positions from property management to property development in various subsidiaries of Yanlord Land Group Limited. Mr. Zhong Ming is also an Independent Director of SIIC Environment Holdings Ltd.

Mr. Zhong Ming is currently holding positions as director of few subsidiaries of our Group in Shanghai and Tianjin. In this capacity, he oversees the execution of our Group's strategies at the city level, helping to obtain prime sites in Shanghai and Tianjin, driving forward our Group's development and expansion strategies in China.

Mr. Zhong Ming graduated from the University of Melbourne with a Bachelor's Degree in Accounting and Finance.



RONALD SEAH LIM SIANG

Lead Independent Director

*Chairman of Audit Committee
Member of Nominating Committee
Member of Remuneration Committee*

Date When First Appointed: May 11, 2006
Date of Last Re-election: April 27, 2017
Country of Principal Residence: Singapore
Relationship: None

Over a 26-year period between 1980 and 2006, Mr. Ronald Seah Lim Siang (71) 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 Vice-President, Direct Investments of AIG Global Investment Corporation (Singapore) Ltd. Between 2001 and 2006, Mr. Seah was also Chairman of the Board of Directors of AIG Global Investment Corporation (Singapore) Ltd.

From 1978 to 1980, Mr. Seah managed the investment portfolio of Post Office Savings Bank as Deputy Head of the Investment and Credit Department. Prior to that, he worked at Singapore Nomura Merchant Bank as an Assistant Manager with responsibilities covering the sale of bonds and securities and offshore (ACU) loan administration for the bank. Between 2002 and 2003, Mr. Seah served on the panel of experts of the Commercial Affairs Department of Singapore. He served on the Investment Committee of the National Council of Social Service between 1996 and 2014.

Mr. Seah serves on the boards of other listed companies namely, Global Investments Limited, Telechoice International Limited and PGG Wrightson Limited (listed on the New Zealand Stock Exchange). Mr. Seah is also an Independent Director on the boards of M&C REIT Management Limited (as manager of CDL Hospitality Real Estate Investment Trust) and M&C Business Trust Management Limited (as trustee-manager of CDL Hospitality Business Trust). He is currently Chairman of Nucleus Connect Pte. Ltd., sole proprietor of SoftCapital SG, a business consultancy, director of LifeHealth Group Limited, LifeClinic Limited as well as LifeHub Limited.

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



NG SHIN EIN

Independent Director

Chairperson of Risk Management Committee

Member of Audit Committee

Member of Remuneration Committee

Date When First Appointed: May 11, 2006

Date of Last Re-election: April 27, 2018

Country of Principal Residence: Singapore

Relationship: None

Ms. Ng Shin Ein (44) brings with her a rare blend of legal, business, financial and diplomatic experience. Ms. Ng is the co-founder of Gryphus Capital, a pan Asian private equity investment firm. She invests actively and leads a network of family offices and other private equity firms to provide strategic capital for companies. For these investments, she engages with portfolio companies, focusing on strategy and business development.

Prior to this, Ms. Ng spent a number of years at the Singapore Exchange where she was responsible for developing Singapore's capital market and bringing foreign companies to list in Singapore. Additionally, she was part of the Singapore Exchange's IPO Approval Committee, where she contributed industry perspectives and also acted as a conduit between the marketplace and regulators.

Ms. Ng Shin Ein was admitted as an advocate and solicitor of the Singapore Supreme Court in 1998 and practiced as a corporate lawyer in Messrs Lee & Lee. Whilst at Messrs Lee & Lee, she advised clients on joint ventures, mergers and acquisitions and fundraising exercises.

Ms. Ng serves on the boards of other companies listed on the mainboard of the Singapore Exchange namely, Starhub Limited, First Resources Limited and Avarga Limited (formerly known as UPP Holdings Limited). She was also appointed the youngest ever director of Fairprice, Singapore's largest supermarket operator, and served on the boards of Eu Yan Sang International Limited and Sabana Real Estate Investment Management Pte Ltd.

Apart from corporate boards, Ms. Ng serves as Singapore's Non-Resident Ambassador to the Republic of Hungary. She is also on the Board of Governors of the Singapore International Foundation.

Ms. Ng holds a Degree in Law (LLB Honours) from Queen Mary and Westfield College, University of London. She also holds a graduate diploma in Singapore law from the National University of Singapore.

BOARD OF DIRECTORS



HEE THENG FONG

Independent Director

Chairman of Nominating Committee

Member of Risk Management Committee

Date When First Appointed: October 11, 2017

Date of Last Re-election: April 27, 2018

Country of Principal Residence: Singapore

Relationship: None

Mr. Hee Theng Fong (64) is a senior lawyer in Singapore with over 30 years of experience. Mr. Hee is on the panel of many institutions including Singapore International Arbitration Centre, China International Economic and Trade Arbitration Commission, Shanghai International Arbitration Centre, Beijing International Arbitration Commission, Hainan International Arbitration Court and Hong Kong International Arbitration Centre. He is also a mediator, Specialist Mediator (China) and Ambassador for Singapore International Mediation Centre. He has handled more than one hundred cases in civil litigation and arbitration as lead counsel or arbitrator in many countries including Singapore, PRC and Hong Kong. Many of the cases handled by him have been reported in Singapore Law Report.

Mr. Hee also serves as a director of several listed companies, including Straco Corporation Limited, China Jinjiang Environment Holding Company Limited, Tye Soon Limited, APAC Realty Limited and Haidilao International Holding Ltd.. Mr. Hee was also an Independent Director of Delong Holdings Limited, First Resources Limited, Datapulse Technology Limited and YHI International Limited. He has been regularly invited to speak on directors' duties and corporate governance.

Mr. Hee also serves as a director of Singapore Chinese Cultural Centre. He is also the Deputy Chairman of Singapore Medishield Life Council and Chairman of Citizenship Committee of Inquiry (ICA).

Mr. Hee graduated in 1979 from the Law Faculty of the University of Singapore. He is also a holder of a Diploma in PRC Law.



HONG PIAN TEE

Independent Director

Chairman of Remuneration Committee

Member of Audit Committee

Member of Risk Management Committee

Date When First Appointed: September 1, 2018

Date of Last Re-election: Not applicable

Country of Principal Residence: Singapore

Relationship: None

Mr. Hong Pian Tee (74) was a partner of PricewaterhouseCoopers from 1985 to 1999 prior to his retirement on December 31, 1999.

Mr. Hong's experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a corporate / financial advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

Mr. Hong is currently the chairman of Pei Hwa Foundation Limited and he sits on the boards of three companies listed on the official list of the Singapore Exchange Securities Trading Limited namely, as a Non-Executive Chairman and an Independent Director of AsiaPhos Limited, an Independent Director of XMH Holdings Ltd. and an Independent Director of Sinarmas Land Limited.

Mr. Hong was previously an Independent Director of Golden Agri-Resources Ltd and Memstar Technology Ltd..

ZHANG HAO NING

Executive Vice-President

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

CHEN PING

Executive Vice-President

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

WANG XI

Executive Vice-President

Mr. Wang Xi was appointed our Executive Vice-President in November 2016. Prior to his appointment, Mr. Wang was the Deputy General Manager of China Merchants Shekou Holdings Co., Ltd., and concurrently held the position of General Manager of its East China operations. Mr. Wang also served as the Director of Business Development at China Merchant's Property Development Subsidiary (CMPD) prior to the merger of China Merchants' Shekou Group and CMPD. Mr. Wang has also held key positions in various companies such as the President of Xing Zhi Ye Real Estate Agency Co., Ltd. in Shenzhen between June 2004 and December 2005 as well as the Director of Marketing and Architectural Design at Shanghai Industrial Investment (Holdings) Co., Ltd.'s property development unit and the General Manager of its subsidiary's operations in Zhengzhou from January 2003 to April 2004. Mr. Wang graduated from Shenzhen University in 1993 with a Bachelor's Degree in Architecture. He obtained his Master's Degree in Management and Engineering from the South China University of Technology in 2001. Mr. Wang is also a Certified Civil Engineer.

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.

KEY MANAGEMENT

ZHOU YIQUN

General Manager - Shanghai

Mr. Zhou Yiqun was appointed the General Manager of our Shanghai operations in December 2015 and is responsible for the overall management of our business in Shanghai. Mr. Zhou has more than 10 years of operation experience in real estate development. Prior to this appointment, Mr. Zhou served as our Group's Investment and Operation Director and the Executive Director of our Shanghai subsidiary. Before joining Yanlord, Mr. Zhou served in various managerial positions of Hong Kong based RK Properties. Mr. Zhou was the General Manager of RK Group's Shanghai subsidiary from 2009 to 2014. He was the Executive Deputy General Manager of its Jinan subsidiary from 2007 to 2009. Mr. Zhou was with Sunco Group from 2005 to 2007, working as the Assistant to General Manager at its Wuxi subsidiary and Senior Manager of the Sunco's Strategic Development Center. Mr. Zhou graduated from Suzhou University with a Master's degree in Management. He also completed his EMBA program (2014 - 2015) at Cheung Kong Graduate School of Business.

LAM CHING FUNG

General Manager – Zhuhai

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

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.

HUANG ZHONG XIN

General Manager – Chengdu

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

GAO YONGJUN

General Manager – Nanjing and Sanya

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

ZHONG BAILING

General Manager - Zhongshan

Mr. Zhong Bailing was appointed the General Manager of our Zhongshan operations from December 2015 and is currently responsible for the management of our business in Zhongshan. Prior to that, he was the General Manager of our Shanghai operations from 2012 to 2015 and was the General Manager of our Shenzhen operations from 2010 to 2012. From December 2006 to March 2010, Mr. Zhong Bailing 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, he was a Senior Manager of IPC Corporation Ltd. of Singapore and was responsible for the company's project development and marketing in Zhuhai. From May 1996 to February 1998, he was a Project Manager with Zhuhai International Engineering Consulting Co., Ltd.. Mr. Zhong Bailing 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. He is a member of China Institute of Real Estate Appraisers and Agents.

LIN JUN TENG

General Manager – Tianjin, Tangshan and Jinan

Mr. Lin Jun Teng was appointed General Manager of our Tianjin and Tangshan operations in March 2017, also appointed General Manager of our Jinan operations in 2017 later and had served as the Assistant General Manager of operations in Tianjin from June 2004 to June 2014. He is responsible for the overall planning and management of our business in Tianjin. Prior to joining Yanlord, he served as Director and General Manager of Hong Kong Art and Decoration Co. Ltd. between 2001 and 2003. Before that, Mr. Lin worked as Director and General Manager at a catering management company in Canada. Mr. Lin graduated in LaSalle College of Montreal Canada in 1993 and majored in hotel management.

RUAN XIN KUN

General Manager – Haimen

Mr. Ruan Xin Kun was appointed the General Manager of our Haimen operations in April 2014 and is responsible for the overall management of our business in Haimen. Mr. Ruan was the Assistant General Manager of our Suzhou operations from 2003 to 2014 and was responsible for cost management, finance, sales and business development. Prior to joining Yanlord, Mr. Ruan served as a Department Manager of Chuxiong Renheng Fertilizer Co., Ltd. and Executive Director of Suzhou Renheng Qingling Motor Trading Co., Ltd..

LIU JICHAO

General Manager – Wuhan

Mr. Liu Jichao was appointed the General Manager of our Wuhan operations in March 2017 and is responsible for the overall management of our business in Wuhan. Mr. Liu joined Yanlord in March 2002 as a Project Manager in the Group's Nanjing subsidiary and has assumed numerous roles including the Manager of the Engineering Department in 2008 and Assistant to General Manager in 2010 before assuming the role as the Deputy General Manager of our Nanjing subsidiary in 2012, responsible for project development, cost management and business operations. Between 1995 and 2002, Mr. Liu served in various managerial positions of civil engineering projects at Nanjing Dadi Construction Group and Nanjing Overseas Construction Engineering Co., Ltd.. Mr. Liu graduated from China University of Mining and Technology, majoring in Civil Engineering in 1995.

FINANCIAL STATEMENTS

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DIRECTORS' STATEMENT

The directors present their statement 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, 2018.

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 as set out on pages 72 to 168 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2018, and of the financial performance, changes in equity and cash flows of the Group and 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 debt when they fall due.

1 DIRECTORS

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

Zhong Sheng Jian
Zhong Siliang
Chan Yiu Ling
Zhong Ming
Ronald Seah Lim Siang
Ng Shin Ein
Hee Theng Fong
Hong Pian Tee (Appointed on September 1, 2018)

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 in the financial year did there subsist any arrangement to which the Company is a party, being arrangements whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' STATEMENT

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 shares in, or 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 ("Act") except as follows:

Name of directors and companies in which interests are held	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
	As at beginning of financial year or date of appointment, if later	As at end of financial year	As at beginning of financial year or date of appointment, if later	As at end of financial year

The Company

Ordinary shares

Zhong Sheng Jian ⁽¹⁾	42,189,700	75,820,800	1,278,390,000	1,278,390,000
Zhong Siliang	320,000	320,000	-	-
Chan Yiu Ling ⁽²⁾	720,000	400,000	25,000	-
Ronald Seah Lim Siang	20,000	20,000	-	-
Ng Shin Ein	118,000	118,000	-	-
Hong Pian Tee	219,700	219,700	-	-

Notes:

⁽¹⁾ Zhong Sheng Jian is deemed to be interested in 1,278,390,000 (2017 : 1,278,390,000) ordinary shares of 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⁾ Chan Yiu Ling was deemed to be interested in 25,000 ordinary shares of the Company held by her spouse.

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

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

Name of directors and companies in which interests are held	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
	As at beginning of financial year or date of appointment, if later	As at end of financial year	As at beginning of financial year or date of appointment, if later	As at end of financial year

Immediate holding company

Yanlord Holdings Pte. Ltd.
(Ordinary shares)

Zhong Sheng Jian ⁽¹⁾	95,000,000	95,000,000	5,000,000	5,000,000
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Subsidiary

Yanlord Land (HK) Co., Limited
(i) Senior notes due 2022 (US\$'000)

Ng Shin Ein	2,000	2,800	-	-
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(ii) Senior notes due 2023 (US\$'000)

Zhong Sheng Jian ⁽¹⁾	-	50,000	-	-
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Related corporations

(i) Yanlord Capital Pte. Ltd.
(Ordinary shares)

Zhong Sheng Jian	-	-	1	1
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(ii) Yanlord Industries Pte. Ltd.
(Ordinary shares)

Zhong Sheng Jian	-	-	1	1
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Note:

⁽¹⁾ Zhong Sheng Jian is deemed to be interested in 5,000,000 ordinary shares of YHPL held by his spouse.

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 interests of directors in the shares and senior notes of the Company as at January 21, 2019 were the same as at December 31, 2018.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

a. Options to take up Unissued Shares

During the financial year, no option to take up unissued shares of the Company or any of its subsidiary corporations was granted.

b. Options Exercised

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

c. Unissued Shares Under Options

There was no option granted by the Company or any of its subsidiary corporations to any person to take up unissued shares of the Company or any of its subsidiary corporations as at the end of the financial year.

5 AUDIT COMMITTEE

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

Ronald Seah Lim Siang	Chairman and Lead Independent Director
Ng Shin Ein	Independent Director
Hong Pian Tee	Independent Director (Appointed on September 1, 2018)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act.

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

6 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, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Yanlord Land Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2018, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 168.

In our opinion, the accompanying 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 Companies Act, Chapter 50 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

Key audit matters

How the scope of our audit responded to the key audit matters

Assessment of recoverable amounts for properties for development, properties under development for sale and completed properties for sale

Properties (consisting of properties for development, properties under development for sale and completed properties for sale) (Note 9) represent a significant proportion of the assets in the Group's statement of financial position.

The accounting policies for Properties are set out in Note 2 to the consolidated financial statements.

Management's assessment of the recoverable amounts of the Properties is a judgemental process which requires the estimation of the net realisable value, which takes into account the future selling price (net of all estimated selling expenses) and the anticipated costs to completion. The shortfall in the net realisable value over the cost is accounted for as an impairment loss in profit or loss.

The assessment of recoverable amounts of the Properties also takes into consideration the development plan, timing of sales, current market prices of the properties involved or of comparable properties and the prevailing property 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.

We obtained an understanding and tested the design and implementation of the Group's relevant controls related to assessment of recoverable amounts for properties, which include checking approvals over the reviewing and updating of selling prices and cost forecasts, the setting of budgets and the authorisation and recording of costs.

We discussed with management to understand the basis used in determining whether the Group's Properties are impaired and the amount of impairment, if any.

We challenged management assumptions relating to the reasonableness of the future sales expectations including expected selling prices. We compared the expected selling prices to externally published benchmarks and also considered whether these prices are consistent with the current property market trends.

On a sampling basis, we agreed land costs to the acquisition of land use right agreements, verified projected construction costs to the construction agreements, and compared to the construction costs of the Group's other similar projects.

On development projects with slower than expected sales or with low or negative margins, we compared actual margins achieved to budget. We evaluated the sensitivity of the margin to changes in sales prices and costs.

We have also assessed the adequacy of the disclosures in respect of significant estimates made on the recoverable amounts for Properties in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

Key audit matters

How the scope of our audit responded to the key audit matters

Valuation of investment properties

Investment properties (Note 8) represent a significant proportion of the assets in the Group's statement of financial position.

The accounting policy for investment properties is set out in Note 2 to the consolidated financial statements.

The fair value of the investment properties is based on the valuation performed by an independent professional valuer (the "Valuer").

In determining fair values of investment properties, two valuation techniques are used by the Valuer, depending on the nature of each investment property. These valuation techniques used include: (i) direct comparison approach; and (ii) income capitalisation approach.

The valuation of the investment properties is a significant estimation area as it is underpinned by a number of key assumptions used in the valuation, which include (i) price per square metre; (ii) capitalisation rates; (iii) market rent per square metre per month.

We tested the relevant controls implemented by the management in appointing the Valuer and reviewed and challenged the work of the Valuer.

We assessed the Valuer's competence, independence, capabilities. We read their terms and scope of the valuation engagement.

We discussed with the Valuer to understand the assumptions and valuation techniques used in valuing the investment properties and the market evidence used by the Valuer to support their assumptions.

With the assistance of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the Valuer. Taking into account the nature of each investment property, we benchmarked and challenged the key assumptions used by reference to externally published industry data and comparable property transactions, where available, and we also considered whether these assumptions are consistent with the current market environment.

Based on our procedures, we noted that the valuation methodologies adopted by the Valuer are comparable to the methods used for similar property types. In addition, we noted that the key assumptions used in the valuations to be within a reasonable range of our expectations.

We have also assessed the adequacy of the Group's disclosures including the inputs into the valuations and the assumptions used.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

Key audit matters

How the scope of our audit responded to the key audit matters

Land appreciation tax ("LAT")

LAT related provisions, as presented as part of income tax payable, is estimated according to the requirements set forth in the relevant People's Republic of China ("PRC") tax laws and regulations. Significant judgement is required in estimating the amount of land appreciation and other basis in calculating the provision for LAT. The final tax outcome could be different from the initial recorded amounts, and these differences will impact the income tax expense and the related provisions in the periods in which such tax is finalised.

We checked the Group's LAT computations with reference to the local legislation with the assistance of our internal tax specialists in the PRC.

We evaluated management's judgements in respect of the provisioning for LAT by reference to the tax requirements. We reviewed the correspondences with the tax authorities.

We have also assessed the adequacy of the Group's LAT disclosures in the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Cheung Pui Yuen.

Deloitte & Touche LLP

Public Accountants and

Chartered Accountants

Singapore

March 27, 2019

STATEMENTS OF FINANCIAL POSITION

December 31, 2018

	Note	GROUP			COMPANY		
		December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
		2018	2017	2017	2018	2017	2017
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS							
Non-current assets							
Property, plant and equipment	7	3,177,663	2,842,863	1,819,467	-	-	-
Investment properties	8	14,567,640	13,986,380	13,694,556	-	-	-
Properties for development	9	16,940,162	15,079,352	2,792,938	-	-	-
Investments in subsidiaries	10	-	-	-	13,523,060	3,390,836	2,473,274
Investments in associates	11	1,418,593	584,881	610,363	-	-	-
Investments in joint ventures	12	5,897,162	4,542,033	1,200,199	-	-	-
Other receivables and deposits	14	3,114,118	2,402,132	873,153	-	-	-
Non-trade amounts due from:							
Joint ventures	12	5,914,815	2,696,774	1,202,561	-	-	-
Non-controlling shareholders of subsidiaries	13	400,000	400,000	200,000	-	-	-
Other financial assets		175,923	2,990	-	-	-	-
Intangible assets	15	2,092	812	613	-	-	-
Deferred tax assets	16	472,281	445,184	444,061	-	-	-
Total non-current assets		52,080,449	42,983,401	22,837,911	13,523,060	3,390,836	2,473,274
Current assets							
Inventories		117,027	92,721	73,020	-	-	-
Completed properties for sale	9	5,957,456	8,487,306	4,704,316	-	-	-
Properties under development for sale	9	21,124,992	25,587,718	38,214,800	-	-	-
Trade receivables		48,183	26,298	22,197	-	-	-
Other receivables and deposits	14	1,853,358	3,923,692	4,903,935	1	4	4
Non-trade amounts due from:							
Subsidiaries	5	-	-	-	1,794,247	11,926,923	14,139,634
Associates	11	1,201,290	1,283,682	1,176,327	-	-	-
Joint ventures	12	9,833,539	2,849,514	207,750	-	-	-
Non-controlling shareholders of subsidiaries	13	3,247,508	2,336,464	2,287,134	-	-	-
Other related parties	6	788	584	625	-	-	-
Income tax prepayment		567,767	791,636	916,334	-	-	-
Pledged bank deposits	17	331,048	40,029	520,680	-	-	-
Cash and cash equivalents	17	10,317,374	17,798,313	17,583,383	9,404	2,650	21,902
Total current assets		54,600,330	63,217,957	70,610,501	1,803,652	11,929,577	14,161,540
Total assets		106,680,779	106,201,358	93,448,412	15,326,712	15,320,413	16,634,814

STATEMENTS OF FINANCIAL POSITION

December 31, 2018

Note	GROUP			COMPANY		
	December 31,	December 31,	January 1,	December 31,	December 31,	January 1,
	2018	2017	2017	2018	2017	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
EQUITY AND LIABILITIES						
Capital, reserves and non-controlling interests						
Share capital	19	7,261,726	7,261,726	7,261,726	7,261,726	7,261,726
Reserves		17,768,378	15,468,798	264,747	100,507	(83,411)
Equity attributable to owners of the Company		25,030,104	22,730,524	7,526,473	7,362,233	7,178,315
Non-controlling interests		7,848,514	9,972,287	-	-	-
Total equity		32,878,618	32,702,811	7,526,473	7,362,233	7,178,315
Non-current liabilities						
Bank and other borrowings						
- due after one year	21	27,998,178	27,664,355	-	639,509	922,254
Senior notes	22	5,440,228	2,911,604	-	-	-
Deferred tax liabilities	16	2,831,594	2,607,761	-	-	-
Non-trade amounts due to:						
Joint ventures	12	805,377	-	-	-	-
Non-controlling shareholders of subsidiaries	13	-	1,265,625	-	-	-
Put liability to acquire non-controlling interests	18	-	1,334,144	-	-	-
Deferred income		335,702	138,083	-	-	-
Total non-current liabilities		37,411,079	35,921,572	-	639,509	922,254
Current liabilities						
Bank and other borrowings						
- due within one year	21	8,293,294	2,557,063	639,509	79,201	495,221
Senior notes	22	-	-	-	-	1,916,309
Trade payables	23	8,246,981	7,307,244	-	-	-
Other payables	24	1,453,353	1,362,367	3,837	3,667	21,737
Contract liabilities	25	9,857,831	20,689,297	-	-	-
Non-trade amounts due to:						
Subsidiary	5	-	-	7,100,578	7,186,140	5,386,074
Associates	11	257,596	-	-	-	-
Joint ventures	12	674,391	-	-	-	-
Ultimate holding company	5	-	-	-	-	672,486
Directors	6	56,315	49,663	56,315	49,663	42,418
Non-controlling shareholders of subsidiaries	13	705,139	688,573	-	-	-
Other related parties	6	44,808	55,676	-	-	-
Income tax payable		5,480,641	4,867,092	-	-	-
Put liability to acquire non-controlling interests	18	1,320,733	-	-	-	-
Total current liabilities		36,391,082	37,576,975	7,800,239	7,318,671	8,534,245
Total equity and liabilities		106,680,779	106,201,358	15,326,712	15,320,413	16,634,814

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Financial year ended December 31, 2018

	Note	GROUP	
		2018 RMB'000	2017 RMB'000
Revenue	25	24,888,041	25,638,407
Cost of sales		(13,432,692)	(13,594,462)
Gross profit		11,455,349	12,043,945
Other operating income and other gains	26	714,587	472,279
Fair value gain on investment properties		391,372	148,321
Selling expenses		(398,278)	(330,537)
Administrative expenses		(955,359)	(809,328)
Other operating expenses		(33,454)	(15,660)
Finance cost	27	(693,994)	(484,690)
Share of loss of associates	11	(12,689)	(8,114)
Share of profit of joint ventures	12	74,123	346,008
Profit before income tax		10,541,657	11,362,224
Income tax	28	(5,146,207)	(5,741,957)
Profit for the year	29	5,395,450	5,620,267
Profit attributable to:			
Owners of the Company		3,544,570	3,216,440
Non-controlling interests		1,850,880	2,403,827
		5,395,450	5,620,267
Earnings per share (Renminbi cents)	30		
- Basic		183.51	166.12
- Diluted		183.51	166.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended December 31, 2018

	Note	GROUP	
		2018 RMB'000	2017 RMB'000
Profit for the year	29	5,395,450	5,620,267
Other comprehensive (expense) income:			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Currency translation difference		(46,561)	823,231
Share of other comprehensive income of a joint venture		9,873	-
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Currency translation difference		(704,318)	(328,359)
Share of other comprehensive (expense) income of a joint venture		(4,742)	4,372
Other comprehensive (expense) income for the year, net of tax		(745,748)	499,244
Total comprehensive income for the year		4,649,702	6,119,511
Total comprehensive income attributable to:			
Owners of the Company		2,798,917	3,715,598
Non-controlling interests		1,850,785	2,403,913
		4,649,702	6,119,511

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2018

	Note	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Statutory reserve RMB'000	Merger deficit RMB'000	Other reserve RMB'000	Accumulated profits RMB'000	Equity attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
(Note 20)											
GROUP											
Balance at January 1, 2017		7,261,726	(47,006)	(689,689)	1,403,010	(1,834,019)	(1,758,997)	16,711,769	21,046,794	8,962,762	30,009,556
Total comprehensive income for the year:											
Profit for the year		-	-	-	-	-	-	3,216,440	3,216,440	2,403,827	5,620,267
Other comprehensive income for the year		-	-	494,786	-	-	4,372	-	499,158	86	499,244
Total		-	-	494,786	-	-	4,372	3,216,440	3,715,598	2,403,913	6,119,511
Transactions with owners, recognised directly in equity:											
Change of interest in subsidiaries	10	-	-	-	229	-	(1,530,277)	-	(1,530,048)	(123,312)	(1,653,360)
Capital withdrawal by non-controlling shareholders		-	-	-	-	-	-	-	-	(1,359,385)	(1,359,385)
Non-controlling interest arising from acquisition of subsidiaries	33	-	-	-	-	-	-	-	-	275,696	275,696
Dividends	31	-	-	-	-	-	-	(415,855)	(415,855)	-	(415,855)
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	(177,870)	(177,870)
Change of control from subsidiaries to joint ventures	34	-	-	-	-	-	(662)	-	(662)	(9,517)	(10,179)
Repurchase of shares	20	-	(85,303)	-	-	-	-	-	(85,303)	-	(85,303)
Appropriations		-	-	-	100,634	-	-	(100,634)	-	-	-
Total		-	(85,303)	-	100,863	-	(1,530,939)	(516,489)	(2,031,868)	(1,394,388)	(3,426,256)
Balance at December 31, 2017		7,261,726	(132,309)	(194,903)	1,503,873	(1,834,019)	(3,285,564)	19,411,720	22,730,524	9,972,287	32,702,811

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2018

	Note	Share capital RMB'000	Treasury shares RMB'000	Currency translation reserve RMB'000	Statutory reserve RMB'000	Merger deficit RMB'000	Other reserve RMB'000	Accumulated profits RMB'000	Equity attributable to owners of the Company RMB'000	Non- controlling interests RMB'000	Total RMB'000
(Note 20)											
GROUP											
Balance at January 1, 2018		7,261,726	(132,309)	(194,903)	1,503,873	(1,834,019)	(3,285,564)	19,411,720	22,730,524	9,972,287	32,702,811
Total comprehensive income for the year:											
Profit for the year		-	-	-	-	-	-	3,544,570	3,544,570	1,850,880	5,395,450
Other comprehensive income for the year		-	-	(750,784)	-	-	(4,742)	9,873	(745,653)	(95)	(745,748)
Total		-	-	(750,784)	-	-	(4,742)	3,554,443	2,798,917	1,850,785	4,649,702
Transactions with owners, recognised directly in equity:											
Change of interest in subsidiaries	10	-	-	-	269,181	-	(138,065)	-	131,116	(2,032,104)	(1,900,988)
Capital injection from a non-controlling shareholder		-	-	-	-	-	-	-	-	4,900	4,900
Capital withdrawal by non-controlling shareholders		-	-	-	-	-	-	-	-	(721,156)	(721,156)
Non-controlling interest arising from acquisition of subsidiaries	33	-	-	-	-	-	-	-	-	270,089	270,089
Dividends	31	-	-	-	-	-	-	(630,453)	(630,453)	-	(630,453)
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	(1,496,287)	(1,496,287)
Appropriations		-	-	-	238,066	-	-	(238,066)	-	-	-
Total		-	-	-	507,247	-	(138,065)	(868,519)	(499,337)	(3,974,558)	(4,473,895)
Balance at December 31, 2018		7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,097,644	25,030,104	7,848,514	32,878,618

STATEMENTS OF CHANGES IN EQUITY

Financial year ended December 31, 2018

	Note	Share capital RMB'000	Treasury shares RMB'000 (Note 20)	Currency translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000
COMPANY						
Balance at January 1, 2017		7,261,726	(47,006)	(246,993)	210,588	7,178,315
Total comprehensive income for the year:						
Profit for the year		-	-	-	561,838	561,838
Other comprehensive income for the year		-	-	123,238	-	123,238
Total		-	-	123,238	561,838	685,076
Transaction with owners, recognised directly in equity:						
Dividends	31	-	-	-	(415,855)	(415,855)
Repurchase of shares	20	-	(85,303)	-	-	(85,303)
Total		-	(85,303)	-	(415,855)	(501,158)
Balance at December 31, 2017		7,261,726	(132,309)	(123,755)	356,571	7,362,233
Total comprehensive income for the year:						
Profit for the year		-	-	-	609,951	609,951
Other comprehensive income for the year		-	-	184,742	-	184,742
Total		-	-	184,742	609,951	794,693
Transaction with owners, recognised directly in equity:						
Dividends	31	-	-	-	(630,453)	(630,453)
Total		-	-	-	(630,453)	(630,453)
Balance at December 31, 2018		7,261,726	(132,309)	60,987	336,069	7,526,473

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2018

	Note	GROUP	
		2018 RMB'000	2017 RMB'000
Operating activities			
Profit before income tax		10,541,657	11,362,224
Adjustments for:			
Allowance for doubtful debts and bad debts written off		3,782	43
Depreciation expense		87,521	33,207
Dividend income from other financial asset		(347)	-
Fair value gain on investment properties		(391,372)	(148,321)
Fair value gain on financial asset at fair value through profit or loss		(142)	-
Fair value gain from put liability to acquire non-controlling interests		(13,411)	(87,554)
Finance cost		693,994	484,690
Interest income		(551,080)	(359,168)
Net gain on disposal of property, plant and equipment		(447)	(192)
Net gain on disposal of investment properties		(1,009)	(5,002)
Share of loss of associates		12,689	8,114
Share of profit of joint ventures		(74,123)	(346,008)
Operating cash flows before movements in working capital		10,307,712	10,942,033
Properties for development		(1,814,891)	(19,767,496)
Inventories		(20,004)	(19,479)
Completed properties for sale		10,747,985	8,412,880
Properties under development for sale		(2,036,377)	(426,819)
Trade and other receivables and deposits		515,092	(750,890)
Trade and other payables		908,268	(1,156,670)
Contract liabilities		(10,831,466)	(2,105,011)
Cash generated from (used in) operations		7,776,319	(4,871,452)
Interest paid		(2,155,416)	(1,702,981)
Income tax paid		(4,110,825)	(4,072,278)
Net cash from (used in) operating activities		1,510,078	(10,646,711)
Investing activities			
Acquisition of subsidiaries	33	(418,545)	(582,003)
Change of control from subsidiaries to joint ventures	34	-	(85,879)
Investments in associates		(800,740)	-
Investments in joint ventures		(1,002,805)	(1,877,680)
Dividend received from other financial asset		347	-
Interest received		383,243	186,120
(Increase) Decrease in pledged bank deposits		(291,019)	480,651
Proceeds on disposal of property, plant and equipment		2,099	2,163
Proceeds on disposal of investment properties		2,042	14,056
Proceeds on disposal of financial asset at fair value through profit or loss		12,911	-
Payment for property, plant and equipment		(463,488)	(1,060,294)
Payment for investment properties		(190,921)	(152,557)
Purchase of other financial assets		(172,933)	(2,990)
Payment for intangible assets		(1,280)	(199)
Purchase of financial asset at fair value through profit or loss		(2,000)	-
Advance to associates		(1,480,253)	(89,987)
Repayment from associates		1,601,220	-
Advance to joint ventures		(10,601,175)	(2,522,333)
Repayment from joint ventures		1,616,778	2,576,327
Advance to non-controlling shareholders of subsidiaries		(602,230)	(1,516,755)
Advance to a related company		(167)	-
Net cash used in investing activities		(12,408,916)	(4,631,360)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended December 31, 2018

	Note	GROUP	
		2018 RMB'000	2017 RMB'000
Financing activities			
Dividends paid	31	(630,453)	(415,855)
Dividends paid to non-controlling shareholders of subsidiaries		(1,337,009)	(213,578)
Net proceeds on issue of senior notes		2,178,613	3,085,026
Proceeds from bank and other borrowings		9,922,460	26,303,899
Repayment of bank and other borrowings		(4,190,668)	(10,119,950)
Purchase of treasury shares	20	-	(85,303)
Redemption of senior notes		-	(1,974,600)
Advance from associates		30,343	-
Advance from (Repayment to) joint ventures		1,174,391	(365)
Advance from directors		5,590	6,056
Advance from ultimate holding company		-	341,030
Repayment to ultimate holding company		-	(1,013,448)
Advance from non-controlling shareholders of subsidiaries		352,220	2,163,954
Repayment to non-controlling shareholders of subsidiaries		(1,326,297)	(1,087,285)
(Repayment to) Advance from other related parties		(10,868)	8,046
Capital injection from a non-controlling shareholder of a subsidiary		4,900	-
Capital withdrawal by non-controlling shareholders of subsidiaries		(721,156)	(359,385)
Acquisition of non-controlling interest in subsidiaries		(1,904,691)	(1,412,840)
Disposal of partial interest in a subsidiary		-	12,000
Net cash from financing activities		3,547,375	15,237,402
Net decrease in cash and cash equivalents		(7,351,463)	(40,669)
Cash and cash equivalents at beginning of year	17	17,798,313	17,583,383
Effect of exchange rate changes on the balance of cash held in foreign currencies		(129,476)	255,599
Cash and cash equivalents at end of year	17	10,317,374	17,798,313

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 presented 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, 2018 were authorised for issue by the Board of Directors on March 27, 2019.

For all periods up to and including the year ended December 31, 2017, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended December 31, 2018 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 39.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and SFRS(I).

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

NEW SFRS(I) THAT MAY HAVE IMPACT – The following SFRS(I) pronouncements are expected to have an impact to the Group and the Company in the periods of their initial application under the new SFRS(I) framework:

Effective for annual periods beginning on or after January 1, 2019

- SFRS(I) 16 Leases
- Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

SFRS(I) 16 Leases

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

Amendments to SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures*

The pronouncement clarifies that SFRS(I) 9, including its impairment requirements, applies to long-term interests in associates and joint ventures to which the equity method is not applied but that form part of an entity's net investment in the investees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - if probable, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - if not probable, the entity should reflect the effect of uncertainty in determining its accounting tax position.

Impact assessment

Management has performed a preliminary analysis of those relevant pronouncements which are effective from annual periods beginning on or after January 1, 2019, and does not expect material adjustments.

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable SFRS(I)s). 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 SFRS(I) 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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.

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 at fair value, with changes in fair value 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 SFRS(I) 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 SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *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 SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests 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 either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

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.

PUT LIABILITY TO ACQUIRE NON-CONTROLLING INTERESTS – When an entity within the Group writes non-cancellable rights for non-controlling shareholders to put back their shares to the entity (the "Put Instruments") as part of the acquisition of a subsidiary for settlement in cash, a put liability is recognised for the present value of the exercise price of the Put Instruments. This creates an obligation or potential obligation for the entity to purchase its subsidiary's instruments (constitutes the Group's own equity in the consolidated financial statements) for cash.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests, the Group has chosen an accounting policy that the non-controlling interests continue to be recognised. Therefore, the present value of the Put Instruments is recognised in equity. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss.

If the Put Instrument expires unexercised, then the charge to equity will be reversed and the financial liability will be derecognised. If the Put Instruments are exercised, then the charge to equity will be reversed and the financial liability will be derecognised and acquisition accounting will be applied, whereby the acquisition of the Group's ownership interests in a subsidiary that do not result in the change in control over the subsidiary are accounted for as equity transactions.

Before the adoption of SFRS(I) 9 on January 1, 2018

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.

Financial assets and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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, to the net carrying amount on initial recognition. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at FVTPL.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned.

The Group's financial assets are classified into the following specified categories: "financial assets at FVTPL", "available-for-sale ("AFS") 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 FVTPL

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets at 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 and is included in "other operating income and other gains" or "other operating expenses" line in the consolidated statement of profit or loss. Fair value is determined in the manner described in Note 4 (c) (vi).

Available-for-sale (AFS) financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

AFS equity investments 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 any identified impairment losses at the end of each reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Loans and receivables

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

Impairment of financial assets

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

Objective evidence of impairment could include:

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

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

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

NOTES TO FINANCIAL STATEMENTS

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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 collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

Interest-bearing bank and other borrowings and senior notes are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method 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, if not designated as FVTPL, 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*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition of financial liabilities

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

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.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

After the adoption of SFRS(I) 9 on January 1, 2018

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured with SFRS(I) 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application / initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 *Business Combination* applies.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other operating income and other gains" line item in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under SFRS(I) 9 (including trade receivables, other receivables and non-trade amounts due from associates, joint ventures, non-controlling shareholders of subsidiaries and other related parties, pledged bank deposits, cash and cash equivalents and other financial assets). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and lease receivables. The ECL on these assets are assessed collectively with appropriate groupings.

For all other instruments and financial guarantees contracts, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses are the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables and other receivables are each assessed as a separate group. Non-trade amounts due from associates, joint ventures, non controlling shareholders of subsidiaries and other related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with SFRS(I) 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of SFRS(I) 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Upon application of SFRS(I) 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated profits upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, senior notes, trade payables, other payables, non-trade amounts due to an associate, joint ventures, ultimate holding company, directors, non-controlling shareholders of subsidiaries and other related parties are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

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 lease income.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 in respect of which physical construction is not expected to commence within twelve months from the end of the reporting period. They are stated at cost less allowance for any impairment in value.

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

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

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

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

Construction-in-progress consists of land cost, construction costs and capitalised borrowing costs incurred during the period of construction.

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

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

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

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

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

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. 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.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

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

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from properties for development, properties under development for sale or completed properties for sale to investment properties, any difference between the fair value of the properties at that date and its previous carrying amount is recognised in profit or loss.

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 – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than investment properties and other financial assets 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 AND JOINT VENTURES – An associate is an entity over which the Group has significant influence. 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, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39 (before the adoption of SFRS(I) 9 as at January 1, 2018) or SFRS(I) 9 (after January 1, 2018). The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when investment in an associate becomes investment in a joint venture or investment in a joint venture becomes investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

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

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

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

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

STATUTORY RESERVE – Statutory reserve represents the amount transferred from profit after tax of the subsidiaries incorporated in the People's Republic of China ("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 comprises (i) the net excess of purchase consideration over the carrying amount of non-controlling interests acquired in the subsidiaries at the date of acquisition; (ii) the charge of the present value of a put liability in relation to put instruments entered into with the non-controlling shareholders on their equity interests in a subsidiary. Subsequent changes in the carrying value of the put liability are recognised in profit or loss; and (iii) the share of reserves and other comprehensive income of a joint venture.

REVENUE RECOGNITION – The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a promise in a contract with customers to transfer a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of properties or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises sales commissions as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the properties or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

Presentation of contract liabilities

A contract liability represents the Group's obligation to transfer properties or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group recognises revenue from the following major sources:

Income from property development

Income from property development represents the development and sales of residential properties. For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the control of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Income from property investment and hotel operations

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. The revenue from hotel operations is recognised over time by using the output method.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income from others

Income from others mainly represents income from property management and other related services. The Group provides property management and other related services to customers. The revenue from property management and other related service is recognised over time elapsed by using output method.

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.

GOVERNMENT SUBSIDIES – Government subsidies are not recognised until there is reasonable assurance that the Group 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 and other gains".

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

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. 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 joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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

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

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

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

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Group's accounting policies

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

Deferred taxation on investment properties

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined the presumption of investment properties measured using the fair value model are recovered entirely through sale is rebutted. As a result, the Group has recognised deferred taxation on revaluation of investment properties as the Group is subject to PRC Enterprise Income Tax ("EIT").

Land Appreciation Tax ("LAT")

Income from sale of properties in the PRC is subject to LAT at progressive rates under the PRC tax laws and regulations. The management estimates and provides for LAT in accordance with the PRC tax laws and regulations. The management has assessed and considers the provision of LAT as at the end of the reporting period to be adequate. The LAT expense recorded during the year is disclosed in Note 28.

Control over entities for which the Group does not have more than 50% ownership interest and voting rights

Note 10 describes that Shanghai Renpin Property Development Co., Ltd. and Suzhou Renan Real Estate Co., Ltd. are subsidiaries of the Group even though the Group has only a 50% and 30% ownership interest and shareholder's voting rights in these two entities respectively.

The management of the Company assessed whether or not the Group has control over these entities based on whether the Group has the practical ability to direct the relevant activities of these entities unilaterally. In making their judgement, the management considered the Group's rights arising from the contractual arrangements. After assessment, the management concluded that the Group has sufficiently dominant voting right and power to direct the relevant activities of these entities and therefore the Group has unilateral control over these entities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

Key sources of estimation uncertainty

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

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

The aggregate carrying amount of these properties totalled RMB44.023 billion as at December 31, 2018 (December 31, 2017 : RMB49.154 billion, January 1, 2017 : RMB45.712 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 net realisable values, assessed on an individual property basis.

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

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

Valuation of investment properties

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

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

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

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

Estimated loss allowance of debt instruments in non-trade nature and financial guarantee contracts

The management of the Group estimates the amount of loss allowance to 12-month ECL on debt instruments in non-trade nature (including other receivables and non-trade amounts due from associates, joint ventures, non-controlling shareholders of subsidiaries and other related parties) and financial guarantee contracts.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

Estimated loss allowance of debt instruments in non-trade nature and financial guarantee contracts (Cont'd)

In determining the ECL for these debt instruments and financial guarantee contracts, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, for example the Group has considered the consistently low historical default rate, financial position, property development plan and cash flow projection, as well as pledge of assets of the counterparties and collateral value of the assets, equity interests, undistributed retained earnings in these entities and expected future earnings that would be distributed by entities, based which, the management of the Group has assessed that whether these debt instruments have any significant increase in credit risk since initial recognition. Such assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

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		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets						
Loans and receivables (including cash and cash equivalents)		- 29,961,718	24,207,375		- 11,929,574	14,161,536
Financial assets at amortised cost (including cash and cash equivalents)	34,017,860	-	-	1,803,651	-	-
Available-for-sale Investment, at cost	-	2,990	-	-	-	-
Financial assets at FVTOCI: Other financial assets	175,923	-	-	-	-	-
Financial liabilities						
Financial liabilities at FVTPL: Put liability to acquire non-controlling interests	1,320,733	1,334,144	1,421,698	-	-	-
Amortised cost	53,373,661	43,334,303	32,559,183	7,800,239	7,958,180	9,456,499

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

Financial assets

Type of financial asset	Gross amounts of recognised financial assets RMB'000	Gross amounts of recognised financial liabilities set off in the statements of financial position RMB'000	Net amounts of financial assets presented in the statements of financial position RMB'000
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GROUP

December 31, 2018

Non-trade amounts due from non-controlling shareholders of subsidiaries	3,662,718	(15,210)	3,647,508
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December 31, 2017

Non-trade amounts due from non-controlling shareholders of subsidiaries	2,754,038	(17,574)	2,736,464
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January 1, 2017

Non-trade amounts due from non-controlling shareholders of subsidiaries	2,501,635	(14,501)	2,487,134
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NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

Financial liabilities

Type of financial liability	Gross amounts of recognised financial liabilities RMB'000	Gross amounts of recognised financial assets set off in the statements of financial position RMB'000	Net amounts of financial liabilities presented in the statements of financial position RMB'000
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GROUP

December 31, 2018

Non-trade amounts due to non-controlling shareholders of subsidiaries	720,349	(15,210)	705,139
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December 31, 2017

Non-trade amounts due to non-controlling shareholders of subsidiaries	1,971,772	(17,574)	1,954,198
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January 1, 2017

Non-trade amounts due to non-controlling shareholders of subsidiaries	648,975	(14,501)	634,474
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In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statements of financial position' to the line item amounts presented in the consolidated statements of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

(c) Financial risk management policies and objectives

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

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 dollar ("US dollar", "US\$"), Hong Kong dollar ("HK dollar", "HK\$"), Singapore dollar ("SG dollar", "S\$") and RMB and therefore is exposed to foreign exchange risk.

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

	GROUP						COMPANY					
	Liabilities			Assets			Liabilities			Assets		
	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
US dollar	480,424	6,348	884,964	6,083	61,989	1,240,642	-	-	416,220	141	41	66
HK dollar	547,406	545,094	583,201	16,081	145,023	31,374	-	-	-	8,646	201	71
SG dollar	1,793,965	11,926,678	14,251,113	7,102,552	7,228,573	5,388,618	-	-	-	-	-	-
RMB	2,837,928	2,731,728	4,697,635	3,864,394	888,177	326,736	639,509	718,709	797,910	168	107	1,956

Foreign currency sensitivity

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

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

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

US dollar impact			HK dollar impact			SG dollar impact			RMB impact		
Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

GROUP

Increase (Decrease) in profit before income tax	13,816	(1,621)	(10,360)	15,475	11,654	16,073	(57)	(1,236)	3,212	71,361	79,066	76,738
(Decrease) Increase in other equity	-	-	-	-	(1)	-	(154,562)	138,074	254,919	(101,258)	(25,370)	50,570

COMPANY

(Decrease) Increase in profit before income tax	(4)	(1)	12,121	(252)	(6)	(2)	-	-	-	18,622	20,930	23,183
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(ii) Interest rate risk management

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

Interest rate sensitivity

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

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

- Interest expense for the year ended December 31, 2018 would increase / decrease respectively by RMB249 million (December 31, 2017 : increase / decrease respectively by RMB210 million). The Group's sensitivity to interest rates has increased during the current year due to the increase in the carrying amount of variable rate debt instruments.
- It is the Group's accounting policy to capitalise borrowing costs relevant to property development. Hence, the above mentioned interest rate fluctuation may not fully impact the profit in the year where interest expense is incurred and capitalised but may affect profit in future financial years.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

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

Interest rate sensitivity (Cont'd)

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's interest expense for the year ended December 31, 2018 would increase / decrease respectively by RMB6 million (December 31, 2017 : increase / decrease respectively by RMB7 million). The Company's sensitivity to interest rates has decreased during the current year due to the decrease in variable rate debt instruments.

(iii) Equity price risk management

Available-for-sale investment / other financial assets designated as at FVTOCI are held for strategic rather than trading purposes. The Group and the Company do not actively trade available-for-sale investment / other financial assets designated as at FVTOCI.

The management was of the view that the equity price risk was not significant for the Group due to the relatively small amount of such investments carried. Hence no price sensitivity analysis was 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 arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position and the amount of contingent liabilities disclosed in Note 38. 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, the Group requires advanced payment by the customers upon entering into sales agreement, and sales proceeds are fully settled concurrent with delivery of properties. For leasing of properties, advanced payments by the tenants are required prior to the lease term commenced.

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 certain associates, joint ventures and non-controlling shareholders of subsidiaries. The amounts due from those associates and joint ventures which are engaged in property development projects with strong financial position and sufficient future cash flow. Part of the amounts due from non-controlling interests are secured by undistributed retained earnings of the subsidiary yet to be distributed as dividends and future earnings that are expected to be distributed by the subsidiary to the non-controlling shareholders (Note 13). Information on credit risk relating to other receivables are disclosed in Note 14. 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.

In order to minimise credit risk, the management of the Group has delegated a team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The team uses publicly available financial information and the Group's own historical repayment records to rate its major customers and debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

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

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

(iv) Credit risk management (Cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition.	Lifetime ECL- not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL- credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

In determining the ECL for other receivables and non-trade amounts due from associates, joint ventures, non-controlling shareholders of subsidiaries and other related parties and financial guarantee contracts since January 1, 2018, the management of the Group has taken into account the historical default experience and forward-looking information, as appropriate, for example the Group has considered the consistently low historical default rate, financial position, property development plan and cash flow projection, as well as pledge of assets of the counterparties and collateral value of the assets, equity interests, undistributed retained earnings in these entities and expected future earnings that would be distributed by the entities in connection with non-trade amounts due from associates, joint ventures and non-controlling shareholders of subsidiaries, and concluded that credit risk inherent in the Group's outstanding other receivables and non-trade amounts due from associates, joint ventures, non-controlling shareholders of subsidiaries and other related parties and financial guarantee contracts is insignificant. The management of the Group has assessed that other receivables and non-trade amounts due from associates, joint ventures, non-controlling shareholders of subsidiaries and other related parties and financial guarantee contracts have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no impairment has been recognised.

As at December 31, 2018, 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; (ii) guarantees of approximately RMB5.065 billion (2017 : RMB7.508 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; (iii) guarantees of approximately RMB2.469 billion (2017 : RMB1.710 billion) to banks and other lenders in respect of bank and other borrowings to joint ventures; and (iv) a guarantee of approximately RMB1.710 billion (2017 : RMB Nil) to a bank in respect of a loan facility granted to a third party, as elaborated in Note 38 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

(v) Liquidity risk management

The Group maintains cash and cash equivalents, obtains external bank and other borrowings and issues senior notes with staggered repayment dates. The Group also minimises liquidity risk by keeping committed credit lines available. As at December 31, 2018, the Group had available RMB8.590 billion (December 31, 2017 : RMB11.434 billion, January 1, 2017 : RMB9.571 billion) of undrawn committed bank and other 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.

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 years to 5 years RMB'000	More than 5 years RMB'000	Adjustments RMB'000	Total RMB'000
GROUP							
December 31, 2018							
Non-interest bearing	-	11,723,819	205,377	-	-	-	11,929,196
Variable interest							
rate instruments	5.2	3,540,647	8,913,327	6,699,805	11,110,046	(5,476,313)	24,787,512
Fixed interest							
rate instruments	6.8	6,081,270	8,550,924	6,067,005	-	(2,721,513)	17,977,686
Total		21,345,736	17,669,628	12,766,810	11,110,046	(8,197,826)	54,694,394
December 31, 2017							
Non-interest bearing	-	8,935,657	1,334,144	-	-	-	10,269,801
Variable interest							
rate instruments	4.9	1,770,503	3,659,687	10,293,180	9,475,913	(4,319,921)	20,879,362
Fixed interest							
rate instruments	6.2	1,096,803	5,120,581	9,654,388	-	(2,352,488)	13,519,284
Total		11,802,963	10,114,412	19,947,568	9,475,913	(6,672,409)	44,668,447
January 1, 2017							
Non-interest bearing	-	8,681,336	-	1,421,698	-	-	10,103,034
Variable interest							
rate instruments	4.3	4,518,273	2,050,927	4,430,310	1,752,267	(1,399,794)	11,351,983
Fixed interest							
rate instruments	6.1	7,103,215	1,517,874	5,189,915	-	(1,285,140)	12,525,864
Total		20,302,824	3,568,801	11,041,923	1,752,267	(2,684,934)	33,980,881

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

(v) *Liquidity risk management* (Cont'd)

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 years to 5 years RMB'000	Adjustments RMB'000	Total RMB'000
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COMPANY

December 31, 2018

Non-interest bearing	-	7,160,730	-	-	-	7,160,730
Variable interest rate instruments	5.1	672,124	-	-	(32,615)	639,509
Total		7,832,854	-	-	(32,615)	7,800,239

December 31, 2017

Non-interest bearing	-	7,239,470	-	-	-	7,239,470
Variable interest rate instruments	5.1	83,240	704,739	-	(69,269)	718,710
Total		7,322,710	704,739	-	(69,269)	7,958,180

January 1, 2017

Non-interest bearing	-	5,450,785	-	-	-	5,450,785
Variable interest rate instruments	3.4	1,192,943	306,485	737,584	(147,607)	2,089,405
Fixed interest rate instruments	6.8	1,968,433	-	-	(52,124)	1,916,309
Total		8,612,161	306,485	737,584	(199,731)	9,456,499

As at December 31, 2018, the maximum amount that the Group could be obliged to settle under the financial guarantee contracts related to (i) bank loans of buyers amounting to RMB5.065 billion (2017 : RMB7.508 billion); (ii) bank and other borrowings of joint ventures amounting to RMB2.469 billion (2017 : RMB1.710 billion); and (iii) a loan facility granted to a third party amounting to RMB1.710 billion (2017 : RMB Nil) (Note 38).

The following table detail the earliest period that the guarantees could be called.

	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 year to 5 years RMB'000	Total RMB'000
December 31, 2018	6,030,629	747,744	2,465,507	9,243,880
December 31, 2017	8,392,670	-	824,875	9,217,545
January 1, 2017	11,549,438	533,691	730,000	12,813,129

As mentioned in Note 38, the management considers that the likelihood of these guarantees being called upon is low.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

(v) Liquidity risk management (Cont'd)

Non-derivative financial assets

The following tables detail the remaining contractual 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 the cash flows will occur in a different period.

	Weighted average effective interest rate %	On demand or within 1 year RMB'000	More than 1 year to 2 years RMB'000	More than 2 years to 5 years RMB'000	More than 5 years RMB'000	Adjustments RMB'000	Total RMB'000
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GROUP

December 31, 2018

Non-interest bearing	-	12,575,323	2,035,631	693,359	52,933	-	15,357,246
Fixed interest rate instruments	6.4	14,302,148	3,659,557	2,681,727	-	(1,806,895)	18,836,537
Total		26,877,471	5,695,188	3,375,086	52,933	(1,806,895)	34,193,783

December 31, 2017

Non-interest bearing	-	18,772,022	1,348,208	256,633	-	-	20,376,863
Fixed interest rate instruments	5.6	6,682,463	2,030,104	1,788,040	-	(912,762)	9,587,845
Total		25,454,485	3,378,312	2,044,673	-	(912,762)	29,964,708

January 1, 2017

Non-interest bearing	-	18,293,113	52,986	606,796	-	-	18,952,895
Fixed interest rate instruments	5.5	3,864,775	231,870	1,722,170	-	(564,335)	5,254,480
Total		22,157,888	284,856	2,328,966	-	(564,335)	24,207,375

As at December 31, 2018, the Company's non-derivative financial assets are mainly non-interest bearing with expected maturity within 1 year (December 31, 2017 : 1 year, January 1, 2017 : 1 year).

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

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

(vi) Fair value of financial assets and financial liabilities

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

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

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

Financial assets/ (liabilities)	Fair value as at			Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	December 31, 2018	December 31, 2017	January 1, 2017				
	RMB'000	RMB'000	RMB'000				
GROUP							
Put liability to acquire non-controlling interests	(1,320,733)	(1,334,144)	(1,421,698)	Level 3	Discounted cash flow. Future cash flows are estimated based on the present value of expected payment, discounted using the entity's cost of debt. The expected payment is determined by considering the fair value at the time of exit	Cost of debt with tenure of 0.25-1 year at 9% (December 31, 2017 : 1-2 years at 9%, January 1, 2017 : 2-3 years at 10%)	A slight increase in the cost of debt used in isolation will result in a decrease in the fair value ⁽¹⁾
Other financial assets	55,293	2,990	-	Level 3	Net asset value of the investees	Net asset value	The higher the net asset value, the higher the fair value
	120,000	-	-	Level 3	Income approach - in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee	Discount rate of 10% per annum using a Capital Asset Pricing Model	A slight increase in the discount rate used in isolation will result in a decrease in the fair value ⁽²⁾

⁽¹⁾ As at December 31, 2018, a 100 basis point increase / decrease in cost of debt used as discount rate while holding all other variables constant would decrease / increase the carrying amount of put liability to acquire non-controlling interests by RMB6 million (December 31, 2017 : RMB15 million, January 1, 2017 : RMB26 million).

⁽²⁾ As at December 31, 2018, a 100 basis point increase in the discount rate while holding all other variables constant would decrease the carrying amount of this other financial asset by RMB10 million, while a 100 basis point decrease in the discount rate would increase the carrying amount of this other financial asset by RMB13 million.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

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

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

Reconciliation of Level 3 fair value measurement

	Put liability to acquire non-controlling interests RMB'000	Other financial assets RMB'000	Total RMB'000
At January 1, 2017	(1,421,698)	-	(1,421,698)
Total gains in profit or loss	87,554	-	87,554
At December 31, 2017	(1,334,144)	-	(1,334,144)
Transfer into Level 3 upon initial recognition of SFRS(I) 9	-	2,990	2,990
Recognition upon entering the agreements	-	172,933	172,933
Total gains in profit or loss	13,411	-	13,411
At December 31, 2018	(1,320,733)	175,923	(1,144,810)

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

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

December 31, 2018		December 31, 2017		January 1, 2017	
Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000

GROUP

Financial Liabilities

Senior notes	5,440,228	5,413,177	2,911,604	3,027,132	1,916,309	1,941,494
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COMPANY

Financial Liabilities

Senior notes	-	-	-	-	1,916,309	1,941,494
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The Group's and the Company's senior notes at the end of the reporting period were under Level 2 fair value hierarchy.

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

(d) Capital risk management policies and objectives

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

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

The net debt to equity ratios as at the end of the reporting period were as follows:

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Total debt	42,135,198	34,398,647	23,675,021
Cash and cash equivalents	(10,317,374)	(17,798,313)	(17,583,383)
Net debt	31,817,824	16,600,334	6,091,638
Equity	32,878,618	32,702,811	30,009,556
Net debt to equity ratio	96.8%	50.8%	20.3%

The Group's overall strategy remains unchanged from 2017. In addition, the Group also specifically monitors the financial ratios of its debt covenants stated in the agreements in respect of senior notes issued by the Company and its subsidiary and borrowings with the financial institutions providing the facilities to the Group.

5. ULTIMATE HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

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

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

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

	GROUP AND COMPANY	
	2018 RMB'000	2017 RMB'000
Interest expense to ultimate holding company (Note 27)	–	1,025

As at January 1, 2017, non-trade amount due to the ultimate holding company amounting to RMB422 million and RMB250 million bore floating interest rates at the bank's cost of funds or swap offer rate plus 1.5% per annum, and the bank's cost of funds or swap offer rate plus 1.1% per annum respectively. The balance was unsecured and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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 (including non-trade amounts due from associates, joint ventures and other related parties and non-trade amounts due to associates, joint ventures, ultimate holding company, directors and other related parties) are unsecured, interest-free and repayable on demand unless otherwise stated.

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Sales of properties to key management personnel and close members of their families	30,057	46,467
Interest income from associates	25,522	35,262
Interest income from joint ventures	289,839	95,544
Other income from associates	6,721	6,306
Other income from joint ventures	51,171	10,756
Interest expense to an associate	342	-
Interest expense to a joint venture	5,446	-
Rental expenses to a director and a company in which the director has control over	11,798	9,998

At the end of the reporting period, the Group has outstanding commitments of RMB27 million (December 31, 2017 : RMB30 million, January 1, 2017 : RMB13 million) to a director and a company in which the director has control over, under non-cancellable operating leases in respect of land and buildings for its office premises and staff accommodation.

At the end of the reporting period, the Group has pre-sales of properties totaling RMB189 million (December 31, 2017 : RMB200 million, January 1, 2017 : RMB47 million) to key management and close members of their families. As at December 31, 2018, advances amounting to RMB45 million (December 31, 2017 : RMB55 million, January 1, 2017 : RMB47 million) have been received from key management and close members of their families in relation to the pre-sales of properties.

As at January 1, 2017, a bank loan of the Company amounting to RMB203 million drawn for general working capital of the Group was secured by a legal charge extended by the Company's ultimate holding company and a personal guarantee from a director.

Compensation of directors and key management personnel

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Short-term benefits	93,833	93,913
Post-employment benefits	1,535	1,104
	95,368	95,017

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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, 2017	324,310	80,551	164,888	1,510,020	2,079,769
Additions	176,455	15,092	14,352	854,395	1,060,294
Disposals	-	(7,124)	(4,041)	-	(11,165)
Acquisition of a subsidiary (Note 33)	-	9	41	-	50
Change of control from subsidiaries to joint ventures (Note 34)	-	-	(207)	-	(207)
Exchange difference	-	372	(73)	-	299
At December 31, 2017	500,765	88,900	174,960	2,364,415	3,129,040
Additions	14,168	17,985	65,885	327,351	425,389
Disposals	(658)	(10,724)	(3,969)	-	(15,351)
Transfers	2,543,850	-	-	(2,543,850)	-
Acquisition of subsidiaries (Note 33)	54	1,125	638	-	1,817
Exchange difference	-	43	36	-	79
At December 31, 2018	3,058,179	97,329	237,550	147,916	3,540,974
Accumulated depreciation:					
At January 1, 2017	68,397	59,152	132,753	-	260,302
Depreciation for the year	17,601	7,410	10,140	-	35,151
Eliminated on disposals	-	(5,562)	(3,632)	-	(9,194)
Change of control from subsidiaries to joint ventures (Note 34)	-	-	(11)	-	(11)
Exchange difference	-	(32)	(39)	-	(71)
At December 31, 2017	85,998	60,968	139,211	-	286,177
Depreciation for the year	65,819	10,417	14,539	-	90,775
Eliminated on disposals	(658)	(9,800)	(3,241)	-	(13,699)
Exchange difference	-	29	29	-	58
At December 31, 2018	151,159	61,614	150,538	-	363,311
Carrying amount:					
At December 31, 2018	2,907,020	35,715	87,012	147,916	3,177,663
At December 31, 2017	414,767	27,932	35,749	2,364,415	2,842,863
At January 1, 2017	255,913	21,399	32,135	1,510,020	1,819,467

In 2018, depreciation for the year includes an amount of RMB3 million (2017 : RMB2 million) capitalised in the Group's properties for development and properties under development for sale. The carrying amounts of leasehold land and buildings as well as construction-in-progress pledged to banks and other lenders to secure bank and other borrowings are disclosed in Note 21.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

8. INVESTMENT PROPERTIES

	GROUP	
	2018 RMB'000	2017 RMB'000
At fair value:		
Balance as at beginning of year	13,986,380	13,694,556
Additions	190,921	152,557
Change in fair value	391,372	148,321
Disposals	(1,033)	(9,054)
Balance as at end of year	14,567,640	13,986,380

The fair value of investment properties at December 31, 2018, December 31, 2017 and January 1, 2017 have been determined on the basis of valuations carried out at the respective year end dates by independent valuers having recognised professional qualification and recent experience in the location and category of the properties being valued, and not related to the Group.

The fair value was determined based on the direct comparison approach that reflects recent transaction prices or current asking prices for similar properties, the income capitalisation approach where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood and the residual approach whereby the fair value is determined by taking into consideration the projected total development value, costs incurred, expected cost to completion and developer's profit. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year, other than for investment properties under construction.

The Group's investment properties at the end of the reporting period were under Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during the year.

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

Description	Fair value as at RMB'000	Valuation technique(s)	Significant unobservable input(s)	Range
December 31, 2018				
Completed investment properties	12,028,100 ⁽¹⁾	Direct comparison approach	price per square meter ⁽²⁾	RMB44,057
		Income capitalisation approach	market rent per square meter per month ⁽²⁾	RMB20 – RMB398
			capitalisation rate ⁽³⁾	3.0% – 8.0%
Car parking spaces	519,540	Direct comparison approach	price per unit ⁽²⁾	RMB110,000 – RMB260,000
Investment properties under construction	2,020,000 ⁽¹⁾	Direct comparison approach	price per square meter ⁽²⁾	RMB33,180
		Income capitalisation approach	market rent per square meter per month ⁽²⁾	RMB139
			capitalisation rate ⁽³⁾	5.0%
	14,567,640			

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December 31, 2018

8. INVESTMENT PROPERTIES (Cont'd)

Description	Fair value as at RMB'000	Valuation technique(s)	Significant unobservable input(s)	Range
<u>December 31, 2017</u>				
Completed investment properties	11,550,800 ⁽¹⁾	Direct comparison approach	price per square meter ⁽²⁾	RMB13,884 – RMB54,747
		Income capitalisation approach	market rent per square meter per month ⁽²⁾	RMB28 – RMB448
			capitalisation rate ⁽³⁾	3.8% – 9.0%
Car parking spaces	550,980	Direct comparison approach	price per unit ⁽²⁾	RMB70,000 – RMB260,000
Investment properties under construction	1,884,600	Residual approach	price per square meter ⁽²⁾	RMB26,846 – RMB41,045
	<u>13,986,380</u>			
<u>January 1, 2017</u>				
Completed investment properties	11,404,700 ⁽¹⁾	Direct comparison approach	price per square meter ⁽²⁾	RMB14,643 – RMB47,543
		Income capitalisation approach	market rent per square meter per month ⁽²⁾	RMB30 – RMB412
			capitalisation rate ⁽³⁾	3.8% – 9.0%
Car parking spaces	551,856	Direct comparison approach	price per unit ⁽²⁾	RMB66,190 – RMB256,000
Investment properties under construction	1,738,000	Residual approach	price per square meter ⁽²⁾	RMB27,053 – RMB42,184
	<u>13,694,556</u>			

⁽¹⁾ Some of the properties were based on either the Direct Comparison Approach ("DCA"), or the Income Capitalisation Approach ("ICA"), and the other properties were based on the combined approach of DCA and ICA.

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

⁽³⁾ Any significant isolated increases (decreases) in these inputs would result in a significantly lower (higher) fair value measurement.

The carrying amounts of investment properties pledged to banks and other lenders to secure the bank and other borrowings granted to the Group are disclosed in Note 21.

The rental income earned by the Group from its investment properties amounted to RMB382 million (2017 : RMB343 million). Direct operating expenses arising on the investment properties in the year amounted to RMB4 million (2017 : RMB4 million).

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December 31, 2018

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

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
At cost:			
Properties for development (Non-current assets)	16,940,162	15,079,352	2,792,938
Completed properties for sale (Current assets)	5,957,456	8,487,306	4,704,316
Properties under development for sale (Current assets)	21,124,992	25,587,718	38,214,800
	44,022,610	49,154,376	45,712,054

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 is as follows:

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Properties for development	1,456,945	664,983	301,986
Completed properties for sale	412,139	459,053	269,961
Properties under development for sale	1,764,093	1,619,595	2,100,562

The carrying amounts of properties pledged to banks and other lenders to secure bank and other borrowings granted to the Group are disclosed in Note 21.

10. INVESTMENTS IN SUBSIDIARIES

	COMPANY		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Unquoted equity shares, at cost	13,523,060	3,390,836	2,473,274

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

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

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
<u>Held by the Company</u>					
Yanlord Commercial Property Investments Pte. Ltd. ^(a) 仁恒商业地产投资有限公司	Singapore	100	100	100	Investment holding
Yanlord Land Pte. Ltd. ^(a) 仁恒置地有限公司	Singapore	100	100	100	Investment holding
Yanlord Land (HK) Co., Limited ^(b) 仁恒地产(香港)有限公司	Hong Kong	100	100	100	Management services
<u>Held by Yanlord Commercial Property Investments Pte. Ltd.</u>					
Yanlord Singapore Office Pte. Ltd. ^(b)	Singapore	100	100	-	Investment holding
Yanlord Singapore Retail Pte. Ltd. ^(b)	Singapore	100	100	-	Investment holding
<u>Held by Yanlord Land Pte. Ltd. and its subsidiaries</u>					
Palovale Pte Ltd ^(a) 柏龙威有限公司	Singapore	67	67	67	Investment holding
Yanlord Property Pte. Ltd. ^(a) 仁恒地产有限公司	Singapore	100	60	60	Investment holding
Yanlord Real Estate Pte. Ltd. ^(a) 仁恒置业发展有限公司	Singapore	95	95	95	Investment holding
Yanlord Singapore Residential Pte. Ltd. ^(b)	Singapore	100	100	-	Investment holding
East Hero Investment Limited ^(b) 东亨投资有限公司	Hong Kong	100	100	100	Investment holding
Flourish Fair Limited ^{(1) (b)} 茂艺有限公司	Hong Kong	80	-	-	Investment holding
Successful Global Consultancy Co., Limited ^(b) 成顺环球咨询有限公司	Hong Kong	100	100	100	Management services
Greens Investments Ltd. ^(b) 绿色投资有限公司	British Virgin Islands	100	100	-	Investment holding

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
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	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	100	Management services and investment
Chengdu Yanlord Property Management Co., Ltd. ^(b) 成都仁恒物业管理有限公司	PRC	100	100	100	Property management
Xinfu Trade (Chengdu) Co., Ltd. ^(b) 信富商贸(成都)有限公司	PRC	100	100	100	Investment holding
Yanlord Hotel Management (Chengdu) Co., Ltd. ^(b) 仁恒酒店管理(成都)有限公司	PRC	100	100	100	Hotel and serviced apartment management
Yanlord Land (Chengdu) Co., Ltd. ^(b) 仁恒置地(成都)有限公司	PRC	100	100	100	Property development
Yanlord Real Estate (Chengdu) Co., Ltd. ^(b) 仁恒置业(成都)有限公司	PRC	70	70	70	Property development and management
Chongzhou Yanlord Land Co., Ltd. ^(b) 崇州仁恒置地有限公司	PRC	80	80	-	Property development
Guiyang Yanlord Property Management Co., Ltd. ^(b) 贵阳仁恒物业管理有限公司	PRC	100	100	100	Property management
Hainan Jinzhonghong Industrial Development Co., Ltd. ^{(1) (b)} 海南金中鸿实业发展有限公司	PRC	51	-	-	Property development
Hainan Yanlord Luqiao Investment Co., Ltd. ^(b) 海南仁恒陆侨投资有限公司	PRC	51	51	-	Property development
Yanlord Land (Hainan) Co., Ltd. ^{(2) (b)} 仁恒置地(海南)有限公司	PRC	100	-	-	Investment holding

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
Hangzhou Renan Property Co., Ltd. ^{(2) (b)} 杭州仁安房地产有限公司	PRC	100	-	-	Property development
Hangzhou Renhang Property Management Co., Ltd. ^{(2) (b)} 杭州仁杭物业管理有限公司	PRC	100	-	-	Property management
Hangzhou Renrui Property Development Co., Ltd. ^{(2) (b)} 杭州仁睿房地产开发有限公司	PRC	100	-	-	Property development
Jinan Yanlord Heyuan Real Estate Co., Ltd. ^(b) 济南仁恒和院置业有限公司	PRC	100	100	-	Property development
Jinan Yanlord Real Estate Co., Ltd. ^(b) 济南仁恒置业有限公司	PRC	100	100	-	Investment holding
Lhasa Xinfu Trading Co., Ltd. ^(b) 拉萨信富商贸有限公司	PRC	100	100	100	Trading of building materials and hardware
Nanjing Daji Real Estate Development Co., Ltd. ^(b) 南京大吉房地产开发有限公司	PRC	51	51	51	Property development
Nanjing Renbei Property Development Co., Ltd. ^(b) 南京仁北房地产开发有限公司	PRC	100	100	-	Property development
Nanjing Renyuan Investment Co., Ltd. ^(b) 南京仁远投资有限公司	PRC	100	100	100	Management services and investment
Nanjing Yanlord Commercial Management Co., Ltd. ^(b) 南京仁恒商业管理有限公司	PRC	100	60	60	Property development and investment
Nanjing Yanlord Cultural Tourism Industry Development Co., Ltd. ^(b) 南京仁恒文化旅游产业发展有限公司	PRC	100	100	100	Tourism investment and asset management
Nanjing Yanlord Hotel Management Co., Ltd. ^(b) 南京仁恒酒店管理有限公司	PRC	100	100	100	Hotel and serviced apartment management

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December 31, 2018

10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
Nanjing Yanlord Information Technology Co., Ltd. ^{(2) (b)} 南京仁恒信息技术有限公司	PRC	100	-	-	Information technology
Nanjing Yanlord Jiangdao Real Estate Co., Ltd. ^(b) 南京仁恒江岛置业有限公司	PRC	-	-	100	Property development
Nanjing Yanlord Jiangzhou Property Development Co., Ltd. ^(b) 南京仁恒江洲房地产开发有限公司	PRC	100	100	100	Property development and management
Nanjing Yanlord Property Management Co., Ltd. ^(b) 南京仁恒物业管理有限公司	PRC	100	100	100	Property management
Nanjing Yanlord Real Estate Co., Ltd. ^(b) 南京仁恒置业有限公司	PRC	100	60	60	Property development
Nanjing Yu Dian Landscape Development Co., Ltd. ^(b) 南京御典园林发展有限公司	PRC	80	100	100	Landscaping and gardening
Yanlord Investment (Nanjing) Co., Ltd. ^(b) 仁恒投资(南京)有限公司	PRC	100	100	100	Investment holding
Nantong Yanlord Intelligent Construction Hi-Tech Co., Ltd. ^{(2) (b)} 南通仁恒智慧建筑科技有限公司	PRC	100	-	-	Construction engineering
Yanlord Land (Nantong) Co., Ltd. ^(b) 仁恒置地(南通)有限公司	PRC	60	60	60	Property development
Shenzhen Bantian Yanlord Investment and Development Co., Ltd. ^{(2) (b)} 深圳市坂田仁恒投资发展有限公司	PRC	100	-	-	Property development
Shenzhen Dongguan Shengtai Investment Co., Ltd. ^(b) 深圳市东关盛泰投资有限公司	PRC	65	65	-	Property development
Shenzhen Hengming Commercial Co., Ltd. ^(b) 深圳市恒明商业有限公司	PRC	100	100	100	Property development

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December 31, 2018

10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
Shenzhen Huarong Innovation Investment Co., Ltd. ^(b) 深圳市华融创新投资股份有限公司	PRC	100	100	100	Property development
Shenzhen Long Wei Xin Investment Co., Ltd. ^(b) 深圳市龙威信投资实业有限公司	PRC	95	95	75	Property development
Shenzhen Yanlord City Re-development Co., Ltd. ^(b) 深圳市仁恒城市更新发展有限公司	PRC	100	100	-	City redevelopment
Shenzhen Yanlord Commercial Management Co., Ltd. ^{(2) (b)} 深圳市仁恒商业管理有限公司	PRC	100	-	-	Management services
Shenzhen Yanlord Home Coffee Co., Ltd. ^(b) 深圳市仁恒家咖啡有限公司	PRC	100	100	-	Food and beverage services
Shenzhen Yanlord Property Management Co., Ltd. ^(b) 深圳市仁恒物业管理有限公司	PRC	100	100	100	Property development
Xingheng (Shenzhen) Investment Management Co., Ltd. ^(b) 兴恒(深圳)投资实业有限公司	PRC	100	100	100	Investment holding
Yanlord Land (Shenzhen) Co., Ltd. ^(b) 仁恒置地(深圳)有限公司	PRC	100	100	100	Property development and management
Yanlord (Shenzhen) Hotel Management Co., Ltd. ^(b) 仁恒(深圳)酒店管理有限公司	PRC	100	100	100	Hotel management
Yanlord (Shenzhen) Investment Management Co., Ltd. ^(b) 仁恒(深圳)投资实业有限公司	PRC	100	100	100	Investment holding
Shanghai Gusheng Construction Intelligent Engineering Co., Ltd. ^(b) 上海固盛建筑智能化工程有限公司	PRC	100	100	60	Construction engineering

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018 %	Dec 31, 2017 %	Jan 1, 2017 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
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	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	50	Kindergarten operation
Shanghai Renan Property Development Co., Ltd. ^(b) 上海仁安房地产开发有限公司	PRC	100	100	100	Property development
Shanghai Renhang Real Estate Co., Ltd. ^(b) 上海仁杭置业有限公司	PRC	100	100	-	Property development and management
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	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	50	50	Property development and management
Shanghai Renrui Real Estate Co., Ltd. ^(b) 上海仁睿置业有限公司	PRC	100	100	-	Property development and management
Shanghai Rensheng Real Estate Co., Ltd. ^(b) 上海仁晟置业有限公司	PRC	100	100	-	Property development and management
Shanghai Yanlord Education Training Co., Ltd. ^(b) 上海仁恒教育培训有限公司	PRC	100	100	100	Education and training
Shanghai Yanlord Elevator Co., Ltd. ^(b) 上海仁恒电梯有限公司	PRC	100	100	100	Sale, installation, repair and maintenance of elevators
Shanghai Yanlord Entertainment Development Co., Ltd. ^(b) 上海仁恒演艺发展有限公司	PRC	100	100	100	Cultural and art performance

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018 %	Dec 31, 2017 %	Jan 1, 2017 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
Shanghai Yanlord Gaoqiao Property Co., Ltd. ^{(3) (b)} 上海仁恒高乔房地产有限公司	PRC	50	50	50	Property development
Shanghai Yanlord Hongqiao Property Co., Ltd. ^(b) 上海仁恒虹桥房地产有限公司	PRC	60	60	60	Property development and management
Shanghai Yanlord Industrial Development Co., Ltd. ^(b) 上海仁恒实业发展有限公司	PRC	100	100	100	Management services and investment
Shanghai Yanlord Investment Management Co., Ltd. ^(b) 上海仁恒投资管理有限公司	PRC	100	100	100	Management services and investment
Shanghai Yanlord Land Property Management services Co., Ltd. ^(b) 上海仁恒置地物业服务管理有限公司	PRC	100	100	100	Property management
Shanghai Yanlord Property Co., Ltd. ^(b) 上海仁恒房地产有限公司	PRC	67	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	67	Property management
Shanghai Yanlord Real Estate Co., Ltd. ^(b) 上海仁恒置业发展有限公司	PRC	57	57	57	Property development
Shanghai Yanlord Senlan Real Estate Co., Ltd. ^(b) 上海仁恒森兰置业有限公司	PRC	100	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	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	100	Property development

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)					
Shanghai Zhongting Property Development Co., Ltd. ^(b) 上海中庭房地产开发有限公司	PRC	100	100	100	Property development
Yanlord Equity Investment Management (Shanghai) Co., Ltd. ^(b) 仁恒股权投资管理(上海)有限公司	PRC	100	100	100	Investment management
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	100	Management services
Yanlord Property Service Management (China) Co., Ltd. ^(b) 仁恒物业服务管理(中国)有限公司	PRC	100	100	100	Property and investment management
Hainan Yanlord Beautycrown Cultural Tourism Development Co., Ltd. ^(b) 海南仁恒美丽之冠文化旅游发展有限公司	PRC	60	60	–	Tourism investment and asset management
Sanya Yanlord Real Estate Co., Ltd. ^(b) 三亚仁恒置业有限公司	PRC	100	100	100	Property development and management
Sanya Yanlord Travel Service Co., Ltd. ^(b) 三亚仁恒旅行社有限公司	PRC	100	100	100	Tourism and travel services
Suzhou Gusheng Fitness Services Co., Ltd. ^(b) 苏州固盛健身服务有限公司	PRC	100	100	–	Fitness services
Suzhou Peninsula Yanlord Real Estate Co., Ltd. ^(b) 苏州星岛仁恒置业有限公司	PRC	100	100	100	Property development
Suzhou Renan Real Estate Co., Ltd. ^{(4) (b)} 苏州仁安置业有限公司	PRC	100	–	–	Property development
Suzhou Rendao Enterprise Management Co., Ltd. ^{(2) (b)} 苏州市仁岛企业管理有限公司	PRC	100	–	–	Business consultancy
Suzhou Renyuan Real Estate Co., Ltd. ^(b) 苏州仁远置业有限公司	PRC	100	100	100	Property development

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December 31, 2018

10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018 %	Dec 31, 2017 %	Jan 1, 2017 %	
<u>Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)</u>					
Suzhou Yinghan Property Development Co., Ltd. ^(b) 苏州鹰汉房地产开发有限公司	PRC	100	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	100	Property development
Yanlord Property Development (Suzhou) Co., Ltd. ^(b) 仁恒置业(苏州)有限公司	PRC	100	100	100	Property development and management
Yanlord Property (Suzhou) Co., Ltd. ^(b) 仁恒地产(苏州)有限公司	PRC	100	60	60	Property development
Tangshan Yanlord Property Management Co., Ltd. ^(b) 唐山仁恒物业服务服务有限公司	PRC	100	100	100	Property management
Tianjin Yanlord Beiyang Real Estate Co., Ltd. ^(b) 天津仁恒北洋置业有限公司	PRC	60	60	60	Property development and management
Tianjin Yanlord Fitness Services Co., Ltd. ^(b) 天津仁恒健身服务有限公司	PRC	100	100	100	Leisure and fitness
Tianjin Yanlord Garden Co., Ltd. ^{(5) (b)} 天津艺苑园林有限公司	PRC	80	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	80	Property development
Tianjin Yanlord Hehai Real Estate Co., Ltd. ^(b) 天津仁恒和海置业有限公司	PRC	-	-	100	Property development
Tianjin Yanlord Property Management Co., Ltd. ^(b) 天津仁恒物业服务服务有限公司	PRC	100	100	100	Property management

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December 31, 2018

10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	
<u>Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)</u>					
Yanlord Development (Tianjin) Co., Ltd. ^(b) 仁恒发展(天津)有限公司	PRC	100	100	100	Property development
Wuhan Yanlord Zhuyeshan Real Estate Co., Ltd. ^{(1) (b)} 武汉仁恒竹叶山置业有限公司	PRC	55	1	–	Property development
Yanlord Land (Wuhan) Co., Ltd. ^{(2) (b)} 仁恒置地(武汉)有限公司	PRC	100	–	–	Property development
Zhuhai Maokai Eco Hi-tech Co., Ltd. ^{(1) (b)} 珠海茂凯生态科技有限公司	PRC	80	–	–	Landscaping and gardening
Zhuhai Renyuan Investment Co., Ltd. ^(b) 珠海仁远投资有限公司	PRC	100	90	90	Management services and investment
Zhuhai Renyuan Land Co., Ltd. ^(b) 珠海市仁远置地有限公司	PRC	100	100	100	Property development
Zhuhai Renyuan Real Estate Co., Ltd. ^{(2) (b)} 珠海仁远置业有限公司	PRC	100	–	–	City redevelopment
Zhuhai Yanlord Commercial Operation and Management Co., Ltd. ^(b) 珠海仁恒商业经营管理有限公司	PRC	90	90	90	Management services and investment
Zhuhai Yanlord Heyou Land Co., Ltd. ^(b) 珠海仁恒和由置地有限公司	PRC	57	57	57	Property development and management
Zhuhai Yanlord Heyuan Land Co., Ltd. ^(b) 珠海仁恒和远置地有限公司	PRC	57	57	–	Property development
Zhuhai Yanlord Industrial Ltd. ^(b) 珠海仁恒实业有限公司	PRC	95	95	95	Property development
Zhuhai Yanlord Property Management Co., Ltd. ^(b) 珠海仁恒物业管理有限公司	PRC	100	100	100	Property management

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held			Principal activities
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	
		%	%	%	

Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)

Zhuhai Yanlord Real Estate Development Co., Ltd. ^(b) 珠海仁恒置业发展有限公司	PRC	90	90	90	Property development
Zhongshan Renyuan Investment Co., Ltd. ^(b) 中山仁远投资有限公司	PRC	100	100	100	Investment holding
Zhongshan Renyuan Real Estate Co., Ltd. ^(b) 中山仁远置业有限公司	PRC	100	100	100	Investment holding

⁽¹⁾ Acquired during 2018 (Note 33).

⁽²⁾ Incorporated during 2018.

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

⁽⁴⁾ Although the Group does not effectively own more than 50% of the equity shares of these entities, it has sufficiently dominant voting right and power to direct the relevant activities of these entities and therefore the Group has unilateral control over these entities and hence regards these entities as subsidiaries.

⁽⁵⁾ Formerly known as Tianjin Yanlord Garden Co., Ltd. 天津仁恒园林有限公司.

Notes on auditors

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

^(b) Audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, Shanghai, PRC for consolidation purposes.

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The following schedule shows the effects of changes in the Group's ownership interest in subsidiaries that did not result in change of control, on the equity attributable to owners of the parent:

	GROUP	
	2018 RMB'000	2017 RMB'000
Amount paid on change of interest in subsidiaries	1,900,988	1,653,360
Non-controlling interests acquired	(2,032,104)	(123,312)
Difference recognised in statutory and other reserve	(131,116)	1,530,048

Details of non wholly-owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests			(Loss) Profit attributable to non-controlling interests		Accumulated non-controlling interests		
		Dec 31, 2018	Dec 31, 2017	Jan 1, 2017	2018	2017	Dec 31, 2018	Dec 31, 2017	Jan 1, 2017
		%	%	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Nanjing Yanlord Real Estate Co., Ltd. 南京仁恒置业有限公司	PRC	-	40	40	(136)	372,732	-	1,274,872	902,140
Shanghai Renpin Property Development Co., Ltd. 上海仁品房地产开发 有限公司	PRC	50	50	50	965,060	1,368,936	2,964,629	1,999,569	1,630,633
Shanghai Yanlord Hongqiao Property Co., Ltd. 上海仁恒虹桥房地产 有限公司	PRC	40	40	40	350,038	428,639	2,046,209	2,056,171	1,760,586
Individually immaterial subsidiaries with non-controlling interests					535,918	233,520	2,837,676	4,641,675	4,669,403
					1,850,880	2,403,827	7,848,514	9,972,287	8,962,762

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10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Nanjing Yanlord Real Estate Co., Ltd. 南京仁恒置业有限公司			Shanghai Renpin Property Development Co., Ltd. 上海仁品房地产开发有限公司			Shanghai Yanlord Hongqiao Property Co., Ltd. 上海仁恒虹桥房地产有限公司		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets	1,557	2,713	3,901	88,463	336	16,336	45,658	57,033	43,326
Current assets	2,496,767	3,784,591	6,590,099	7,554,232	10,091,172	8,482,502	6,599,830	6,657,051	6,266,416
Current liabilities	(1,137,444)	(600,124)	(4,338,650)	(2,613,437)	(6,992,370)	(5,237,572)	(1,529,965)	(1,573,656)	(1,908,276)
Total equity	1,360,880	3,187,180	2,255,350	5,029,258	3,099,138	3,261,266	5,115,523	5,140,428	4,401,466

Equity attributable to:

Owners of the Company	1,360,880	1,912,308	1,353,210	2,064,629	1,099,569	1,630,633	3,069,314	3,084,257	2,640,880
Non-controlling interests	-	1,274,872	902,140	2,964,629	1,999,569	1,630,633	2,046,209	2,056,171	1,760,586

	Nanjing Yanlord Real Estate Co., Ltd. 南京仁恒置业有限公司		Shanghai Renpin Property Development Co., Ltd. 上海仁品房地产开发有限公司		Shanghai Yanlord Hongqiao Property Co., Ltd. 上海仁恒虹桥房地产有限公司	
	2018	2017	2018	2017	2018	2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

Revenue	8,673	2,908,342	5,953,875	5,911,715	2,816,609	3,907,680
(Loss) Profit for the year, representing total comprehensive (expense) income for the year	(41,978)	931,829	1,930,120	1,837,872	875,095	1,071,598

Total comprehensive (expense) income attributable to:

Owners of the Company	(41,842)	559,097	965,060	468,936	525,057	642,959
Non-controlling interests	(136)	372,732	965,060	1,368,936	350,038	428,639

Net cash (outflow) inflow from:

- Operating activities	866,169	(2,079,846)	(67,235)	5,265,051	1,557,930	2,394,840
- Investing activities	702,785	1,738,164	226,247	(2,495,181)	(2,124,346)	(1,530,455)
- Financing activities ⁽¹⁾	(1,784,321)	-	199,998	(2,032,215)	(360,000)	(426,352)
Net cash (outflow) inflow	(215,367)	(341,682)	359,010	737,655	(926,416)	438,033

⁽¹⁾ Including dividend paid to non-controlling interests

	-	-	-	-	(342,000)	(163,888)
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11. INVESTMENTS IN ASSOCIATES / NON-TRADE AMOUNTS DUE FROM / TO ASSOCIATES

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Cost of investments in associates	1,430,816	630,076	630,076
Share of post-acquisition profit (loss), net of dividend received	21,779	(22,345)	(14,231)
Group's share of unrealised income from associates	(34,002)	(22,850)	(5,482)
	1,418,593	584,881	610,363
Non-trade amounts due from associates (Current assets) (Note 6)	1,201,290	1,283,682	1,176,327
Non-trade amounts due to associates (Current liabilities) (Note 6)	257,596	-	-

Amounts due from associates are interest-free, unsecured and repayable on demand except for the following:

- As at December 31, 2018, amount of RMB188 million (December 31, 2017 : RMB1.199 billion, January 1, 2017 : RMB1.145 billion) which bears interest at 4.35% (December 31, 2017 : 4.35%, January 1, 2017 : 4.35%) per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- As at December 31, 2018, amount of RMB5 million which bears interest at 12.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- As at December 31, 2018, amount of RMB884 million which bears interest at 9.0% per annum, is unsecured and repayable within 1 year from the end of reporting period.

Amounts due to associates are interest-free, unsecured and repayable on demand except for the following:

- As at December 31, 2018, amount of RMB30 million which bears interests at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.

Aggregate information of the Group's associates that are not individually material

	GROUP	
	2018 RMB'000	2017 RMB'000
Group's share of loss from continuing operations, representing its share of total comprehensive expenses for the year	12,689	8,114
Group's share of unrecognised loss of an associate for the year	-	179

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Cumulative unrecognised share of loss of an associate	-	582	403
Aggregate carrying amount of the Group's interests in associates	1,418,593	584,881	610,363

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December 31, 2018

12. INVESTMENTS IN JOINT VENTURES / NON-TRADE AMOUNTS DUE FROM / TO JOINT VENTURES

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Cost of investments in joint ventures	5,387,165	4,111,290	1,119,836
Share of post-acquisition profit and other comprehensive income	509,997	430,743	80,363
	5,897,162	4,542,033	1,200,199
Non-trade amounts due from joint ventures			
- Non-current assets (Note 6)	5,914,815	2,696,774	1,202,561
- Current assets (Note 6)	9,833,539	2,849,514	207,750
Non-trade amounts due to joint ventures (Note 6)			
- Non-current liabilities (Note 6)	805,377	-	-
- Current liabilities (Note 6)	674,391	-	365

Amounts due from joint ventures are interest-free, unsecured and repayable on demand except for the following:

- (a) As at December 31, 2018, amount of RMB217 million (December 31, 2017 : RMB217 million, January 1, 2017 : RMB217 million) which bears interest at 6.25% (December 31, 2017 : 6.25%, January 1, 2017 : 6.25%) per annum, is unsecured and repayable within 3 years (December 31, 2017 : 4 years, January 1, 2017 : 5 years) from the end of the reporting period.
- (b) As at January 1, 2017, amount of RMB197 million which bore interest at 9.0% per annum, was unsecured and repayable within 1 year from the end of the reporting period. The amount had been fully collected in 2017.
- (c) As at December 31, 2018, amount of RMB736 million (December 31, 2017 : RMB736 million, January 1, 2017 : RMB736 million) which bears interest at 9.0% (December 31, 2017 : 9.0%, January 1, 2017 : 9.0%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 2 years, January 1, 2017 : 3 years) from the end of the reporting period.
- (d) As at December 31, 2018, amount of RMB350 million (December 31, 2017 : RMB350 million, January 1, 2017 : RMB200 million) which bears interest at 9.0% (December 31, 2017 : 9.0%, January 1, 2017 : 9.0%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year, January 1, 2017 : 2 years) from the end of the reporting period.
- (e) As at December 31, 2018, amount of RMB664 million (December 31, 2017 : RMB1.038 billion) which bears interest at 8.0% (December 31, 2017 : 8.0%) per annum, is unsecured and repayable within 2 years (December 31, 2017 : 3 years) from the end of the reporting period.
- (f) As at December 31, 2018, amount of RMB664 million (December 31, 2017 : RMB486 million) which bears interest at 8.0% (December 31, 2017 : 8.0%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 2 years) from the end of the reporting period.
- (g) As at December 31, 2018, amount of RMB486 million which bears interest at 8.0% per annum, is unsecured and repayable within 2 years from the end of the reporting period.
- (h) As at December 31, 2018, amount of RMB3.761 billion (December 31, 2017 : RMB1.017 billion) which bears interest at 4.35% (December 31, 2017 : 4.35%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year) from the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

12. INVESTMENTS IN JOINT VENTURES / NON-TRADE AMOUNTS DUE FROM / TO JOINT VENTURES (Cont'd)

- (i) As at December 31, 2017, amount of RMB20 million which bore interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period. The amount had been fully collected in 2018.
- (j) As at December 31, 2018, amount of RMB557 million (December 31, 2017 : RMB554 million) which bears interest at 4.35% (December 31, 2017 : 4.35%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year) from the end of the reporting period.
- (k) As at December 31, 2018, amount of RMB327 million (December 31, 2017 : RMB313 million) which bears interest at 4.35% (December 31, 2017 : 4.35%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year) from the end of the reporting period.
- (l) As at December 31, 2017, amount of RMB150 million which bore interest at 9.0% per annum, was unsecured and repayable within 1 year from the end of the reporting period. The amount had been fully collected in 2018.
- (m) As at December 31, 2018, amount of RMB34 million (December 31, 2017 : RMB18 million) which bears interest at 4.35% (December 31, 2017 : 4.35%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year) from the end of the reporting period.
- (n) As at December 31, 2018, amount of RMB380 million which bears interest at 7.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (o) As at December 31, 2018, amount of RMB1.522 billion which bears interest at 8.0% per annum, is unsecured and repayable within 2 years from the end of the reporting period.
- (p) As at December 31, 2018, amount of RMB1.435 billion which bears interest at 6.0% per annum, is unsecured and repayable within 3 years from the end of reporting period.
- (q) As at December 31, 2018, amount of RMB380 million which bears interest at 9.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (r) As at December 31, 2018, amount of RMB765 million which bears interest at 7.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (s) As at December 31, 2018, amount of RMB4 million which bears interest at 4.75% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (t) As at December 31, 2018, amount of RMB550 million which bears interest at 9.0% per annum, is unsecured and repayable within 3 years from the end of the reporting period.
- (u) As at December 31, 2018, amount of RMB310 million which bears interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (v) As at December 31, 2018, amount of RMB464 million which bears interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (w) As at December 31, 2018, amount of RMB750 million which bears interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.

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December 31, 2018

12. INVESTMENTS IN JOINT VENTURES / NON-TRADE AMOUNTS DUE FROM / TO JOINT VENTURES (Cont'd)

Amounts due to joint ventures are interest-free, unsecured and repayable on demand except for the following:

- (x) As at December 31, 2018, amount of RMB400 million which bears interest at 5.7% per annum, is unsecured and repayable within 2 years from the end of the reporting period.
- (y) As at December 31, 2018, amount of RMB200 million which bears interest at 3.42% per annum, is unsecured and repayable within 2 years from the end of the reporting period.

Aggregate information of the Group's joint ventures that are not individually material

	GROUP	
	2018 RMB'000	2017 RMB'000
Group's share of profit from continuing operations	74,123	346,008
Group's share of other comprehensive income	5,131	4,372
Group's share of total comprehensive income	79,254	350,380

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Aggregate carrying amount of the Group's interests in these joint ventures	5,897,162	4,542,033	1,200,199

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

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

- (a) As at December 31, 2018, amount of RMB34 million (December 31, 2017 : RMB17 million and RMB34 million, January 1, 2017 : RMB60 million and RMB33 million) which bears interest at 4.35% (December 31, 2017 : 5.0% and 4.35%, January 1, 2017 : 5.0% and 4.35%) per annum respectively and are secured by the non-controlling shareholder's shares in a subsidiary and undistributed retained earnings of a subsidiary yet to be distributed as dividends to the non-controlling shareholder of that subsidiary. The amount is repayable on demand in 2018 and 2017.
- (b) As at January 1, 2017, amount of RMB253 million which bore interest at 10.625% per annum was secured by expected future earnings that would be distributed by a subsidiary to the non-controlling shareholders of that subsidiary and repayable on demand. The amount had been fully waived during 2017 in exchange for partial settlement of consideration in respect of acquisition of additional equity interests in the subsidiary.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

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

- (c) As at December 31, 2018, amount of RMB200 million (December 31, 2017 : RMB200 million, January 1, 2017 : RMB200 million) which bears interest at the People's Bank of China's benchmark rate is unsecured and repayable within 2 years (December 31, 2017 : 3 years, January 1, 2017 : 4 years) from the end of the reporting period.
- (d) As at January 1, 2017, amount of RMB150 million which bore interest at 7.0% per annum, was unsecured and repayable within 1 year from the end of the reporting period. The amount had been fully collected during 2017.
- (e) As at December 31, 2018, amount of RMB250 million (December 31, 2017 : RMB250 million) which bears interest at 1.5% (December 31, 2017 : 1.5%) per annum, is unsecured and repayable within 1 year (December 31, 2017 : 1 year) from the end of the reporting period.
- (f) As at December 31, 2018, amount of RMB803 million (December 31, 2017 : RMB803 million, January 1, 2017 : RMB803 million) which bears interest at the People's Bank of China's benchmark rate, is secured by the non-controlling shareholder's share in a subsidiary, guarantee provided by a related party of the non-controlling shareholder of that subsidiary and the land use right owned by the related party of the non-controlling shareholder of that subsidiary and repayable within 1 year (December 31, 2017 : 1 year, January 1, 2017 : 1 year) from the end of the reporting period.
- (g) As at December 31, 2018, amount of RMB20 million which bears interest at 4.35% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (h) As at December 31, 2018, amount of RMB300 million which bears interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.

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

- (i) As at December 31, 2017, amounts of RMB693 million and RMB519 million (January 1, 2017 : RMB337 million and RMB Nil) which bore interest at 7.0% and 7.0% (January 1, 2017 : 10% and Nil%) per annum, were unsecured and repayable within 2 years (January 1, 2017 : 3 years) from the end of the reporting period respectively. The amounts have been repaid during 2018.
- (j) As at December 31, 2018, amounts of RMB32 million and RMB21 million (December 31, 2017 : RMB32 million and RMB21 million) which bear interest at 9.5% (December 31, 2017 : Nil%) per annum, are unsecured and repayable within 1 year (December 31, 2017 : 4 years) from the end of the reporting period.
- (k) As at December 31, 2018, amount of RMB320 million which bears interest at 6.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.
- (l) As at December 31, 2018, amount of RMB30 million which bears interest at 8.0% per annum, is unsecured and repayable within 1 year from the end of the reporting period.

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14. OTHER RECEIVABLES AND DEPOSITS

	GROUP			COMPANY		
	December 31, 2018	December 31, 2017	January 1, 2017	December 31, 2018	December 31, 2017	January 1, 2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Advances to suppliers	70,411	37,373	86,901	-	-	-
Deposits for projects	1,643,786	3,353,260	3,871,844	-	-	-
Staff loans	10,855	12,850	11,708	-	-	-
Prepayments	16,746	6,991	5,998	1	3	4
Value added tax ("VAT")						
prepayment	500,515	403,098	246,183	-	-	-
Sales-related tax prepayment	42,703	95,042	559,444	-	-	-
Interest receivables	62,714	30,526	6,466	-	-	-
Payments for resettlement ⁽¹⁾	600,319	600,319	600,319	-	-	-
Loan receivables	1,768,805	1,540,441	200,001	-	-	-
Other receivables	250,622	245,924	188,224	-	1	-
	4,967,476	6,325,824	5,777,088	1	4	4
Analysed as:						
Current	1,853,358	3,923,692	4,903,935	1	4	4
Non-current	3,114,118	2,402,132	873,153	-	-	-
	4,967,476	6,325,824	5,777,088	1	4	4

⁽¹⁾ This relates to payments for resettlement of land parcel in Chengdu.

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.

15. INTANGIBLE ASSETS

	GROUP		
	December 31, 2018	December 31, 2017	January 1, 2017
	RMB'000	RMB'000	RMB'000
Club memberships	2,092	812	613

At December 31, 2018 and 2017 and January 1, 2017, the management assessed the marketable value of the club membership and determined that it was in excess of its carrying amount.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

16. DEFERRED TAXATION

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Deferred tax assets	472,281	445,184	444,061
Deferred tax liabilities	(2,831,594)	(2,607,761)	(2,243,610)
	(2,359,313)	(2,162,577)	(1,799,549)

The following are the 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	Unpaid development costs and others RMB'000	Total RMB'000
GROUP						
At January 1, 2017	(1,925,649)	93,213	(317,961)	249,451	101,397	(1,799,549)
(Charge) Credit to profit or loss for the year (Note 28)	(85,189)	(10,745)	(320,691)	(81,577)	31,168	(467,034)
Transfer to (from) income tax payable	-	71,905	41,729	-	(8,215)	105,419
Exchange difference	-	-	-	(1,413)	-	(1,413)
At December 31, 2017	(2,010,838)	154,373	(596,923)	166,461	124,350	(2,162,577)
(Charge) Credit to profit or loss for the year (Note 28)	(151,689)	(40,943)	(222,862)	2,633	153,563	(259,298)
Transfer (from) to income tax payable	-	(89,384)	150,718	-	-	61,334
Exchange difference	-	-	-	1,228	-	1,228
At December 31, 2018	(2,162,527)	24,046	(669,067)	170,322	277,913	(2,359,313)

Pursuant to PRC and Hong Kong tax regulations, at the end of the reporting period, the Group has unutilised tax losses of RMB1.240 billion (December 31, 2017 : RMB1.072 billion, January 1, 2017 : RMB1.249 million) available for offset against future profits. A deferred tax asset of RMB170 million (2017 : RMB166 million) has been recognised in respect of RMB682 million (2017 : RMB707 million) of such losses at the tax rates range from 10% to 25%. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB558 million (2017 : RMB365 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

17. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	GROUP			COMPANY		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Pledged bank deposits	331,048	40,029	520,680	-	-	-
Cash on hand	1,564	1,461	2,030	7	7	17
Cash at bank	9,651,123	16,695,749	17,002,320	9,397	2,643	21,885
Fixed deposits	664,687	1,101,103	579,033	-	-	-
Cash and cash equivalents	10,317,374	17,798,313	17,583,383	9,404	2,650	21,902

Pledged bank deposits represent deposits pledged to banks to secure the bank and other borrowings, trade payables, certain mortgage loans provided by banks to customers for the purchase of the Group's development properties and as security for construction contracts required by the PRC local authority.

18. PUT LIABILITY TO ACQUIRE NON-CONTROLLING INTERESTS

This represents the fair value of the put liability to acquire non-controlling interests as part of the share purchase agreement of a subsidiary. The obligation amount of RMB Nil (December 31, 2017 : RMB1.334 billion, January 1, 2017 : RMB1.422 billion) is recorded herewith as "non-current liabilities" as at December 31, 2018, as the earliest dates for the non-controlling shareholders to exercise the non-cancellable rights to put back their shares to the Group are expected be more than one year, while the obligation amount of RMB1.321 billion (December 31, 2017 : RMB Nil, January 1, 2017 : RMB Nil) is recorded herewith as "current liabilities" as the earliest dates for the non-controlling shareholders to exercise the non-cancellable rights to put back their shares to the Group are expected within one year.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

19. SHARE CAPITAL

	GROUP AND COMPANY			
	2018 '000	2017 '000	2018 RMB'000	2017 RMB'000
Number of ordinary shares				
Issued and paid up:				
At beginning and end of year	1,948,736	1,948,736	7,261,726	7,261,726

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

20. TREASURY SHARES

	GROUP AND COMPANY			
	2018 '000	2017 '000	2018 RMB'000	2017 RMB'000
Number of ordinary shares				
At January 1	17,201	7,151	132,309	47,006
Repurchased during the year	–	10,050	–	85,303
At December 31	17,201	17,201	132,309	132,309

In 2017, the Company acquired 10,050,500 of its own shares through purchases on the Singapore Exchange and the total amount paid to acquire the shares was RMB85 million, which had been deducted from shareholders' equity. The shares are held as "treasury shares".

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

21. BANK AND OTHER BORROWINGS

	GROUP			COMPANY		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
The bank and other borrowings are repayable as follows:						
On demand or within one year	8,293,294	2,557,063	8,311,176	639,509	79,201	495,221
More than one year but not exceeding two years	14,610,239	6,525,841	3,252,987	-	639,509	282,545
More than two years but not exceeding five years	5,514,504	14,082,514	7,871,992	-	-	639,709
More than five years	7,873,435	7,056,000	1,313,500	-	-	-
	36,291,472	30,221,418	20,749,655	639,509	718,710	1,417,475
Less: Amount due for settlement within 12 months (shown under current liabilities)	(8,293,294)	(2,557,063)	(8,311,176)	(639,509)	(79,201)	(495,221)
Amount due for settlement after 12 months	27,998,178	27,664,355	12,438,479	-	639,509	922,254
Secured:						
- Current	4,144,658	1,958,600	3,612,220	-	-	416,220
- Non-current	12,148,502	11,746,336	7,466,436	-	-	-
	16,293,160	13,704,936	11,078,656	-	-	416,220
Unsecured:						
- Current	4,148,636	598,463	4,698,956	639,509	79,201	79,001
- Non-current	15,849,676	15,918,019	4,972,043	-	639,509	922,254
	19,998,312	16,516,482	9,670,999	639,509	718,710	1,001,255
	36,291,472	30,221,418	20,749,655	639,509	718,710	1,417,475

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

21. BANK AND OTHER BORROWINGS (Cont'd)

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

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Properties for development	14,491,578	11,795,630	1,211,774
Completed properties for sale	259,371	-	-
Properties under development for sale	10,258,694	7,087,353	16,163,346
Investment properties	8,160,500	7,250,000	7,398,000
Leasehold land and buildings	1,009,209	-	-
Construction-in-progress	20,000	2,225,105	1,505,654
Bank deposits	-	-	482,000

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2017 RMB'000	Financing cash flow RMB'000	Acquisition of a subsidiary RMB'000	Non-cash changes					December 31, 2017 RMB'000
				Change of control from subsidiaries to joint ventures RMB'000	Deferred finance charge RMB'000	Foreign exchange movement RMB'000	Dividend declared RMB'000	Other changes RMB'000	
Bank and other borrowings	20,749,655	16,183,949 ⁽¹⁾	-	(6,568,300)	68,033	(211,919)	-	-	30,221,418
Senior notes	1,916,309	1,110,426 ⁽²⁾	-	-	-	(164,512)	-	49,381	2,911,604
Non-trade amount due to a joint venture	365	(365) ⁽⁷⁾	-	-	-	-	-	-	-
Non-trade amount due to ultimate holding company	672,486	(672,418) ⁽⁸⁾	-	-	-	488	-	(556)	-
Non-trade amounts due to directors	42,418	6,056 ⁽³⁾	-	-	-	1,402	-	(213)	49,663
Non-trade amounts due to non-controlling shareholders of subsidiaries	634,474	863,091 ⁽⁵⁾	78,400	249,000	-	-	177,870	(48,637)	1,954,198
Non-trade amounts due to other related parties	47,630	8,046 ⁽⁴⁾	-	-	-	-	-	-	55,676
Dividend payable	-	(415,855) ⁽⁶⁾	-	-	-	-	415,855	-	-
Total	24,063,337	17,082,930	78,400	(6,319,300)	68,033	(374,541)	593,725	(25)	35,192,559

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

21. BANK AND OTHER BORROWINGS (Cont'd)

	January 1, 2018 RMB'000	Financing cash flow RMB'000	Non-cash changes				December 31, 2018 RMB'000
			Deferred finance charge RMB'000	Foreign exchange movement RMB'000	Dividend declared RMB'000	Other changes RMB'000	
Bank and other borrowings	30,221,418	5,731,792 ⁽¹⁾	62,516	275,746	-	-	36,291,472
Senior notes	2,911,604	2,178,613 ⁽²⁾	-	299,315	-	50,696	5,440,228
Non-trade amounts due to associates	-	30,343 ⁽⁹⁾	-	-	-	227,253	257,596
Non-trade amounts due to joint ventures	-	1,174,391 ⁽⁷⁾	-	-	-	305,377	1,479,768
Non-trade amounts due to directors	49,663	5,590 ⁽³⁾	-	1,062	-	-	56,315
Non-trade amounts due to non-controlling shareholders of subsidiaries	1,954,198	(2,311,086) ⁽⁵⁾	-	-	1,496,287	(434,260)	705,139
Non-trade amounts due to other related parties	55,676	(10,868) ⁽⁴⁾	-	-	-	-	44,808
Dividend payable	-	(630,453) ⁽⁶⁾	-	-	630,453	-	-
Total	35,192,559	6,168,322	62,516	576,123	2,126,740	149,066	44,275,326

⁽¹⁾ The cash flows make up the net amount of proceeds from bank and other borrowings and repayment of bank and other borrowings in the consolidated statement of cash flows.

⁽²⁾ The cash flows make up the net amount of net proceeds on issue of senior notes and redemption of senior notes in the consolidated statement of cash flows.

⁽³⁾ The cash flows represent advance from directors in the consolidated statement of cash flows.

⁽⁴⁾ The cash flows make up the net amount of advance from other related parties and repayment to other related parties in the consolidated statements of cash flows.

⁽⁵⁾ The cash flows make up the net amount of dividends paid to non-controlling shareholders of subsidiaries, advance from non-controlling shareholders of subsidiaries and repayment to non-controlling shareholders of subsidiaries in the consolidated statements of cash flows.

⁽⁶⁾ The cash flows represent dividends paid in the consolidated statements of cash flows.

⁽⁷⁾ The cash flows make up the net amount of advance from joint ventures and repayment to joint ventures in the consolidated statements of cash flows.

⁽⁸⁾ The cash flows make up the net amount of advance from ultimate holding company and repayment to ultimate holding company in the consolidated statements of cash flows.

⁽⁹⁾ The cash flows represent advance from associates in the consolidated statement of cash flows.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

22. SENIOR NOTES

The senior notes comprise notes issued in 2014, 2017 and 2018.

Notes 2017

The senior notes amounting to S\$400 million (equivalent to RMB1.856 billion) were issued by the Company on May 8, 2014 ("Notes 2017") for a term of three years with maturity date on May 8, 2017, bore interest at 6.2% per annum with interest payable on May 8 and November 8 of each year, commencing on November 8, 2014. The senior notes were denominated in SG dollars. During the year ended December 31, 2017, the cumulative interests accrued on Notes 2017 were calculated by applying effective interest rates of 6.8% per annum. In 2017, the Company fully redeemed the Notes 2017 in accordance with the terms. Six of its subsidiaries had provided a joint guarantee in respect of Notes 2017.

Notes 2022

The senior notes amounting to US\$450 million (equivalent to RMB2.940 billion) were issued by a wholly-owned subsidiary of the Company on January 23, 2017 ("Notes 2022") for a term of five years with maturity date on January 23, 2022, bears interest at 5.875% per annum with interest payable on January 23 and July 23 of each year, commencing on July 23, 2017. The senior notes are denominated in US dollars. During the year ended December 31, 2018, the cumulative interests accrued on Notes 2022 were calculated by applying effective interest rates of 6.2% (December 31, 2017 : 6.2%) per annum. The Company and five of its subsidiaries have provided a joint guarantee in respect of Notes 2022. The joint guarantee approximates RMB3.088 billion as at December 31, 2018. Additionally, shares in five of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2022.

Notes 2023

The senior notes amounting to US\$350 million (equivalent to RMB2.402 billion) were issued by a wholly-owned subsidiary of the Company on April 23, 2018 ("Notes 2023") for a term of five years with maturity date on April 23, 2023, bears interest at 6.75% per annum with interest payable on April 23 and October 23 of each year, commencing on October 23, 2018. The senior notes are denominated in US dollars. During the year ended December 31, 2018, the cumulative interests accrued on Notes 2023 were calculated by applying effective interest rates of 7.2% per annum. The Company and five of its subsidiaries have provided a joint guarantee in respect of Notes 2023. The joint guarantee approximates RMB2.402 billion as at December 31, 2018. Additionally, shares in five of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2023.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

22. SENIOR NOTES (Cont'd)

	GROUP			COMPANY		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Nominal value of senior notes issued	5,490,560	4,893,630	6,387,511	-	1,953,240	4,387,511
Transaction costs ⁽¹⁾	(66,713)	(59,517)	(101,169)	-	(25,016)	(71,033)
At date of issue ⁽²⁾	5,423,847	4,834,113	6,286,342	-	1,928,224	4,316,478
Cumulative interest accrued	479,882	556,554	2,184,536	-	388,651	1,832,223
Cumulative interest paid	(353,239)	(450,006)	(2,001,064)	-	(363,635)	(1,678,270)
Repurchase and redemption	-	(1,953,240)	(4,660,221)	-	(1,953,240)	(2,660,838)
Exchange difference	-	-	124,326	-	-	124,326
Total	5,550,490	2,987,421	1,933,919	-	-	1,933,919
Interest payable within one year included in other payables (Note 24)	(110,262)	(75,817)	(17,610)	-	-	(17,610)
Liability at end of year	5,440,228	2,911,604	1,916,309	-	-	1,916,309
Analysed as :						
Current	-	-	1,916,309	-	-	1,916,309
Non-current	5,440,228	2,911,604	-	-	-	-
	5,440,228	2,911,604	1,916,309	-	-	1,916,309

⁽¹⁾ Transaction costs included non-audit fees of RMB2 million (December 31, 2017 : RMB3 million, January 1, 2017 : RMB5 million) paid to the auditors of the Company in connection with the issuance of senior notes by the Group (Note 29).

⁽²⁾ Changes in amount at date of issue relative to the preceding year's amount include the effect of translation to the presentation currency and have been included in the currency translation reserve.

The management estimates the fair values of senior notes as at December 31, 2018 to be approximately RMB5.413 billion (December 31, 2017 : RMB3.027 billion, January 1, 2017 : RMB1.941 billion). These fair values are based on the prices obtained from banks' publications.

23. TRADE PAYABLES

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Non-controlling shareholder of a subsidiary	1,202,086	182,857	909,328
Outside parties	7,044,895	7,124,387	7,017,666
	8,246,981	7,307,244	7,926,994

The average credit period for trade payables is 163 days (2017 : 159 days).

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

24. OTHER PAYABLES

	GROUP			COMPANY		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Advances received from customers	511,170	401,787	655,389	-	-	-
Accrued expenses	91,827	65,014	64,256	3,837	3,457	3,380
VAT payable	69,668	102,521	54,587	-	-	-
Sales-related tax payable	21,161	23,559	15,812	-	-	-
Interest payable on senior notes	110,262	75,817	17,610	-	-	17,610
Other interest payable	47,879	30,569	28,407	-	-	747
Other payables	601,386	663,100	458,579	-	210	-
	1,453,353	1,362,367	1,294,640	3,837	3,667	21,737

25. REVENUE AND CONTRACT LIABILITIES

	GROUP	
	2018 RMB'000	2017 RMB'000
Types of goods or services		
Income from property development – sales of properties	23,678,500	24,759,095
Income from hotel operations	137,744	-
Income from others	660,329	520,888
	24,476,573	25,279,983
Income from property investment – lease of properties	411,468	358,424
Total	24,888,041	25,638,407
Timing of revenue recognition		
A point in time	23,678,500	24,759,095
Over time	798,073	520,888
Total	24,476,573	25,279,983

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) related to sales of properties as at the end of the reporting period and the expected timing of recognising revenue are as follows:

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Revenue expected to be recognised within one year	12,881,736	19,196,860	20,300,465
Revenue expected to be recognised after one year	-	4,065,433	6,187,640
	12,881,736	23,262,293	26,488,105

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

25. REVENUE AND CONTRACT LIABILITIES (Cont'd)

For contracts other than sales of properties, the Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under SFRS(I) 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

	GROUP		
	December 31, 2018 RMB'000	December 31, 2017 RMB'000	January 1, 2017 RMB'000
Contract liabilities	9,857,831	20,689,297	22,794,308

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties.

There were no significant changes in the contract liability balances in 2017. The significant change in 2018 was mainly due to decrease in cash received net of the amounts recognised as revenue during the year.

The amount of revenue recognised that was included in the contract liabilities at the beginning of the year is as follows:

	GROUP	
	2018 RMB'000	2017 RMB'000
Revenue recognised from sales of properties	16,787,962	17,643,766

26. OTHER OPERATING INCOME AND OTHER GAINS

	GROUP	
	2018 RMB'000	2017 RMB'000
Dividend income from other financial asset	347	-
Fair value gain on financial asset at FVTPL	142	-
Fair value gain from put liability to acquire non-controlling interests	13,411	87,554
Interest income	551,080	359,168
Net gain on disposal of property, plant and equipment	447	192
Net gain on disposal of investment properties	1,009	5,002
Net foreign exchange gain	102,119	-
Government subsidies	7,789	10,216
Others	38,243	10,147
Total	714,587	472,279

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

27. FINANCE COST

	GROUP	
	2018 RMB'000	2017 RMB'000
Interest on bank and other borrowings	1,920,519	1,436,609
Interest on senior notes	306,104	218,735
Interest to ultimate holding company (Note 5)	-	1,025
Interest to an associate	342	-
Interest to a joint venture	5,446	-
Interest to non-controlling shareholders of subsidiaries	40,414	93,903
Total borrowing costs	2,272,825	1,750,272
Less: Interest capitalised in		
- investment properties	(16,312)	-
- properties for development	(807,772)	(401,239)
- properties under development for sale	(754,747)	(864,343)
Net	693,994	484,690

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28. INCOME TAX

	GROUP	
	2018 RMB'000	2017 RMB'000
Current	2,086,768	2,268,228
Deferred income tax (Note 16)	36,436	146,343
Deferred withholding tax (Note 16)	222,862	320,691
Land appreciation tax ("LAT")	2,840,119	2,987,630
(Over) Under provision in prior years	(39,978)	19,065
Total	5,146,207	5,741,957

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

In 2018 and 2017, most of the taxation arising in the PRC is calculated at the prevailing rate of 25%.

28. 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	
	2018 RMB'000	2017 RMB'000
Profit before income tax	10,541,657	11,362,224
Income tax expense at PRC applicable tax rate of 25% *	2,635,414	2,840,556
Non-deductible items	94,776	307,746
Non-taxable items	(17,763)	(79,416)
Effect of unutilised tax losses not recognised as deferred tax assets	70,147	67,877
Effect of different tax rates for certain subsidiaries	6,300	4,649
LAT	2,840,119	2,987,630
Effect of tax deduction on LAT	(710,030)	(746,907)
Withholding tax incurred	222,862	320,691
(Over) Under provision in prior years	(39,978)	19,065
Others	44,360	20,066
Total income tax expense	5,146,207	5,741,957

* 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 RMB223 million (2017 : RMB321 million) in respect of PRC withholding tax on the undistributed earnings of the PRC subsidiaries has been charged to the consolidated statement of profit or loss of the year.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

28. INCOME TAX (Cont'd)

LAT

As disclosed in the prior years' audited consolidated financial statements, provision for the LAT with respect to properties sold in Shanghai Pudong New District prior to October 1, 2006 were not made as the directors of the Company, after taking into account legal advice received and consultation with the local Shanghai Pudong Tax Bureau, were of the opinion that the relevant tax authority is not likely to impose any LAT on a retrospective basis.

As at December 31, 2014, the tax settlement process for a completed project and a phase of a project with properties sold in Shanghai Pudong New District prior to October 1, 2006 had been completed, with additional LAT payments made by the Group. For the projects with properties sold in Shanghai Pudong New District subsequent to October 1, 2006, the tax settlement amount determined by the tax authorities for a phase of a project which has commenced the tax settlement process was lower than what the Group has previously provided for based on the tax laws. Management has assessed and considers that the provision for LAT made by the Group relating to the above projects for which the tax settlement process had commenced or completed was adequate to meet the tax settlement amount determined by the tax authorities.

Management is of the view that it is not probable that the tax authority will impose further LAT tax payments on the above projects located in Shanghai Pudong New District in excess of the provision previously made by the Group. The additional LAT tax exposure in the event of future re-assessment by the tax authorities has been estimated by management to be approximately RMB597 million (2017 : RMB597 million) (before effects of deductibility for income tax assessment purpose and adjustment for non-controlling interests) as at December 31, 2018. The amount has been disclosed as part of the Group's contingent liabilities in accordance with SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* (Note 38).

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

29. PROFIT FOR THE YEAR

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Allowance for doubtful debts and bad debts written off	3,782	43
Depreciation of property, plant and equipment	87,521	33,207
<u>Employee benefits expense (including directors' remuneration):</u>		
Retirement benefit scheme contributions	100,365	82,950
Salaries and other short-term benefits	975,472	786,411
Total employee benefits expense	1,075,837	869,361
Directors' fees	1,962	1,792
Directors' remuneration recorded in:		
– the Company	54,492	49,581
– the subsidiaries	6,095	7,716
	60,587	57,297
Net foreign exchange (gain) loss	(102,119)	177,180
Cost of completed properties for sale recognised as expenses	12,724,529	13,074,418
Audit fees:		
– paid to auditors of the Company	4,951	4,273
– paid to other auditors of the subsidiaries	3,193	2,333
Total audit fees	8,144	6,606
Non-audit fees:		
– paid to auditors of the Company ⁽¹⁾	1,050	426
– paid to other auditors of the subsidiaries	1,147	446
Total non-audit fees	2,197	872
Aggregate amount of fees paid to auditors	10,341	7,478

⁽¹⁾ In 2018, total non-audit fees paid to auditors of the Company in connection with the issuance of senior notes by the Group have been capitalised in the carrying amount of the senior notes (Note 22).

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

30. EARNINGS PER SHARE

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

	GROUP	
	2018	2017
	RMB'000	RMB'000

Earnings

Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	3,544,570	3,216,440
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	GROUP	
	2018	2017
	'000	'000

Number of shares

Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,931,535	1,936,226
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	GROUP	
	2018	2017
Earnings per share (Renminbi cents):		
Basic and diluted	183.51	166.12

There is no potential dilutive ordinary share in 2018 and 2017.

31. DIVIDENDS

In 2018, approximately RMB630 million of dividends was paid in respect of a first and final one-tier tax exempt dividend of 6.80 Singapore cents (equivalent to 32.64 Renminbi cents) per ordinary share declared for the financial year ended December 31, 2017.

In 2017, approximately RMB416 million of dividends was paid in respect of a first and final one-tier tax exempt dividend of 4.35 Singapore cents (equivalent to 21.47 Renminbi cents) per ordinary share declared for the financial year ended December 31, 2016.

In respect of the current year, the directors proposed a first and final one-tier tax exempt dividend of 6.80 Singapore cents (equivalent to 33.33 Renminbi cents) per ordinary share amounting to approximately RMB644 million. The dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

32. SEGMENT INFORMATION

The Group's reportable operating segments are as follows:

- (i) Property development: Development of residential, commercial and other properties.
- (ii) Property investment and hotel operations: Leasing of properties to generate rental income and to gain from the appreciation in the value of the properties in the long term and operating hotels to generate accommodation service and related income.
- (iii) Others: Provision of property management, ancillary services 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	
	2018 RMB'000	2017 RMB'000	2018 RMB'000	2017 RMB'000
Property development	23,678,500	24,759,095	10,446,235	11,627,907
Property investment and hotel operations	549,212	358,424	443,861	225,608
Others	660,329	520,888	(348,439)	(491,291)
Total	24,888,041	25,638,407	10,541,657	11,362,224

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	
	2018 RMB'000	2017 RMB'000
Property development	69,522,884	77,543,598
Property investment and hotel operations	17,782,805	16,489,833
Others	19,375,090	12,167,927
Total assets	106,680,779	106,201,358

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, 2018

32. SEGMENT INFORMATION (Cont'd)

Other segment information

	GROUP			
	Depreciation		Additions to non-current assets	
	2018 RMB'000	2017 RMB'000	2018 RMB'000	2017 RMB'000
Property development	19,514	19,137	3,038,242	12,198,623
Property investment and hotel operations	70,122	7,426	558,208	741,807
Others	1,139	8,588	16,148	8,333
Total	90,775	35,151	3,612,598	12,948,763

33. ACQUISITION OF SUBSIDIARIES

In 2018 and 2017, there were acquisition of subsidiaries as follows:

- (a) On May 17, 2017, the Group acquired 100% equity interest in Greens Investments Ltd. ("BV GI") for a cash consideration of RMB600 million. BV GI holds interests in a joint venture. The joint venture has ownership over a golf course and an amusement park, which are both situated in Zhuhai and are operational at the date of acquisition. The joint venture also holds 90% shareholding interest in a property management company.
- (b) On July 18, 2017, the Group acquired 60% of the issued share capital of Hainan Yanlord Beautycrown Cultural Tourism Development Co., Ltd. for a cash consideration of RMB60 million.
- (c) On October 20, 2017, the Group acquired 80% of the issued share capital of Chongzhou Yanlord Land Co., Ltd. ("CD CZ") for a consideration of RMB321 million, which comprise of cash consideration of RMB107 million payable to the original shareholders and assignment of loan due from CD CZ to the original shareholders and other third parties of RMB214 million.
- (d) On December 8, 2017, the Group acquired 65% of the issued share capital of Shenzhen Dongguan Shengtai Investment Co., Ltd. for a cash consideration of RMB95 million and concession of profits of RMB293 million.
- (e) On February 9, 2018, the Group acquired 51% of the issued share capital of Hainan Jinzhonghong Industrial Development Co., Ltd. for a cash consideration of RMB10 million and a capital injection of RMB22 million.
- (f) On November 15, 2018, the Group acquired an additional interest of 54% in Wuhan Yanlord Zhuyeshan Real Estate Co., Ltd. ("WH ZR") for an amount of RMB331 million, comprising a share capital of RMB160 million and a capital reserve of RMB171 million, which was fully paid. Following the transaction, the Group's interest in WH ZR has increased from 1% to 55%. The details on this change of control from a joint venture to a subsidiary is presented in Note 35.

The Group's intention was to acquire the land and vacated properties or interest in a joint venture held by the above mentioned companies and the Group did not take over any management or operational process from the vendors as it intends to develop and sell the properties. The acquisitions were accounted for as acquisition of assets and were out of scope of SFRS(I) 3 *Business Combinations*.

33. ACQUISITION OF SUBSIDIARIES (Cont'd)

In third quarter of 2018, the Group acquired 80% equity interest in Flourish Fair Limited ("HK FF"), which in turn owns a wholly-owned subsidiary namely, Zhuhai Maokai Eco Hi-tech Co., Ltd. ("ZH MK") by way of an increase in share capital of HK FF for an amount of HK\$80. For purposes of management efficiency of gardening related businesses of the Group, the Group transferred its 100% effective interest each in Nanjing Yu Dian Landscape Development Co., Ltd. and Tianjin Yanlord Garden Co., Ltd., two wholly-owned subsidiaries of the Group to ZH MK at the time of the acquisition. Following the above transfers, the Group's effective interest in each of the two subsidiaries, held through ZH MK, decreased from 100% to 80%.

The fair value of identifiable net assets acquired is HK\$80. Accordingly, no goodwill has been recognised on acquisition.

Had the business combination during the year been effected at January 1, 2018, management estimated that there would be no significant changes to the Group's revenue and profit for 2018.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition dates:

	GROUP	
	2018 RMB'000	2017 RMB'000
Property, plant and equipment (Note 7)	1,817	50
Properties for development	801,212	1,022,744
Investments in joint ventures	-	600,000
Inventories	4,122	-
Trade receivables	467	-
Other receivables	12,391	97,052
Non-trade amount due from a non-controlling shareholder of a subsidiary	23,216	-
Financial asset at FVTPL	10,769	-
Cash and cash equivalents	11,548	52,997
Bank and other borrowings	-	(258,596)
Non-trade amounts due to non-controlling shareholders of subsidiaries	-	(78,400)
Trade payables	(1,014)	(57)
Other payables	(251,166)	(5,000)
Net assets at date of acquisition	613,362	1,430,790
Non-controlling interests	(270,089)	(275,696)
Net assets acquired	343,273	1,155,094
Shareholders' loans assumed	-	214,490
Total consideration	343,273	1,369,584
Consideration payable	-	(674,584)
Cash consideration paid in previous year	(333,273)	(60,000)
Cash consideration paid in current year for the acquisition in previous year	420,093	-
Cash acquired	(11,548)	(52,997)
Net cash outflow arising on acquisition	418,545	582,003

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34. CHANGE OF CONTROL FROM SUBSIDIARIES TO JOINT VENTURES

The Group lost control and power over Tianjin Yanlord Hehai Real Estate Co., Ltd. ("Tianjin Hehai"), as a result of changes in the article of association of Tianjin Hehai with effect from December 4, 2017. Accordingly, Tianjin Hehai ceased to be a subsidiary of the Group and is classified as a joint venture. The Group's effective interest in the Tianjin Hehai is 60%. Consequently, Tianjin Hehai was deconsolidated and is equity accounted for in the consolidated financial statement.

On August 28, 2017, the Group entered into cooperation agreement with the joint venture partners, and the Group lost control and power over Yanlord Eco Island Investments Pte. Ltd. ("YEI") and its wholly-owned subsidiary, Nanjing Yanlord Jiangdao Real Estate Co., Ltd. (collectively, the "Sino-Singapore Companies"), as a result of the capital injections by the joint venture partners with effect from August 28, 2017. Accordingly, the Sino-Singapore Companies ceased to be subsidiaries of the Group and are classified as joint ventures. The Group's effective interest in the Sino-Singapore Companies reduced to 51%. Consequently, the Sino-Singapore Companies were deconsolidated and are equity accounted for in the consolidated financial statement.

The following summarises the details of the change of control:

	GROUP RMB'000
Property, plant and equipment (Note 7)	196
Properties for development	8,419,775
Properties under development for sale	2,292,349
Other receivables and deposits	432,140
Cash and cash equivalents	85,879
Bank and other borrowings	(6,319,300)
Trade and other payables	(66,932)
Amounts due to immediate holding company and fellow subsidiaries	(4,562,462)
Amount due to non-controlling shareholder of a subsidiary	(249,000)
Net assets at date of change of control	32,645
Non-controlling interests	(9,517)
Net assets derecognised	23,128
Gain (Loss) on change of control	
Consideration received	-
Net asset derecognised	(23,128)
Fair value of retained interest	23,128
	-
Net cash outflow arising from change of control	
Consideration received	-
Cash and cash equivalents derecognised	(85,879)
	(85,879)

35. CHANGE OF CONTROL FROM A JOINT VENTURE TO A SUBSIDIARY

In last quarter of 2018, the Group acquired an additional interest of 54% in WH ZR for an amount of approximately RMB331 million which was fully paid. Following the transaction, the Group's interest in WH ZR increased from 1% to 55%.

Based on the cooperation agreement, upon obtaining 55% interest in WH ZR, all matters, other than protective rights such as changing of articles of association, capital injection and reduction of WH ZR and merger and separation, only require a simple majority vote from the shareholders. Consequently, the Group reclassified WH ZR from a joint venture to a subsidiary. As the acquisition of WH ZR was assessed by management to be an acquisition of an asset, no goodwill is recognised upon consolidation. Instead, the difference between the consideration and the carrying amount of net assets acquired has been included in properties for development.

The following summarises the details of the change of control:

	GROUP RMB'000
Property, plant and equipment (Note 7)	1,066
Properties for development	762,689
Other receivables	11,647
Non-trade amount due from a non-controlling shareholder of a subsidiary	23,216
Cash and cash equivalents	11,345
Trade payables	(1,014)
Other payables	(3,234)
Amounts due to immediate holding company and a fellow subsidiary	(199,764)
Net assets at date of change of control	605,951
Non-controlling interests	(272,678)
Net assets recognised	333,273
Gain (Loss) on change of control	
Consideration paid for additional 54% interest	330,726
Consideration paid for original 1% interest	2,547
Fair value of acquired interest	(333,273)
	—

The assets acquired and liabilities assumed as at the date of change of control shown above are included in the summary table as presented under Note 33.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

36. OPERATING LEASE ARRANGEMENTS

The Group as lessee

	GROUP	
	2018 RMB'000	2017 RMB'000
Minimum lease payments under operating leases recognised as an expense in the year	27,409	19,442

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Within one year	28,353	18,565
In the second to fifth year inclusive	61,033	37,628
More than five years	17,145	14,218
	106,531	70,411

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 (2017 : less than 2 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 RMB403 million (2017 : RMB347 million).

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Within one year	270,190	291,295
In the second to fifth year inclusive	561,831	654,895
More than five years	84,670	507,096
	916,691	1,453,286

37. CAPITAL EXPENDITURE COMMITMENTS

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

	GROUP	
	2018 RMB'000	2017 RMB'000
Investment properties	18,978	58,686
Investments in joint ventures	239,000	-
	257,978	58,686

38. CONTINGENCIES AND GUARANTEES

As at December 31, 2018, the Group has provided guarantees of approximately RMB5.065 billion (2017 : RMB7.508 billion) to banks for the benefit of its customers in respect of mortgage loans provided by the banks to these customers for the purchase of the Group's development properties. Should such guarantees be called upon, there would be an outflow of cash (previously collected by the Group) from the Group to the banks to discharge the obligations. The management has made enquiries with the banks and considered the profile of customers who bought the Group's properties and concluded that the likelihood of these guarantees being called upon is low. These guarantees provided by the Group to the banks would be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as security for the mortgage loan granted.

As described in Note 28, the additional LAT tax exposure in the event of future re-assessment by the tax authorities has been estimated by management to be approximately RMB597 million (2017 : RMB597 million) (before effects of deductibility for income tax assessment purpose and adjustment for non-controlling interests) as at December 31, 2018.

As at December 31, 2018, the Company has provided a joint guarantee limited to the Group's corresponding shareholding to a bank in respect of a loan facility granted to a joint venture amounting to S\$539 million (equivalent to RMB2.698 billion) (2017 : S\$539 million (equivalent to RMB2.632 billion)) for a remaining term of less than one year up to July 12, 2019 (2017 : less than one year up to July 12, 2018). The Company's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of S\$193 million (equivalent to RMB966 million) (2017 : S\$159 million (equivalent to RMB776 million)).

As at December 31, 2018, a subsidiary of the Company has provided a guarantee to a bank in respect of a loan facility granted to a joint venture amounting to RMB600 million for a remaining term of less than three years up to March 30, 2021. The subsidiary's contingent liability as at December 31, 2018 for this guarantee is limited to an amount of RMB400 million.

As at December 31, 2018, a subsidiary of the Company has provided a joint guarantee to a lender in respect of a loan facility granted to a joint venture amounting to RMB599 million for a remaining term of less than two years up to August 10, 2020. The subsidiary's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of RMB380 million.

As at December 31, 2018, a subsidiary of the Company has provided a joint guarantee to a bank in respect of a loan facility granted to a joint venture amounting to RMB600 million (2017 : RMB600 million) for a remaining term of less than four years up to March 19, 2022. The subsidiary's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of RMB237 million (2017 : RMB203 million).

As at December 31, 2018, a subsidiary of the Company has provided a joint guarantee to banks in respect of a loan facility granted to a joint venture amounting to RMB236 million (2017 : RMB236 million) for a remaining term of less than four years up to August 20, 2022. The subsidiary's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of RMB119 million (2017 : RMB60 million).

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

38. CONTINGENCIES AND GUARANTEES (Cont'd)

A subsidiary of the Company has provided joint guarantees to banks in respect of the following loan facilities granted to a wholly-owned subsidiary of Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd. ("SSNEHID"), a joint venture of the Group:

- A loan facility for a remaining term of less than two years up to January 15, 2020. The loan facility was fully drawn down as at December 31, 2018 and 2017. The subsidiary's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of RMB182 million (2017 : RMB285 million).
- A loan facility for a remaining term of less than two years up to July 1, 2020. The loan facility was fully drawn down as at December 31, 2018 and 2017. The subsidiary's contingent liability as at December 31, 2018 for this joint guarantee is limited to an amount of RMB185 million (2017 : RMB278 million).
- A loan facility up to September 25, 2018. The loan facility was fully drawn down as at December 31, 2017. The subsidiary's contingent liability as at December 31, 2017 for this joint guarantee was limited to an amount of RMB109 million. On September 25, 2018, the loan and interest payable were fully repaid and the loan facility was cancelled accordingly.

As at December 31, 2018, a subsidiary of the Company has provided a guarantee to a bank in respect of a loan facility granted to a third party amounting to RMB1.750 billion for a remaining term of less than four years up to December 22, 2022. The subsidiary's contingent liability as at December 31, 2018 for this guarantee is limited to an amount of RMB1.710 billion.

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

39. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

The Group and the Company adopted the new financial reporting framework – SFRS(I) for the first time for financial year ended December 31, 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards as issued by the International Accounting Standards Board.

As a first time adopter of SFRS(I), the Group and Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (December 31, 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended December 31, 2018, an additional opening statement of financial position as at date of transition (January 1, 2017) is presented, together with related notes.

Management has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there has been no change to the Group's and Company's current accounting policies under FRSS or material adjustments on the initial transition to the new financial reporting framework, other than those arising from the applications of SFRS(I) 9 and SFRS(I) 15, which are effective at the same time.

39. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (Cont'd)

Management has elected the following transition exemption:

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of December 31, 2017 is not disclosed using the transition provisions of SFRS(I) 15.
- The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on January 1, 2018. Accordingly, the requirements of FRS 39 *Financial Instruments: Recognition and Measurement* are applied to financial instruments up to the financial year ended December 31, 2017. The Group is also exempted from complying with SFRS(I) 7 *Financial Instruments: Disclosure* to the extent that the disclosure required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under FRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope of SFRS(I) 9.

Summary of effects arising from initial application of SFRS(I) 9

The table below illustrates the classification and measurement of the Group's financial assets under SFRS(I) 9 and FRS 39 at the date of initial application, January 1, 2018.

	Original measurement category under FRS 39	New measurement category under SFRS(I) 9	Original carrying amount under FRS 39 RMB'000	New carrying amount under SFRS(I) 9 RMB'000
Trade receivables	Loans and receivables	Financial assets at amortised cost	26,298	26,298
Other receivables	Loans and receivables	Financial assets at amortised cost	2,530,060	2,530,060
Non-trade amounts due from associates	Loans and receivables	Financial assets at amortised cost	1,283,682	1,283,682
Non-trade amounts due from joint ventures	Loans and receivables	Financial assets at amortised cost	5,546,288	5,546,288
Non-trade amounts due from non-controlling shareholders of subsidiaries	Loans and receivables	Financial assets at amortised cost	2,736,464	2,736,464
Non-trade amounts due from other related parties	Loans and receivables	Financial assets at amortised cost	584	584
Investment in unlisted company as other financial asset	Available-for-sale investment	Financial assets at FVTOCI	2,990	2,990
Pledged bank deposits	Loans and receivables	Financial assets at amortised cost	40,029	40,029
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	17,798,313	17,798,313

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December 31, 2018

39. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK (Cont'd)

Summary of effects arising from initial application of SFRS(I) 15

Impact on the Group's statement of financial position as at December 31, 2017 (end of last period reported under FRS):

	As previously reported under FRS RMB'000	Initial application of SFRS(I) 15 RMB'000	Note	As adjusted under SFRS(I) RMB'000
Other payables	22,051,664	(20,689,297)	(a)	1,362,367
Contract liabilities	-	20,689,297	(a)	20,689,297

Impact on the Group's statement of financial position as at January 1, 2017 (date of transition to SFRS(I)):

	As previously reported under FRS RMB'000	Initial application of SFRS(I) 15 RMB'000	Note	As adjusted under SFRS(I) RMB'000
Other payables	24,088,948	(22,794,308)	(a)	1,294,640
Contract liabilities	-	22,794,308	(a)	22,794,308

Note

(a) The contract liabilities balance was reclassified from advances received from customers. This had no impact on the statement of profit or loss.

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)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	FY 2018	FY 2018
Yanlord Holdings Pte. Ltd. ^{1&2}	RMB10,493,611	NA
Zhong Si Nuo ^{1&2}	RMB185,279,500	NA
Zhong Sixia ³	RMB16,033,744	NA
Ho Su Ann ⁴	RMB460,000	NA
Zhong Sheng Jian ²	RMB119,587,781	NA
Total	RMB331,854,636	NA

NA: Not applicable

Notes:

¹ Associate (as defined in the SGX Listing Manual) of Zhong Sheng Jian, director and controlling shareholder of the Company.

² Associate (as defined in the SGX Listing Manual) of Zhong Ming, director of the Company.

³ Relative (as defined in the SGX Listing Manual) of Zhong Sheng Jian, director and controlling shareholder of the Company.

⁴ Relative (as defined in the SGX Listing Manual) of Zhong Siliang, director of the Company.

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

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

SHAREHOLDING STATISTICS

As at March 11, 2019

Number of Shares Issued (including Treasury Shares)	:	1,948,736,476
Class of Shares	:	Ordinary shares
Issued and Paid-up Share Capital	:	S\$1,482,552,080
Number of Treasury Shares	:	17,201,100
Number of Subsidiary Holdings ¹	:	Nil
Voting Rights	:	One vote per share

The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 – 99	13	0.23	213	0.00
100 – 1,000	454	8.18	417,290	0.02
1,001 – 10,000	3,651	65.74	20,307,248	1.05
10,001 – 1,000,000	1,413	25.44	64,260,566	3.33
1,000,001 AND ABOVE	23	0.41	1,846,550,059	95.60
TOTAL	5,554	100.00	1,931,535,376	100.00

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Yanlord
Land Group
Limited

TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	Percentage (%) ²
YANLORD HOLDINGS PTE. LTD.	1,278,390,000	66.19
DBS NOMINEES (PRIVATE) LIMITED	171,047,702	8.86
CITIBANK NOMINEES SINGAPORE PTE LTD	114,387,325	5.92
UOB KAY HIAN PRIVATE LIMITED	78,798,500	4.08
DBSN SERVICES PTE. LTD.	46,725,889	2.42
MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	36,543,305	1.89
BPSS NOMINEES SINGAPORE (PTE.) LTD.	30,280,000	1.57
RAFFLES NOMINEES (PTE.) LIMITED	23,386,158	1.21
HSBC (SINGAPORE) NOMINEES PTE LTD	17,281,044	0.89
DB NOMINEES (SINGAPORE) PTE LTD	12,520,000	0.65
WANG NANHUA	4,675,000	0.24
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	4,588,500	0.24
KHENG LEONG COMPANY (PRIVATE) LIMITED	4,416,700	0.23
OCBC SECURITIES PRIVATE LIMITED	4,347,100	0.23
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,234,062	0.17
ONG ENG LOKE	2,880,600	0.15
HEXACON CONSTRUCTION PTE LTD	2,571,971	0.13
TAN SHOOK YNG	2,210,000	0.11
MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,950,181	0.10
PHILLIP SECURITIES PTE LTD	1,864,600	0.10
TOTAL	1,842,098,637	95.38

SHAREHOLDING STATISTICS

As at March 11, 2019

SUBSTANTIAL SHAREHOLDERS

As stated in the Register of Substantial Shareholders

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	Percentage (%) ²	No. of Shares	Percentage (%) ²	No. of Shares	Percentage (%) ²
YANLORD HOLDINGS PTE. LTD. ³	1,278,390,000	66.19	-	-	1,278,390,000	66.19
ZHONG SHENG JIAN ³	75,820,800	3.92	1,278,390,000	66.19	1,354,210,800	70.11

Notes:

¹ "Subsidiary holdings" is defined in the Listing Manual issued by the Singapore Exchange Securities Trading Limited to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act, Cap. 50.

² Percentages calculated based on share capital of the Company as at March 11, 2019, excluding treasury shares.

³ Zhong Sheng Jian is a substantial shareholder of the Company via his deemed interest of 1,278,390,000 ordinary shares in the Company held by Yanlord Holdings Pte. Ltd. ("YHPL"). YHPL is a company which is owned by Zhong Sheng Jian (95% shareholding interest) and his spouse (5% shareholding interest).

Based on the information available to the Company as at March 11, 2019, approximately 27% of the issued ordinary shares (excluding treasury 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 2012 ("Code") so as to safeguard the interests of the shareholders ("Shareholders"). This statement outlines the Company's corporate governance processes and activities that were in place during the financial year ended December 31, 2018 with specific references to the principles and guidelines set out in the Code, and deviations in any specific areas are accordingly explained in this statement.

On August 6, 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance (the "2018 Code") and accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and will apply to annual reports covering financial years commencing from January 1, 2019. The Company will review and set out its corporate governance processes and activities in place in accordance with the 2018 Code, where appropriate, in the next annual report.

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. The Board approves significant corporate matters including matters in relation to financing, acquisitions and divestments, major undertakings, annual budget, quarterly and annual financial results, issuances of securities, appointment of Company's officers, dividend payout, and all matters and transactions listed in the SGX's Listing Manual ("Listing Manual") that require Board's approval such as relevant interested persons transactions, share buyback mandate, etc. as duly recorded and communicated to the management of the Group ("Management"). Financial authorisation and approval limits are established for the day-to-day transactions to facilitate operational efficiency. The Board oversees and ensures the adequacy of the Group's risk management system and internal controls framework and standards so as to safeguard the Company's assets and ensure clean corporate culture so that obligations to its Shareholders and other key stakeholders are met and to ensure that the Company's core values of managing with benevolence and integrity and achieving perpetuity through perseverance are adhered to. Recognising the need for balance between the commercial needs of our customers and environmental preservation, the Group continues to introduce environmental initiatives through developing eco-friendly developments as and where appropriate. The Group's social responsibilities further extend to include donations to certain non-profit organisations. Sustainability report setting out the Group's sustainability accomplishments and improvement targets for following year was published on SGXNET and website of the Company in accordance with the relevant requirements.

All directors shall objectively discharge their duties and responsibilities at all times as fiduciaries of the Company and shall act honestly with diligence, and in the best interests of the Company. In the event of a conflict of interest situation arising in respect of a matter under consideration by the Board, the director concerned also complies with relevant disclosure obligations and abstained from participating in the deliberation of the matter by the relevant Board's committee(s) and/or Board. 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, without abdicating the responsibility of the Board, to various committees namely, the Audit Committee ("AC"), the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Risk Management Committee ("RMC") (collectively, "Board Committees"). Each of the Board Committees reviews matters within their respective written terms of reference and reports to the Board with their decisions or recommendations.

CORPORATE GOVERNANCE STATEMENT

The schedule of meetings of the Board and Board Committees for the next calendar year is planned in advance. *Ad hoc* meetings of the Board and Board Committees may be convened, if warranted by circumstances. The Company's Constitution are sufficiently flexible to allow a director to participate at a meeting via telephone, video conference or by means of similar communication equipment. A director, who was unable to attend the meetings of the Board or of the Board Committees, would be provided with the relevant meeting materials prior to the meeting(s) and may raise his/her views on the agenda to the Board or the Board Committees in advance, if any. The Board and Board Committee may also make decisions by way of circulating resolutions in lieu of a meeting. In the course of the financial year under review, the details of the number of meetings held and attended by each of the members of the Board and Board Committees are set out below:

Director	Board Meeting		AC Meeting		NC Meeting		RC Meeting		RMC Meeting	
	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance
Zhong Sheng Jian	5	5	—	—	1	1	—	—	1	1
Zhong Siliang	5	5	—	—	—	—	—	—	—	—
Chan Yiu Ling	5	5	—	—	—	—	—	—	—	—
Zhong Ming	5	5	—	—	—	—	—	—	—	—
Ronald Seah Lim Siang	5	5	4	4	1	1	1	1	—	—
Ng Shin Ein	5	5	4	4	—	—	1	1	1	1
Ng Jui Ping ¹	3	3	3	3	—	—	1	1	1	1
Hee Theng Fong	5	5	—	—	1	1	—	—	1	1
Hong Pian Tee ²	2	2	1	1	—	—	—	—	—	—

Notes:

- ¹ Ng Jui Ping resigned as an independent director and ceased to be the chairman of the RC, member of the AC and member of the RMC of the Company on August 31, 2018.
 - ² Hong Pian Tee was appointed as an independent director, the chairman of the RC, member of the AC and member of the RMC of the Company on September 1, 2018.
- * Reflects the number of meetings held during the time that the director held office.
 — Indicates that the director was not a member of that committee during the year.

A director, upon appointment, would be provided with a formal letter setting out his/her duties and obligations as a director and undergone necessary programme to familiarise himself/herself of the Group's business and structure, governance practices and matters relating to the Board and Board Committees. A formal letter was furnished to newly-appointed director, Hong Pian Tee, upon his appointment during the financial year. There was no first-time director appointed during the financial year under review. The directors visit the development sites of the Group and meet the local management teams as and when necessary. The directors are also provided with further explanation and information on any aspect of the Company's operation or business issues from Management at quarterly board meetings or as and when so requested by the directors and receive relevant briefings and updates, particularly on relevant new laws and regulations including any key changes made to any financial reporting standards, and changing commercial risks, from time to time. Directors are encouraged to undergo relevant training sessions. The Company shall be responsible for funding for any such training of directors.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises the following eight members, of whom four are independent and four are executive and non-independent:

- | | | |
|----|------------------------|---|
| 1. | Zhong Sheng Jian: | Chairman and Chief Executive Officer |
| 2. | Zhong Siliang: | Executive Director |
| 3. | Chan Yiu Ling: | Executive Director |
| 4. | Zhong Ming: | Executive Director |
| 5. | Ronald Seah Lim Siang: | Lead Independent Director |
| 6. | Ng Shin Ein: | Independent Director |
| 7. | Hee Theng Fong: | Independent Director |
| 8. | Hong Pian Tee: | Independent Director (appointed on September 1, 2018) |

The Board determines, at the recommendation of the NC, the independence of each independent director. The NC and the Board note the need for progressive refreshing of the Board and that prior to the impending Rule 210(5)(d)(iii) of the Listing Manual in respect of the 9-year tenure for independent directors comes into effect on January 1, 2022, the need to conduct rigorous review on the independence of each independent director who has served on the Board beyond nine years from his/her first appointment. For the independence test, each director is required to endorse an independent test form and the director shall further confirm that he/she does not have any relationship(s) which would interfere with the exercise of his/her independent judgement in carrying out the functions of the Board and that of the respective Board Committees and shall notify the Company in writing promptly, should there be any changes as and when it arises. During the year, all the four independent directors confirmed that they did not have any such relationship. Having noted that two independent directors of the Company namely, Ronald Seah Lim Siang and Ng Shin Ein have served the Board beyond nine years, a rigorous peer review was further conducted to assess whether each of them expressed his/her individual viewpoints and continued to demonstrate strong independence in character and judgment in the discharge of his/her responsibilities as an independent director of the Company. The rigorous peer review also assessed whether the two independent directors have objectively and constructively raised issues during meetings of the Board and of the Board Committees and whether they remained active in the discussions over issues concerning the Group and sought clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities and whether the Company has benefited from their years of experience in their respective fields of expertise. Each of the independent directors was abstained from assessing and determining his/her own independence in relevant reviews. Taking into consideration the complexity of doing business in China and that these independent directors have continued to demonstrate strong independence in character and judgment in the discharge of their responsibilities as an independent director of the Company and that they have objectively and constructively raised issues and sought clarification as and when necessary from the Board, Management and the Group's external advisers on matters pertaining to their area of responsibilities whether on Board or on the Board Committees and that the Company has also benefited from their years of experience in their respective fields of expertise, the NC and the Board are of the view that the abovenamed two independent directors who have served the Board beyond nine years from the respective date of their first appointments remain independent and none of the independent directors has a relationship that would otherwise deem him/her not to be independent. Accordingly, there is a strong and independent element on the Board, with independent directors making up half of the Board. Taking cognisance that the impending Rule 210(5)(d)(iii) of the Listing Manual in respect of the 9-year tenure for independent directors will take effect from January 1, 2022 as well as the 2018 Code which provides that the independent directors to make up a majority of the Board where the chairman is not an independent director and that non-executive directors to make up a majority of the Board, which will be applicable to the annual report of the Company for financial year commencing on or after January 1, 2019, the NC and the Board shall review and assess the structure and composition of the Board in due course.

The Board believes that a diverse Board will enhance the decision makings of the Board by utilizing the variety in skills, experience, gender, age and knowledge of the Group. When considering the appointment and re-appointment of any directors, in addition to complying with the Listing Manual and relevant provisions of the Company's Constitution, it has been the objectives of the Board to ensure it comprises directors who as a group provide an appropriate balance and diversity of skills, experience, gender, age and knowledge of the Group and the need for succession and progressive refreshing of Board shall be taken into consideration too. The Board is of a view that the current size and composition of the Board, their experience and core competencies in various fields are appropriate, effective and provides adequate diversity to the Board, taking into consideration the above objectives, the scope and nature of operations of the Group, the requirements of the business and the need to avoid undue disruptions from unnecessary changes to the composition of the Board and Board Committees. The Board has diversity of academic background and skills and knowledge in the areas of accounting or finance, legal, business or management, industry, strategic planning and customer-based experience. Extensive experiences of the directors including their international and regional business expertise and strategic networking relationships further broaden diversity of the Board. The Board also comprising two female directors in recognition of the importance and value of gender diversity. Various assessments conducted annually on the Board, Board Committees as well as individual directors would allow the Board to ensure, *inter alia*, the balance and diversity of the Board necessary to maximise effectiveness and to ensure above objectives are met. All the four independent directors of the Company are non-executives and they constructively challenge and comment on proposals on strategies; and review the performance of Management in meeting goals and monitor the reporting of performance. The independent directors may meet separately and on an annually basis, with internal and external auditors (as the case may be) to discuss matters pertaining to the Group, without the presence of Management and the executive directors to facilitate a more effective check on the Group.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Zhong Sheng Jian currently fulfills the roles as the Chairman of the Board ("Chairman") and the Chief Executive Officer ("CEO") of the Company. There is no division of responsibilities between the Chairman and the CEO. The Board has not adopted the recommendation of the Code to have separate directors appointed as the Chairman and the CEO as the Board believes that vesting the roles of both the Chairman and the CEO in the same individual enables the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. Furthermore, in view of Zhong Sheng Jian's extensive industrial experience and significant role in the historical development of the Group, the Board believes that it is beneficial to the business prospects of the Group that Zhong Sheng Jian continues to act as both the Chairman and CEO. In addition, the balance of power and authority is sufficiently maintained by the operation of the Board, comprising executive directors and independent directors. The Board is also 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 appointed Ronald Seah Lim Siang as its lead independent director to, *inter alia*, coordinate the activities of independent directors. The lead independent director would provide feedback to the Chairman and CEO for any relevant issues to be further addressed by the Group. Any concerns of Shareholders, if received by the Company, to the attention of the lead independent director shall be forwarded to him accordingly. The Chairman and CEO should, *inter alia*, lead the Board to ensure its effectiveness on all aspects of its roles and provides close oversight, guidance and leadership to the Management. He is responsible for, among others, exercising control over the quality, quantity and timeliness of the flow of information within the Board and between the Board and the Management. The Chairman and CEO, with the assistance of the company secretary, also schedules meetings and prepares meeting agenda and ensures sufficient allocation of time for thorough discussion of each agenda, in particular of strategic issues. He promotes an open environment for discussion at the meetings of the Board and of the Board Committees so as to ensure meaningful participation and effective contribution by each independent (non-executive) director. He plays a key role in fostering constructive dialogue between the Shareholders, the Board and the Management at the general meetings of the Company and encourage constructive relations within the Board and between the Board and Management. He also takes a leading role in the Group's drive to achieve and maintain high standards of corporate governance practices within the organisation with full support of the directors, company secretary and Management.

CORPORATE GOVERNANCE STATEMENT

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 Hee Theng Fong and the other members are Zhong Sheng Jian and our lead independent director, Ronald Seah Lim Siang. The NC is guided by its written terms of reference which set out its authority and responsibilities. The NC's key terms of reference include:

- (a) reviewing and recommending the nomination and re-election of our directors having regard to the director's contribution and performance;
- (b) determining on an annual basis whether or not a director is independent (as described in Principle 2 above);
- (c) developing a process and criteria for evaluation of the performance of the Board, its Board Committees, the Chairman and CEO and directors;
- (d) assessing the performance of the Board, Board Committees as well as contribution of the Chairman and CEO and each director to the effectiveness of the Board and the need for directors' relevant training; and
- (e) reviewing the board composition and assessing any need for change, taking into consideration of (b) and (d) above on an annual basis.

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

The Company's Constitution requires new directors appointed during the year to submit themselves for re-election at the next Annual General Meeting ("AGM") of the Company. Other than the Listing Manual requirements that all directors must submit themselves for re-nomination and re-appointment at least once every three years, the Company's Constitution 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 Board values the importance of succession planning and progressive renewal of the Board. In this regard, on an annual basis, the NC reviews and makes recommendation on the list of directors who are subject to retire by rotation and whether the composition of the Board shall remain unchanged or new directors shall be recommended in place of the existing directors (as and when such need arises) taking into consideration, among others, each director's competencies, commitment, contribution and performance. Such recommendations will then be submitted to the Board for Board's consideration. The NC and Board determine on an annual basis whether a director with other listed company board representations and/or principal commitments is able to and has been adequately and effectively carrying out his/her duties as a director of the Company. Taking into consideration the results of annual assessment of the Board, Board Committees and individual directors as well as the attendance (as disclosed in Principle 1 above), time allocated by each director in attending the meetings of the Board, Board Committees and Shareholders and ability to

CORPORATE GOVERNANCE STATEMENT

make timely decision when dealing with businesses that had been presented to each director, the NC and Board are of the view that although some of the directors have multiple board representations in other listed entities, such multiple board representations do not hinder them from carrying out their duties as directors. Instead, these directors' participation in other listed entities would widen the experience of the Board and give it a broader perspective. The NC and Board recognise that the individual circumstances and capacity of each director are different and, the NC shall make recommendation to the Board for the Board to consider adopting the recommendation of the Code to determine the maximum number of listed company board representations which any director may hold as and when necessary in due course. As explained above, no maximum number of listed company board representations which any director may hold was set during the financial year.

The Company believes that excellent board performance would enhance long-term stakeholders' value as the board performance is ultimately reflected in the long-term performance of the Group. The Company has in place a system to assess the performance of the Board as a whole, its Board Committees and the contribution by the Chairman and CEO to the effectiveness of the Board on an annual basis ("Performance Assessment"). In carrying out the Performance Assessment, the NC and Board take into consideration the views of each individual director. Each director will be provided with a questionnaire setting out relevant performance criteria which were approved by the Board for their views on the performance of the Board, Board Committees and Chairman based on criteria in various aspects such as the structure of Board and Board Committees, conduct of meetings, corporate strategy and planning, risk management and internal controls and Company's performance. This set of performance criteria is the same as that used for the financial year ended December 31, 2017 ("FY2017"). The Company's performance relative to the industry trend is reviewed by the Board on a quarterly basis taking into consideration of any significant trends and competitive conditions of the industry in which the Group operates. When assessing the overall performance of the Board, the NC and Board also take into account the directors' number of listed company board representations and other principal commitments as defined in the Code to determine if a director is able to and has been adequately carrying out his/her duties as a director of the Company. The performance criteria should not be changed from year to year, and where circumstances deem it necessary for any of the criteria to be changed, such changes shall be reviewed and approved by the Board. The contribution of the Chairman and CEO is assessed taking into consideration the role of Chairman as prescribed by the Code. The Chairman abstained from participating in his own assessment. The results of the completed questionnaires are compiled into a summary report and the same is tabled for review by the NC and circulated to the Board for consideration. The Board, having satisfied with its performance, would resolve whether to retain the current composition of the Board taking into consideration, among others, adequate diversity of the Board, each director's competencies, commitment, contribution and performance.

The NC also assessed the performance of individual directors on an annual basis based on factors such as the director's attendance record at the meetings of Board and Board Committees, intensity of participation at meetings and the quality of interventions. This set of performance criteria remains unchanged as that adopted for FY2017 individual directors' assessment. Recommendation in respect of the contribution of each individual director to the effectiveness of the Board will be made to the Board. The Performance Assessment helps to measure the continuous performance of the Board and its Board Committees and enhance long-term stakeholders' value. Based on the results of Performance Assessment conducted for the year, the NC and the Board are of the view that the Board and its Board Committees operate effectively and each director including the Chairman and CEO has contributed to the overall effectiveness of the Board.

Key information regarding the directors is set out in this Annual Report ("2018 Annual Report") under the heading entitled "Board of Directors", "Directors' Statement" and "Additional Information on Directors Seeking Re-election". The Company does not have any alternate director.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 6: ACCESS TO INFORMATION

The Board is provided with financial information including quarterly financial results together with other relevant quarterly reports on pre-sales, debts structure, financial covenants and budget comparison analysis, as well as relevant background information and documents relating to items of business to be discussed at Board meetings prior to the scheduled meetings such as internal audit progress reports, disclosure of directors' interests, any financing and interested person transactions memorandum(s), etc. The directors are also provided with relevant key updates on the Group's developments. The Chairman and CEO, the Group Financial Controller, the internal and external auditors and the company secretary are available to address any queries that the directors may have at the quarterly meetings and as and when necessary. Annual budget together with relevant annual variance reports are provided on an annual basis. The directors may (whether individually or as a group), in the furtherance of their duties, take independent professional advice (e.g. auditors), if necessary, at the Company's expense.

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

The company secretary attends all Board and Board Committees meetings. The role of the company secretary includes responsibility for ensuring that Board procedures are followed and applicable rules and regulations are complied with. Under the direction of the Chairman and CEO, the company secretary also ensures good information flows within the Board and Board Committees and between the Management and independent directors. The appointment and removal of the company secretary should be a matter for the Board as a whole.

REMUNERATION MATTERS

PRINCIPLE 7: PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 9: DISCLOSURE OF REMUNERATION

REMUNERATION COMMITTEE ("RC")

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

The RC is guided by its written terms of reference which set out its authority and responsibilities. The key terms of reference of the RC are:

- (a) recommending to the Board, a framework of remuneration for the directors and reviewing the remuneration packages for each director and key management personnel; and
- (b) reviewing all aspects of remuneration, including but not limited to directors' fees, salaries, annual performance incentives and other benefits including benefits in kind of the directors and key management personnel.

Subject to the review of the Board, the RC has explicit authority within its written terms of reference to obtain outside or other independent professional advice as it considers necessary to carry out its duties. Should the RC seek expert advice inside and/or outside the Company on remuneration of all directors, the RC should ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The fees of the non-executive independent directors were reviewed and compared against the directors' fees paid by other comparable industry peers of similar sizes based on market capital of those companies, with that of paid by the Company. The RC had also reviewed the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service and opined that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

CORPORATE GOVERNANCE STATEMENT

The recommendations of the RC are submitted for endorsement by the Board. No director or member of the RC has been involved in deciding his/her own remuneration package. The total remuneration mix for the CEO, executive directors and top 5 key management personnel (who are not also directors or the CEO) of the Group comprises three key components namely, basic salary, annual performance incentive and other benefits including benefits in kind. An appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of Shareholders and promotes the long-term success of the Company. Performance conditions to which entitlement to such incentives are met include benchmarking performance to business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Company's financial performance vis-à-vis industry performance. The extent to which the performance conditions have been met was taken into account in determining the actual quantum of variable component of remuneration. The Company does not make use of contractual provisions to allow it to reclaim incentive components of remuneration paid to its executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company having considered that performance incentives are determined subject to performance of the Company and of the individuals from time to time and the Company has the discretion not to award such incentive components and further that the Company does not have any long-term incentive scheme in the variable components of the remuneration packages of the executive directors and key management personnel. However, the Company will consider adopting such contractual provisions, as and when appropriate.

Save for directors' fees, which have to be approved by the Shareholders at every AGM, the non-executive independent directors do not receive any other remuneration from the Company. The RC and the Board reviewed the fees of the non-executive independent directors and were of the view that the directors' fees are adequate, comparable to the other industry peers in the market and appropriate to the level of contribution of the independent directors. The Company does not have any share-based compensation scheme or long-term scheme involving the offer of shares in place during the year.

Taking into consideration the competitive human resource environment which is especially pronounced in the Group's segment of property market in China and accordingly the remuneration of the Chairman and CEO together with the other directors of the Company be disclosed in the 2018 Annual Report in bands of S\$250,000 instead of disclosing such figures to the nearest thousand dollars as required by the Code.

CORPORATE GOVERNANCE STATEMENT

1. Remuneration of Directors for FY2018

The remuneration (which includes basic salaries, annual performance incentives, directors' fees and other benefits including benefits in kind, if any) paid or payable to each of the directors as at December 31, 2018, in bands of S\$250,000, are as follows:

Remuneration Band	Basic Salary	Annual Performance Incentives	Directors' Fees	Other Benefits including Benefits in Kind	Total
S\$11,000,000 to S\$11,249,999					
Zhong Sheng Jian	2.4%	97.5%	–	0.1%	100%
S\$500,000 to S\$749,999					
Zhong Ming	75%	25%	–	–	100%
S\$250,000 to S\$499,999					
Zhong Siliang	75%	25%	–	–	100%
Chan Yiu Ling	76%	24%	–	–	100%
Below S\$250,000					
Ronald Seah Lim Siang	–	–	100%	–	100%
Ng Shin Ein	–	–	100%	–	100%
Hee Theng Fong	–	–	100%	–	100%
Hong Pian Tee	–	–	100%	–	100%

2. Remuneration of the Top 5 Key Management Personnel for FY2018

The remuneration (which includes basic salaries, annual performance incentives, other fees and other benefits including benefits in kind, if any) paid or payable to each of the following key management personnel (who are not director or the CEO) as at December 31, 2018, in bands of S\$250,000, are as follows:

Remuneration Band	Basic Salary	Annual Performance Incentives	Other Fees	Other Benefits including Benefits in Kind	Total
S\$750,000 to S\$999,999					
Zhou Cheng	69%	31%	–	–	100%
S\$500,000 to S\$749,999					
Zhang Hao Ning	75%	25%	–	–	100%
S\$250,000 to S\$499,999					
Chen Ping	74%	26%	–	–	100%
Lam Ching Fung	73%	27%	–	–	100%
Chan Chi Wai	68%	32%	–	–	100%

The total remuneration paid to the above top 5 key management personnel (who are not director or the CEO) for FY2018 was S\$2,644,350.

CORPORATE GOVERNANCE STATEMENT

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

Remuneration Band	Position	Relationship	Basic Salary	Annual Performance Incentive	Other Fees	Other Benefits including Benefits in Kind	Total
S\$350,000 to S\$399,999							
Zheng Xi	Vice-Chairman of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian	77%	23%	-	-	100%
S\$250,000 to S\$299,999							
Zhong Si Min	Vice Financial Controller - Shanghai	Brother of Zhong Siliang, our Executive Director	76%	24%	-	-	100%
S\$200,000 to S\$249,999							
Zhong Si Nuo	Assistant to our Chairman & CEO, Zhong Sheng Jian	Daughter of our Chairman & CEO, Zhong Sheng Jian	85%	15%	-	-	100%
Zhong Si Li	Assistant General Manager - Wuhan	Brother of Zhong Siliang, our Executive Director	79%	21%	-	-	100%
S\$150,000 to S\$199,999							
Chung Chiu Yan	Director of Yanlord Investment (Nanjing) Co., Ltd.	Brother of our Chairman & CEO, Zhong Sheng Jian	100%	-	-	-	100%

CORPORATE GOVERNANCE STATEMENT

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10: ACCOUNTABILITY

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

The Board also ensures that the Company complies with the applicable legislative and regulatory requirements. The Board provides confirmation to the Shareholders in the Company's quarterly financial results announcements that to the best of their knowledge, nothing has come to the attention of the Board which may render the financial results of the Group to be false or misleading in any material aspects. A balance and understandable assessment of the Group's performance and financial position with a commentary of the significant trends and competitive conditions of the industry in which the Group operates is provided to the Shareholders on a quarterly basis. The Company has also procured undertakings from all its directors and executive officers where they each undertook to, in the exercise of their powers and duties as directors or executive officers, use best endeavours to comply with the Rules of the Listing Manual.

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

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

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

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the AC, reviewed and are of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at December 31, 2018.

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

RISK MANAGEMENT COMMITTEE (“RMC”)

The RMC comprises 4 members who are appropriately qualified with relevant expertise and experience to discharge their responsibilities. The chairperson of the RMC is Ng Shin Ein and the other 3 members are Zhong Sheng Jian, Hee Theng Fong and Hong Pian Tee. The majority of the members of the RMC, including its chairperson, are independent. The RMC is guided by its written terms of reference which set out its authority and responsibilities including:

- (a) identifying, measuring, managing and controlling risks that may have a significant impact on the Group’s property development activities;
- (b) reviewing and assessing the Group’s risk related policies and methodologies; and
- (c) considering and reviewing matters that may have a significant impact on the stability and integrity of the property market in the People’s Republic of China.

The Board, with the assistance of the RMC, reviews the adequacy and effectiveness of the Company’s risk practices and procedures, and oversee the Management in the design, implementation and monitoring of the risk management system.

PRINCIPLE 12: AUDIT COMMITTEE (“AC”)

The AC comprises 3 independent and non-executive directors who are appropriately qualified with relevant accounting and financial management expertise and experience to discharge their responsibilities. The chairman of the AC is Ronald Seah Lim Siang and the other 2 members are Ng Shin Ein and Hong Pian Tee. The AC is guided by its written terms of reference which set out its authority and duties.

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

The duties of the AC include:

- (a) reviewing 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) reviewing quarterly and annual financial results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (c) reviewing and reporting to the Board the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls and ensuring co-ordination between the external auditors and the Management, and reviewing the assistance given by the Management to the auditors, and discussing issues and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);

CORPORATE GOVERNANCE STATEMENT

- (d) reviewing and discussing 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) considering and recommending the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- (f) reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- (g) reviewing potential conflicts of interest, if any;
- (h) undertaking such other reviews and projects as may be requested by the Board, and reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (i) generally undertaking such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

In addition, the AC has explicit authority to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The AC meets, at a minimum, on a quarterly basis. The AC has full discretion with regard to the calling of any AC meeting and the proceedings thereat and may invite any director or Management to the meeting. In the event that a member of the AC is interested in any matter being considered by the AC, he/she would abstain from reviewing that particular transaction and voting on that particular resolution. The AC also meets with the internal and external auditors at least annually without the presence of Management. During the year, the AC met with the internal auditors, and with the external auditors, in each case without the presence of the executive directors and 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. None of the former partners or directors of the Company's existing auditing firm is a member of the AC.

The Group incurred an aggregate amount of fees of approximately RMB13.5 million (excluding out of pocket expenses and goods and services tax and converted at a rate of S\$1 = RMB4.98) to the external auditors, Deloitte & Touche LLP, Singapore and Deloitte Touche Tohmatsu Certified Public Accountants LLP, Shanghai, PRC (collectively, "Deloitte"), comprising audit fees of approximately RMB4.4 million and non-audit services fee of approximately RMB9.1 million for the year under review. In compliance with Rule 1207(6)(b) of the Listing Manual, the AC confirmed that it has undertaken a review of all non-audit services provided by Deloitte and they would not, in the AC's opinion, affect the independence and objectivity of Deloitte. In reviewing the nomination of Deloitte for the re-appointment, the AC has also considered the adequacy of the resources, experience and competence of Deloitte and has taken into account the audit quality indicators relating to Deloitte at both firm and audit engagement level.

The Group has complied with Rules 712 and 715 of the Listing Manual in appointing the audit firms.

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

CORPORATE GOVERNANCE STATEMENT

AC Commentary on Significant Matters:

Significant matters	How the AC reviewed these matters and what decisions were made
Assessment of recoverable amounts for properties for development, properties under development for sale and completed properties for sale (the "Properties")	The AC considered the management's approach and methodology applied in determining whether the Group's properties are impaired and the amount of impairment to be recorded, if any. The AC reviewed the management assumptions relating to the reasonableness of the future sales and projected construction costs used in the management assessment. The assessment of recoverable amounts for the Group's properties was an area of focus for the external auditor, who has included this as a key audit matter for the financial year ended December 31, 2018. Refer to page 67 of this Annual Report.
Valuation of investment properties	The AC considered the approach and methodology applied by the independent professional valuer to the valuation model in assessing the valuation of investment properties as at year end. The AC reviewed the reasonableness of the key assumptions used in the valuation, which include (i) price per square metre; (ii) capitalisation rates; and (iii) market rent per square metre per month. The valuation of investment properties was an area of focus for the external auditor, who has included this as a key audit matter in its audit report for the financial year ended December 31, 2018. Refer to page 68 of this Annual Report.
Land appreciation tax ("LAT")	The AC considered the management's approach and methodology used in the Group's LAT computations. The AC reviewed the reasonableness of management's judgements taken relating to management's provisioning for LAT as at year end. LAT was an area of focus for the external auditor, who has included this item as a key audit matter in its audit report for the financial year ended December 31, 2018. Refer to page 69 of this Annual Report.

CORPORATE GOVERNANCE STATEMENT

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

1. Definitions

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

- 1.1 "Possible Malpractice" means any activity, breach of business conduct and ethics or omission by an employee of the Group or any concerns regarding accounting or auditing matters, internal controls or internal accounting controls and other operational matters that are either questionable or not in accordance with accepted accounting practices and / or trade practices prescribed by the Group.
- 1.2 "Complaint" means any complaint alleging either Possible Malpractices or Retaliatory Action.
- 1.3 "Retaliatory Action" means the use or attempted use of force, authority, intimidation, threat, undue pressure of any kind or any other negative or other inappropriate action, by any employee or officer of the Group, against any person who has filed a Complaint.

2. Reporting of Possible Malpractices

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

3. Procedure

3.1 Lodging a Complaint

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

- (1) By Email

Email address: roy.tsui@yanlord.com.hk
Attention: The Assistant Internal Audit Manager

OR

- (2) By Mail

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

(Mark envelope "Private and Confidential")

All correspondence shall be treated with the strictest confidence.

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

3.1.2.1 In the case of employee of the Group:-

- (a) Name;
- (b) Department / Company;
- (c) Contact Number; and
- (d) Email if available.

3.1.2.2 In the case of any other person:-

- (a) Name;
- (b) Correspondence Address / Company;
- (c) Contact Number; and
- (d) Email if available.

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

3.2 Confidentiality of Identity

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

- 3.2.1 the identity of the complainant, in the opinion of the AC, is material to any investigation;
- 3.2.2 it is required by law, or by the order or directive of a court of law, regulatory body or by the Singapore Exchange or such other body that has the jurisdiction and authority of the law to require such identity to be revealed;
- 3.2.3 the AC with the concurrence of the Board of Directors opined that it would be in the best interests of the Group to disclose the identity;
- 3.2.4 it is determined that the Complaint was frivolous, in bad faith, or in abuse of these policies and procedures and lodged with malicious or mischievous intent; or
- 3.2.5 the identity of such complainant is already in the public domain.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 13: INTERNAL AUDIT

The Group has an in-house internal audit function ("Internal Audit") that is independent of the activities it audits. To ensure that the internal audit works are performed by competent professionals, the Internal Audit is staffed with professionally qualified personnel who are members of (i) Hong Kong Institute of Certified Public Accountants ("HKICPA"); (ii) Association of Chartered Certified Accountants; or (iii) Institute of Internal Auditors. The Internal Audit reports directly to the AC chairman for strategic direction, reinforcement and accountability, and administratively to the Chairman and CEO for assistance in establishing direction, support and administrative matters. The AC assesses, at least annually, the objectivity, adequacy and effectiveness of the Internal Audit to ensure it is independent, adequately resourced and effective on an on-going basis. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and have appropriate standing within the Group.

Internal Audit is conducted across the Group to monitor the effectiveness of risk management, internal controls and governance processes, *inter alia*, its key role is to promote effective internal controls in the Group and to monitor the performance and effective application of internal controls procedures, which serve to safeguard Shareholders' interests and the Group's assets. The Internal Audit carries out its function according to the Auditing Guideline – Guidance for Internal Auditors issued by the HKICPA. The internal auditors schedule the Group's yearly internal audit plan in consultation with, but independently of, the Management and the same is submitted to the AC for approval on an annual basis prior to the commencement of the yearly internal audit works. The AC considers the resources dedicated to the internal auditors and whether these resources enable Internal Audit to deliver on its audit plan. The AC also receives quarterly reports on the findings of internal auditors' works which included corrective measures recommended by the internal auditors as well as the Management's responsiveness to these internal audit findings and corrective measures. In the event there is any material and high-risk internal audit findings such as significant non-compliance or major lapses in internal controls, the internal auditors shall report to the AC on an immediate basis. No material and high-risk internal audit finding was reported during the year.

Based on the internal controls established and maintained by the Group, work performed by internal auditors as reviewed by the AC on a quarterly basis and key internal control reports tabled to the AC, the AC is satisfied that the Company's Internal Audit is independent, adequately resourced and effective.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

PRINCIPLE 14: SHAREHOLDER RIGHTS

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

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

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

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

The Company has a team of investor relations staff to promote regular, effective and fair communication with Shareholders and investors. In addition to disclosing relevant information of the Group via SGXNET as set out above, the Company also operates its corporate website at www.yanlordland.com through which Shareholders will be able to access updated information on the Group. The website provides corporate announcements, press releases and other information of the Group. The Group participated in activities such as global investor conferences, analyst briefings and roadshows to solicit and understand the views of the Shareholders and investors. A brief write-up of the Group's investor relations activities can be found in the 2018 Annual Report.

In view of that annual dividend shall be proposed by the Management to the Board for consideration prior to any such declaration by the Board on an annual basis taking into consideration the Group's business expansion and development plans, its financial performance and available resources and other relevant factors from time to time, it is in the best interest of the Company not to determine any fixed annual dividend payment policy. Declaration of dividends, if any, are clearly communicated to Shareholders and where dividends are not paid, explanations are given to the Shareholders too. Such communications with Shareholders are made via SGXNET announcements.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

All registered Shareholders, subject to the applicable rules and regulations, are invited to participate and given the right to vote on resolutions at general meetings. Each of the Shareholders would be given a CD-ROM containing the annual report, notice of the general meeting and proxy form. The printed copies of the annual report are available to the Shareholders upon their requests. Notices of general meetings are published on the press and issued by way of an announcement via SGXNET. If any individual Shareholder is unable to attend the general meeting in person, he/she may appoint not more than two proxies in accordance with the provision of the Company's Constitution for the proxies to attend, speak and vote on his/her behalf at the general meeting. A member of the Company who is a relevant intermediary (as defined in Section 181(6) of the Act) is entitled to appoint more than two proxies to attend, speak and vote in general meetings pursuant to Section 181(1C) of the Act. At the general meetings, Shareholders will be given the opportunity to express their views and make enquiries regarding the business and operations of the Group. Voting in absentia by mail, facsimile or email is currently not allowed as such voting methods would need to be cautiously evaluated for feasibility to ensure that there is no compromise to the integrity of the information and the authenticity of the Shareholders' identity. Separate resolutions are proposed for substantially separate issues at the general meetings.

In FY2018, all directors on board including our four independent directors then and the external auditors attended its annual general meeting. The directors always strive to attend all general meetings of Shareholders to address Shareholders' queries.

Since 2015, all resolutions at its all general meetings have been voted by way of an electronic poll so as to better reflect Shareholders' interest and to ensure transparency in the voting process. The voting outcome for each resolution was presented to the Shareholders in real-time at the general meetings immediately after each resolution was put to vote and the outcomes of all resolutions were subsequently disclosed in accordance with the prescribed format pursuant to Chapter 7 of the Listing Manual via SGXNET. Company prepared minutes of the general meetings in accordance with the recommendation of the Code. These minutes are available to Shareholders upon request and authentication of Shareholder's identity by the Company.

DEALINGS IN SECURITIES

The Company has adopted and implemented internal compliance practices to provide guidance to its directors and key employees on a quarterly basis in relation to the dealings in its securities. 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 Monday, April 29, 2019 at 2.00 p.m. at Capricorn and Leo, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 to transact the following business:

AS ROUTINE BUSINESS

1. To receive and adopt the directors' statement and the audited financial statements for the financial year ended December 31, 2018 together with the auditor's report thereon. **(Resolution 1)**
2. To declare a first and final (one-tier) tax-exempt dividend of 6.8 Singapore cents (equivalent to approximately 33.33 Renminbi cents) per ordinary share for the year ended December 31, 2018. **(Resolution 2)**
3. To approve the payment of directors' fees of S\$400,000 (equivalent to approximately RMB1,962,384.22) for the year ended December 31, 2018 (FY2017: S\$365,479.45, equivalent to approximately RMB1,792,314.20). **(Resolution 3)**
4. To re-elect the following Directors, each of whom will retire pursuant to Regulation 89 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

- | | | |
|-----|-----------------------|------------------------|
| (a) | Zhong Siliang | (Resolution 4a) |
| (b) | Ronald Seah Lim Siang | (Resolution 4b) |
| (c) | Zhong Sheng Jian | (Resolution 4c) |

(Detailed information of these Directors can be found in the Company's Annual Report 2018, under the sections of the "Board of Directors", "Directors' Statement" and "Additional Information on Directors Seeking Re-election".)

5. To re-elect Hong Pian Tee, a Director who is retiring pursuant to Regulation 88 of the Constitution of the Company and who, being eligible, offers himself for re-election. **(Resolution 5)**

(Detailed information of Hong Pian Tee can be found in the Company's Annual Report 2018, under the sections of the "Board of Directors", "Directors' Statement" and "Additional Information on Directors Seeking Re-election".)

6. To re-appoint Messrs Deloitte & Touche LLP, Singapore as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

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

- 7A. 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, |

NOTICE OF ANNUAL GENERAL MEETING

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 and subsidiary holdings 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 and subsidiary holdings in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares excluding treasury shares and subsidiary holdings shall be based on the total number of issued Shares excluding treasury shares and subsidiary holdings 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;

and, in sub-paragraph (1) above and this sub-paragraph (2), "subsidiary holdings" has the meaning ascribed to it in the Listing Manual of the SGX-ST.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (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 7)**

7B. That:-

- (1) for the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or acquire issued and fully paid Shares 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) market purchases on the SGX-ST and/or any other stock exchange on which the Shares may for the time being be listed and quoted ("Other Exchange") ("Market Purchase"); and/or

NOTICE OF ANNUAL GENERAL MEETING

- (b) off-market purchases (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) 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 or, as the case may be, Other Exchange as may for the time being applicable, be and is hereby authorised and approved generally and unconditionally ("Share Buyback Mandate");

- (2) unless varied or revoked by the members of 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 required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

In this Resolution:-

"Maximum Percentage" means that number of issued Shares representing not more than 10% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) as at date of the passing of this Resolution;

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

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares;

"Average Closing Price" means the average of the closing market 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 Other Exchange, 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 the Shares from holders of the 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. **(Resolution 8)**

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN THAT the Share Transfer Book and Register of Members of the Company will be closed on May 23, 2019, for the purpose of determining the shareholders' entitlements to the first and final (one-tier) tax-exempt dividend of 6.8 Singapore cents (equivalent to approximately 33.33 Renminbi cents) per ordinary share for the year ended December 31, 2018 ("Proposed Dividend") to be proposed at the AGM of the Company to be held on April 29, 2019.

Duly completed registrable transfers in respect of Shares of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., of 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 up to 5.00 p.m. on May 22, 2019 will be registered to determine shareholders' entitlements to the Proposed Dividend. Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on May 22, 2019 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved at the forthcoming AGM, will be paid on June 6, 2019.

BY ORDER OF THE BOARD

Sau Ean Nee
Company Secretary

April 10, 2019
Singapore

Notes to Notice of AGM:

- (i) A member of the Company who is not a Relevant Intermediary and entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote on behalf of such member.
- (ii) A member of the Company who is a Relevant Intermediary and entitled to attend, speak and vote at the AGM is entitled to appoint more than two proxies to attend, speak and vote on behalf of such member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of Shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy).
"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Act.
- (iii) A proxy need not be a member of the Company.
- (iv) 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 72 hours before the time fixed for the AGM.
- (v) Resolution 4b: Ronald Seah Lim Siang who is an independent director will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, member of the Nominating Committee and member of the Remuneration Committee.
- (vi) Resolution 5: Hong Pian Tee who is an independent director will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, member of the Audit Committee and member of the Risk Management Committee.
- (vii) Resolution 7, if passed, is to empower the Directors from the date of the AGM to be held on April 29, 2019 until the date of next AGM, to issue Shares and to make or grant Instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such Instruments, up to a number not exceeding in total fifty per cent. (50%) of the total number issued Shares (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)) 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).
- (viii) Resolution 8 relates to the renewal of the Share Buyback Mandate which was originally approved by shareholders on April 2, 2009. Please refer to Appendix to this Notice of AGM for details.

Personal Data Privacy:

By attending the AGM and/or any adjournment thereof and/or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules of any designated stock exchange, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The below additional information on Zhong Siliang, Ronald Seah Lim Siang, Zhong Sheng Jian and Hong Pian Tee, being the directors seeking re-election at the annual general meeting of Yanlord Land Group Limited to be held on April 29, 2019, is to be read in conjunction with their other respective information set out under the sections of "Board of Directors" and "Directors' Statement" of this Annual Report 2018.

Description	Name			
	Zhong Siliang	Ronald Seah Lim Siang	Zhong Sheng Jian	Hong Pian Tee
The Board's comments on the re-election (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Zhong Siliang as Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr. Zhong Siliang's contributions, performance, expertise and past experiences.	The re-election of Mr. Ronald Seah Lim Siang as Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr. Ronald Seah Lim Siang's contributions, competencies, working experience and knowledge (in particular his finance expertise).	The re-election of Mr. Zhong Sheng Jian as Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr. Zhong Sheng Jian's extensive industrial experience, contributions and significant role in the historical development of our Group.	The re-election of Mr. Hong Pian Tee as Director of the Company was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr. Hong Pian Tee's expertise, working experience and knowledge (in particular his accounting and related financial management expertise).
Conflict of interest (including any competing business)	None	CDL Hospitality Trusts - a stapled group that focuses on investing in hospitality related real estate assets globally with place of asset/business in Singapore, Australia, New Zealand, Japan, United Kingdom, Germany and Maldives.	None	Sinarmas Land Limited - investment in property/hotel/golf courses & property development in Indonesia, property investment in England, golf courses & hotel in Malaysia and property development in China.
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships for past 5 years and present	None	<u>Present:</u> 1. Global Investments Limited 2. Telechoice International Limited 3. PGG Wrightson Limited 4. M&C REIT Management Limited 5. M&C Business Trust Management Limited 6. Nucleus Connect Pte. Ltd.	<u>Present:</u> 1. United Engineers Limited	<u>Present:</u> 1. Pei Hwa Foundation Limited 2. XMH Holdings Ltd. 3. AsiaPhos Limited 4. Sinarmas Land Limited <u>Past 5 years:</u> 1. Golden Agri-Resources Ltd 2. Memstar Technology Ltd.
Answer to information required/questions (a) to (k) listed in Appendix 7.4.1 (Announcement of Appointment) of the SGX-ST Listing Manual	No	No	No	No

YANLORD LAND GROUP LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 200601911K

IMPORTANT:

1. A Relevant Intermediary may appoint more than two proxies to attend, speak and vote at the Annual General Meeting (Please refer to Note 3 for the details).
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated April 10, 2019.

PROXY FORM**Annual General Meeting**

I/We (Name) _____ (NRIC/Passport/Company Registration No.) _____

of (Address) _____

being a member/members of Yanlord Land Group Limited (the "Company") 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/them, the Chairman of the Annual General Meeting of the Company ("AGM"), as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be held at Capricorn and Leo, Level 1, Marina Mandarin Singapore, 6 Raffles Boulevard, Marina Square, Singapore 039594 on Monday, April 29, 2019 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, each proxy will vote or abstain as the proxy deems fit, as each proxy will on any other matter arising at the AGM and at any adjournment thereof.

Note: In compliance with Rule 730A(2) of the SGX Mainboard Listing Rules and Regulation 58(A) of the Constitution of the Company, each of the resolutions to be put to the vote of members of the Company at the AGM and at any adjournment thereof, shall be voted on by way of a poll.

No.	Ordinary Resolutions	No. of Votes	
		For*	Against*
	ROUTINE BUSINESS		
1	Adoption of Directors' Statement, Auditor's Report and Audited Financial Statements		
2	Declaration of Dividend		
3	Approval of Directors' Fees		
4	(a) Re-election of Zhong Siliang as Director		
	(b) Re-election of Ronald Seah Lim Siang as Director		
	(c) Re-election of Zhong Sheng Jian as Director		
5	Re-election of Hong Pian Tee as Director		
6	Re-appointment of Auditors		
	SPECIAL BUSINESS		
7	Authority for Directors to Issue Shares and Convertible Securities		
8	Renewal of Share Buyback Mandate		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2019

Total number of Shares held _____

Signature(s) or Common Seal of Member(s)**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

PROXY FORM

Affix
Stamp
Here

THE COMPANY SECRETARY YANLORD LAND GROUP LIMITED

9 Temasek Boulevard
#36-02 Suntec Tower Two
Singapore 038989

Fold here

Fold here

NOTES TO PROXY FORM:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Cap. 289), 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 proxy form will be deemed to relate to all the shares held by you.
2. A member of the Company who is not a Relevant Intermediary and entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote on behalf of such member. Where a member appoints more than one proxy, the proportion of the shareholding concerned (expressed as a percentage of the whole) to be represented by each proxy shall be specified in the instrument of proxy.
3. A member of the Company who is a Relevant Intermediary and entitled to attend, speak and vote at the AGM is entitled to appoint more than two proxies to attend, speak and vote on behalf of such member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument of proxy).
"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.
4. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies shall, in the case of an individual, be signed by the appointor or 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.
6. 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.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50.
8. 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 are 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 72 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. 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 72 hours before the time fixed for the AGM.
10. Completion and return of this instrument appointing proxy shall not preclude a member from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Zhong Sheng Jian
*Chairman and
Chief Executive Officer*

Zhong Siliang
Executive Director

Chan Yiu Ling
Executive Director

Zhong Ming
Executive Director

Ronald Seah Lim Siang
Lead Independent Director

Ng Shin Ein
Independent Director

Hee Theng Fong
Independent Director

Hong Pian Tee
Independent Director

AUDIT COMMITTEE

Ronald Seah Lim Siang, *Chairman*
Ng Shin Ein
Hong Pian Tee

NOMINATING COMMITTEE

Hee Theng Fong, *Chairman*
Ronald Seah Lim Siang
Zhong Sheng Jian

REMUNERATION COMMITTEE

Hong Pian Tee, *Chairman*
Ronald Seah Lim Siang
Ng Shin Ein

RISK MANAGEMENT COMMITTEE

Ng Shin Ein, *Chairperson*
Hee Theng Fong
Hong Pian Tee
Zhong Sheng Jian

COMPANY SECRETARY

Sau Ean Nee

GROUP FINANCIAL CONTROLLER

Jim Chan Chi Wai

REGISTERED OFFICE

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

WEBSITE

<http://www.yanlordland.com>

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809
Partner-in-charge:
Cheung Pui Yuen
(Appointed on May 21, 2018)

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

China Merchants Bank
Bank of Shanghai Co., Ltd.
The Hongkong and Shanghai
Banking Corporation Limited
Hang Seng Bank Limited
DBS Bank Limited
Standard Chartered Bank Limited
Bank of China Co., Ltd.
Wing Lung Bank Limited
Shanghai Pudong Development
Bank Co., Ltd.

STOCK EXCHANGE LISTING

Singapore Exchange Securities
Trading Limited

DATE AND COUNTRY OF INCORPORATION

February 13, 2006, Singapore



仁恒
YANLORD

Yanlord Land Group Limited

仁恒置地集团有限公司

Registration No. 200601911K

9 Temasek Boulevard
#36-02 Suntec Tower Two
Singapore 038989
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