YANLORD LAND
GROUP LIMITED

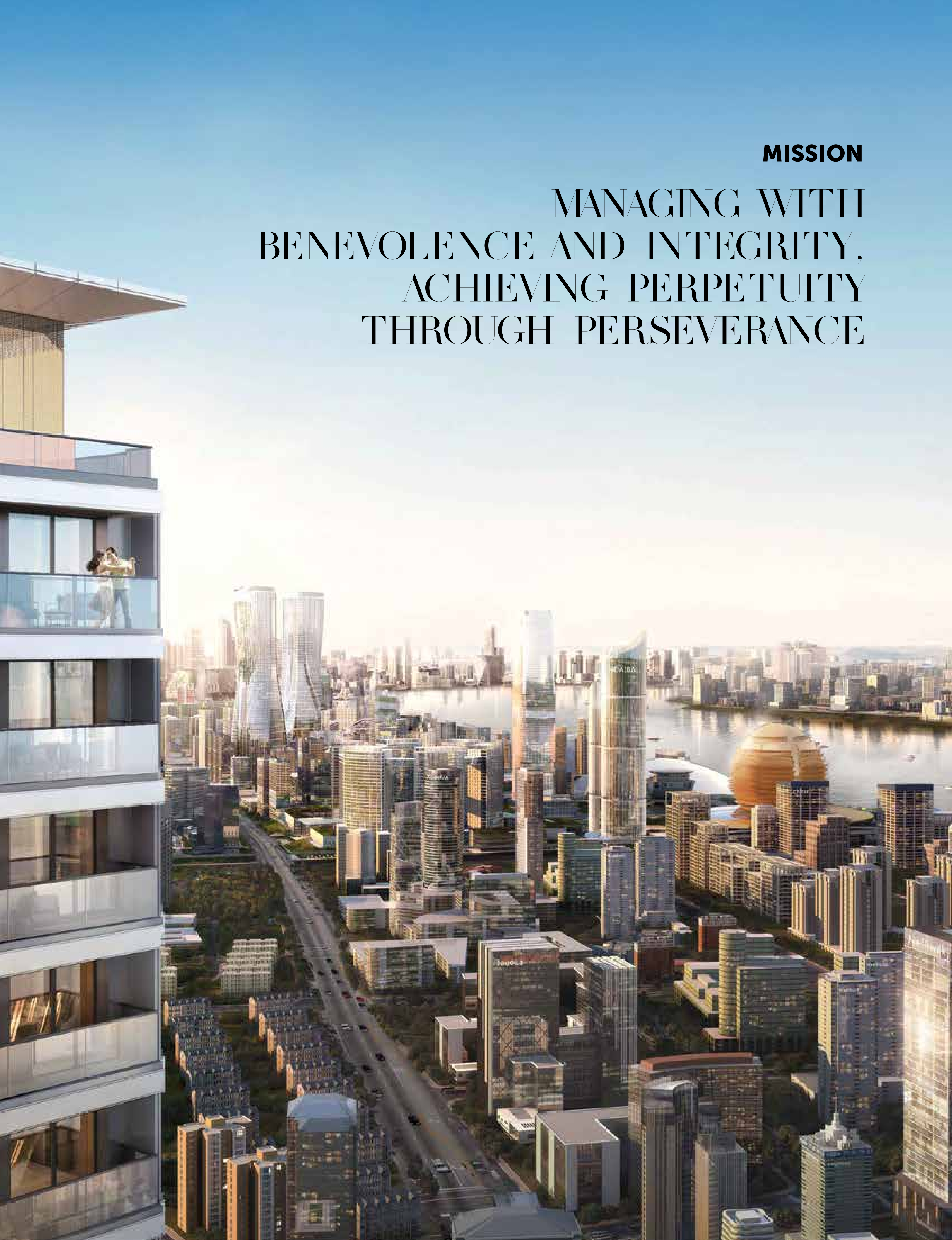
仁恒
YANLORD

FOCUS

2019
ANNUAL REPORT

MISSION

MANAGING WITH BENEVOLENCE AND INTEGRITY, ACHIEVING PERPETUITY THROUGH PERSEVERANCE



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.

CONTENTS

Leedon Green • Singapore | 绿墩雅苑 • 新加坡

Canal Times • Suzhou • China | 运河时代花园 • 苏州 • 中国

KEY FIGURES

REVENUE
RMB 18.666B

RMB 3.350B
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

PROPOSED DIVIDEND
SGD 6.80¢

GROSS PROFIT MARGIN
41.2%

RMB 30,375
AVERAGE SELLING PRICE PER SQM

RMB 13.818B
CASH AND CASH EQUIVALENTS

staying AHEAD

BUILDING ON OUR VALUES AND SEIZING NEW OPPORTUNITIES

At Yanlord, we believe that focusing on what we do best enables us to deliver greater results. Despite the challenges of a changing global economy, we will continue to build on our core values and pave the way ahead and stay ahead of our game. Targeting prime sites with high growth has led us to seize new opportunities and grow our footprint through strategic landbanking.

6.

WORKING AS ONE TO STRENGTHEN OUR MARKET PRESENCE

We are stronger when we work together. Strengthening partnerships both internally and externally are important in sustaining growth. This year, we sought to expand our market presence, synergising our strengths to secure the acquisition of United Engineers Limited in Singapore. This acquisition will go the distance to supplement Yanlord's existing geographical footprint and contribute positively to the Group's long-term achievements.

Dairy Farm Residences • Singapore | 岱莉轩 • 新加坡

achieving TOGETHER

extending REACH

GIVING BACK TO THE COMMUNITY IN MORE WAYS THAN ONE

We strive to expand not only our business perspective, but our community mindset as well. Yanlord is honoured to give back to the communities in which we operate in. This includes creating communal spaces for the public to enjoy, as well as giving back to the community by providing educational grants to engage students and empower youths with a brighter future.

FOCUS

RECORD PRE-SALES IN FY 2019 SETS FOUNDATIONS FOR **FUTURE GROWTH**

SUSTAINABLE GROWTH IN INVESTMENT PROPERTY PORTFOLIO

GROWING FOOTPRINT IN HIGH-GROWTH PRC CITIES THROUGH STRATEGIC LANDBANKING

Delivering Better Returns

Dear Shareholders,

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 2019 ("FY 2019").

2019 was a challenging year for global economies. While years of rapid globalisation has reduced global market inefficiencies, the resurgence of isolationist policies have in recent months weighed heavily upon global trade and industry and have similarly impacted the overall economy of the People's Republic of China ("PRC"). Despite global uncertainty, the PRC remains one of the key drivers for global economic growth. With a per capita gross domestic product (GDP) exceeding the psychological US$10,000 mark in 2019, the breadth and depth of the PRC continues to be an exigent circumstance which no business or investor can afford to overlook.

Market dynamics in the PRC real estate sector continue to be fluid since the reintroduction of austerity measures in the end of 2016. With home purchase restrictions and price caps playing a key role in near term market volatilities, developers will be tested on their ability to strike a sustainable balance between the pace of development, overall product quality and long-term profitability. Despite the potential market challenges, we remain cautiously optimistic about the long-term outlook for the PRC real estate sector and I would like to take this opportunity to share my views about the outlook of the PRC real estate industry as well as the Group's sustainable growth strategy and future development.

Leedon Green • Singapore | 绿墩雅苑 • 新加坡


Yanlord Reverie Apartments • Shenzhen • China | 仁恒梦公寓 • 深圳 • 中国

RECORD PRE-SALES IN FY 2019 SETS FOUNDATIONS FOR FUTURE GROWTH

Demand for our high-quality developments continue to be supported by a healthy home buyer base. Pre-sales from the sale of properties by the Group including joint venture and associate companies rose 116.1% in FY 2019 to RMB55.704 billion compared to RMB25.774 billion achieved in the financial year ended 31 December 2018 ("FY 2018"), setting a new sales record since our listing.

Despite the higher pre-sales recorded in FY 2019, recognised revenue in FY 2019 declined to approximately RMB18.666 billion compared to RMB24.888 billion in FY 2018 owing to delivery schedule timings and market volatilities in the PRC arising from austerity measures introduced by the local governments. Looking ahead, the progressive recognition of our accumulated pre-sales will contribute positively to our future financial performance.

Yanlord's strong brand equity continues to gain a dedicated following across the PRC. Our new projects in cities such as Hangzhou and Nantong have shown significant traction with homebuyers. Yanlord Riverside Gardens, our latest project in Hangzhou, the PRC, garnered pre-sales of over RMB3.806 billion at an average selling price ("ASP") of approximately RMB71,000 per square metre ("sqm") in 2019, winning the recognition of homebuyers and industry peers within the city. In addition to our new markets, we continued to expand our market presence within traditional markets such as Nanjing, Shenzhen and Suzhou, the PRC. Building on the market demand for Yanlord's high-quality developments, our latest launches have achieved stellar sell-throughs and contributed significantly to our pre-sale performance growth in FY 2019.

SUSTAINABLE GROWTH IN PROPERTY INVESTMENT AND HOTEL OPERATION PORTFOLIO

The Group's investment property portfolio comprising high-quality commercial, retail, office and prime hospitality assets, is a long-term strategic initiative to develop a stable recurring revenue stream.

The portfolio continued to deliver commendable performance in FY2019 with revenue from property investments and hotel operations rising 66.4% to approximately RMB914 million driven by continued enhancements to operating efficiencies. In particular, our hospitality division has delivered a commendable scorecard in FY 2019. Since its grand opening in 2018, Crowne Plaza Sanya Haitang Bay Resort has consistently won accolades for customer satisfaction and is one of the best ranked hotels in Sanya, the PRC. Testament to the strong following and higher occupancy rates, revenue from operations rose approximately RMB86 million or 70.8% to RMB209 million in FY 2019 compared to RMB123 million in FY 2018. To cater to the everchanging customer, we actively review and refresh our product offerings to meet the market demand. In the end of 2019 and after 8 years of operations, our serviced apartments at Yanlord Landmark in Chengdu, the PRC, have undergone a rejuvenation and reopened its doors as the Intercontinental Residences Chengdu, the first Intercontinental Residence branded serviced apartments in PRC. Building on our existing tenant base and market positioning, we continue to see a healthy uplift in services standard and room rental rate and keep the leading role on the Chengdu market.

GROWING FOOTPRINT IN HIGH-GROWTH PRC CITIES THROUGH STRATEGIC LANDBANKING

Yanlord's strategy continues to be driven by a continued focus in prime sites within high-growth cities. In FY 2019, we acquired a total of 14 new property projects across the PRC and in Singapore through a combination of land tenders, collaborations and the successful acquisition of United Engineers Limited ("UEL"). With a comprehensive spread across Singapore and PRC, these property projects consisting of one in Singapore, six within the Yangtze River Delta region, one in Shenzhen, five in provincial capital cities and one in Sanya Haitang Bay, which are well placed to capitalise on the continued growth of their respective markets. In particular, the successful acquisition of UEL has yielded a bounty of prime development sites including Dairy Farm Residences in Singapore, Orchard Villa in Chengdu, Orchard Summer Palace and Orchard Manor in Shenyang which, following the acquisition will benefit from the Yanlord branding. As at 31 December 2019, total prime landbank holdings in the PRC stood at approximately 9.166 million sqm.

2019 will be a memorable year for the Group. In addition to our positive developments in pre-sales and investment properties across the PRC, we announced the successful acquisition of UEL. With a history spanning over a century, UEL was a key driver in some of Singapore's earliest infrastructure projects and owns some of Singapore's iconic commercial and mixed-use developments. With a range of business segments spanning countries across the globe, this acquisition will supplement Yanlord's existing geographical footprint, provide a buffer against concentration risk and is expected to contribute positively to the Group's future performance.

In the midst of our preparation for this annual report, the onset of the 2019 Novel Coronavirus ("COVID-19") pandemic has thoroughly shaken global economies reminding us just how closely intertwined countries have become due to globalisation. While decisive measures undertaken by the PRC government have effectively controlled the spread of the virus, the economy and consumer confidence will undoubtedly be affected in the near term. To help to tide industries over this difficult period, the PRC government has introduced a range of stimulus policies. For the PRC real estate industry, underlying demand arising from continued urbanisation coupled with supportive measures by the government including the lowering of down payment requirements and mortgage interest payments will help to cushion near term volatilities arising from the COVID-19 pandemic. With a strong pipeline of projects and a well-placed landbank across prime cities, Yanlord is well poised to capture any market opportunities.

Barring any significant deterioration in the global economy and any other unforeseen circumstances like price cuts in major cities and further deterioration of the COVID-19 situation, the board of directors of the Company ("Board of Directors") is cautiously optimistic of the Group's performance relative to the industry trend for the next reporting period and the next 12 months based on the number of pre-sale units to-date, expected delivery schedules and on-schedule construction works in progress.

IN APPRECIATION

I would like to thank our customers, business associates and employees for their support and dedication, whose commitment has been and will continue to be instrumental to the Group's success.

My thanks also go to fellow Directors for their contribution and guidance to steer the Group through this challenging year.

Last but not least, on behalf of the Board of Directors, I would also like to express our sincere gratitude to our shareholders for their trust and support. In appreciation, the Board of Directors is pleased to propose a final dividend of 6.80 Singapore cents (equivalent to approximately 34.31 Renminbi cents) per ordinary share representing a dividend payout ratio of 19.8% of FY 2019 profit attributable to owners of the Company. 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

主席致词

尊敬的各位股东：

2019年对于世界而言是多事之秋。经济长期发展不平衡导致孤立主义抬头，全球化、贸易自由化受到挑战。但就集团主要市场——中国而言，其经济增速虽有放缓，但仍是世界经济重要引擎。中国人均国内生产总值于去年超过1万美元，这意味着无比强大的消费能力和投资能力，任何企业与投资者都无法忽视这一点。

自2016年末以来，各项针对中国地产的限制性措施已经执行了超过三年，企业如何平衡发展速度、开发产品质量与整体获利能力这三者关系，决定了企业能否实现长期可持续发展。值此呈报2019年业绩之时，本人愿将相关思考做一分享。

全年预售创历史记录，增长后劲可观

集团2019年全年预售收入（含合资合作项目）为人民币557.04亿元，创下集团上市至今的新纪录，同比增幅高达116.1%。受交付时间滞后，以及有关限制性政策措施影响，2019年营业收入为人民币186.66亿元，与2018年之人民币248.88亿元相比，出现回落。待后期房屋陆续交付，预售收入将入账。

通过观察销售来源，我们可以注意到，集团新布局的南通、杭州等城市均已推盘入市，并受到市场高度认可。其中位于杭州的合资项目——仁滨公寓销售均价约人民币71,000元/平方米，全年实现预售金额为人民币38.06亿元，两项指标在杭州名列前茅。集团所深耕的南京、苏州、深圳等地则继续保持多项目同时开发，每有新房入市，均受到消费者青睐，产品口碑与去化速度继续领跑当地市场。

集团投资类物业及酒店经营表现优异，市场价值稳步提升

集团以稳健的方式开发高端写字楼、商场及酒店等持有经营类物业。集团2019年营业收入增加66.4%至约人民币9.14亿元，收入增加主要来自经营效率。其中尤以酒店板块表现出色。三亚海棠湾仁恒皇冠假日酒店自2018年初投入使用，营运两整年，2019年營业收入为人民币2.09亿元，相比2018年之人民币1.23亿元，增收近人民币0.86亿元，涨幅近70.8%。客房单价、出租率、住客满意度等各项营运指标均在三亚名列前茅。2019年年底，集团位于成都的服务式公寓在运营8年后，由洲际集团接管，成为大中华区首家开业的洲际行政公寓，服务标准与客房售价在原有基础上已有明显提升，预计将继续保持在成都市场的领先地位。

Yanlord Gardens • Nantong • China | 仁恒花园 • 南通 • 中国

深耕中国增长型城市，多元并举，扩大土地储备

去年集团通过竞拍、合作、股权收购等多种方式在中国大陆和新加坡获得了多幅优质开发用地。在中国大陆，我们集中在发展潜力巨大的区域性城市群增加储备。随着年底对联合工程有限公司（"联合工程"）的整体收购完成，集团共收获14个新项目，其中一个位于新加坡，六个位于长三角，一个位于深圳，五个位于省会城市，另有一处文旅用地邻近三亚海棠湾国家景区。土地储备质量，自不待言。值得指出的是，其中位于新加坡的岱莉轩，位于成都的锦绣尚郡，以及位于沈阳的夏宫城市广场与锦绣山庄，原属联合工程，并入仁恒之后，有仁恒团队的参与，以及"仁恒"品牌的影响力，项目市场价值定能进一步得以提升。截至2019年12月31日为止，集团的中国总土地储备约916.6万平方米。

综上所述，去年集团无论是住房开发销售、自持物业的经营，还是土地储备，均有不俗表现，实现了高质量的增长。在收购联合工程完成之后，集团资产构成、项目地域分布进一步优化，集团长期秉承的审慎财务政策也有利于我们更好地捕捉机会，抗御风险。

在准备本年报之时，正值新冠疫情，经济全球化在某种程度上放大了疫情影响。如今中国的疫情已基本受控，各地区正逐步恢复正常生活生产秩序。相比许多行业，房地产开发受疫情影响相对较轻，市场需求依旧存在。为加快疫情之后的经济重建，中国政府已经推出了一系列刺激措施，加速人口向城市流动，降低购房门槛与利息支出，这无疑有利于消费升级需求的释放。仁恒的城市布局与产品定位与住房升级需求高度契合，集团董事局与管理团队对未来发展保持谨慎乐观的态度。

致谢

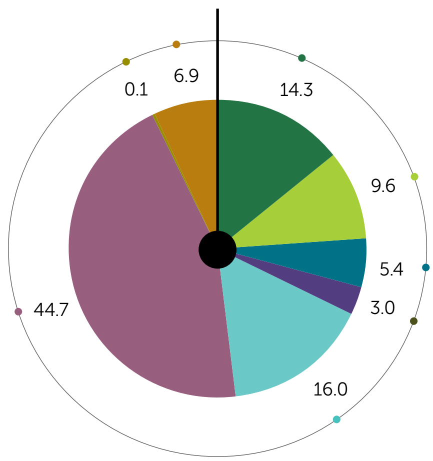
本人及管理层感谢我们的客户、合作伙伴以及员工一直以来对集团的支持，同时也想感谢董事们在这一年里对集团的指导和贡献。为回馈股东的关心与支持，集团董事局建议每股派发新币6.80分(等值人民币34.31分)的末期股息。未来我们将更加勤勉工作，以更好的业绩回报股东。

钟声坚
集团主席兼总裁

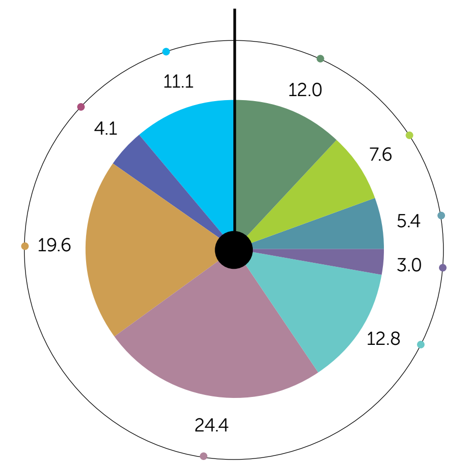
OPERATIONAL HIGHLIGHTS

PROPERTY SALES CONTRIBUTION (%)

BY CITY

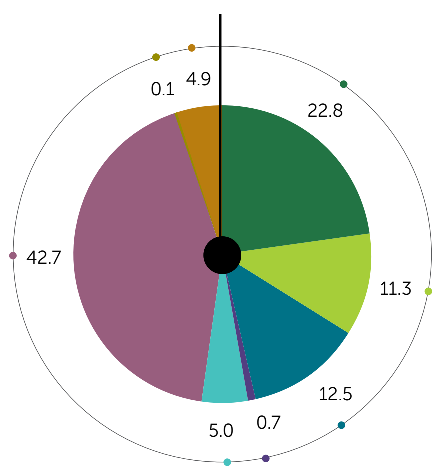


BY PROJECT

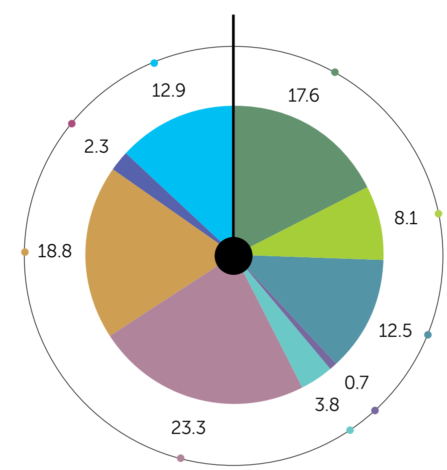


GROSS FLOOR AREA CONTRIBUTION (%)

BY CITY



BY PROJECT

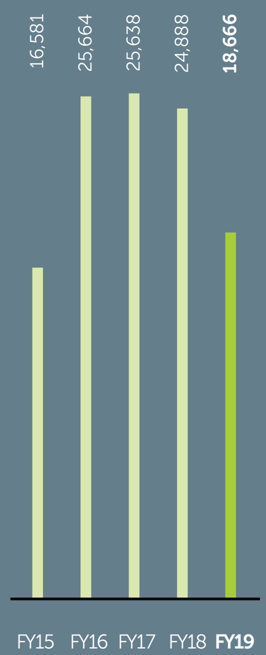


- Chengdu
- Nanjing
- Nantong
- Sanya
- Shanghai
- Suzhou
- Tianjin
- Zhuhai

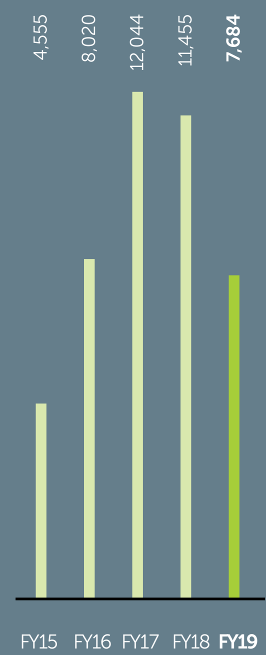
- Chengdu Yanlord Riverbay
- Nanjing Yanlord Phoenix Hill (Phase 1)
- Nantong Four Seasons Gardens
- Sanya Hai Tong Bay - Land Parcel 9
- Shanghai Yanlord on the Park
- Suzhou Riverbay Gardens (Phase 1)
- Suzhou Riverbay Gardens (Phase 2)
- Zhuhai Yanlord Marina Centre - Section B
- Others

FINANCIAL HIGHLIGHTS

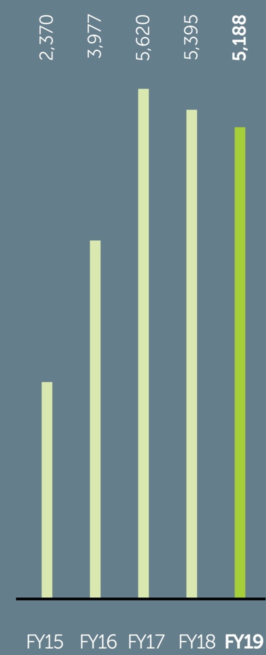
REVENUE
(RMB MILLION)



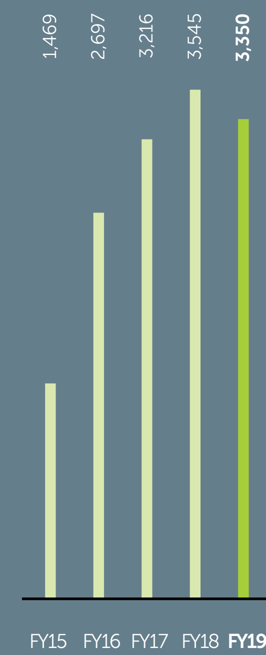
GROSS PROFIT
(RMB MILLION)



PROFIT FOR THE YEAR
(RMB MILLION)

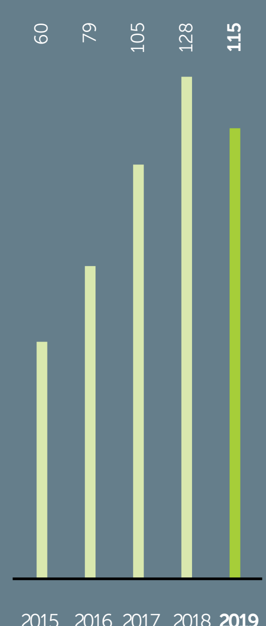


PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RMB MILLION)

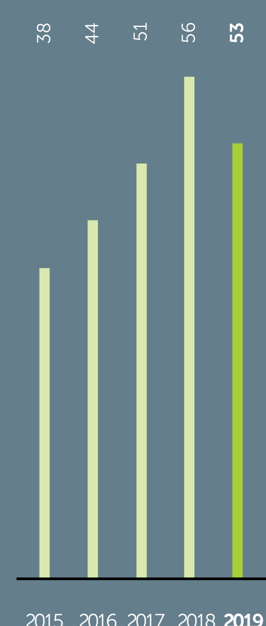


NET DEBT / EQUITY[1] (%)
As at December 31

TOTAL DEBT / EQUITY[1] (%)
As at December 31



TOTAL DEBT / CAPITALISATION[2] (%)
As at December 31



Notes:

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

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.

SHANGHAI

YANLORD 仁恒世纪公寓 ON THE PARK

TIANJIN

HONG QIAO LAND 红咸雅苑

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 route 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.

NANJING

RIVERBAY 江湾世纪花园 CENTURY GARDENS

Located along the Yangtze River in Hexi New Area, Nanjing Riverbay Century Gardens occupies a land area of approximately 175,000 sqm, which will be developed into a total GFA of approximately 271,000 sqm. Ideally situated within the Singapore Nanjing Eco Hi-Tech Island – a flagship economic collaboration program developed under the auspices of the Singapore-Jiangsu Cooperation Council – the site rests along the island's idyllic riverfront offering an unobstructed view of the Yangtze River and is in close proximity to the Youth Olympic commercial district (河西青奥商圈) and the Group's existing development Yanlord Yangtze Riverbay Town and Oasis New Island Gardens. Well connected via planned key thoroughfares running through the island as well as the adjacent metro station of the metro line route 10, the site will offer future residents with a comprehensive suite of amenities and connectivity linking them across the city.

NANJING

YANLORD 凤凰山居 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 261,000 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.

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 of 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 Hotel in 2018.

ZHUHAI

YANLORD 仁恒滨海中心 MARINA CENTRE

SUZHOU

NEW TANG'S MANSION

浅棠平江

Cradled by the lush natural surroundings of Suzhou's Huqiu Wetland Park, the approximately 147,000 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 line routes 2 and 4 and the planned route 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.

SUZHOU

RIVERBAY GARDENS

江湾雅园

Ideally situated within Suzhou's city administrative district, the Gusu district, the approximately 294,000 sqm Riverbay Gardens enjoys excellent connectivity via key thoroughfares and is adjacent to stations of the city's metro line route 2 and route 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.

SANYA

HAITANG BAY – LAND PARCEL 9 三亚海棠湾 - 9号地块

Acquired in January 2010, Sanya Haitang 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 GFA of approximately 103,000 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 rooms 5-star luxury Crowne Plaza Sanya Haitang Bay Resort managed by the InterContinental Hotels Group PLC.

This project also includes Hangzhou Bayfront Isle (前湾). 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 line routes 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.

HANGZHOU

INTELLIGENT CITY PROJECT 杭州传化科技城项目

HANGZHOU

YANLORD 仁滨公寓 RIVERSIDE GARDENS

Ideally situated within the core area of Qianjiang New City (钱江新城), one of the two central business districts and the financial district of Hangzhou, the site has a total GFA of approximately 75,000 sqm. Well connected via key thoroughfares passing through the district as well as neighbouring stations from the city's metro line routes 1, 4 and 9, future residents of the project will be able to enjoy a comprehensive suite of amenities surrounding the site such as shopping malls, hospitals, dedicated schools and parks that will cater to their lifestyle needs.

SHENZHEN

YANLORD 仁恒四季园 FOUR SEASONS GARDENS

Ideally located in the downtown of Longgang District in Shenzhen City, the approximately 473,000 sqm GFA project stands at the southern portal to the district and benefits from excellent connectivity via key thoroughfares running through the city and is adjacent to stations of the city's metro line route 3 as well as routes 14 and 16 which are currently under construction. A rapidly developing district in land scarce Shenzhen, future residents of the project will benefit from the comprehensive suite of amenities such as shopping malls and hospitals available to cater to their lifestyle needs.

Ideally surrounded by three natural parks, the site has a plot ratio of 1.8 and benefits from the Nantong government initiatives to develop the area into a key model for technology company development and innovation. Well connected via key thoroughfares passing through the district as well as neighbouring stations from the city's metro line route 1, future residents of the project will enjoy a comprehensive suite of amenities such as hospitals, theatres as well as schools to cater to their lifestyle needs.

NANTONG

YANLORD GARDENS 仁恒花园

SINGAPORE

UE BIZHUB CITY UE广场

UE BizHub CITY (formerly known as UE Square) has been marked as a historical site since 2002. Strategically located among the prime districts of River Valley Road and Clemenceau Avenue, UE BizHub CITY is a short drive to Orchard Road and is next to Fort Canning MRT Station (Downtown Line). This mixed-use development comprises an 18-storey office building with 2 basement carpark levels, a 15-storey block of serviced apartments and serviced offices, as well as a shopping podium - UE Square Shopping Mall, which spans across four levels of shops with an exciting mix of enrichment, entertainment and lifestyle services catering to the needs of residents and professionals living and working in the surrounding vicinity.

UE BizHub TOWER is a premium, well-maintained 23-storey freehold commercial development with office layouts that maximises the efficient use of space. Conveniently located at the junction of Anson Road and Palmer Street, it provides easy accessibility via a two-minute walk to the area's well-linked underground pedestrian network and the Tanjong Pagar MRT Station (East-West Line).

SINGAPORE

UE BIZHUB TOWER

The first integrated development in the Dairy Farm region, Dairy Farm Residences brings all of life's conveniences and the idyllic vibes of resort living to the residents. Located at the junction of Petir Road and Dairy Farm Road, Dairy Farm Residences is highly accessible via Bukit Timah Expressway (BKE) and the MRT Downtown Line 2, and in close proximity to prestigious schools and lifestyle amenities.

SINGAPORE

DAIRY FARM RESIDENCES 岱莉轩

Within the woods-inspired estate, most of the 460 residential units are north-south facing with many units offering unblocked scenic views of Singapore's lushest nature parks. Dairy Farm Residences consists of spacious 2, 3 and 4 bedroom residential units with commercial spaces at the first storey, which could house a gourmet supermarket, childcare centre, food court, food and beverage outlets and retail shops, offering convenience to the residents and community within the vicinity.

Leedon Green • Singapore | 绿墩雅苑 • 新加坡

Leedon Green is conveniently located in an exclusive upscale town area in prime District 10, nestled within a serene and tranquil neighborhood. It is located within exclusive Good Class Bungalow area. The development enjoys superb transport connectivity. It is within minutes' walk to Farrer Road MRT station and is well-connected to the Pan-Island Expressway and Ayer Rajah Expressway, providing excellent connectivity to the rest of Singapore.

The site also enjoys convenient access to a wide variety of amenities at Empress Road, Bukit Timah and Orchard Road shopping belt. Several prestigious schools such as Nanyang Primary School, Raffles Girls' Primary School, Hwa Chong Institution and National Junior College are in the vicinity for the school-goers. The upcoming development offers a wide selection of 1- to 4-bedroom units to suit different needs. The development is expected to receive Temporary Occupation Permit in December 2023.

SINGAPORE

LEEDON GREEN 绿墩雅苑

OPERATIONS REVIEW

The PRC property market particularly in Tier-1 and Tier-2 cities entered a transitional phase in 2019 growing moderately despite austerity measures on property pre-sales prices, land prices and mortgage loans introduced by the local governments in PRC cities. Underlined by sustained urbanisation among the high-growth cities, the property market in the PRC is expected to continue on a healthy growth trajectory over the medium-term.

shaping the FUTURE

TO DEVELOP THE LAND WITH DEVOTION AND BUILDING QUALITY ACCOMMODATION WITH PASSION

In light of such market sentiment, we actively sought to manage our project launches to better navigate the changes. Testament to our efforts, contracted pre-sales achieved by the Group including its joint ventures and associates from the sale of properties in FY 2019 rose 116.1% to approximately RMB55.704 billion from RMB25.774 billion in FY 2018. While we continue to achieve healthy pre-sales growth, recognised revenue in FY 2019 declined to RMB18.666 billion from RMB24.888 billion in-line with our delivery schedule which saw GFA delivery declined to approximately 526,800 sqm in FY 2019.

Leveraging on our comparative advantages in the delivery of high-quality developments 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 China.

Reflecting this brand premium, we continue to see demand in our newly entered cities such as Yanlord Riverside Gardens in Hangzhou whereby we achieved pre-sales of approximately RMB3.806 billion with ASP of approximately RMB71,000 per sqm in 2019. In 2019, Hangzhou contributed approximately RMB8.24 billion to total pre-sales. Similarly, we continued to see strong sales momentum in our traditional markets such as Suzhou, Nanjing and Shenzhen where we achieved approximately RMB9.35 billion, RMB5.34 billion and RMB4.03 billion of contracted pre-sales respectively.

Four Seasons Gardens • Nantong • China | 四季花园 • 南通 • 中国

Looking ahead, we remain cautiously optimistic about the financial performance of the Group in 2020 driven by continued sales of our developments both in existing and newly entered cities as well as the progressive recognition of our accumulated pre-sales.

PROJECT DEVELOPMENT

To better support the Group's growth expectations, we stepped up development pace in 2019 raising total GFA under development by 56% to 5.53 million sqm across a total of 50 projects.

In FY 2019, the Group initiated construction works on approximately 2.71 million sqm GFA across 25 projects while completed construction works on approximately 0.84 million sqm GFA across 8 projects. Over the same period, we delivered 7 residential projects with GFA of approximately 0.80 million sqm to customers namely, Yanlord Riverbay (Phase 3) in Chengdu, Four Seasons Gardens (Phase 2) in Nantong, Yanlord Phoenix Hill (Phase 1) in Nanjing, Yanlord Taoyuan Gardens in Nanjing, Riverbay Gardens (Phase 1 and 2) in Suzhou and Tianjin Hong Qiao Land (Phase 1).

Adhering to our corporate philosophy "To develop the 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. 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 99% in FY 2019.

Testament to our efforts, we were awarded one national level award for engineering excellence in 2019 namely, the "National Award for Engineering Excellence" was awarded to Yanlord Riverbay (Phase 2) in Chengdu and six provincial level awards for product and enginering excellence namely, the "Engineering Excellence Award (Guangdong)" and "Guangdong's Construction Engineering Excellence – Gold Award" were awarded to Yanlord Marina Centre (Section A) in Zhuhai, the "Engineering Excellence Award (Guangdong)" for Yanlord Marina Peninsula Gardens (Phase 2) in Zhuhai, the "Engineering Excellence Award (Hainan)" and the "Garden Award" for Yanlord Begonia Park (Phase 1) in Haikou and the "Engineering Excellence – Jin Ling Cup" for Oasis New Island Gardens (Phase 3) in Nanjing.

The Mansion In Park • Tianjin • China | 仁恒公园世纪 • 天津 • 中国

LANDBANK

Land tender markets in the PRC undergoing a period of expansion in the first half of 2019 before moderating in the second half of 2019 due to volatilities arising from austerity measures and a tighter credit environment. To better mitigate against volatility in land prices, we actively monitor the market for opportunities to replenish and potentially expand our landbank holdings and believe that opportunities may exist in the land tender market as well as in collaborations with other reputable developers going forward.

In FY 2019, we capitalised on prevailing market trends to acquire 14 new projects adding approximately 1.78 million sqm of prime development landbank across our key cities in PRC and Singapore. Leveraging on our various acquisition strategies, we successfully acquired new projects in cities such as Haikou, Sanya and Shanghai through public land tenders. Furthermore, we actively sought out developers with existing prime landbank as acquisition targets, successfully acquiring holdings in cities such as Chengdu, Haikou, Shanghai, Shenyang, Shenzhen, Suzhou and Yancheng. In addition, we added an additional development site in Singapore, Diary Farm Residences, through our successful acquisition of UEL.

FY 2019 saw a steady commitment by the Group in land replenishment efforts across both traditional markets and upcoming markets with significant potential. Total landbank as at 31 December 2019 was approximately 9.34 million sqm. We are confident that these holdings will form the bedrock to launch our future development and performance.

PROPERTY MANAGEMENT

To better enhance management efficiency and upgrade service offerings, we continued to reorganise the Group's various property management entities to improve productivity. Building on our initiative to "Stay Focused, Powering Innovation", we continued to streamline existing processes to develop business opportunities and encourage the sharing of best practices between business units across our current cities with projects to further cement our competitive advantage within the industry.

Given the significant value enhancement potential of property management business, 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 projects from external parties. Leveraging 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 a total of 102 projects including 74 projects currently under management and 6,900 staffs across different business units, we

stay FOCUSED powering innovation

achieved an average management fee of approximately RMB4.52 per sqm each month in FY 2019.

Reflecting the achievements of our property management business, our business units were awarded the following notable accolades in FY 2019:

- 2019 Top 100 Property Management Companies of PRC
- 2019 Shanghai Property Management Public Satisfaction-Top 1
- Yanlord Riverside Plaza (Phase 2) - Office Tower in Tianjin awarded LEED-EB platinum certification
- Zhuhai Yanlord Marina Peninsula Gardens awarded Guangdong Province Model Property Management Residential Property
- Sanya Hai Tang Bay - Land Parcel 9 selected as one of four Sanya Project Models in Hainan Province and awarded Sanya Residential Property Management Model

Looking ahead, advancement in our property management will continue to be a strategic theme for the Group. 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.

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 with 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 2019, 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 rolled out an upgraded Office Automation System with clearer approval procedures to improve 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 of our employees 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

At the heart of all of Yanlord's endeavours lies our commitment to provide quality homes to our customers and is reflected in our corporate philosophy "to develop land with devotion and building quality accommodation with passion". As a leading real-estate developer specialising in high-quality real estate development and property management services, Yanlord attaches great importance towards developing structured, diversified and high-quality residential and commercial developments. To better enhance the customer experience, we constantly challenge the norm and seek opportunities to introduce environmental initiatives and optimise the usage of land such as incorporating concepts of the Singapore Garden City and International Eco-City to derive a sustainable solution to property development, including projects such as Shanghai Jingan District No. 18-03 Land and Yanlord Riverside Gardens in Hangzhou.

Recognising the need for balance between the scale and the quality of development, Yanlord strives to optimise and enhance its portfolio resilience and diversification by building three product lines including high-end product, medium-high-end product and middle range product to meet various needs of residents in different tier cities. We hope to create greater value for our customers and further enhance our position as a developer of quality in the PRC real estate market especially in high-growth cities like Haikou and Nantong.

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. With over 20 years of drive for excellence as Yanlord's continuity, our design team keeps on to optimise the designs and layouts of our residential products to create innovative products offerings such as courtyard houses of Smriti Curtilage and penthouses of Canal Times in Suzhou to serve the current and future generations of residents, thereby enhancing our corporate branding for the Group.

Four Seasons Heming Gardens • Suzhou • China | 四季和鸣雅园 • 苏州 • 中国

BALANCING form and functionality

PROPERTY INVESTMENT

Despite moderation in PRC economy growth in 2019, rental contributed from our investment property portfolio rose approximately 32.2% to RMB505 million from RMB382 million in FY 2018. We also set up a joint venture in Tianjin with a company under Isetan Mitsukoshi Holdings Ltd., the Japan-based department store, to manage and operate Yanlord Riverside Plaza's commercial and retail components. In addition, the office component of Yanlord Zhuhai Marina Centre in Zhuhai opened for leases in January 2019 and has achieved an occupancy of over 60% in FY 2019.

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 the 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 2019. To better fuel the Group's sustainable development, we successfully tapped the US dollar bond market in August 2019 with the issue of a US$400 million senior notes due in 2024. Through the fund-raising activity, the Group has demonstrated the continued ability to effectively tap offshore capital markets to manage our interest cost and further augment financial flexibility. It is also reflective of the continued investor confidence in Yanlord.

Yanlord Landmark • Chengdu • China | 仁恒置地广场 • 成都 • 中国

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 the Group's business strategies and growth potentials. Financial reports as well as announcements and press releases pertaining to any relevant operational updates on the Group are also promptly released on the SGXNet and our official website, ensuring that investors receive timely and accurate information.

To further enhance communication with the investment community, the Group participated in 12 global investor conferences across Singapore, Hong Kong and Shanghai in 2019, sharing insights and investment merits in Yanlord with over 1,000 investors and fund managers. In 2019, Yanlord also participated in a series of Corporate Day initiatives under the auspices of the Singapore Exchange ("SGX"). Held in Singapore, Hong Kong and Shanghai, 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 Group. Building on our commitment to delivering quality homes to our discerning customers, we continue to focus on environmental conservation through developing eco-friendly developments. Our corporate social responsibilities ("CSR") also extend to 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 2019 can be found in our Sustainability Report 2019.

2019年，中国房地产市场继续实行严格的调控政策，主要体现在住房严格限价，土地市场价格管控，严格的住房信贷政策，全国整体市场需求保持比较稳定的态势，这得益于中国城市化水平持续上升，经济的稳定增长。从中观层面来看，一二线市场规模较去年有所上涨，市场趋势中长期向好。

在国家经济转型的关键时期，仁恒坚持深耕一二线城市，并注重品质营造，项目保持了良好的销售态势，获得了客户和市场的认同，仁恒置地集团物业销售全面完成了各项指标。2018年预售及认购金额约为人民币257.74亿元，2019年取得116.1%的增长至人民币557.04亿元。另外，由于交付时间表的安排2019年全年收入从2018年全年的人民币248.88亿元下降至人民币186.66亿元，总交付面积为52.7万平方米。

不忘初心
创新发展

优化架构、整合资源，持续推进基础服务精细化建设，升级管理服务模式，提高管理效能。

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市场持续认可，客户再次购买和推荐客户购买比例在行业名列前茅，品牌美誉度和忠诚度进一步获得了提升。

凭借集团专业及优秀团队的成熟运作和精准的市场定位，无论新进城市还是深耕城市，项目上都取得了骄人的成绩。进入杭州仅2年多时间，仁恒开发的杭州仁滨公寓销售单价约人民币71,000元/平方米，单盘销售额约为人民币38.06亿元，杭州单个城市销售额达人民币82.4亿元，名列前茅。仁恒深耕城市苏州，单个城市销售额也创造了新的历史，销售额高达人民币93.5亿元，南京销售达人民币53.4亿元，深圳单个城市销售额也达到了人民币40.3亿元。这正是仁恒综合开发能力的体现。

纵观仁恒各城市公司及项目，皆保持了有质量的增长，成绩稳定，为2020年的发展奠定了较好的基础。

项目开发

2019年集团项目开发规模继续扩张，全年在建项目达到50个，建筑面积同比增长56%达553万平方米。

2019年有25个项目顺利开工，开工总建筑面积约271万平方米。

2019年竣工项目有8个，面积约84万平方米。2019年有7个住宅项目顺利交付，面积80万平方米，一次顺交率达到99%以上，包括成都仁恒滨河湾三期、南通四季花园二期、南京凤凰山居一期、南京桃园世纪华庭、苏州江湾雅园一、二期、以及天津红咸雅苑一期。

集团在2019年继续加大了第三方实测实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有斩获。其中成都仁恒滨河湾二期荣获“国家优质工程奖”，珠海仁恒滨海中心A标段荣获广东省优质工程及金匠奖，珠海仁恒滨海半岛花园二期获得广东省优质工程奖，海口仁恒海棠公园一期获得海南省优质工程奖及“园林杯”，南京绿洲新岛花园三期获得南京市“金陵杯”优质工程奖。

土地储备

2019年，全国土地市场经历了先热后冷的走势。土地市场在2019年二季度出现短暂的回暖，土地价格和溢价率快速走高，但随着下半年信托及开发贷融资渠道的持续收紧和房企预期的调整，土地市场明显降温，溢价率持续下降至近年最低水平，房企拿地回归理性。

2019年，集团在对各城市房地产市场的发展周期深入研究的前提下，抢抓各城市拿地窗口期，积极布局，获取了一批优质项目。集团全年在中国及新加坡共获取了14个新项目，共计土地储备178万平方米。在招拍挂市场上，仁恒成功斩获了位于海口、三亚及上海等地区的优质地块。在股权合作及收并购方面，集团成功取得了成都、海口、上海、沈阳、深圳、苏州及盐城的合作项目。此外，集团还在国内一二线重点城市储备了一批备选项目，正在积极获取中。同时透过对联合工程的全面收购我们也在新加坡获取了命名岱莉轩的优质综合项目。

整体来说，仁恒2019年延续了近几年稳健发展的拿地态势。截止到2019年，仁恒土地储备共计约934万平方米。从城市布局来看，仁恒在继续补仓成都、海口、三亚、上海、深圳及苏州等重点城市的基础上，新进入发展势头良好的盐城，为集团的长远发展奠定基础。

物业管理

2019年仁恒物业板块根据集团千亿发展战略要求，以"不忘初心，创新发展"为指导思想进一步优化架构、整合资源，持续推进基础服务精细化建设，升级管理服务模式，提高管理效能。各地区物业公司在确保服务品质的前提下，积极开拓多元服务市场，加强行业交流，提升仁恒物业品牌影响力，保证在各类成本不断上升的大环境下企业的良性运作。

根据2019年末数据统计，通过服务集团内部开发及对外承接优质项目，共签属管理项目102个，目前在管项目共74个，类型覆盖住宅、商业、办公、商业综合体、园区管理、公共建筑等。随着仁恒业主不断提升的个性化服务需求，物业多元增值服务涉及经纪业务、全屋装修、美居业务、场地租赁、智能化维保、运动会所、教育培训等领域。2019年物业板块管理项目管理费均价为人民币4.52元/平方，物业从业人员逾6,900人。

仁恒物业多年来持续深耕高端物业服务市场，树立行业口碑，提升企业价值。通过各地物业公司的共同努力，在2019年度仁恒物业取得以下荣誉：2019年中国物业管理百强；上海市物业行业公众满意度第一名；天津仁恒海河广场，二期 — 综合办公楼荣获LEED-EB铂金级认证；珠海仁恒滨海半岛花园荣获广东省物业管理示范住宅小区；三亚海棠湾 — 9号地块被评为海南省四个标杆示范项目之一，同时也取得三亚市物业管理示范住宅小区称号等。

2020年仁恒物业将继续围绕仁恒置地集团战略发展目标，整合内外部优质资源，夯实基础服务、升级服务品质、提高服务效能、提升客户满意度，从而实现仁恒物业品牌的增值。

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，集团培训与人才发展项目有序运行，为各地方公司中高层专业技术人员及管理人员搭建专业与管理的学习平台，提高队伍素质与能力的同时实现高管人才储备。2019年，集团加大梯队人才培养力度，继续启动优才专项培养计划，并辅以"新仁生"培养项目对第四梯队人才进行补充与培养，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。集团通过内部选拔培养，辅以外部优秀人才的引进，确保有足够核心人才配合企业的发展所需。2019年，集团刷新了城市公司的战略评价系统并实施，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。同时，集团在完善制度流程建设，更新调整架构设置，完善总部职能的基础上，集团又重点加强信息化建设。梳理权责体系，规范各项业务审批流，更新改版办公室自动化系统，以及财务、人力资源等专业系统等进行升级或优化，结合新系统的上线，集团的管控效率得到极大的提升。

产品研发

秉持"善待土地，用心造好房"的开发理念，仁恒一贯在产品上精耕细作、用心打磨，赋予其可续、独特的生命价值。在持续塑造产品多样性的同时，仁恒的产品基因也不断地得到凝练与升华。

品质为先
基因传承

仁恒一贯在产品上精耕细作、用心打磨，赋予其可续、独特的生命价值

仁恒研发部在“品质为先、基因传承”的发展理念下，在瞬息万变的市场环境中，围绕不同客户群体的个性化需求，在产品多样性、体系化建设及新产品研发三个维度持续发力，不断拓展仁恒产品力的高度与厚度。通过打造行业标杆项目、拓展新产品业态、打造产品线体系、研发新产品类型等策略促使仁恒产品始终保持行业领先地位。

仁恒经过多年来对于城市环境、市场、客户等要素的持续探索，已经由单一的住宅开发发展成为现代化城市、城镇综合运营商。借鉴国际生态城和新加坡花园城市理念，仁恒不仅将绿色、健康、宜居的理念注入上海静安区No. 2018-03 地块、杭州仁滨公寓等城市精品住宅开发，更融入到商业、文旅、二居、青年公寓、养老等多个新领域的实践中。针对一线核心城市及二线、环一线城市的差异化市场需求，仁恒制定了标杆产品的分级降维策略，在当地市场中快速占据一席之地，并形成当地产品的品牌标杆。此外，仁恒也在不断探索多业态之间的内在联系与聚合效应，充分挖掘综合业态的无限潜力。

应对仁恒对于品质和规模的双重发展诉求，研发部打造高端类、中高端类、中端类三条住宅产品线，将标杆项目的产品基因在新进城市的项目中加以延续与升华。在海口及南通等多个高潜力城市中，仁恒通过精华模块提炼和针对客户敏感点的分级配置两大应对策略，提升运营效能和成本竞争力，并在新的地域实现品牌塑造与价值延展。

新兴产品的研发是促使仁恒在市场上进行差异化竞争的核心能力，也是不断推动仁恒实现自我超越的源动力。在对市场及客户需求趋势的深度研究基础上，仁恒持续通过创新户型产品的研发促进住宅子产品类型多元化发展，苏州耦前别墅、苏州运河时代花园的高层复式等创新产品重塑了客户对于现代生活的理解与体验。随着客群日趋年轻化，仁恒不断寻求自我突破，针对产品美学进行调性升级，形成新的价值引领。仁恒基因经过20多年来的传承与迭代，其产品以独特的建筑形态承载了现代生活模式，使现代与经典、生活与艺术彼此交融，并将在更加广阔的图景中熠熠生辉。

物业投资

2019年在经济增长略有放缓的背景下，集团自持投资性房产租金总收入为人民币5.05亿元，与2018年人民币3.82亿元相比，同比增长约32.2%。2019年9月，仁恒(中国)投资集团有限公司(前称仁恒置地投资管理(上海)有限公司)与天津伊势丹有限公司签订合资合同，约定合资公司管理、运营的商业设施为天津仁恒海河广场主力商场部分。珠海仁恒滨海中心写字楼于2019年1月顺利交付，现出租率已超过60%。

商业管理方面，集团今年梳理了事业部门架构，初步完善了商业管理体系，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

2019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2019年8月发行了4亿美元的优先票据， 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、准确的讯息批露，并建立了一系列有系统的沟通管道，向股东、投资者及分析员提供定期及可靠的讯息。季度业绩报告及各项公告和新闻稿均通过新加坡证券交易所的官方网站公告及仁恒置地集团网站及时发布。

2019年，仁恒参与了12项分别在新加坡，香港及上海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2019年，仁恒也在新加坡交易所的带领下参与了分别在新加坡，香港和上海举办的投资峰会，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，例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。关于集团社会责任详情可参考仁恒2019年可持续发展报告。

DEVELOPMENT SCHEDULE SUMMARY

COMPLETED DEVELOPMENT PROPERTIES

Project	Description (units)	Interest Attributable (%)	Site Area (sqm)	GFA (sqm)	Type
Chengdu					
Hengye International Plaza [1] 恒业国际广场 [1]	226	51	26,473	40,655	S
Hengye Star Gardens 恒业星园	814	51	23,036	83,943	R,S
Orchard Villa (Phase 1 to 5) 锦绣尚郡，一 - 五期	854	89	259,865	211,088	R,S
Yanlord Landmark [1] 仁恒置地广场 [1]	425 (S, H) and 32-storey (O)	100	19,166	165,755	O,S,H
Yanlord Riverbay 仁恒滨河湾	2,283	70	119,043	392,217	R
Guiyang					
Xintian Centre 新天商业中心	123	67	18,820	14,376	S
Yanlord Villas 仁恒别墅	92	67	53,541	36,131	R
Nanjing					
Bamboo Gardens 翠竹园	2,770	100	233,000	394,310	R
Oasis New Island Gardens 绿洲新岛花园	2,247	100	109,467	271,514	R
Orchid Mansions [1] 玉兰山庄 [1]	259	100	94,134	69,649	R
Plum Mansions, including Lakeside Mansions 梅花山庄.湖畔之星	1,943	100	113,182	327,667	R
Yanlord G53 Apartments [1] 仁恒G53公寓 [1]	921	100	46,640	96,354	R,S
Yanlord International Apartments, Tower A [1] 仁恒国际公寓，A栋 [1]	210	100	3,337	42,494	H
Yanlord International Apartments, Tower B 仁恒国际公寓，B栋	254	100	25,078	67,683	R
Yanlord Phoenix Hill (Phase 1) 凤凰山居，一期	266	51	95,503	57,901	R
Yanlord Taoyuan Gardens [1] 桃园世纪华庭 [1]	730	33	40,488	103,396	R,S
Yanlord Yangtze Riverbay Town [1] 仁恒江湾城 [1]	3,927	100	303,379	720,847	R,S
Nantong					
Four Seasons Gardens 四季花园	1,088	60	62,151	136,548	R,S
Sanya					
Sanya Hai Tang Bay - Land Parcel 9 [2] 三亚海棠湾 - 9号地块 [2]	593	100	193,772	102,659	R,H

COMPLETED DEVELOPMENT PROPERTIES (Cont'd)

Project	Description (units)	Interest Attributable (%)	Site Area (sqm)	GFA (sqm)	Type
Shanghai					
Bayside Gardens 御澜湾苑	764	51	117,399	116,408	R,S
Yanlord Apartments 仁恒公寓	95	67	4,146	13,579	R
Yanlord Eastern Gardens 仁恒东邑雅苑	1,194	100	128,532	180,583	R
Yanlord Gardens 仁恒滨江园	1,943	67	138,802	415,360	R
Yanlord on the Park 仁恒世纪公寓	717	50	55,776	148,122	R
Yanlord Plaza 仁恒广场	411 (R) and 4-storey (O)	67	10,845	53,049	R,O
Yanlord Riverside City (1) 仁恒河滨城 (1)	4,216 (R) and 9-storey (S)	67	306,406	741,417	R,S
Yanlord Riverside Gardens 仁恒河滨花园	1,663	100	128,895	319,756	R
Yanlord Sunland Gardens (1) 仁恒森兰雅苑 (1)	1,627	100	202,851	336,038	R,S,H
Yanlord Town 仁恒家园	428	50	94,174	75,573	R
Yanlord Townhouse 仁恒怡庭	269	100	54,208	65,572	R
Yanlord Western Gardens 仁恒西郊雅苑	1,470	60	136,937	247,503	R
Yunjie Riverside Gardens 运杰河滨花园	1,712	51	210,566	253,048	R,S
Shenyang					
Orchard Summer Palace 夏宫城市广场	765	89	15,030	165,990	O,S,H
Weiyong Technology Building (1) 维用科技大厦 (1)	4-storey (O) and 2-storey (S)	89	9,692	9,107	O,S
Shenzhen					
Yanlord Rosemite (1) 仁恒峦山美地花园 (1)	1,540	100	46,777	148,424	R,S
Suzhou					
Riverbay Gardens (Phase 1) 江湾雅园，一期	901	30	56,419	129,583	R
Riverbay Gardens (Phase 2) 江湾雅园，二期	768	30	50,253	125,478	R
Suzhou Wuzhong Area C1 Land - Villas 苏州吴中区C1地块 - 别墅	22	100	57,857	22,614	R
Tang Yue Bay Gardens 棠悦湾花园	1,366	100	77,820	172,942	R
Yanlord Lakeview Bay (1) 仁恒双湖湾 (1)	1,699	100	368,104	387,880	R,S
Yanlord Peninsula (Apartment) 星屿仁恒	704	100	78,310	100,342	R
Yanlord Peninsula (Townhouse) 星岛仁恒	350	100	168,000	91,963	R

Project	Description (units)	Interest Attributable (%)	Site Area (sqm)	GFA (sqm)	Type
Tangshan					
Tangshan Nanhu Eco-City - Land Parcel A9 [3] 唐山南湖生态城，A9地块 [3]	759	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	50	46,199	38,611	R
Tianjin					
Tianjin Hong Qiao Land (Phase 1) [3] 红咸雅苑，一期 [3]	1,500 (R) and retail shops	25	73,207	192,418	R,S
Tianjin Jinnan Land [1] 景新花园 [1]	3,412	60	165,812	376,440	R,S
Yanlord Riverside Gardens 仁恒河滨花园	2,184	80	130,789	326,006	R
Yanlord Riverside Plaza (Phase 1) [1] 仁恒海河广场，一期 [1]	971 (R) and 7-storey (S)	100	43,605	218,190	R,S
Yanlord Riverside Plaza (Phase 2) [1] 仁恒海河广场，二期 [1]	544 (R), 29-storey (O) and retail shops	100	51,672	163,971	R,O,S
Zhuhai					
Yanlord Marina Centre - Section A [1] [2] 仁恒滨海中心 - A标段 [1] [2]	136 (O), 4 (S) and 324 (H)	95	10,482	93,809	O,S,H
Yanlord Marina Centre - Section B [1] 仁恒滨海中心 - B标段 [1]	409	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	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	57	62,674	161,606	R,S
Yanlord New City Gardens [1] 仁恒星园 [1]	2,697	90	229,931	412,930	R,S
Subtotal (PRC)			**5,308,878**	**10,046,924**	
Malaysia - Kuala Lumpur					
The Manhattan [4]	129	85	1,888	10,590	R
Singapore					
Park Avenue Robertson [1] 公园大道(罗伯逊)服务公寓 [1]	36	85	1,174	3,286	H
Rochester Mall and Park Avenue Rochester [1] 罗切斯特商场和公园大道(罗切斯特)酒店 [1]	351 (H) and 3-storey (S)	85	14,331	29,576	S,H
UE BizHub City [1] UE广场 [1]	150 (H), 18-storey (O) and 4-storey (S)	85	32,982	69,284	O,S,H
Subtotal (Non-PRC)			**50,375**	**112,736**	
Total			**5,359,253**	**10,159,660**	

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment N = Others (Including Tourism and Medical Centre)

(1) Consists of properties held for investment with unexpired terms of lease between 24-862 years as at 31 December 2019

(2) Consists of approximately GFA of 130,000 sqm under hotel operations

(3) Being held under associate or joint venture

(4) Being no Chinese name available

PROPERTIES UNDER DEVELOPMENT

Project	Description (units)	Interest Attributable (%)	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion (%)	Type
Chengdu							
Orchard Villa (Phase 6) 锦绣尚郡，六期	480	89	4th Quarter 2021	56,677	76,802	30	R
Stream In Cloud (Phase 1 and 2) (1) 溪云居，一、二期 (1)	Villas	80	3rd Quarter 2021	111,322	66,915	17	R
Haikou							
Yanlord Begonia Park (Phase 1) 仁恒海棠公园，一期	824	51	Dec-20	37,475	103,370	48	R
Hangzhou							
Hangzhou Bayfront Isle (Phase 1) (2) (3) 前湾，一期 (2) (3)	664	30	Sep-20	39,778	79,631	81	R
Hangzhou Bayfront Isle (Phase 2) (2) (4) 前湾，二期 (2) (4)	400 (R) and commercial podium	30	1st Quarter 2021	23,606	61,432	51	R,S
Hangzhou Intelligent City Project - Medical Land Parcels (Phase 1) (2) 杭州传化科技城项目 - 国际医疗园，一期 (2)	1,010	30	1st Quarter 2022	55,354	133,010	6	R
Hangzhou Intelligent City Project - Medical Land Parcels (Phase 2) (2) 杭州传化科技城项目 - 国际医疗园，二期 (2)	Self-operating medical center	30	4th Quarter 2021	25,670	38,505	5	N
The Corals (2) (5) 珊瑚世纪雅园 (2) (5)	916 (R) and retail shops	50	1st Quarter 2022	77,273	123,518	43	R,S
Yanlord Riverside Gardens (2) (6) 仁滨公寓 (2) (6)	346	50	2nd Quarter 2022	31,776	75,715	23	R
Jinan							
Yanlord Century Gardens (2) (7) 仁恒世纪花园 (2) (7)	791	35	3rd Quarter 2021	47,166	111,311	38	R,S
Yanlord Century Plaza (2) (8) 仁恒世纪广场 (2) (8)	523	35	2nd Quarter 2021	9,169	45,838	22	O,S,H
Nanjing							
Cloud Serenity Gardens (2) (11) 云逸都荟花园 (2) (11)	3,066 (R) and retail shops	18	3rd Quarter 2021	153,262	386,026	22	R,S
Nanjing Eco Hi-tech Island - Land Parcel G73 (9) 南京生态科技岛 - G73 地块 (9)	Commercial complex	100	Apr-20	45,067	97,378	57	O,S,H
Nanjing No. 2017G01 Land (2) 南京 No. 2017G01 地块 (2)	610	50	Sep-20	52,785	87,123	51	R
Riverbay Century Gardens (Phase 1) (2) (10) 江湾世纪花园，一期 (2) (10)	776	51	4th Quarter 2021	72,481	142,461	37	R
Riverbay Century Gardens (Phase 2) (2) (10) 江湾世纪花园，二期 (2) (10)	614	51	1st Quarter 2022	102,818	128,558	33	R

Project	Description (units)	Interest Attributable (%)	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion (%)	Type
Nanjing							
Yanlord Phoenix Hill (Phase 1) 凤凰山居，一期	63 (R) and retail shops	51	Dec-20	27,311	16,558	99	R,S
Yanlord Taoyuan Gardens (2) 桃园世纪华庭 (2)	292	33	2nd Quarter 2021	20,977	53,569	69	R,O,S
Nantong							
Yanlord Gardens (Phase 1) (2) (12) 仁恒花园，一期 (2) (12)	569	31	Dec-20	46,157	82,999	32	R
Yanlord Gardens (Phase 2) (2) (13) 仁恒花园，二期 (2) (13)	299	31	4th Quarter 2021	39,771	47,786	23	R
Yanlord Gardens (Phase 3) (2) (14) 仁恒花园，三期 (2) (14)	552	31	3rd Quarter 2022	45,649	81,994	9	R
Shanghai							
Shanghai Chongming District Chen Jia Zhen No. 3 Land (2) 上海崇明区陈家镇3号地块 (2)	784	33	2nd Quarter 2022	108,388	79,478	6	R
Shenyang							
Orchard Summer Palace 夏宫城市广场	526	89	4th Quarter 2022	18,488	99,561	19	R
Shenzhen							
Shenzhen Baoan District Shajing Redevelopment Project (2) 深圳宝安区 - 沙井城市更新项目 (2)	Serviced apartment, office block and retail shops	49	4th Quarter 2021	43,969	210,860	8	O,S,H
Yanlord Century Mansion 仁恒世纪大厦	370 (H) and retail shops	65	1st Quarter 2022	5,744	57,500	9	O,S
Yanlord Four Seasons Gardens (15) 仁恒四季园 (15)	1,432	95	Dec-20	28,959	125,930	66	R,S
Yanlord Four Seasons New Gardens (16) 仁恒四季新园 (16)	1,750	95	3rd Quarter 2022	39,600	167,040	23	R,S
Yanlord Reverie Apartments (17) 仁恒梦公寓 (17)	2,859	100	Jun-20	36,952	125,682	65	S,H
Yanlord Reverie Plaza (18) 仁恒梦创广场 (18)	Commercial complex	100	2nd Quarter 2022	29,790	209,440	7	O,S,H
Suzhou							
Canal Times 运河时代花园	301	100	2nd Quarter 2021	24,938	52,584	92	R
Four Seasons Heming Gardens (2) (19) 四季和鸣雅园 (2) (19)	1,349 (R) and retail shops	40	4th Quarter 2021	86,441	191,307	34	R,S
New Tang's Mansion (2) 浅棠平江 (2)	1,035	30	2nd Quarter 2021	56,746	147,329	62	R

PROPERTIES UNDER DEVELOPMENT (Cont'd)

Project	Description (units)	Interest Attributable (%)	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion (%)	Type
Suzhou							
Riverbay Gardens (Phase 1) 江湾雅园，一期	193	30	Dec-20	11,850	27,216	98	R
Riverbay Gardens (Phase 2) 江湾雅园，二期	Fresh market and retail shops	30	4th Quarter 2022	4,792	11,965	98	S
Riverside Gardens 河滨花园	698	85	4th Quarter 2021	44,671	88,369	25	R
Smriti Curtilage (9) (20) 耦前别墅 (9) (20)	93 (R) and shopping mall	100	2nd Quarter 2023	84,199	101,741	26	R,S
Suzhou Industrial Park No. 2018-04 Land (2) 苏园土挂 No. 2018-04 地块 (2)	879	15	4th Quarter 2021	84,860	135,458	24	R
Suzhou No. 2019-WG-7 Land Parcels (2) 苏州 No. 2019-WG-7 地块 (2)	1,534	15	1st Quarter 2022	86,741	187,132	8	R
Tangshan							
Tangshan Nanhu Eco-City - Land Parcel A8 (2) 唐山南湖生态城，A8 地块 (2)	1,220	50	2nd Quarter 2021	64,656	169,553	67	R
Tianjin							
The Mansion In Park (Phase 1) (2) 仁恒公园世纪，一期 (2)	1,072 (R) and retail shops	50	3rd Quarter 2021	72,321	155,061	22	R,S
Yanlord Majestive Mansion (2) 仁恒海和院 (2)	1,792 (R) and retail shops	60	Aug-20	193,514	260,925	61	R,S
Yilu Gardens (2) (21) 依潞花园 (2) (21)	2,330	25	4th Quarter 2022	129,904	245,590	17	R,S
Yiwan Gardens (2) 依湾花园 (2)	1,450	17	4th Quarter 2021	98,264	165,188	23	R
Wuhan							
Yanlord on the Park 仁恒・公园世纪	895	55	Aug-20	35,296	151,851	78	R
Zhuhai							
Yanlord Marina Peninsula Gardens (Phase 3) 仁恒滨海半岛花园，三期	1,659	57	Nov-20	102,725	184,129	76	R
Yanlord North Shore Gardens 仁恒北岸苑	445	57	4th Quarter 2022	13,938	43,704	22	R
Subtotal (PRC)				**2,629,290**	**5,435,092**		

Project	Description (units)	Interest Attributable (%)	Actual / Estimated Completion Date	Site Area (sqm)	GFA (sqm)	Percentage of Completion (%)	Type
Singapore							
Dairy Farm Residences 岱莉轩	450 (R) and shops	85	4th Quarter 2022	19,648	41,260	0	R,S
Leedon Green (2) (22) 绿墩雅苑 (2) (22)	672	50	4th Quarter 2022	30,357	53,429	1	R
Subtotal (Non-PRC)				**50,005**	**94,689**		
Total				**2,679,295**	**5,529,781**		

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment N = Others (Including Tourism and Medical Centre)

(1) Formerly known as Chongzhou Project Land Parcels (崇州项目地块)
(2) Being held under associate or joint venture
(3) Formerly known as Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 1) (杭州传化科技城项目 - 国际商贸园，一期)
(4) Formerly known as Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 2) (杭州传化科技城项目 - 国际商贸园，二期)
(5) Formerly known as Hangzhou West Lake Land (杭州西湖之江项目地块)
(6) Formerly known as Hangzhou D-05 Land (杭州南星项目地块)
(7) Formerly known as Jinan CBD Project - B5 Land (济南CBD项目 - B5 地块)
(8) Formerly known as Jinan CBD Project - A3 Land (济南CBD项目 - A3 地块)
(9) Consists of properties held for investment with unexpired terms of lease between 34-38 years as at 31 December 2019
(10) Formerly known as Nanjing No. 2016G84 Land (南京 No. 2016G84 地块)
(11) Formerly known as Nanjing No. 2018G26 Land (南京 No. 2018G26 地块)
(12) Formerly known as Nantong R17014 Land (Phase 1) (南通 R17014 地块，一期)
(13) Formerly known as Nantong R17014 Land (Phase 2) (南通 R17014 地块，二期)
(14) Formerly known as Nantong R17014 Land (Phase 3) (南通 R17014 地块，三期)
(15) Formerly known as Shenzhen Longgang District Redevelopment Project (Phase 1) (深圳龙岗区 - 城中村改造项目，一期)
(16) Formerly known as Shenzhen Longgang District Redevelopment Project (Phase 2) (深圳龙岗区 - 城中村改造项目，二期)
(17) Formerly known as Yanlord Centre (Phase 1) (仁恒中心，一期)
(18) Formerly known as Yanlord Centre (Phase 2) (仁恒中心，二期)
(19) Formerly known as Suzhou No. 2018-WG-11 Land Parcels (苏州 No. 2018-WG-11 地块)
(20) Formerly known as Suzhou No. 2016-WG-46 Land Parcels (苏州 No. 2016-WG-46 地块)
(21) Formerly known as Tianjin Beichen No. 2017-189 Land (天津北辰 No. 2017-189 地块)
(22) Formerly known as Tulip Garden (金香园)

PROPERTIES HELD FOR FUTURE DEVELOPMENT

Project	Description (units)	Interest Attributable (%)	Site Area (sqm)	GFA (sqm)	Type
Chengdu					
Stream In Cloud (Phase 3) (1) 溪云居,三期 (1)	Villas	80	38,745	30,869	R
Haikou					
Yanlord Gardens (Phase 1) 仁恒滨江园,一期	Residential and retail shops	100	187,536	337,565	R,S
Hangzhou					
Hangzhou Bayfront Isle (Phase 3) (2) (3) 前湾,三期 (2) (3)	206 (H) and retail shops	30	96,635	153,835	S,H
Hangzhou Intelligent City Project - Medical Land Parcels (2) 杭州传化科技城项目 - 国际医疗园 (2)	783 (R), self-operating hotel and conference center	30	112,879	279,418	R,O,H
Nanjing					
Nanjing No. 2016G84 Land - Land Parcel B and G (2) 南京 No. 2016G84 地块 - 地块B、G (2)	Commercial complex and tourism	51	251,141	283,006	O,S,H,N
Yanlord Phoenix Hill (Phase 2 to 4) 凤凰山居,二至四期	825	51	372,397	186,693	R,S
Sanya					
Hainan Beautycrown Cultural Tourism Land Parcels (2) 海南美丽之冠文化旅游区地块 (2)	Resorts and tourism	55	66,629	44,633	S,H,N
Shanghai					
Shanghai Jingan District No.18-03 Land 上海静安区 No. 2018-03 地块	616	100	27,809	67,147	R,H
Shanghai San Jia Gang Land Plot 仁恒滨海度假村	Low density villa	67	67,978	18,340	R
Shanghai Yangpu District 81 and 83 Redevelopment Project (2) 上海杨浦区81、83街坊旧区改造项目 (2)	1,096 (R) and retail shops	52	69,389	183,187	R,S
Shenyang					
Orchard Manor 锦绣山庄	Villas	89	74,688	29,875	R

Project	Description (units)	Interest Attributable (%)	Site Area (sqm)	GFA (sqm)	Type
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
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 3) 深圳龙岗区 - 城中村改造项目，三期	1,320	95	33,207	129,090	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 Landmark 仁恒置地广场	Under planning	100	2,513	13,680	R,O,S
Tangshan					
Tangshan Nanhu Eco-City Land Parcels (2) 唐山南湖生态城地块 (2)	318	50	32,964	49,515	O,S,H
Tianjin					
The Mansion In Park (Phase 2) (2) 仁恒公园世纪，二期 (2)	Office block and retail shops	50	30,272	66,185	O,S
The Mansion In Park (Phase 3) (2) 仁恒公园世纪，三期 (2)	Self-operating hotel	50	32,699	53,858	H
Tianjin Hong Qiao Land (Phase 2) (2) 红咸雅苑，二期 (2)	Serviced apartment and retail shops	25	33,713	56,760	S,H
Yancheng					
Yanlord Riverside Gardens (Phase 1 to 3) 仁恒河滨花园，一至三期	Residential	51	106,348	276,504	R

Total			**1,751,462**	**2,695,617**	

R = Residential O = Office S = Shop & Retail H = Hotel & Serviced Apartment N = Others (Including Tourism and Medical Centre)
(1) Formerly known as Chongzhou Project Land Parcels (崇州项目地块)
(2) Being held under associate or joint venture
(3) Formerly known as Hangzhou Intelligent City Project - Commercial Land Parcels (Phase 3) (杭州传化科技城项目 - 国际商贸园，三期)

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 29, 2019
Country of Principal Residence: Singapore
Relationship: Father of Mr. Zhong Ming and uncle of Mr. Zhong Siliang, Executive Directors of the Company

Mr. Zhong Sheng Jian (62) 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 property development business in the early 1990s through the setting up of offices in Shanghai and Nanjing, which are now part of the Singapore Exchange mainboard-listed Yanlord Land Group Limited.

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. 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.

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.

ZHONG SILIANG

Executive Director

Date When First Appointed: May 11, 2006
Date of Last Re-election: April 29, 2019
Country of Principal Residence: Singapore
Relationship: Nephew of Mr. Zhong Sheng Jian, the Chairman and CEO of the Company, and cousin of Mr. Zhong Ming, an Executive Director of the Company

Since October 2005, Mr. Zhong Siliang (42) has held the position of Assistant General Manager of Investments Department in Yanlord Land Group Limited and in this capacity, he assisted in the evaluation of new business developments and conducted 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 the Group's investments in the People's Republic of China. He also works closely with the 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., a wholly-owned subsidiary, and is also the Deputy Director for 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 (56) has been assisting the Chairman and CEO of Yanlord Land Group Limited, Mr. Zhong Sheng Jian, and is responsible for various administrative functions of the 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 the Group. Ms. Chan graduated with a diploma from the Chinese YMCA Secretarial Course in 1982.

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, the Chairman and CEO of the Company, and cousin of Mr. Zhong Siliang, an Executive Director of the Company

Since 2013, Mr. Zhong Ming (33) 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., a company listed on the Hong Kong Stock Exchange and mainboard of the Singapore Exchange, and a director of Ren Ci Hospital.

Mr. Zhong Ming currently is a director of the Group's various subsidiaries in Shanghai, Tianjin, Suzhou, Jinan and Hangzhou. In this capacity, he oversees the execution of the Group's strategies at the city level and the acquisition of prime sites mainly in Shanghai and Tianjin as well as driving forward the Group's development and expansion strategies in the People's Republic of China. Mr. Zhong Ming is also a director of several Singapore companies of the Group and leads the Group's investment and project operations in Singapore.

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 29, 2019
Country of Principal Residence: Singapore
Relationship: None

Over a 26-year period between 1980 and 2006, Mr. Ronald Seah Lim Siang (72) 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 companies listed on the mainboard of the Singapore Exchange namely, as the Lead Independent Director of Global Investments Limited and an Independent Director of Telechoice International Limited. 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 previously served on the board of PGG Wrightson Limited, a company listed on the New Zealand Stock Exchange.

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 Non-Executive 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 (45) 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 Starhub Ltd. and other companies listed on the mainboard of the Singapore Exchange.

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.

HEE THENG FONG

Independent Non-Executive Director
Chairman of Nominating Committee
Member of Audit 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 (65) is a senior lawyer in Singapore with over 30 years of experience. Mr. Hee is on the panel of many institutions including SIAC, CIETAC, HKIAC, SHIAC, BIAC/BAC, HIAC and AIAC. 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 companies listed on the mainboard of the Singapore Exchange namely, Straco Corporation Limited, Zheneng Jinjiang Environment Holding Company Limited (formerly known as China Jinjiang Environment Holding Company Limited), Tye Soon Limited, APAC Realty Limited and China Aviation Oil (Singapore) Corporation Ltd. Mr Hee is a director of Haidilao International Holding Ltd., a company listed on the Hong Kong Stock Exchange. 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 Greenland (Singapore) Trust Management Pte Ltd, F & H Singhome Fund II & III Ltd and Chua Foundation. He is also the Deputy Chairman of Singapore Medishield Life Council and Chairman of Citizenship Committee of Inquiry (ICA). He is the consultant of Eversheds Harry Elias LLP and a member of Advisory Committee for the China Ready Programme as well as ACRA's Complaints and Disciplinary Panel.

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 Non-Executive 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: April 29, 2019
Country of Principal Residence: Singapore
Relationship: None

Mr. Hong Pian Tee (75) 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 is also an Independent Director of two other companies listed on the mainboard of the Singapore Exchange namely, XMH Holdings Ltd. and Sinarmas Land Limited.

Mr. Hong was previously a Non-Executive Chairman and an Independent Director of AsiaPhos Limited, an Independent Director of Golden Agri-Resources Ltd and an Independent Director of Memstar Technology Ltd..

TEO SER LUCK

Independent Non-Executive Director
Member of Audit Committee
Member of Nominating Committee
Member of Remuneration Committee

Date When First Appointed: February 26, 2020
Date of Last Re-election: Not applicable
Country of Principal Residence: Singapore
Relationship: None

Mr. Teo Ser Luck (51) is an entrepreneur and Singapore Member of Parliament. He was a former Minister of State in the cabinet and a Mayor. Now in the private sector, he has started a few of his own ventures and building others. He also chairs and advises a few companies listed on the mainboard of the Singapore Exchange including Chairman of BRC Asia Limited, Deputy Chairman of Serial Systems Ltd, Lead Independent Director of China Aviation Oil (Singapore) Corporation Ltd and Independent Director of Straco Corporation Limited.

Mr. Teo has built his own ventures in various sectors and mostly technology related in the areas of finance, education, food, hardware, general commodities, sports and fitness, event management, and other sectors. Mr. Teo is also currently an adviser to the Institute of Singapore Chartered Accountants (ISCA) and Singapore FinTech Association.

Mr. Teo spent 15 years in private sector before being elected as a Member of Parliament and appointed as a full-time political office holder for 11 years. He returned to the private sector in July 2017 and remain as a Member of Parliament.

Mr. Teo graduated with an Accountancy degree from the Nanyang Technological University (NTU) and began his career as an auditor. Throughout his private sector career, he has taken on management positions as head of sales, marketing, business operations before progressing to lead and oversee companies as Regional Director, General Manager and Managing Director of multi-national operations in the Asia Pacific. He has worked in Hong Kong, China, Thailand, India and has helped to start companies. Prior to politics, Mr Teo was overseeing DHL Express (Singapore) Pte Ltd.

Mr. Teo was elected Member of Parliament for Pasir Ris-Punggol GRC in May 2006 and was appointed as Parliamentary Secretary in the Ministry of Community Development, Youth and Sports. He was subsequently promoted and concurrently assumed responsibility in the Ministry of Transport and appointed as the Mayor of the North East District. After the General Election in 2011, Mr. Teo was promoted and appointed as the Minister of State for Trade and Industry overseeing entrepreneurship, the Small and Medium Enterprises (SME), consumer protection, and trade relations with the region, including China. He was the Chairman of Singapore-Shandong bilateral business council and Vice Chairman of the Singapore-Jiangsu Bilateral Business Council. He was instrumental in creating the start-up eco-system in LaunchPad@one-north. Mr. Teo was the Minister of State for Manpower overseeing enterprise and industry development and productivity, Lean Enterprise Development implementation in businesses, foreign workers, rank and file workers and developing progressive workplaces. He was also the coordinating Chairman of the Mayors Committee.

For his achievements, Mr. Teo was recognised as a young global leader by the World Economic Forum for his contribution to the business and community services sectors. He also received the Outstanding Young Alumni Award and subsequently received the outstanding alumni award from his alma mater (NTU) for continuing to make a difference in public service. While in the private sector, he has also received accolades as a global outstanding manager in business and operational excellence.

Mr. Teo was instrumental in leading Singapore's successful bid for the inaugural Youth Olympic Games (YOG) that was held from 14 to 26 August 2010. He was also the Advisor to the Singapore 2010 YOG Organising Committee and the Mayor for the Youth Olympic Village.

FINANCIAL STATEMENTS

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, 2019.

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 65 to 161 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, 2019, 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
Teo Ser Luck (Appointed on February 26, 2020)

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.

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:

	Holdings registered in the name of directors		Holdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
The Company				
Ordinary shares				
Zhong Sheng Jian [(1)]	75,820,800	79,820,800	1,278,390,000	1,278,390,000
Zhong Siliang [(2)]	320,000	320,000	–	30,095,000
Chan Yiu Ling	400,000	400,000	–	–
Ronald Seah Lim Siang	20,000	20,000	–	–
Ng Shin Ein	118,000	118,000	–	–
Hong Pian Tee [(3)]	219,700	219,700	–	100,000

Notes:

(1) Zhong Sheng Jian is deemed to have an interest in 1,278,390,000 (2018 : 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) Zhong Siliang is deemed to have an interest in 30,095,000 ordinary shares of the Company held by Investor Growth Co., Limited, a company which is wholly-owned by Zhong Siliang.

(3) Hong Pian Tee is deemed to have an interest in 100,000 ordinary shares of the Company held by his 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	
	At beginning of financial year	At end of financial year	At beginning of financial year	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
Subsidiary				
Yanlord Land (HK) Co., Limited				
(i) Senior notes due 2022 (US$'000)				
Ng Shin Ein	2,800	2,800	–	–
(ii) Senior notes due 2023 (US$'000)				
Zhong Sheng Jian	50,000	50,000	–	–
(iii) Senior notes due 2024 (US$'000)				
Ng Shin Ein	–	2,000	–	–
Hee Theng Fong	–	750	–	–
Related corporations				
(i) Yanlord Capital Pte. Ltd. (Ordinary shares)				
Zhong Sheng Jian	–	–	1	1
(ii) Yanlord Industries Pte. Ltd. (Ordinary shares)				
Zhong Sheng Jian	–	–	1	1

Note:

(1) Zhong Sheng Jian is deemed to have an interest in 5,000,000 (2018 : 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.

Save for Zhong Sheng Jian who was holding 79,901,200 ordinary shares of the Company as at January 21, 2020, the directors' interests in the ordinary shares of the Company as at January 21, 2020 were the same as those as at December 31, 2019.

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 Non-Executive Director
Hong Pian Tee	Independent Non-Executive Director
Hee Theng Fong	Independent Non-Executive Director (Appointed on February 26, 2020)
Teo Ser Luck	Independent Non-Executive Director (Appointed on February 26, 2020)

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, 2020

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, 2019, 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 65 to 161.

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, 2019, 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 charged to 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 the 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's 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.

Key audit matters	How the scope of our audit responded to the key audit matters
Acquisition of United Engineers Limited	
During the year, the Group acquired United Engineers Limited ("UEL") and as at December 31, 2019, the Group owns 85% of the equity interest in UEL. This transaction is a significant acquisition to the Group due to the significant gain on bargain purchase in comparison to the total profit after tax of the Group for the year ended December 31, 2019. SFRS(I) 3 *Business Combinations* requires the purchase price to be allocated between the acquired assets and liabilities, resulting in the recognition of tangible, intangible assets and goodwill or recognition of gain on bargain purchase. This requires a significant amount of judgement in the Purchase Price Allocation (the "PPA") exercise, particularly in the valuation of the completed properties for sale and properties under development for sale (the "Acquired Properties") and the assessment of the fair values of the acquired assets and liabilities as at acquisition date and consequently the recognition of goodwill or gain on bargain purchase. The Group's disclosure of this business combination accounting is set out in Note 33 to the consolidated financial statements.	We have discussed with management and their external independent valuer on the PPA. We also challenged the reasonableness of the key assumptions of the PPA exercise, such as the discount rates and estimates of future cash flows and the fair value of the Acquired Properties. We reviewed the qualification of their external independent valuer and are satisfied that their external independent valuer is appropriately qualified and reputable. Based on our procedures, we noted that the PPA has been performed in accordance with SFRS(I) 3, including the disclosures thereon, and that the valuation of properties are appropriate and within expectations for the industry. We have adopted similar audit procedures in relation to the valuation of the Acquired Properties as stated in the key audit matters for "valuation of investment properties". We also noted management's key assumptions used in the PPA in arriving at the fair value of the assets acquired and liabilities assumed to be within a reasonable range of our audit expectations.

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 valuations performed by independent professional valuers (the "Valuers"). In determining fair values of investment properties, three valuation techniques are used by Valuers, depending on the nature of each investment property. These valuation techniques used include: (i) direct comparison approach; (ii) income capitalisation approach; and (iii) residual 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 or per carpark unit; (ii) capitalisation rates; and (iii) market rent per square metre per month.	We obtained an understanding and tested the design and implementation of the Group's relevant controls in appointing the Valuers and reviewed and challenged the work of the Valuers. We assessed the Valuers' competence, independence and capabilities. We read their terms and scope of the valuation engagement. We discussed with the Valuers to understand the assumptions and valuation techniques used in valuing the investment properties and the market evidence used by the Valuers to support their assumptions. With the assistance of our internal valuation specialists, we evaluated the appropriateness of the valuation techniques used by the Valuers. 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 Valuers 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 in the consolidated financial statements.
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 judgment 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 reviewed and evaluated the Group's LAT computations with reference to the local legislation, including management's judgement in respect of the provision of LAT, with the assistance of our internal tax specialists in the PRC. 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF YANLORD LAND GROUP LIMITED

(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.

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, 2020

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019

		GROUP		COMPANY	
	Note	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**3,930,211**	3,177,663	**–**	–
Investment properties	8	**27,942,862**	14,567,640	**–**	–
Right-of-use assets		**352,879**	–	**–**	–
Properties for development	9	**10,240,138**	16,940,162	**–**	–
Investments in subsidiaries	10	**–**	–	**13,974,340**	13,523,060
Investments in associates	11	**2,201,546**	1,418,593	**–**	–
Investments in joint ventures	12	**6,631,382**	5,897,162	**–**	–
Other receivables and deposits	14	**2,373,652**	3,114,118	**–**	–
Non-trade amounts due from:					
Associates	11	**875,773**	–	**–**	–
Joint ventures	12	**3,857,552**	5,914,815	**–**	–
Non-controlling shareholders of subsidiaries	13	**1,036,527**	400,000	**–**	–
Other financial assets		**320,258**	175,923	**–**	–
Intangible assets	15	**812**	2,092	**–**	–
Deferred tax assets	16	**596,801**	472,281	**–**	–
Total non-current assets		**60,360,393**	52,080,449	**13,974,340**	13,523,060
Current assets					
Inventories		**211,836**	117,027	**–**	–
Completed properties for sale	9	**7,495,094**	5,957,456	**–**	–
Properties under development for sale	9	**25,484,907**	21,124,992	**–**	–
Trade receivables		**347,385**	48,183	**–**	–
Other receivables and deposits	14	**3,762,369**	1,853,358	**306**	1
Non-trade amounts due from:					
Subsidiaries	5	**–**	–	**4,460,106**	1,794,247
Associates	11	**1,436,013**	1,201,290	**–**	–
Joint ventures	12	**10,583,186**	9,833,539	**–**	–
Non-controlling shareholders of subsidiaries	13	**5,363,938**	3,247,508	**–**	–
Other related party	6	**806**	788	**–**	–
Income tax prepayment		**562,235**	567,767	**–**	–
Pledged bank deposits	17	**469,558**	331,048	**–**	–
Cash and cash equivalents	17	**13,817,589**	10,317,374	**1,584**	9,404
Total current assets		**69,534,916**	54,600,330	**4,461,996**	1,803,652
Total assets		**129,895,309**	106,680,779	**18,436,336**	15,326,712

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019

	Note	GROUP 2019 RMB'000	GROUP 2018 RMB'000	COMPANY 2019 RMB'000	COMPANY 2018 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
Reserves		**20,985,064**	17,768,378	**439,004**	264,747
Equity attributable to owners of the Company		**28,246,790**	25,030,104	**7,700,730**	7,526,473
Non-controlling interests		**11,660,464**	7,848,514	**–**	–
Total equity		**39,907,254**	32,878,618	**7,700,730**	7,526,473
Non-current liabilities					
Bank and other borrowings – due after one year	21	**22,083,133**	27,998,178	**–**	–
Senior notes	22	**9,080,931**	5,440,228	**–**	–
Lease liabilities		**326,895**	–	**–**	–
Deferred tax liabilities	16	**4,212,852**	2,831,594	**–**	–
Other payables	24	**446,072**	–	**–**	–
Non-trade amount due to:					
Joint ventures	12	**200,000**	805,377	**–**	–
Deferred income		**478,858**	335,702	**–**	–
Total non-current liabilities		**36,828,741**	37,411,079	**–**	–
Current liabilities					
Bank and other borrowings – due within one year	21	**14,477,599**	8,293,294	**–**	639,509
Lease liabilities		**34,218**	–	**–**	–
Trade payables	23	**8,547,545**	8,246,981	**–**	–
Other payables	24	**6,607,418**	1,453,353	**3,051**	3,837
Contract liabilities	25	**11,889,420**	9,857,831	**–**	–
Non-trade amounts due to:					
Subsidiary	5	**–**	–	**10,623,066**	7,100,578
Associates	11	**665,085**	257,596	**–**	–
Joint ventures	12	**3,277,093**	674,391	**–**	–
Directors	6	**109,489**	56,315	**109,489**	56,315
Non-controlling shareholders of subsidiaries	13	**485,895**	705,139	**–**	–
Other related parties	6	**8,504**	44,808	**–**	–
Income tax payable		**5,904,278**	5,480,641	**–**	–
Put liability to acquire non-controlling interests	18	**1,152,770**	1,320,733	**–**	–
Total current liabilities		**53,159,314**	36,391,082	**10,735,606**	7,800,239
Total equity and liabilities		**129,895,309**	106,680,779	**18,436,336**	15,326,712

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	Note	GROUP 2019 RMB'000	GROUP 2018 RMB'000
Revenue	25	**18,666,358**	24,888,041
Cost of sales		**(10,982,715)**	(13,432,692)
Gross profit		**7,683,643**	11,455,349
Other operating income and other gains	26	**1,898,477**	714,587
Fair value gain on investment properties		**1,876,482**	391,372
Selling expenses		**(574,450)**	(398,278)
Administrative expenses		**(1,145,427)**	(955,359)
Other operating expenses		**(11,013)**	(33,454)
Finance cost	27	**(1,275,839)**	(693,994)
Share of profit (loss) of associates	11	**73,716**	(12,689)
Share of profit of joint ventures	12	**269,473**	74,123
Profit before income tax		**8,795,062**	10,541,657
Income tax	28	**(3,606,963)**	(5,146,207)
Profit for the year	29	**5,188,099**	5,395,450
Profit attributable to:			
Owners of the Company		**3,350,451**	3,544,570
Non-controlling interests		**1,837,648**	1,850,880
		5,188,099	5,395,450
Earnings per share (Renminbi cents)	30		
– Basic		**173.46**	183.51
– Diluted		**173.46**	183.51

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	Note	GROUP 2019 RMB'000	GROUP 2018 RMB'000
Profit for the year	29	**5,188,099**	5,395,450
Other comprehensive expense:			
Items that will not be reclassified subsequently to profit or loss:			
Currency translation difference		**627,848**	(46,561)
Share of other comprehensive income of a joint venture		**23,705**	9,873
Items that may be reclassified subsequently to profit or loss:			
Currency translation difference		**(771,645)**	(704,318)
Share of other comprehensive income (expense) of a joint venture		**872**	(4,742)
Share of other comprehensive income of associates		**934**	–
Change in fair value of other financial assets at fair value through other comprehensive income		**202**	–
Other comprehensive expense for the year, net of tax		**(118,084)**	(745,748)
Total comprehensive income for the year		**5,070,015**	4,649,702
Total comprehensive income attributable to:			
Owners of the Company		**3,244,634**	2,798,917
Non-controlling interests		**1,825,381**	1,850,785
		5,070,015	4,649,702

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	Note	Share capital RMB'000	Treasury shares RMB'000 (Note 20)	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
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 expense 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, 2019

	Note	Share capital RMB'000	Treasury shares RMB'000 (Note 20)	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
GROUP											
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
Effect of adoption of SFRS(I) 16 (Note 2)		–	–	–	–	–	–	(3,376)	(3,376)	(426)	(3,802)
Balance at January 1, 2019		7,261,726	(132,309)	(945,687)	2,011,120	(1,834,019)	(3,428,371)	22,094,268	25,026,728	7,848,088	32,874,816
Total comprehensive income for the year:											
Profit for the year		–	–	–	–	–	–	3,350,451	3,350,451	1,837,648	5,188,099
Other comprehensive expense for the year		–	–	(131,530)	–	–	2,008	23,705	(105,817)	(12,267)	(118,084)
Total		–	–	(131,530)	–	–	2,008	3,374,156	3,244,634	1,825,381	5,070,015
Transactions with owners, recognised directly in equity:											
Acquisition of subsidiaries	33	–	–	(4,143)	–	–	32,356	–	28,213	6,457,786	6,485,999
Change of interest in subsidiaries	10	–	–	–	–	–	636,677	–	636,677	(3,654,610)	(3,017,933)
Change of control from a subsidiary to a joint venture	34	–	–	–	–	–	–	–	–	(36,932)	(36,932)
Disposal of a subsidiary		–	–	–	–	–	–	–	–	(50)	(50)
Capital withdrawal by non-controlling shareholders		–	–	–	–	–	–	–	–	(434,000)	(434,000)
Non-controlling interest arising from acquisition of a subsidiary	33	–	–	–	–	–	–	–	–	3,000	3,000
Dividends	31	–	–	–	–	–	–	(652,033)	(652,033)	–	(652,033)
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	(347,979)	(347,979)
Remeasurements of defined benefit pension plans of a subsidiary		–	–	–	–	–	–	(4,415)	(4,415)	–	(4,415)
Share of share option reserve from associates		–	–	–	–	–	66	–	66	–	66
Share of other reserves of a joint venture		–	–	–	–	–	(32,858)	–	(32,858)	–	(32,858)
Utilisation of statutory reserve		–	–	–	(222)	–	–	–	(222)	(220)	(442)
Appropriations		–	–	–	201,493	–	–	(201,493)	–	–	–
Total		–	–	(4,143)	201,271	–	636,241	(857,941)	(24,572)	1,986,995	1,962,423
Balance at December 31, 2019		7,261,726	(132,309)	(1,081,360)	2,212,391	(1,834,019)	(2,790,122)	24,610,483	28,246,790	11,660,464	39,907,254

STATEMENTS OF CHANGES IN EQUITY

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	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, 2018		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
Total comprehensive income for the year:						
Profit for the year		–	–	–	600,890	600,890
Other comprehensive income for the year		–	–	225,400	–	225,400
Total		–	–	225,400	600,890	826,290
Transaction with owners, recognised directly in equity:						
Dividends	31	–	–	–	(652,033)	(652,033)
Total		–	–	–	(652,033)	(652,033)
Balance at December 31, 2019		7,261,726	(132,309)	286,387	284,926	7,700,730

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	Note	GROUP 2019 RMB'000	GROUP 2018 RMB'000
Operating activities			
Profit before income tax		**8,795,062**	10,541,657
Adjustments for:			
Allowance for doubtful debts and bad debts written off		**107**	3,782
Depreciation expense		**192,578**	87,521
Dividend income from other financial asset		**–**	(347)
Fair value gain on investment properties		**(1,876,482)**	(391,372)
Fair value gain on financial asset at fair value through profit or loss		**(278)**	(142)
Fair value gain from put liability to acquire non-controlling interests		**(167,963)**	(13,411)
Finance cost		**1,275,839**	693,994
Interest income		**(718,990)**	(551,080)
Net loss (gain) on disposal of property, plant and equipment		**464**	(447)
Net gain on disposal of investment properties		**(1,475)**	(1,009)
Payable written off		**(6,523)**	–
Gain on bargain purchase		**(1,518,641)**	–
Loss on remeasurement of retained interests in associates and joint venture		**564,459**	–
Share of (profit) loss of associates		**(73,716)**	12,689
Share of profit of joint ventures		**(269,473)**	(74,123)
Loss on change of control from subsidiaries to joint ventures		**1,340**	–
Gain on disposal of a subsidiary		**(51)**	–
Operating cash flows before movements in working capital		**6,196,257**	10,307,712
Properties for development		**(5,842,409)**	(1,814,891)
Inventories		**9,841**	(20,004)
Completed properties for sale		**6,101,304**	10,747,985
Properties under development for sale		**(1,309,439)**	(2,036,377)
Trade and other receivables and deposits		**(2,878,361)**	515,092
Trade and other payables		**4,592,168**	908,268
Contract liabilities		**2,014,125**	(10,831,466)
Cash generated from operations		**8,883,486**	7,776,319
Interest paid		**(2,352,067)**	(2,155,416)
Income tax paid		**(2,787,046)**	(4,110,825)
Net cash from operating activities		**3,744,373**	1,510,078

CONSOLIDATED STATEMENT OF CASH FLOWS

FINANCIAL YEAR ENDED DECEMBER 31, 2019

	Note	GROUP 2019 RMB'000	GROUP 2018 RMB'000
Investing activities			
Acquisition of subsidiaries	33	**(2,359,342)**	(418,545)
Change of control from subsidiaries to joint ventures	34	**(33,956)**	–
Investments in associates		**(150,000)**	(800,740)
Investments in joint ventures		**(626,380)**	(1,002,805)
Dividend received from associates		**1,473**	–
Dividend received from joint ventures		**4,869**	–
Dividend received from other financial asset		**–**	347
Interest received		**501,881**	383,243
Increase in pledged bank deposits		**(138,510)**	(291,019)
Proceeds on disposal of property, plant and equipment		**637**	2,099
Proceeds on disposal of investment properties		**2,857**	2,042
Proceeds on disposal of financial asset at fair value through profit or loss		**15,178**	12,911
Payment for property, plant and equipment		**(133,619)**	(463,488)
Payment for investment properties		**(171,830)**	(190,921)
Purchase of other financial assets		**–**	(172,933)
Payment for intangible assets		**–**	(1,280)
Purchase of financial asset at fair value through profit or loss		**(14,900)**	(2,000)
Advance to associates		**(324,643)**	(1,480,253)
Repayment from associates		**203,935**	1,601,220
Advance to joint ventures		**(3,905,869)**	(10,601,175)
Repayment from joint ventures		**9,751,039**	1,616,778
Advance to non-controlling shareholders of subsidiaries		**(2,693,772)**	(602,230)
Advance to a related company		**–**	(167)
Net cash used in investing activities		**(70,952)**	(12,408,916)
Financing activities			
Dividends paid	31	**(652,033)**	(630,453)
Dividends paid to non-controlling shareholders of subsidiaries		**(433,542)**	(1,337,009)
Net proceeds on issue of senior notes		**2,720,066**	2,178,613
Proceeds from bank and other borrowings		**21,333,843**	9,922,460
Repayment of bank and other borrowings		**(19,376,732)**	(4,190,668)
Repayment of lease liabilities		**(24,765)**	–
Advance from associates		**621,535**	30,343
Advance from joint ventures		**825,916**	1,174,391
Advance from directors		**52,068**	5,590
Advance from non-controlling shareholders of subsidiaries		**10,583**	352,220
Repayment to non-controlling shareholders of subsidiaries		**(1,956,987)**	(1,326,297)
Repayment to other related parties		**(36,304)**	(10,868)
Capital injection from a non-controlling shareholder of a subsidiary		**3,000**	4,900
Capital withdrawal by non-controlling shareholders of subsidiaries		**(434,000)**	(721,156)
Acquisition of non-controlling interest in subsidiaries		**(3,017,933)**	(1,904,691)
Proceeds from disposal of a subsidiary		**7,963**	–
Net cash (used in) from financing activities		**(357,322)**	3,547,375
Net increase (decrease) in cash and cash equivalents		**3,316,099**	(7,351,463)
Cash and cash equivalents at beginning of year	17	**10,317,374**	17,798,313
Effect of exchange rate changes on the balance of cash held in foreign currencies		**184,116**	(129,476)
Cash and cash equivalents at end of year	17	**13,817,589**	10,317,374

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1 GENERAL

The Company (Registration No. 200601911K) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Temasek Boulevard, #36-02 Suntec Tower Two, Singapore 038989. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are 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 significant 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, 2019 were authorised for issue by the Board of Directors on March 27, 2020.

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, Singapore Financial Reporting Standards (International) ("SFRS(I)"s) and International Financial Reporting Standards ("IFRS"). SFRS(I) is identical to IFRS as issued by the International Accounting Standards Board.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within scope of SFRS(I) 16 *Leases* and 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*.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

ADOPTION OF NEW AND REVISED STANDARDS – On January 1, 2019, the Group and the Company adopted all the new and revised SFRS (I) pronouncements that are relevant to its operations. The adoption of these new / revised SFRS (I) pronouncements does not result in changes to the Group's and the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is January 1, 2019.

The Group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 and SFRS(I) INT 4.

a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or changed before January 1, 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17 and SFRS(I) INT 4.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after January 1, 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16:C8(b)(ii), except for the right-of-use asset for property leases which were measured on a retrospective basis as if the standard had been applied since the commencement date;

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets.*

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under SFRS(I) 1-37 in the statements of financial position immediately before the date of initial application as an alternative to performing an impairment review.

- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Impact on lessee accounting (Cont'd)

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

(c) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the consolidated statement of financial position on January 1, 2019 is 4.1% per annum.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at December 31, 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statements of financial position at the date of initial application.

	GROUP 2019 RMB'000
Operating lease commitments at December 31, 2018	106,531
Less: Short-term leases and leases of low value assets	(2,272)
Less: Effect of discounting the above amounts	(13,909)
Exchange difference	1,016
Lease liabilities recognised at January 1, 2019	**91,366**

The Group has adopted the approach not to recognise the deferred tax arising from the temporary difference on initial recognition of right-of-use asset and lease liability or permitted by SFRS(I) 12 *Income taxes*.

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position immediately before the date of initial application.

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective.

Effective for annual periods beginning on or after January 1, 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*

- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates 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.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in the profit or loss at the acquisition date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 fair value through profit of loss ("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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("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 party, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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; and
- 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.

Despite the aforegoing, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 party are assessed for ECL 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.

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, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of 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;

- 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.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on change in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporate only interest paid on the financial liabilities and is included in the "other operating income and other gains" line items. However, 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 associates, joint ventures, directors, non-controlling shareholders of subsidiaries and other related parties are subsequently measured at amortised cost, using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 (Before January 1, 2019)

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

<u>The Group as lessee</u>

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

<u>The Group as lessor</u>

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (From January 1, 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties and certain other properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor , it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

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. Costs of properties 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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.

Leases with unexpired terms of over 100 years are classified as long leaseholds; those under 100 years are classified as leaseholds.

No depreciation is provided on freehold / long leasehold land as it has an unlimited and long useful life respectively.

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

Freehold / Long leasehold buildings	2% (2018 : None)
Leasehold land and buildings	1% to 13% (2018 : 2% to 5%)
Motor vehicles	10% to 50% (2018 : 10% to 25%)
Furniture, fixtures and equipment	10% to 50% (2018 : 20%)
Plant and machinery	7% to 50% (2018 : None)

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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) 1-28 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 SFRS(I) 9. 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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; (iii) the net fair value movement on financial assets at FVTOCI; and (iv) the share of share option reserve and other comprehensive income of associates.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, by using input method, which is based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For income from hotel operations, property management and related service, the progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group's performance in transferring control of 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

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.

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" line item.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The net defined benefit liability or assets recognised in the statements of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Service costs and net interest on the net defined benefit liability or asset are recognised immediately in the profit or loss.

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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

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

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.

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

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.

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. Management estimates and provides for LAT in accordance with the PRC tax laws and regulations. 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 Yuan-Wearnes Technology (Changsha) Limited, 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 49%, 50% and 30% ownership interest and shareholder's voting rights in these three entities respectively.

Management of the Group 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, management considers the Group's rights arising from the contractual arrangements. After assessment, management concludes 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.

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 RMB43.220 billion as at December 31, 2019 (2018 : RMB44.023 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.

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

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 valuers have 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

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 party) and financial guarantee contracts.

In determining the ECL for these debt instruments and financial guarantee contracts, 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 flows 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, 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.

Purchase Price Allocation ("PPA")

SFRS(I) 3 *Business Combinations* requires the purchase price to be allocated between the acquired assets and liabilities, resulting in the recognition of tangible, intangible assets and goodwill or recognition of gain on bargain purchase. This requires a significant amount of judgement in the PPA exercise, particularly in the valuation of the completed properties for sale and properties under development for sale (the "Acquired Properties") and the assessment of the fair values of the acquired assets and liabilities as at acquisition date and consequently the recognition of goodwill or gain on bargain purchase. The valuation of the Acquired Properties is based on the valuation performed by independent professional valuer. In determining the fair values, the valuer adopted direct comparison method as the key valuation technique which involves analysis of the comparable sales transactions of similar properties as available in the relevant market of these properties.

Any change in the variable parameters and assumptions used will result in a different fair value estimate for the Acquired Properties which can potentially be significant.

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

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

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

	GROUP		COMPANY	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Financial assets				
Financial assets at amortised cost (including cash and cash equivalents)	**40,345,627**	34,017,860	**4,461,690**	1,803,651
Financial assets at FVTOCI:				
Other financial assets	**320,258**	175,923	**–**	–
Financial liabilities				
Financial liabilities at amortised cost	**65,702,115**	53,373,661	**10,735,606**	7,800,239
Financial liabilities at FVTPL:				
Put liability to acquire non-controlling interests	**1,152,770**	1,320,733	**–**	–

(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
GROUP			
2019			
Non-trade amounts due from non-controlling shareholders of subsidiaries	**6,412,622**	**(12,157)**	**6,400,465**
2018			
Non-trade amounts due from non-controlling shareholders of subsidiaries	3,662,718	(15,210)	3,647,508

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
GROUP			
2019			
Non-trade amounts due to non-controlling shareholders of subsidiaries	**498,052**	**(12,157)**	**485,895**
2018			
Non-trade amounts due to non-controlling shareholders of subsidiaries	720,349	(15,210)	705,139

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 statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements.

The Group and the Company do 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.

(c) Financial risk management policies and objectives

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.

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

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

(i) *Foreign exchange risk management*

The Group enters into transactions in various foreign currencies, including the United States 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	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
US dollar	**493,583**	480,424	**95,112**	6,083	**–**	–	**122**	141
HK dollar	**561,587**	547,406	**7,076**	16,081	**–**	–	**625**	8,646
SG dollar	**256,630**	1,793,965	**10,641,928**	7,102,552	**–**	–	**–**	–
RMB	**928,078**	2,837,928	**3,521,388**	3,864,394	**–**	639,509	**170**	168

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. 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.

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	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
GROUP								
Increase (Decrease) in profit before income tax	**11,606**	13,816	**16,151**	15,475	**(549)**	(57)	**(380)**	71,361
(Decrease) Increase in other equity	**–**	–	**–**	–	**(301,935)**	(154,562)	**(75,153)**	(101,258)
COMPANY								
(Decrease) Increase in profit before income tax	**(4)**	(4)	**(18)**	(252)	**–**	–	**(5)**	18,622

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

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

(ii) Interest rate risk management

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

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

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, 2019 would increase / decrease respectively by RMB285 million (2018 : increase / decrease respectively by RMB249 million).

- It is the Group's accounting policy to capitalise borrowing costs relevant to property development which required by the standard. 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.

(iii) Equity price risk management

Other financial assets designated as at FVTOCI are held for strategic rather than trading purposes. The Group does not actively trade other financial assets designated as at FVTOCI.

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

(iv) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group arising from the carrying amount of the respective recognised financial assets as stated in the statements of financial position. 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 in the PRC, 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 sales of properties in Singapore, the Group usually includes a standard payment schedule on the sales proceeds. For leasing of properties, advanced payments by the tenants are required prior to the commencement of the lease term.

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 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 flows. Part of the amounts due from non-controlling shareholders of subsidiaries are secured by undistributed retained earnings of the subsidiaries yet to be distributed as dividends and future earnings that are expected to be distributed by the subsidiaries 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, 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.

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

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 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 party and financial guarantee contracts is insignificant. 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, 2019, 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 RMB6.502 billion (2018 : RMB5.065 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; and (iii) guarantees of approximately RMB14.334 billion to banks and other lenders in respect of bank and other borrowings to joint ventures and associates (2018 : RMB2.469 billion to banks and other lenders in respect of bank and other borrowings to joint ventures); and (iv) a guarantee of RMB Nil (2018 : RMB1.710 billion) to a bank in respect of a loan facility granted to a third party, as elaborated in Note 38 to the financial statements.

(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, 2019, the Group had available RMB5.884 billion (2018 : RMB8.590 billion) of undrawn committed bank and other credit facilities in respect of which all conditions precedent had been met.

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

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

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

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

Liquidity and interest risk analyses

Non-derivative financial liabilities

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

	Weighted average effective interest rate %	On demand or within 1 year 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							
2019							
Non-interest bearing	**–**	**17,928,498**	**477,282**	**168,790**	**–**	**–**	**18,574,570**
Variable interest rate instruments	**4.9**	**10,070,294**	**7,666,565**	**8,816,396**	**7,497,315**	**(5,604,864)**	**28,445,706**
Fixed interest rate instruments	**6.6**	**8,288,016**	**1,832,702**	**12,651,471**	**137,628**	**(3,075,208)**	**19,834,609**
Total		**36,286,808**	**9,976,549**	**21,636,657**	**7,634,943**	**(8,680,072)**	**66,854,885**
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

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
COMPANY						
2019						
Non-interest bearing	**–**	**10,735,606**	**–**	**–**	**–**	**10,735,606**
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

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 years to 5 years RMB'000	More than 5 years RMB'000	Total RMB'000
2019	**7,731,694**	**–**	**4,604,000**	**8,500,000**	**20,835,694**
2018	6,030,629	747,744	2,465,507	–	9,243,880

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

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
GROUP							
2019							
Non-interest bearing	–	**24,263,746**	**3,280,836**	**1,509,932**	–	–	**29,054,514**
Fixed interest rate instruments	**5.6**	**10,023,809**	**918,400**	**1,565,362**	–	**(896,200)**	**11,611,371**
Total		**34,287,555**	**4,199,236**	**3,075,294**	–	**(896,200)**	**40,665,885**
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

As at December 31, 2019, the Company's non-derivative financial assets are mainly non-interest bearing with expected maturity within 1 year (2018 : 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 December 31, 2019 RMB'000	2018 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
GROUP						
Put liability to acquire non-controlling interests	**(1,152,770)**	(1,320,733)	Level 3	Discounted cash flows. 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 0.5 year at 9.0% per annum (2018 : 0.25-1 year at 9.0% per annum)	A slight increase in the cost of debt used in isolation will result in a decrease in the fair value [1]

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)*

Financial assets / (liabilities)	Fair value as at December 31, 2019 RMB'000	2018 RMB'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
GROUP						
Other financial assets	**66,469**	55,923	Level 3	Net asset value of the investees.	Net asset value	The higher the net asset value, the higher the fair value
	120,000	120,000	Level 3	Income approach – in this approach, the discounted cash flows 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 9.6% (2018 : 10.2%) 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)]
	133,789	–	Level 1	Quoted bid prices in an active market.	Not applicable	Not applicable

[(1)] As at December 31, 2019, 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 RMB5 million (2018 : RMB6 million).

[(2)] As at December 31, 2019, 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 RMB11 million (2018 : RMB10 million), while a 100 basis point decrease in the discount rate would increase the carrying amount of this other financial asset by RMB8 million (2018 : RMB13 million).

There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the 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 (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
GROUP			
At January 1, 2018	(1,334,144)	2,990	(1,331,154)
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)
Acquisition of subsidiaries	–	10,522	10,522
Total gains in profit or loss	167,963	61	168,024
Exchange difference	–	(37)	(37)
At December 31, 2019	**(1,152,770)**	**186,469**	**(966,301)**

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 recorded at amortised cost in the financial statements approximate their fair values:

	2019		2018	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
GROUP				
Financial Liabilities				
Senior notes	**9,080,931**	**9,335,013**	5,440,228	5,413,177

The Group'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. 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	
	2019 RMB'000	2018 RMB'000
Total debt	**45,770,426**	42,135,198
Cash and cash equivalents	**(13,817,589)**	(10,317,374)
Net debt	**31,952,837**	31,817,824
Equity	**39,907,254**	32,878,618
Net debt to equity ratio	**80.1%**	96.8%

The Group's overall strategy remains unchanged from 2018. 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 its subsidiaries and borrowings with the financial institutions providing the facilities to the Group. As at the end of the reporting period, the Group is in compliance with externally imposed financial covenants requirements.

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.

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 / to associates, joint ventures, directors, non-controling shareholders of subsidiaries 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	
	2019 RMB'000	2018 RMB'000
Sales of properties to key management personnel and close members of their families	**171,675**	30,057
Interest income from associates	**122,582**	25,522
Interest income from joint ventures	**318,567**	289,839
Other income from associates	**64,946**	6,721
Other income from joint ventures	**150,275**	51,171
Interest expense to associates	**1,140**	342
Interest expense to joint ventures	**39,001**	5,446

As at the end of the reporting period, the Group recognised right-of-use assets and corresponding liabilities in respect of leases of land and buildings for the office premise and staff accommodation from a director and a company in which the director has control over, amounting to RMB14 million and RMB15 million respectively (2018 : operating lease commitment of RMB27 million). The depreciation of the right-of-use assets and interest expenses associated with the lease liabilities recognised in the profit or loss are RMB12 million and RMB0.6 million respectively (2018 : rental expense of RMB12 million).

At the end of the reporting period, the Group has pre-sales of properties totaling RMB13 million (2018 : RMB189 million) to key management and close members of their families. As at December 31, 2019, advances amounting to RMB9 million (2018 : RMB45 million) have been received from key management and close members of their families in relation to the pre-sales of properties.

Compensation of directors and key management personnel

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Short-term benefits	**97,264**	93,833
Post-employment benefits	**1,625**	1,535
	98,889	95,368

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold / Long leasehold land and buildings RMB'000	Leasehold land and buildings RMB'000	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Plant and machinery RMB'000	Construction-in-progress RMB'000	Total RMB'000
GROUP							
Cost:							
At January 1,2018	–	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	–	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
Additions	479	28,618	4,378	43,260	4,622	52,262	133,619
Disposals	–	–	(4,554)	(5,504)	(1,216)	–	(11,274)
Transfer from investment properties (Note 8)	–	57,212	–	–	–	–	57,212
Transfer to completed properties for sales	–	(3,390)	–	–	–	–	(3,390)
Transfer from inventories	–	–	–	6,964	–	–	6,964
Acquisition of subsidiaries	198,434	264,286	1,523	70,453	209,966	–	744,662
Change of control from subsidiaries to joint ventures	–	(17,496)	(5,934)	(1,187)	–	–	(24,617)
Reclassification	(5)	191,467	–	8,364	5	(199,831)	–
Exchange difference	(2,665)	(2,206)	(402)	434	538	–	(4,301)
At December 31, 2019	196,243	3,576,670	92,340	360,334	213,915	347	4,439,849
Accumulated depreciation:							
At January 1,2018	–	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
Depreciation for the year	1,489	128,480	7,824	25,171	4,572	–	167,536
Eliminated on disposals	–	–	(4,173)	(5,010)	(989)	–	(10,172)
Change of control from subsidiaries to joint ventures	–	(4,155)	(1,576)	(606)	–	–	(6,337)
Exchange difference	34	(1,292)	22	52	(3,516)	–	(4,700)
At December 31, 2019	1,523	274,192	63,711	170,145	67	–	509,638
Carrying amount:							
At December 31, 2019	194,720	3,302,478	28,629	190,189	213,848	347	3,930,211
At December 31, 2018	–	2,907,020	35,715	87,012	–	147,916	3,177,663

In 2019, depreciation for the year includes an amount of RMB3 million (2018 : RMB3 million) capitalised in the Group's properties for development and properties under development for sale. The carrying amounts of freehold land and buildings, leasehold land and buildings, motor vehicles as well as construction-in-progress pledged to banks and other lenders to secure bank and other borrowings are disclosed in Note 21.

8 INVESTMENT PROPERTIES

	GROUP	
	2019 RMB'000	2018 RMB'000
At fair value:		
Balance as at beginning of year	**14,567,640**	13,986,380
Additions	**171,830**	190,921
Change in fair value	**1,876,482**	391,372
Disposals	**(1,382)**	(1,033)
Acquisition of subsidiaries	**10,333,598**	–
Transfer to property, plant and equipment (Note 7)	**(57,212)**	–
Transfer from properties under development for sale	**1,059,999**	–
Transfer from completed properties for sale	**30,772**	–
Exchange difference	**(38,865)**	–
Balance as at end of year	**27,942,862**	14,567,640

The fair value of investment properties at December 31, 2019 and 2018 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.

8 INVESTMENT PROPERTIES (Cont'd)

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

Description	Fair value as at December 31 RMB'000	Valuation technique(s)	Significant unobservable input(s)	Range
2019				
Completed investment properties	21,816,048 [1]	Direct comparison approach	price per square metre [2]	RMB11,767 – RMB186,818
		Income capitalisation approach	market rent per square metre per month [2]	RMB26 – RMB428
			capitalisation rate [3]	2.8% – 7.3%
Car parking spaces	980,814	Direct comparison approach	price per unit [2]	RMB118,500 – RMB339,827
Investment properties under construction	5,146,000	Residual approach	price per square metre [2]	RMB13,048 – RMB33,206
		Residual approach	price per carpark unit [2]	RMB270,000
	27,942,862			
2018				
Completed investment properties	12,028,100 [1]	Direct comparison approach	price per square metre [2]	RMB44,057
		Income capitalisation approach	market rent per square metre 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 metre [2]	RMB33,180
		Income capitalisation approach	market rent per square metre per month [2]	RMB139
			capitalisation rate [3]	5.0%
	14,567,640			

8 INVESTMENT PROPERTIES (Cont'd)

(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 RMB505 million (2018 : RMB382 million). Direct operating expenses arising on the investment properties in the year amounted to RMB25 million (2018 : RMB4 million).

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

	GROUP	
	2019 RMB'000	2018 RMB'000
At cost:		
Properties for development (Non-current assets)	**10,240,138**	16,940,162
Completed properties for sale (Current assets)	**7,495,094**	5,957,456
Properties under development for sale (Current assets)	**25,484,907**	21,124,992
	43,220,139	44,022,610

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

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Properties for development	**667,264**	1,456,945
Completed properties for sale	**517,477**	412,139
Properties under development for sale	**2,398,482**	1,764,093

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	
	2019 RMB'000	2018 RMB'000
Unquoted equity shares, at cost	**13,974,340**	13,523,060

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 2019 %	2018 %	Principal activities
Held by the Company				
Yanlord Commercial Property Investments Pte. Ltd. [(a)] 仁恒商业地产投资有限公司	Singapore	**100**	100	Investment holding
Yanlord Land Pte. Ltd. [(a)] 仁恒置地有限公司	Singapore	**100**	100	Investment holding
Yanlord Land (HK) Co., Limited [(b)] 仁恒地产(香港)有限公司	Hong Kong	**100**	100	Management services
Held by Yanlord Commercial Property Investments Pte. Ltd. and its subsidiaries				
McAlister and Company, Limited [(1) (c)]	Singapore	**85**	–	Investment holding and provision of management services
O'Connor's Holdings Pte Ltd [(1) (c)]	Singapore	**89**	–	Investment holding
O'Connor's Singapore Pte Ltd [(1) (c)]	Singapore	**89**	–	System integrator and value-added reseller of security, telecommunication, scientific and medical systems
O'Connor's Technology Pte. Ltd. [(1) (c)]	Singapore	**89**	–	Dormant
Puffersoft Labs Pte. Ltd. [(1) (c)]	Singapore	**71**	–	Dormant
Shenyang Summer Palace Pte. Ltd. [(1) (c)]	Singapore	**89**	–	Investment holding
Speedling Investment Pte Ltd [(1) (c)]	Singapore	**89**	–	Investment holding
UE Centennial Venture Pte. Ltd. [(1) (c)]	Singapore	**85**	–	Investment holding

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2019 %	2018 %	
Held by Yanlord Commercial Property Investments Pte. Ltd. and its subsidiaries (Cont'd)				
UE Dairy Farm Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development and leasing
UE Development (Alexandra) Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development and leasing
UE Development (Anson) Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development and leasing
UE Development (Bendemeer) Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development
UE One-North Developments Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development and leasing
UE Park Avenue International Pte. Ltd. (1) (c)	Singapore	**85**	–	Hotel management services
UE Support Services Pte Ltd (1) (c)	Singapore	**85**	–	Management services
UE Trade Corporation Pte Ltd (1) (c)	Singapore	**85**	–	Investment holding
UE UMC Pte. Ltd. (1) (c)	Singapore	**85**	–	Investment holding
UE Ville Developments Pte Ltd (1) (c)	Singapore	**85**	–	Property development and leasing
UED Alpha Pte. Ltd. (1) (c)	Singapore	**85**	–	Property development and leasing
United Engineers Developments Pte. Ltd. (1) (c)	Singapore	**85**	–	Property facilities management and leasing
United Engineers Limited (1) (c)	Singapore	**85**	–	Investment holding
United WBL Technology Pte. Ltd. (1) (c)	Singapore	**87**	–	Investment holding
WBL Corporation Limited (1) (c)	Singapore	**89**	–	Investment holding and provision of management services to related companies
WBL Properties (Private) Limited (1) (c)	Singapore	**89**	–	Investment holding
WBL Services (Private) Limited (1) (c)	Singapore	**89**	–	Provision of management and financial services to related companies

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2019 %	2018 %	
Held by Yanlord Commercial Property Investments Pte. Ltd. and its subsidiaries (Cont'd)				
WBL Properties (China) (Private) Limited [1] [c]	Singapore	**89**	–	Investment holding and provision of management services to related companies
WBL Engineering & Distribution Pte. Ltd. [1] [c]	Singapore	**89**	–	Supply and installation of building materials, industrial laundry and automotive parts and equipment
WBL Hollingsworth Singapore Pte. Ltd. [1] [c]	Singapore	**70**	–	Investment holding
WBL International (1994) Limited [1] [c]	Singapore	**89**	–	Investment holding
WBL Precision (Private) Limited [1] [c]	Singapore	**89**	–	Investment holding
WBL Technology (Private) Limited [1] [c]	Singapore	**89**	–	Investment holding
Yanlord Investment (Singapore) Pte. Ltd. [1] [a] 仁恒投资(新加坡)有限公司	Singapore	**100**	49	Investment holding
Yanlord Singapore Office Pte. Ltd. [b]	Singapore	**100**	100	Investment holding
Yanlord Singapore Retail Pte. Ltd. [b]	Singapore	**100**	100	Investment holding
Far East Motors Malaysia Sendirian Berhad [1] [d]	Malaysia	**89**	–	Dormant
Kumpulan O'Connor's (Malaysia) Sdn. Bhd. [1] [d]	Malaysia	**89**	–	Investment holding
McAlister Engineering Sdn. Bhd. [1] [d]	Malaysia	**85**	–	In the process of striking off
O'Connor's Engineering Sdn. Bhd. [1] [d]	Malaysia	**89**	–	Supply, delivery, testing and commissioning of telecommunication, stage rigging system, audio-visual, studio projection and lighting equipment, data data communication, card access and security systems, and after-sales service

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Commercial Property Investments Pte. Ltd. and its subsidiaries (Cont'd)				
O'Connor's Technologies Sdn. Bhd. [1] [d]	Malaysia	**89**	–	Supply, delivery, testing and commissioning of telecommunication equipment and after-sales service
Peninsular Smart Sdn. Bhd. [1] [d]	Malaysia	**85**	–	Property owner and property developer
UED Developments (M) Sdn. Bhd. [1] [d]	Malaysia	**85**	–	Civil, electrical, mechanical engineers and contractors
WPSY (Malaysia) Sdn. Bhd. [1] [d]	Malaysia	**89**	–	Dormant
O'Connor's (B) Sdn Bhd [1]	Brunei	**89**	–	In the process of striking off
UE Myanmar Limited [1]	Myanmar	**85**	–	Dormant
UE Trade Corporation (India) Private Limited [1]	India	**85**	–	Dormant
WBL (Hong Kong) Limited [1]	Hong Kong	**89**	–	Investment holding
Chengdu Huaxin International Realty Co., Ltd. [1]	PRC	**89**	–	Property development
Chengdu WBL UEST New Tech Co., Ltd [1]	PRC	**75**	–	Production of bio-electronic products
Kunming Speedling Co., Ltd. [1]	PRC	**80**	–	Under liquidation
Shanghai WBL Enterprise Management Co., Ltd. [1]	PRC	**89**	–	Provision of management services for property development
Shenyang Huaxin International City Development Co., Ltd. [1]	PRC	**89**	–	Property development
Shenyang Huaxin International Realty Co., Ltd. [1]	PRC	**89**	–	Property development
Shenyang Summer Palace Property Development Co., Ltd. [1]	PRC	**89**	–	Property development
Shenzhen Technology Development Corporation [1]	PRC	**53**	–	Dormant

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Commercial Property Investments Pte. Ltd. and its subsidiaries (Cont'd)				
Shenzhen Weko Biotechnology Limited [1]	PRC	**80**	–	Dormant
Suzhou Future Agriworld Co., Ltd. [1]	PRC	**74**	–	Agribusiness exhibition and trade emporium centre
Suzhou Wearnes Technology Co., Ltd. [1]	PRC	**89**	–	Investment holding
WCSY Ltd [1]	PRC	**89**	–	Manufacture of electronic components
Wearnes Electronics Shenyang Ltd. [1]	PRC	**71**	–	Dormant
WPSY Ltd. [1]	PRC	**89**	–	Diecasting and precision engineering
WBL Technology (Shenyang) Ltd. [1]	PRC	**71**	–	Property investment
Yuan-Wearnes Technology (Changsha) Limited [1] [2]	PRC	**49**	–	Dormant
Pacific Silica Pty Ltd [1] [d]	Australia	**65**	–	Mineral sand mining
Cambion Electronics Limited [1]	United Kingdom	**89**	–	Manufacture of electronic connectors
Speedling, Incorporated [1]	United States of America	**89**	–	Transplant technology provider and production of seedlings
WBL (USA) Inc. [1]	United States of America	**89**	–	Investment holding
Held by Yanlord Land Pte. Ltd. and its subsidiaries				
Palovale Pte Ltd [a] 柏龙威有限公司	Singapore	**67**	67	Investment holding
Yanlord Property Pte. Ltd. [a] 仁恒地产有限公司	Singapore	**100**	100	Investment holding
Yanlord Real Estate Pte. Ltd. [a] 仁恒置业发展有限公司	Singapore	**95**	95	Investment holding

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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	Investment holding
Flourish Fair Limited [(b)] 茂艺有限公司	Hong Kong	**80**	80	Investment holding
Successful Global Consultancy Co., Limited [(b)] 成顺环球咨询有限公司	Hong Kong	**100**	100	Management services
Greens Investments Ltd. [(b)] 绿色投资有限公司	British Virgin Islands	**100**	100	Investment holding
Chongzhou Yanlord Land Co., Ltd. [(b)] 崇州仁恒置地有限公司	PRC	**80**	80	Property development
Chengdu Everrising Asset Management Co., Ltd. [(b)] 成都市恒业东升资产经营管理有限公司	PRC	**51**	51	Property development and investment
Chengdu Yanlord Investment Management Co., Ltd. [(b)] 成都仁恒投资管理有限公司	PRC	**100**	100	Management 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	Property management
Xinfu Trade (Chengdu) Co., Ltd. [(b)] 信富商贸(成都)有限公司	PRC	**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	Hotel and serviced apartment management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Yanlord Land (Chengdu) Co., Ltd. (b) 仁恒置地(成都)有限公司	PRC	**100**	100	Property development
Yanlord Real Estate (Chengdu) Co., Ltd. (b) 仁恒置业(成都)有限公司	PRC	**70**	70	Property development and management
Guiyang Yanlord Property Management Co., Ltd. (b) 贵阳仁恒物业管理有限公司	PRC	**100**	100	Property management
Haikou Yanlord Property Co., Ltd. (3) (b) 海口仁恒房地产有限公司	PRC	**100**	–	Property development
Hainan Jinzhonghong Industrial Development Co., Ltd. (b) 海南金中鸿实业发展有限公司	PRC	**51**	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. (b) 仁恒置地(海南)有限公司	PRC	**100**	100	Investment holding
Hangzhou Renan Property Co., Ltd. (b) 杭州仁安房地产有限公司	PRC	**100**	100	Property development
Hangzhou Renhang Property Management Co., Ltd. (4) (b) 杭州仁杭物业管理有限公司	PRC	**–**	100	Property management
Hangzhou Renhui Property Co., Ltd. (3) (b) 杭州仁惠房地产开发有限公司	PRC	**100**	–	Property development
Hangzhou Renrui Property Development Co., Ltd. (b) 杭州仁睿房地产开发有限公司	PRC	**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
		2019 %	2018 %	
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Jinan Yanlord Heyuan Real Estate Co., Ltd. (5) (b) 济南仁恒和院置业有限公司	PRC	**–**	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. (5) (b) 拉萨信富商贸有限公司	PRC	**–**	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	Property development
Nanjing Renbei Property Development Co., Ltd. (b) 南京仁北房地产开发有限公司	PRC	**70**	100	Property development
Nanjing Renxing Enterprise Management Co., Ltd. (3) (b) 南京仁兴企业管理有限公司	PRC	**100**	–	Business management
Nanjing Renyuan Investment Co., Ltd. (b) 南京仁远投资有限公司	PRC	**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**	100	Property development and investment
Nanjing Yanlord Construction Management Co., Ltd. (3) (b) 南京仁恒建设管理有限公司	PRC	**100**	–	Project management
Nanjing Yanlord Enterprise Management Co., Ltd. (7) (b) 南京仁恒企业管理有限公司	PRC	**100**	100	Investment holding
Nanjing Yanlord Hotel Management Co., Ltd. (b) 南京仁恒酒店管理有限公司	PRC	**100**	100	Hotel and serviced apartment management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Nanjing Yanlord Information Technology Co., Ltd. (b) 南京仁恒信息技术有限公司	PRC	**100**	100	Information technology
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	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	Property management
Nanjing Yanlord Real Estate Co., Ltd. (b) 南京仁恒置业有限公司	PRC	**100**	100	Property development
Nanjing Yu Dian Landscape Development Co., Ltd. (b) 南京御典园林发展有限公司	PRC	**80**	80	Landscaping and gardening
Yanlord Cultural Tourism Development Co., Ltd. (6) (b) 仁恒文旅发展有限公司	PRC	**100**	100	Tourism investment and asset management
Nantong Yanlord Intelligent Construction Hi-Tech Co., Ltd. (b) 南通仁恒智慧建筑科技有限公司	PRC	**100**	100	Construction engineering
Yanlord Land (Nantong) Co., Ltd. (b) 仁恒置地(南通)有限公司	PRC	**60**	60	Property development
Shenzhen Bantian Yanlord Investment and Development Co., Ltd. (b) 深圳市坂田仁恒投资发展有限公司	PRC	**100**	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	Property development

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held		Principal activities
		2019 %	2018 %	
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	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	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. [b] 深圳市仁恒商业管理有限公司	PRC	**100**	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	Property management
Xingheng (Shenzhen) Investment Management Co., Ltd. [b] 兴恒(深圳)投资实业有限公司	PRC	**100**	100	Investment holding
Yanlord Land (Shenzhen) Co., Ltd. [b] 仁恒置地(深圳)有限公司	PRC	**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	Hotel management
Yanlord (Shenzhen) Investment Management Co., Ltd. [b] 仁恒(深圳)投资实业有限公司	PRC	**100**	100	Investment holding
Shanghai Fengrui Trade Co., Ltd. [3] [b] 上海奉睿商贸有限公司	PRC	**100**	–	Trading of building materials and hardware

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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	Construction engineering
Shanghai Hong Ming Ge Food & Beverage Service Management Co., Ltd. [5] [b] 上海宏名阁餐饮服务管理有限公司	PRC	**–**	60	Restaurant operation
Shanghai Pudong New District Private Yanlord Kindergarten [8] [b] 上海市浦东新区民办仁恒幼儿园	PRC	**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	Property development
Shanghai Renchong Real Estate Co., Ltd. [3] [b] 上海仁崇置业有限公司	PRC	**100**	–	Property management
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 Renjia Property Development Co., Ltd. [3] [b] 上海仁嘉房地产开发有限公司	PRC	**100**	–	Property development
Shanghai Renjie Hebin Garden Property Co., Ltd. [b] 上海仁杰河滨园房地产有限公司	PRC	**51**	51	Property development
Shanghai Renlan Industrial Co., Ltd. [3] [b] 上海仁斓实业有限公司	PRC	**100**	–	Property development
Shanghai Renlan Real Estate Co., Ltd. [3] [b] 上海仁澜置业有限公司	PRC	**100**	–	Property management
Shanghai Renpin Property Development Co., Ltd. [2] [b] 上海仁品房地产开发有限公司	PRC	**50**	50	Property development and management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Shanghai Renpu Real Estate Co., Ltd. (3) (b) 上海仁浦置业有限公司	PRC	**100**	–	Property 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. (4) (b) 上海仁晟置业有限公司	PRC	**–**	100	Property development and management
Shanghai Renzhu Real Estate Co., Ltd. (3) (b) 上海仁竺置业有限公司	PRC	**100**	–	Property management
Shanghai Renzhuo Industrial Co., Ltd. (3) (b) 上海仁琢实业有限公司	PRC	**100**	–	Property development
Shanghai Yanlord Education Training Co., Ltd. (b) 上海仁恒教育培训有限公司	PRC	**100**	100	Education and training
Shanghai Yanlord Elevator Co., Ltd. (b) 上海仁恒电梯有限公司	PRC	**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	Cultural and art performance
Shanghai Yanlord Gaoqiao Property Co., Ltd. (8) (b) 上海仁恒高乔房地产有限公司	PRC	**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	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	Management services and investment

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Shanghai Yanlord Investment Management Co., Ltd. [9] [b] 上海仁恒投资管理有限公司	PRC	**–**	100	Management services and investment
Shanghai Yanlord Land Property Management Service Co., Ltd. [b] 上海仁恒置地物业服务管理有限公司	PRC	**100**	100	Property management
Shanghai Yanlord Property Co., Ltd. [b] 上海仁恒房地产有限公司	PRC	**67**	67	Property development
Shanghai Yanlord Property Management Co., Ltd. [b] 上海仁恒物业管理有限公司	PRC	**67**	67	Property management
Shanghai Yanlord Real Estate Co., Ltd. [b] 上海仁恒置业发展有限公司	PRC	**57**	57	Property development
Shanghai Yanlord Senlan Real Estate Co., Ltd. [b] 上海仁恒森兰置业有限公司	PRC	**100**	100	Property development
Shanghai Yanlord Xing Tang Real Estate Co., Ltd. [b] 上海仁恒兴唐置业有限公司	PRC	**100**	100	Property development and management
Shanghai Yanlord Yangpu Property Co., Ltd. [b] 上海仁恒杨浦房地产有限公司	PRC	**100**	100	Property development
Shanghai Zhongting Property Development Co., Ltd. [9] [b] 上海中庭房地产开发有限公司	PRC	**–**	100	Property development
Yanlord (China) Investment Group Co., Ltd. [10] [b] 仁恒(中国)投资集团有限公司	PRC	**100**	100	Management services

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
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	Investment management
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	Property and investment management
Hainan Yanlord Beautycrown Cultural Tourism Development Co., Ltd. (11) (b) 海南仁恒美丽之冠文化旅游发展有限公司	PRC	**–**	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	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	Tourism and travel services
Changshu Future Land Yuexin Property Development Co., Ltd. (1) (b) 常熟新城悦欣房地产开发有限公司	PRC	**85**	–	Property development
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	Property development
Suzhou Renan Real Estate Co., Ltd. (2) (b) 苏州仁安置业有限公司	PRC	**30**	30	Property development
Suzhou Rendao Enterprise Management Co., Ltd. (12) (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	Property development

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Suzhou Yinghan Property Development Co., Ltd. (b) 苏州鹰汉房地产开发有限公司	PRC	**100**	100	Property development
Suzhou Zhonghui Property Development Co., Ltd. (b) 苏州中辉房地产开发有限公司	PRC	**100**	100	Property development
Yanlord Property Development (Suzhou) Co., Ltd. (b) 仁恒置业(苏州)有限公司	PRC	**100**	100	Property development and management
Yanlord Property (Suzhou) Co., Ltd. (b) 仁恒地产(苏州)有限公司	PRC	**100**	100	Property development
Taicang Renzhuo Real Estate Co., Ltd. (3) (b) 太仓市仁琢置业有限公司	PRC	**100**	–	Property development
Tangshan Yanlord Property Management Co., Ltd. (b) 唐山仁恒物业服务有限公司	PRC	**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	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	Leisure and fitness
Tianjin Yanlord Garden Co., Ltd. (b) 天津艺宛园林有限公司	PRC	**80**	80	Landscaping and gardening
Tianjin Yanlord Haihe Development Co., Ltd. (b) 天津仁恒海河开发有限公司	PRC	**80**	80	Property development
Tianjin Yanlord Property Management Co., Ltd. (b) 天津仁恒物业服务有限公司	PRC	**100**	100	Property management

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Yanlord Development (Tianjin) Co., Ltd. (b) 仁恒发展(天津)有限公司	PRC	**100**	100	Property development
Wuhan Yanlord Zhuyeshan Real Estate Co., Ltd. (b) 武汉仁恒竹叶山置业有限公司	PRC	**55**	55	Property development
Yanlord Land (Wuhan) Co., Ltd. (b) 仁恒置地(武汉)有限公司	PRC	**100**	100	Property development
Yancheng Real Estate Co., Ltd. (1) (b) 盐城房投置业有限公司	PRC	**51**	–	Property development
Yancheng Renlan Real Estate Co., Ltd. (3) (b) 盐城仁斓置业有限公司	PRC	**100**	–	Property development
Zhuhai Maokai Eco Hi-tech Co., Ltd. (b) 珠海茂凯生态科技有限公司	PRC	**80**	80	Landscaping and gardening
Zhuhai Renyuan Investment Co., Ltd. (b) 珠海仁远投资有限公司	PRC	**100**	100	Management services and investment
Zhuhai Renyuan Land Co., Ltd. (b) 珠海市仁远置地有限公司	PRC	**100**	100	Property development
Zhuhai Renyuan Property Development Co., Ltd. (3) (b) 珠海仁远房地产开发有限公司	PRC	**100**	–	City redevelopment
Zhuhai Renyuan Real Estate Co., Ltd. (b) 珠海仁远置业有限公司	PRC	**100**	100	City redevelopment
Zhuhai Yanlord Commercial Operation and Management Co., Ltd. (5) (b) 珠海仁恒商业经营管理有限公司	PRC	**–**	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	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

10 INVESTMENTS IN SUBSIDIARIES (Cont'd)

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership interest and voting power held 2019 %	2018 %	Principal activities
Held by Yanlord Land Pte. Ltd. and its subsidiaries (Cont'd)				
Zhuhai Yanlord Industrial Ltd. [(b)] 珠海仁恒实业有限公司	PRC	**95**	95	Property development
Zhuhai Yanlord Property Management Co., Ltd. [(b)] 珠海仁恒物业管理有限公司	PRC	**100**	100	Property management
Zhuhai Yanlord Real Estate Development Co., Ltd. [(b)] 珠海仁恒置业发展有限公司	PRC	**90**	90	Property development
Zhongshan Renyuan Investment Co., Ltd. [(b)] 中山仁远投资有限公司	PRC	**100**	100	Investment holding
Zhongshan Renyuan Real Estate Co., Ltd. [(b)] 中山仁远置业有限公司	PRC	**100**	100	Investment holding

(1) Acquired during 2019 (Note 33).

(2) 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.

(3) Incorporated during 2019.

(4) As a result of disposal of partial interest to third parties, the Group lost control and reclassified the entities from subsidiaries to joint ventures during the year (Note 34).

(5) Liquidated during 2019.

(6) Formerly known as Nanjing Yanlord Cultural Tourism Industry Development Co., Ltd. 南京仁恒文化旅游产业发展有限公司.

(7) Formerly known as Yanlord Investment (Nanjing) Co., Ltd. 仁恒投资(南京)有限公司.

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

(9) As a result of change of immediate holding companies from Group's subsidiaries to joint ventures, the Group lost control and reclassified the entities from subsidiaries to joint ventures during the year (Note 34).

(10) Formerly known as Yanlord Land Investment Management (Shanghai) Co., Ltd. 仁恒置地投资管理(上海)有限公司.

(11) As a result of change of articles of association, the Group lost control and reclassified the entity from subsidiary to joint venture during the year (Note 34).

(12) Disposed during 2019.

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.

(c) Audited by Ernst & Young LLP, Singapore.

(d) Audited by member firms of Ernst & Young Global in the respective countries.

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	
	2019 RMB'000	2018 RMB'000
Amount paid on change of interest in subsidiaries	**3,017,933**	1,900,988
Non-controlling interests acquired	**(3,654,610)**	(2,032,104)
Difference recognised in statutory and other reserve	**(636,677)**	(131,116)

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		Profit (Loss) attributable to non-controlling interests		Accumulated non-controlling interests	
		2019 %	2018 %	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Shanghai Renpin Property Development Co., Ltd. 上海仁品房地产开发有限公司	PRC	**50**	50	**403,499**	965,060	**3,368,128**	2,964,629
Shanghai Yanlord Hongqiao Property Co., Ltd. 上海仁恒虹桥房地产有限公司	PRC	**40**	40	**101,578**	350,038	**1,747,787**	2,046,209
Suzhou Renan Real Estate Co., Ltd. 苏州仁安置业有限公司	PRC	**70**	70	**935,178**	(44,178)	**1,007,117**	71,939
Individually immaterial subsidiaries with non-controlling interests				**397,393**	579,960	**5,537,432**	2,765,737
				1,837,648	1,850,880	**11,660,464**	7,848,514

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.

	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		Suzhou Renan Real Estate Co., Ltd. 苏州仁安置业有限公司	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Non-current assets	**570**	88,463	**39,090**	45,658	**1,688**	11,132
Current assets	**7,593,776**	7,554,232	**5,366,501**	6,599,830	**4,093,920**	7,800,247
Non-current liabilities	**(26,757)**	–	**–**	–	**–**	–
Current liabilities	**(1,731,333)**	(2,613,437)	**(1,036,123)**	(1,529,965)	**(2,656,869)**	(7,708,609)
Total equity	**5,836,256**	5,029,258	**4,369,468**	5,115,523	**1,438,739**	102,770
Equity attributable to:						
Owners of the Company	**2,468,128**	2,064,629	**2,621,681**	3,069,314	**431,622**	30,831
Non-controlling interests	**3,368,128**	2,964,629	**1,747,787**	2,046,209	**1,007,117**	71,939
Revenue	**2,137,490**	5,953,875	**190,341**	2,816,609	**7,390,786**	(3,451)
Profit (Loss) for the year, representing total comprehensive income (expense) for the year	**806,998**	1,930,120	**253,945**	875,095	**1,335,969**	(63,111)
Total comprehensive income (expense) attributable to:						
Owners of the Company	**403,499**	965,060	**152,367**	525,057	**400,791**	(18,933)
Non-controlling interests	**403,499**	965,060	**101,578**	350,038	**935,178**	(44,178)
Net cash inflow (outflow) from:						
– Operating activities	**722,981**	(67,235)	**(282,010)**	1,557,930	**2,466,056**	2,985,305
– Investing activities	**(2,833,418)**	226,247	**626,470**	(2,124,346)	**(1,457,702)**	(2,172,721)
– Financing activities [1]	**(199,587)**	199,998	**(1,000,000)**	(360,000)	**(950,000)**	(1,662,235)
Net cash (outflow) inflow	**(2,310,024)**	359,010	**(655,540)**	(926,416)	**58,354**	(849,651)
[1] Including dividend paid to non-controlling interests	**–**	–	**–**	(342,000)	**–**	–

11 INVESTMENTS IN ASSOCIATES / NON-TRADE AMOUNTS DUE FROM / TO ASSOCIATES

	GROUP	
	2019 RMB'000	2018 RMB'000
Cost of investments in associates	**2,105,117**	1,396,814
Share of post-acquisition profit and other comprehensive income, net of dividend received	**96,429**	21,779
	2,201,546	1,418,593
Non-trade amounts due from associates (Note 6)		
– Non-current assets	**875,773**	–
– Current assets	**1,436,013**	1,201,290
Non-trade amounts due to associates (Current liabilities) (Note 6)	**665,085**	257,596

As at December 31, 2019, the Group's non-current non-trade amounts due from associates are interest-free, unsecured and are not expected to be repayable within the next 12 months.

As at December 31, 2019, the Group's current non-trade amounts due from associates are interest-free, unsecured and repayable on demand except for the amounts of RMB887 million (2018 : RMB1.077 billion) which bear interests at 8.0% to 9.0% (2018 : 4.35% to 12.0%) per annum and are repayable within 1 year from the end of the reporting period.

As at December 31, 2019, the Group's current non-trade amounts due to associates are interest-free, unsecured and repayable on demand except for the amount of RMB459 million (2018 : RMB30 million) which bears interest at 12.0% (2018 : 8.0%) per annum and is repayable within 1 year from the end of the reporting period.

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Group's share of profit (loss) from continuing operations	**73,716**	(12,689)
Group's share of other comprehensive income	**934**	–
Group's share of total comprehensive income (expense)	**74,650**	(12,689)
Aggregate carrying amount of the Group's interests in these associates	**2,201,546**	1,418,593

Unrecognised share of loss of an associate

	GROUP	
	2019 RMB'000	2018 RMB'000
Group's share of unrecognised loss of an associate for the year	**7**	–
Cumulative unrecognised share of loss of an associate	**7**	–

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Cost of investments in joint ventures	**6,258,035**	5,387,165
Share of post-acquisition profit and other comprehensive income	**373,347**	509,997
	6,631,382	5,897,162
Non-trade amounts due from joint ventures (Note 6)		
– Non-current assets	**3,857,552**	5,914,815
– Current assets	**10,583,186**	9,833,539
Non-trade amounts due to joint ventures (Note 6)		
– Non-current liabilities	**200,000**	805,377
– Current liabilities	**3,277,093**	674,391

As at December 31, 2019, the Group's non-current non-trade amounts due from joint ventures are interest-free, unsecured and are not expected to be repayable within the next 12 months except for the amounts of RMB1.727 billion (2018 : RMB4.874 billion) which bear interests at 6.25% to 9.0% (2018 : 6.0% to 9.0%) per annum and are repayable within 2 to 3 years (2018 : 2 to 3 years) from the end of the reporting period.

As at December 31, 2019, the Group's current non-trade amounts due from joint ventures are interest-free, unsecured and repayable on demand except for the amounts of RMB4.240 billion (2018 : RMB9.302 billion) which bear interests at 4.35% to 10.0% (2018 : 4.35% to 9.0%) per annum and are repayable within 1 year from the end of the reporting period.

As at December 31, 2019, the Group's non-current non-trade amounts due to joint ventures are interest-free, unsecured and are not expected to be repayable within the next 12 months. As at December 31, 2018, included in the non-current amounts due to joint ventures were the amounts of RMB600 million which bore 3.42% to 5.7% per annum and were repayable within 2 years from the end of the reporting period.

As at December 31, 2019, the Group's current non-trade amounts due to joint ventures are interest-free, unsecured and repayable on demand except for the amounts of RMB1.690 billion (2018 : RMB NIL) which bear interests at 3.42% to 7.0% per annum and are repayable within 1 year from the end of the reporting period.

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Group's share of profit from continuing operations	**269,473**	74,123
Group's share of other comprehensive income	**24,577**	5,131
Group's share of total comprehensive income	**294,050**	79,254
Aggregate carrying amount of the Group's interests in joint ventures	**6,631,382**	5,897,162

Unrecognised share of loss of joint ventures

	GROUP	
	2019 RMB'000	2018 RMB'000
Group's share of unrecognised loss of joint ventures for the year	**18,635**	–
Cumulative unrecognised share of loss of joint ventures	**18,635**	–

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

The Group's non-trade amounts due from non-controlling shareholders of subsidiaries are interest-free, unsecured and repayable on demand except as disclosed below:

a) As at December 31, 2019, amounts of RMB540 million (2018 : RMB570 million) bear interests at 1.5% to 8.0% (2018 : 1.5% to 8.0%) per annum. These amounts are unsecured and repayable within 1 year (2018 : 1 year) from the end of the reporting period.

b) As at December 31, 2019, amount of RMB200 million (2018 : RMB200 million) which bears interest at the People's Bank of China's benchmark rate is unsecured and repayable within 1 year (2018 : 2 years) from the end of the reporting period.

c) As at December 31, 2019, amount of RMB35 million (2018 : RMB34 million) which bears interest at 4.35% (2018 : 4.35%) per annum and is 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 2019 and 2018.

d) As at December 31, 2019, amount of RMB803 million (2018 : RMB803 million) bears interest at the People's Bank of China's benchmark rate (2018 : the People's Bank of China's benchmark rate) per annum. This amount 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 (2018 : 1 year) from the end of the reporting period.

As at December 31, 2019, the Group's non-trade amounts due to non-controlling shareholders of subsidiaries are interest-free, unsecured and repayable on demand except for the amounts of RMB129 million (2018 : RMB403 million) bear interests at 8.0% to 9.5% (2018 : 6.0% to 9.5%) per annum and are repayable within 1 year (2018 : 1 year) from the end of the reporting period.

14 OTHER RECEIVABLES AND DEPOSITS

	GROUP		COMPANY	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Advances to suppliers	**62,497**	70,411	**–**	–
Deposits for projects	**2,182,514**	1,643,786	**–**	–
Staff loans	**5,816**	10,855	**–**	–
Prepayments	**561,782**	16,746	**306**	1
Value added tax ("VAT") prepayment	**767,600**	500,515	**–**	–
Sales-related tax prepayment	**34,328**	42,703	**–**	–
Interest receivables	**123,840**	62,714	**–**	–
Payments for resettlement [(1)]	**600,319**	600,319	**–**	–
Loan receivables	**1,089,386**	1,768,805	**–**	–
Other receivables	**707,939**	250,622	**–**	–
	6,136,021	4,967,476	**306**	1
Analysed as:				
Current	**3,762,369**	1,853,358	**306**	1
Non-current	**2,373,652**	3,114,118	**–**	–
	6,136,021	4,967,476	**306**	1

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

14 OTHER RECEIVABLES AND DEPOSITS (Cont'd)

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	
	2019 RMB'000	2018 RMB'000
Club memberships	**812**	2,092

Management assesses the marketable value of the club memberships and determined that they were in excess of their carrying amounts.

16 DEFERRED TAXATION

	GROUP	
	2019 RMB'000	2018 RMB'000
Deferred tax assets	**596,801**	472,281
Deferred tax liabilities	**(4,212,852)**	(2,831,594)
	(3,616,051)	(2,359,313)

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	Revaluation from acquisition of subsidiaries RMB'000	Accrued income on completed project RMB'000	Accelerated tax depreciation and excess of tax deductible expenses RMB'000	Withholding tax RMB'000	Tax losses RMB'000	Excess of tax deductible development costs and other expenses RMB'000	Others RMB'000	Total RMB'000
GROUP									
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)
(Charge) Credit to profit or loss for the year (Note 28)	(544,302)	43,561	4,133	7,727	(96,168)	9,296	(22,006)	177	(597,582)
Acquisition of subsidiaries	–	(571,853)	(210,802)	(16,040)	–	26,412	65,003	(5,853)	(713,133)
Change of control from subsidiary to joint venture	–	–	–	–	–	(715)	–	–	(715)
Transfer to income tax payable	–	–	–	–	52,543	–	–	–	52,543
Exchange difference	–	1,004	937	(146)	–	(351)	13,369	(12,664)	2,149
At December 31, 2019	(2,706,829)	(527,288)	(205,732)	15,587	(712,692)	204,964	334,279	(18,340)	(3,616,051)

16 DEFERRED TAXATION (Cont'd)

At the end of the reporting period, the Group has unutilised tax losses of RMB2.467 billion (2018 : RMB1.240 billion) available for offset against future profits subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the entities operate. A deferred tax asset of RMB205 million (2018 : RMB170 million) has been recognised in respect of RMB827 million (2018 : RMB682 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 RMB1.640 billion (2018 : RMB558 million) due to the unpredictability of future profit streams. The tax losses have no expiry date except for RMB1.781 billion (2018: RMB1.240 billion) which will expire between 2020 and 2036 (2018: 2019 and 2023), subject to the conditions imposed by law including the retention of majority shareholders as defined.

17 PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Pledged bank deposits	**469,558**	331,048	**–**	–
Cash on hand	**1,190**	1,564	**7**	7
Cash at bank	**12,190,629**	9,651,123	**1,577**	9,397
Fixed deposits	**1,625,770**	664,687	**–**	–
Cash and cash equivalents	**13,817,589**	10,317,374	**1,584**	9,404

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.

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 RMB1.153 billion (2018 : RMB1.321 billion) 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.

19 SHARE CAPITAL

	GROUP AND COMPANY			
	2019 '000	2018 '000	2019 RMB'000	2018 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			
	2019 '000	2018 '000	2019 RMB'000	2018 RMB'000
	Number of ordinary shares			
At beginning and end of year	**17,201**	17,201	**132,309**	132,309

As of the end of the reporting period, the Company acquired 17,201,100 of its own shares through purchases on the Singapore Exchange and the total amount paid to acquire the shares was RMB132 million, which had been deducted from equity attributable to owners of the Company. The shares are held as "treasury shares".

21 BANK AND OTHER BORROWINGS

	GROUP		COMPANY	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
The bank and other borrowings are repayable as follows:				
On demand or within one year	**14,477,599**	8,293,294	**–**	639,509
More than one year but not exceeding two years	**7,290,881**	14,610,239	**–**	–
More than two years but not exceeding five years	**10,413,262**	5,514,504	**–**	–
More than five years	**4,378,990**	7,873,435	**–**	–
	36,560,732	36,291,472	**–**	639,509
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(14,477,599)**	(8,293,294)	**–**	(639,509)
Amount due for settlement after 12 months	**22,083,133**	27,998,178	**–**	–
Secured:				
– Current	**4,600,836**	4,144,658	**–**	–
– Non-current	**17,451,951**	12,148,502	**–**	–
	22,052,787	16,293,160	**–**	–
Unsecured:				
– Current	**9,876,763**	4,148,636	**–**	639,509
– Non-current	**4,631,182**	15,849,676	**–**	–
	14,507,945	19,998,312	**–**	639,509
	36,560,732	36,291,472	**–**	639,509

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	
	2019 RMB'000	2018 RMB'000
Properties for development	**389,558**	14,491,578
Completed properties for sale	**259,371**	259,371
Properties under development for sale	**14,974,670**	10,258,694
Investment properties	**17,721,593**	8,160,500
Freehold land and buildings	**24,619**	–
Leasehold land and buildings	**2,443,112**	1,009,209
Motor vehicles	**5,008**	–
Construction-in-progress	**–**	20,000
Bank deposits	**463,587**	–

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.

			Non-cash changes				
	January 1, 2018 RMB'000	Financing cash flow RMB'000	Deferred finance charge RMB'000	Foreign exchange movement RMB'000	Dividend declared RMB'000	Other changes RMB'000	December 31, 2018 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 (4)	–	–	–	227,253	257,596
Non-trade amounts due to joint ventures	–	1,174,391 (5)	–	–	–	305,377	1,479,768
Non-trade amounts due to directors	49,663	5,590 (6)	–	1,062	–	–	56,315
Non-trade amounts due to non-controlling shareholders of subsidiaries	1,954,198	(2,311,086) (7)	–	–	1,496,287	(434,260)	705,139
Non-trade amounts due to other related parties	55,676	(10,868) (8)	–	–	–	–	44,808
Dividend payable	–	(630,453) (9)	–	–	630,453	–	–
Total	35,192,559	6,168,322	62,516	576,123	2,126,740	149,066	44,275,326

21 BANK AND OTHER BORROWINGS (Cont'd)

	January 1, 2019 RMB'000	Financing cash flow RMB'000	Non-cash changes: Effect of adoption of SFRS(I) 16 RMB'000	Non-cash changes: Acquisition of subsidiaries RMB'000	Non-cash changes: Change from subsidiaries to joint ventures RMB'000	Non-cash changes: Deferred finance charge RMB'000	Non-cash changes: Foreign exchange movement RMB'000	Non-cash changes: Dividend declared RMB'000	Other changes RMB'000	December 31, 2019 RMB'000
Bank and other borrowings	36,291,472	1,957,111 [(1)]	–	6,597,323	(8,500,000)	48,189	166,637	–	–	36,560,732
Senior notes	5,440,228	2,720,066 [(2)]	–	777,120	–	–	137,520	–	5,997	9,080,931
Lease liabilities	–	(24,765) [(3)]	91,366	294,073	(8,053)	–	231	–	8,261	361,113
Non-trade amounts due to associates	257,596	621,535 [(4)]	–	–	–	–	–	–	(214,046)	665,085
Non-trade amounts due to joint ventures	1,479,768	825,916 [(5)]	–	–	647,197	–	–	–	524,212	3,477,093
Non-trade amounts due to directors	56,315	52,068 [(6)]	–	–	–	–	1,106	–	–	109,489
Non-trade amounts due to non-controlling shareholders of subsidiaries	705,139	(2,379,946) [(7)]	–	1,522,003	(6,751)	–	–	347,979	297,471	485,895
Non-trade amounts due to other related parties	44,808	(36,304) [(8)]	–	–	–	–	–	–	–	8,504
Dividend payable	–	(652,033) [(9)]	–	–	–	–	–	652,033	–	–
Total	44,275,326	3,083,648	91,366	9,190,519	(7,867,607)	48,189	305,494	1,000,012	621,895	50,748,842

(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 represent the proceeds on issue of senior notes in the consolidated statement of cash flows.

(3) The cash flows represent repayment of lease liabilities in the consolidated statement of cash flows.

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

(5) The cash flows represent advance from joint ventures in the consolidated statements of cash flows.

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

(7) 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.

(8) The cash flows represent repayment to other related parties in the consolidated statements of cash flows.

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

22 SENIOR NOTES

The senior notes comprise notes issued from 2016 to 2019.

Notes 2021

The senior notes amounting to S$150 million (equivalent to RMB774 million) were issued by a subsidiary of the Company on June 1, 2016 ("Notes 2021") for a term of five years with maturity date on June 1, 2021, bears interest at 3.68% per annum with interest payable on June 1 and December 1 of each year, commencing on December 1, 2016. The senior notes were denominated in SG dollars. During the year ended December 31, 2019, the cumulative interests accrued on Notes 2021 were calculated by applying effective interest rates of 3.68% per annum.

22 SENIOR NOTES (Cont'd)

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, 2019, the cumulative interests accrued on Notes 2022 were calculated by applying effective interest rates of 6.2% (2018 : 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 RMB3.141 billion as at December 31, 2019 (2018 : RMB3.088 billion). 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, 2019, the cumulative interests accrued on Notes 2023 were calculated by applying effective interest rates of 7.2% (2018 : 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 RMB2.443 billion as at December 31, 2019 (2018 : RMB2.402 billion). Additionally, shares in five of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2023.

Notes 2024

The senior notes amounting to US$400 million (equivalent to RMB2.792 billion) were issued by a wholly-owned subsidiary of the Company on August 27, 2019 ("Notes 2024") for a term of four and half years with maturity date on February 27, 2024, bears interest at 6.8% per annum with interest payable on February 27 and August 27 of each year, commencing on February 27, 2020. The senior notes are denominated in US dollars. During the year ended December 31, 2019, the cumulative interests accrued on Notes 2024 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 2024. The joint guarantee approximates RMB2.792 billion as at December 31, 2019. Additionally, shares in five of its subsidiaries are charged in favour of the global security agent and trustee of Notes 2024.

	GROUP	
	2019 RMB'000	2018 RMB'000
Nominal value of senior notes issued	**9,150,960**	5,490,560
Transaction costs [1]	**(101,897)**	(66,713)
At date of issue [2]	**9,049,063**	5,423,847
Cumulative interest accrued	**920,507**	479,882
Cumulative interest paid	**(708,739)**	(353,239)
Total	**9,260,831**	5,550,490
Interest payable within one year included in other payables (Note 24)	**(179,900)**	(110,262)
Liability at end of year, presented as non-current liability	**9,080,931**	5,440,228

(1) Transaction costs included non-audit fees of RMB2 million (2018 : RMB2 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.

23 TRADE PAYABLES

	GROUP	
	2019 RMB'000	2018 RMB'000
Non-controlling shareholder of a subsidiary	**666,305**	1,202,086
Outside parties	**7,881,240**	7,044,895
	8,547,545	8,246,981

The average credit period for trade payables is 159 days (2018 : 163 days).

24 OTHER PAYABLES

	GROUP		COMPANY	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Advances received from customers	**424,079**	511,170	**–**	–
Deposits for projects	**4,025,260**	–	**–**	–
Consideration payables for acquisition	**499,664**	40,000	**–**	–
Accrued expenses	**341,739**	91,827	**3,051**	3,837
VAT payable	**190,403**	69,668	**–**	–
Sales-related tax payable	**33,280**	21,161	**–**	–
Interest payable on senior notes	**179,900**	110,262	**–**	–
Other interest payable	**54,492**	47,879	**–**	–
Other payables	**1,304,673**	561,386	**–**	–
	7,053,490	1,453,353	**3,051**	3,837
Analysed as:				
Current	**6,607,418**	1,453,353	**3,051**	3,837
Non-current	**446,072**	–	**–**	–
	7,053,490	1,453,353	**3,051**	3,837

25 REVENUE AND CONTRACT LIABILITIES

	GROUP	
	2019 RMB'000	2018 RMB'000
Types of goods or services		
Income from property development – sales of properties	**16,786,811**	23,678,500
Income from hotel operations	**358,551**	137,744
Income from others	**965,796**	660,329
	18,111,158	24,476,573
Income from property investment – lease of properties	**555,200**	411,468
Total	**18,666,358**	24,888,041
Timing of revenue recognition		
A point in time	**16,867,442**	23,678,500
Over time	**1,243,716**	798,073
Total	**18,111,158**	24,476,573

25 REVENUE AND CONTRACT LIABILITIES (Cont'd)

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	
	2019 RMB'000	2018 RMB'000
Revenue expected to be recognised within one year	**12,575,818**	12,881,736
Revenue expected to be recognised after one year	**1,809,940**	–
	14,385,758	12,881,736

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	
	2019 RMB'000	2018 RMB'000
Contract liabilities	**11,889,420**	9,857,831

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.

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Revenue recognised from sales of properties	**9,134,916**	16,787,962

26 OTHER OPERATING INCOME AND OTHER GAINS

	GROUP	
	2019 RMB'000	2018 RMB'000
Dividend income from other financial asset	**–**	347
Fair value gain on financial asset at FVTPL	**278**	142
Fair value gain from put liability to acquire non-controlling interests	**167,963**	13,411
Interest income	**718,990**	551,080
Net gain on disposal of property, plant and equipment	**–**	447
Net gain on disposal of investment properties	**1,475**	1,009
Payable written off	**6,523**	–
Gain on bargain purchase (Note 33)	**1,518,641**	–
Loss on remeasurement of retained interests in associates and joint venture (Note 33)	**(564,459)**	–
Net foreign exchange gain	**–**	102,119
Government subsidies	**7,718**	7,789
Others	**41,348**	38,243
Total	**1,898,477**	714,587

27 FINANCE COST

	GROUP	
	2019 RMB'000	2018 RMB'000
Interest on bank and other borrowings	**2,010,643**	1,920,519
Interest on senior notes	**430,230**	306,104
Interest on lease liabilities	**4,448**	–
Interest to associates	**1,140**	342
Interest to joint ventures	**39,001**	5,446
Interest to non-controlling shareholders of subsidiaries	**45,298**	40,414
Total borrowing costs	**2,530,760**	2,272,825
Less: Interest capitalised in		
– investment properties	**–**	(16,312)
– properties for development	**(208,337)**	(807,772)
– properties under development for sale	**(1,046,584)**	(754,747)
Net	**1,275,839**	693,994

28 INCOME TAX

	GROUP	
	2019 RMB'000	2018 RMB'000
Current	**1,044,962**	2,086,768
Deferred income tax (Note 16)	**501,414**	36,436
Deferred withholding tax (Note 16)	**96,168**	222,862
Land appreciation tax ("LAT")	**1,929,775**	2,840,119
Under (Over) provision in prior years	**34,644**	(39,978)
Total	**3,606,963**	5,146,207

In 2019 and 2018, 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	
	2019 RMB'000	2018 RMB'000
Profit before income tax	**8,795,062**	10,541,657
Income tax expense at PRC applicable tax rate of 25%*	**2,198,766**	2,635,414
Non-deductible items	**164,661**	94,776
Non-taxable items	**(396,313)**	(17,763)
Effect of unutilised tax losses not recognised as deferred tax assets	**198,604**	70,147
Effect of different tax rates for certain subsidiaries	**(132,011)**	6,300
LAT	**1,929,775**	2,840,119
Effect of tax deduction on LAT	**(481,837)**	(710,030)
Withholding tax incurred	**96,168**	222,862
Under (Over) provision in prior years	**34,644**	(39,978)
Others	**(5,494)**	44,360
Total income tax expense	**3,606,963**	5,146,207

* 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 RMB96 million (2018 : RMB223 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.

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 (2018 : RMB597 million) (before effects of deductibility for income tax assessment purpose and adjustment for non-controlling interests) as at December 31, 2019. 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).

28 INCOME TAX (Cont'd)

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

29 PROFIT FOR THE YEAR

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Allowance for doubtful debts and bad debts written off	**107**	3,782
Depreciation of property, plant and equipment	**164,422**	87,521
Depreciation of right-of-use assets	**28,156**	–
Employee benefits expense (including directors' remuneration):		
Retirement benefit scheme contributions	**111,469**	100,365
Salaries and other short-term benefits	**1,195,829**	975,472
Total employee benefits expense	**1,307,298**	1,075,837
Directors' fees	**2,025**	1,962
Directors' remuneration recorded in:		
– the Company	**51,613**	54,492
– the subsidiaries	**6,287**	6,095
	57,900	60,587
Net foreign exchange loss (gain)	**34,190**	(102,119)
Cost of completed properties for sale recognised as expenses	**9,812,689**	12,724,529
Audit fees:		
– paid to auditors of the Company	**4,830**	4,951
– paid to other auditors of the subsidiaries	**6,143**	3,193
Total audit fees	**10,973**	8,144
Non-audit fees:		
– paid to auditors of the Company [1]	**1,484**	1,050
– paid to other auditors of the subsidiaries	**788**	1,147
Total non-audit fees	**2,272**	2,197
Aggregate amount of fees paid to auditors	**13,245**	10,341

(1) In 2019 and 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).

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	
	2019 RMB'000	2018 RMB'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**3,350,451**	3,544,570

	GROUP	
	2019 '000	2018 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,931,535**	1,931,535

	GROUP	
	2019	2018
Earnings per share (Renminbi cents):		
Basic and diluted	**173.46**	183.51

There is no potential dilutive ordinary share in 2019 and 2018.

31 DIVIDENDS

In 2019, approximately RMB652 million of dividends was paid in respect of a first and final one-tier tax exempt dividend of 6.80 Singapore cents (equivalent to 33.76 Renminbi cents) per ordinary share declared for the financial year ended December 31, 2018.

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 respect of the current year, the directors proposed a first and final one-tier tax exempt dividend of 6.80 Singapore cents (equivalent to 34.31 Renminbi cents) per ordinary share amounting to approximately RMB663 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, business of mining and manufacture of die-cast precision parts and components, supply and installation of building materials, provision of system integration for broadcasting and multimedia and others.

Information regarding the operations of each reportable segments are included below. 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 mainly 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	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Property development	**16,786,811**	23,678,500	**6,656,048**	10,446,235
Property investment and hotel operations	**913,751**	549,212	**2,072,884**	443,861
Others	**965,796**	660,329	**66,130**	(348,439)
Total	**18,666,358**	24,888,041	**8,795,062**	10,541,657

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	
	2019 RMB'000	2018 RMB'000
Property development	**78,417,086**	69,522,884
Property investment and hotel operations	**32,260,034**	17,782,805
Others	**19,218,189**	19,375,090
Total assets	**129,895,309**	106,680,779

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.

32 SEGMENT INFORMATION (Cont'd)

Other segment information

	GROUP			
	Depreciation		Additions to non-current assets	
	2019 RMB'000	2018 RMB'000	2019 RMB'000	2018 RMB'000
Property development	**21,952**	19,514	**7,620,430**	3,038,242
Property investment and hotel operations	**131,830**	70,122	**247,289**	558,208
Others	**13,754**	1,139	**20,297**	16,148
Total	**167,536**	90,775	**7,888,016**	3,612,598

33 ACQUISITION OF SUBSIDIARIES

In 2019 and 2018, there were acquisition of subsidiaries as follows:

(a) 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.

(b) 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.

(c) On July 23, 2019, the Group acquired 85% equity interest in Changshu Future Land Yuexin Property Development Co., Ltd. for a cash consideration of RMB1 and a capital injection of RMB17 million.

(d) On December 27, 2019, the Group acquired 51% equity interest in Yancheng Real Estate Co., Ltd. for a cash consideration of RMB977 million.

The Group's intention was to acquire the land and vacated properties 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*.

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

33 ACQUISITION OF SUBSIDIARIES (Cont'd)

On October 24, 2019, the Group acquired an additional interest of 51% in Yanlord Investment (Singapore) Pte. Ltd. ("YIS") (formerly known as Yanlord Perennial Investment (Singapore) Pte. Ltd.) for an amount of RMB1.182 billion. Following the acquisition, the Group's interest in YIS has increased from 49% to 100% which resulted in 35.3% and 54.4% effective interests in its associates namely, United Engineers Limited ("UEL") and WBL Corporation Limited ("WBL") respectively. UEL is incorporated in the Republic of Singapore and its shares were previously listed on the Singapore Exchange Securities Trading Limited. Its principal activities are those of a holding company and property owner and the provision of management services and deriving income therefrom.

On November 15, 2019, the Group acquired an additional interest of UEL up to 51.5% which in turn owns effective interest of 65.5% in WBL, pursuant to the mandatory offers made by YIS for all the issued and paid-up ordinary stock units and preference shares in the capital of UEL in accordance with the Singapore Code on Take-overs and Mergers. Consequently, UEL and WBL have become the subsidiaries of the Group on the same date.

The net fair value of identifiable assets acquired and liabilities assumed exceeded the aggregate of the fair value of consideration transferred, the non-controlling interests and the fair value of any previously held equity interests at the dates of the acquisitions (i.e. October 24, 2019 and November 15, 2019), hence resulting in gain on bargain purchase of RMB1.519 billion, net of loss on remeasurement of retained interests in associates and joint venture of RMB564 million recognised for the difference between the acquisition-dates fair value of the Group's retained interests and the carrying amounts in UEL, WBL and YIS, being associates and joint venture of the Group.

Had the business combination during the year been effected at January 1, 2019, the Group's revenue would have been RMB20.426 billion, and the profit for the year would have been RMB5.979 billion.

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Non-current assets	**14,697,833**	803,029
Current assets	**9,245,776**	62,513
Non-current liabilities	**(4,837,863)**	–
Current liabilities	**(7,734,216)**	(252,180)
Net assets at date of acquisition	**11,371,530**	613,362
Non-controlling interests	**(6,460,786)**	(270,089)
Net assets acquired	**4,910,744**	343,273
Gain on bargain purchase, net of loss on remeasurement of retained interests in associates and joint venture	**(954,182)**	–
Total consideration	**3,956,562**	343,273
Consideration payable	**(305,462)**	–
Cash consideration paid in previous years	**–**	(333,273)
Cash consideration paid in current year for the acquisition in previous years	**40,000**	420,093
Cash acquired	**(1,331,758)**	(11,548)
Net cash outflow arising from acquisition of subsidiaries	**2,359,342**	418,545

34 CHANGE OF CONTROL FROM SUBSIDIARIES TO JOINT VENTURES

The Group lost control over Shanghai Rensheng Real Estate Co., Ltd. ("Shanghai Rensheng"), which owns a 51% interest in a subsidiary, Shanghai Yanlord Investment Management Co., Ltd. ("Shanghai Investment"), as a result of a disposal of 95% interest in the wholly owned subsidiary, Shanghai Rensheng, with effect from June 21, 2019. The remaining 49% interest in Shanghai Investment is held by Yanlord (China) Investment Group Co., Ltd., a wholly owned subsidiary of the Group. Following the change of control over Shanghai Rensheng, the Group lost control over Shanghai Investment and its wholly-owned subsidiary, Shanghai Zhongting Property Development Co., Ltd. ("Shanghai Zhongting"). Accordingly, Shanghai Rensheng, Shanghai Investment and Shanghai Zhongting ceased to be subsidiaries of the Group and are classified as joint ventures. The Group's effective interest in Shanghai Rensheng, Shanghai Investment and Shanghai Zhongting reduced to 5%, 51.6% and 51.6% respectively. Consequently, Shanghai Rensheng, Shanghai Investment and Shanghai Zhongting were deconsolidated and are equity accounted for in the consolidated financial statements.

The Group lost control over Hainan Yanlord Beautycrown Cultural Tourism Development Co., Ltd. ("Hainan Beautycrown"), as a result of changes in the article of association of Hainan Beautycrown with effect from November 5, 2019. Accordingly, Hainan Beautycrown ceased to be a subsidiary of the Group and is classified as a joint venture. The Group's effective interest in Hainan Beautycrown is 55%. Consequently, Hainan Beautycrown was deconsolidated and is equity accounted for in the consolidated financial statements.

The Group lost control over Hangzhou Renhang Property Management Co., Ltd. ("Hangzhou Renhang"), as a result of a disposal of 50% interest in this wholly-owned subsidiary with effect from May 13, 2019. Accordingly, the Hangzhou Renhang ceased to be a subsidiary of the Group and is classified as joint venture. The Group's effective interest in Hangzhou Renhang reduced to 50%. Consequently, Hangzhou Renhang was deconsolidated and is equity accounted for in the consolidated financial statements.

The following summarises the details of the change of control:

	GROUP 2019 RMB'000
Non-current assets	**11,949,505**
Current assets	**695,698**
Non-current liabilities	**(8,505,055)**
Current liabilities	**(4,023,321)**
Net assets at date of change of control	**116,827**
Non-controlling interests	**(36,932)**
Net assets derecognised	**79,895**
Gain (Loss) on change of control	
Consideration received	**–**
Net asset derecognised	**(79,895)**
Fair value of retained interest	**79,895**
	–
Net cash outflow arising from change of control	
Consideration received	**–**
Cash and cash equivalents derecognised	**(33,956)**
	(33,956)

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 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.

In last quarter of 2019, the Group acquired an additional interest of 51% in YIS for an amount of RMB1.182 billion which was fully paid. Following the transaction, the Group's interest in YIS increased from 49% to 100%. Consequently, the Group reclassified YIS from a joint venture to a subsidiary.

The following summarises the details of the change of control:

	GROUP	
	2019 RMB'000	2018 RMB'000
Non-current assets	**4,810,730**	763,755
Current assets	**108,061**	46,208
Current liabilities	**(2,173,240)**	(204,012)
Net assets at date of change of control	**2,745,551**	605,951
Non-controlling interests	**–**	(272,678)
Net assets recognised	**2,745,551**	333,273
Gain on change of control		
Consideration paid for additional interest	**1,184,435**	330,726
Consideration paid for previously held equity interest	**1,398,870**	2,547
Fair value of acquired interest	**(2,745,551)**	(333,273)
	(162,246)	–

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.

36 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Disclosure required by SFRS(I) 16

At December 31, 2019, the Group is committed to RMB1 million for short term leases.

36 OPERATING LEASE ARRANGEMENTS (Cont'd)

Disclosure required by SFRS(I) 1-17

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

At December 31, 2018, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	GROUP 2018 RMB'000
Within one year	28,353
In the second to fifth year inclusive	61,033
More than five years	17,145
	106,531

The Group as lessor

Disclosure required by SFRS(I) 16

Operating leases, in which the Group is the lessor, relate to investment properties and certain other properties owned by the Group with lease terms of less than 1 year to 15 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	GROUP 2019 RMB'000
Year 1	**679,816**
Year 2	**518,001**
Year 3	**379,210**
Year 4	**240,562**
Year 5	**95,780**
Year 6 and onwards	**83,123**
	1,996,492

Disclosure required by SFRS(I) 1-17

The Group rented out its investment properties and certain completed properties for sale in the PRC under operating leases in 2018. Property rental income earned during the year 2018 was RMB403 million.

36 OPERATING LEASE ARRANGEMENTS (Cont'd)

At December 31, 2018, the Group had contracted with tenants for the following future minimum lease receipts:

	GROUP 2018 RMB'000
Within one year	270,190
In the second to fifth year inclusive	561,831
More than five years	84,670
	916,691

37 CAPITAL EXPENDITURE COMMITMENTS

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

	GROUP	
	2019 RMB'000	2018 RMB'000
Investment properties	**1,117,394**	18,978
Acquisition of land use rights	**800,364**	–
Investments in joint ventures	**224,695**	239,000
Others	**39,198**	–
	2,181,651	257,978

38 CONTINGENCIES AND GUARANTEES

As at December 31, 2019, the Group has provided guarantees of approximately RMB6.502 billion (2018 : RMB5.065 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. 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 (2018 : RMB597 million) (before effects of deductibility for income tax assessment purpose and adjustment for non-controlling interests) as at December 31, 2019.

As at December 31, 2018, the Company had 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). The Company's contingent liability as at December 31, 2018 for this joint guarantee was limited to an amount of S$193 million (equivalent to RMB966 million). During the year, the loan and interest payable were fully repaid and the loan facility was cancelled accordingly.

38 CONTINGENCIES AND GUARANTEES (Cont'd)

As at December 31, 2018, a subsidiary of the Company had provided a guarantee to a bank in respect of a loan facility granted to a joint venture amounting to RMB600 million. The subsidiary's contingent liability as at December 31, 2018 for this guarantee was limited to an amount of RMB400 million. During the year, 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 had provided joint guarantees to banks in respect of the loan facilities granted to a wholly-owned subsidiary of Sino-Singapore Nanjing Eco Hi-tech Island Development Co., Ltd., a joint venture of the Group. The subsidiary's contingent liabilities as at December 31, 2018 for these joint guarantees were limited to the amounts of RMB367 million. During the year, the loans and interest payables were fully repaid and the loan facilities were cancelled accordingly.

As at December 31, 2019, 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 (2018 : RMB599 million) for a remaining term of less than one year up to August 10, 2020. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB380 million (2018 : RMB380 million).

As at December 31, 2019, 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 (2018 : RMB600 million) for a remaining term of less than three years up to March 19, 2022. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB300 million (2018 : RMB237 million).

As at December 31, 2019, 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 (2018 : RMB236 million) for a remaining term of less than three years up to August 20, 2022. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB179 million (2018 : RMB119 million).

As at December 31, 2019, a subsidiary of the Company has provided a guarantee to a bank in respect of a loan facility granted to an associate amounting to RMB1.750 billion (2018 : RMB1.750 billion as to a third party) for a remaining term of less than three years up to December 22, 2022. The subsidiary's contingent liability as at December 31, 2019 for this guarantee is limited to an amount of RMB1.710 billion (2018 : RMB1.710 billion).

As at December 31, 2019, 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 RMB921 million for a remaining term of less than one year up to October 4, 2020. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB850 million.

As at December 31, 2019, 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 RMB1.188 billion for a remaining term of less than three years up to March 20, 2022. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB1.136 billion.

As at December 31, 2019, 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 RMB1.000 billion for a remaining term of less than three years up to June 13, 2022. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB1.000 billion.

38 CONTINGENCIES AND GUARANTEES (Cont'd)

As at December 31, 2019, 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 RMB350 million for a remaining term of less than three years up to September 1, 2022. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB225 million.

As at December 31, 2019, a subsidiary of the Company has provided a guarantee to banks in respect of a loan facility granted to a joint venture amounting to RMB12.900 billion for a remaining term of less than six years up to June 18, 2025. The subsidiary's contingent liability as at December 31, 2019 for this joint guarantee is limited to an amount of RMB8.500 billion.

As at December 31, 2019, a subsidiary of the Company has provided a joint guarantee to a bank in respect of a loan facility granted to an associate amounting to RMB321 million for a remaining term of less than three years up to March 12, 2022. The subsidiary's contingent liability as at December 31, 2019 for this guarantee is limited to an amount of RMB54 million.

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

39 EVENTS AFTER REPORTING PERIOD

The COVID-19 pandemic subsequent to the reporting period is expected to impact certain segments of the business of the Group. As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Group in 2020. Management expects the existing stimulus policies introduced by the PRC government including but no limited to lowering of down payment requirements and mortgage interest payments for property buyers will help to cushion the near term volatilities arising from the COVID-19 pandemic.

In conjunction with the acquisition of UEL by the Group, UEL has delisted the ordinary shares and preference shares from the Singapore Stock Exchange on February 26, 2020. The delisting is not expected to have material financial impact to the Group.

INTERESTED PERSON TRANSACTION

The details of interested person transaction entered into during the financial year under review were as follows: –

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) FY2019	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2019
Yanlord Holdings Pte. Ltd.	An associate[1] of Zhong Sheng Jian, a director and controlling shareholder of the Company, as well as an associate[1] of Zhong Ming, a director of the Company	RMB15,336,768	NA[2]

Notes:

1 "Associate" has the meanings ascribed to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.

2 NA: Not applicable

The Group has not obtained a general mandate from its shareholders for interested person transactions.

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 16, 2020

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 ordinary share

The Company cannot exercise any voting rights in respect of ordinary shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
1 – 99	11	0.19	102	0.00
100 – 1,000	461	7.91	419,606	0.02
1,001 – 10,000	3,741	64.18	20,849,775	1.08
10,001 – 1,000,000	1,588	27.24	73,191,229	3.79
1,000,001 AND ABOVE	28	0.48	1,837,074,664	95.11
TOTAL	**5,829**	**100.00**	**1,931,535,376**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	Percentage (%)[2]
YANLORD HOLDINGS PTE. LTD.	1,278,390,000	66.19
DBS NOMINEES (PRIVATE) LIMITED	159,013,291	8.23
CITIBANK NOMINEES SINGAPORE PTE LTD	109,890,512	5.69
UOB KAY HIAN PRIVATE LIMITED	71,272,500	3.69
DBSN SERVICES PTE. LTD.	43,444,992	2.25
MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	39,450,476	2.04
RAFFLES NOMINEES (PTE.) LIMITED	31,002,957	1.61
BPSS NOMINEES SINGAPORE (PTE.) LTD.	30,776,200	1.59
DB NOMINEES (SINGAPORE) PTE LTD	17,097,745	0.89
HSBC (SINGAPORE) NOMINEES PTE LTD	15,218,696	0.79
OCBC SECURITIES PRIVATE LIMITED	6,400,500	0.33
WANG NANHUA	4,577,000	0.24
KHENG LEONG COMPANY (PRIVATE) LIMITED	4,416,700	0.23
UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,194,200	0.17
ONG ENG LOKE	3,100,000	0.16
HEXACON CONSTRUCTION PTE LTD	2,571,971	0.13
TAN SHOOK YNG	2,210,000	0.11
PHILLIP SECURITIES PTE LTD	2,128,300	0.11
MAYBANK KIM ENG SECURITIES PTE. LTD.	1,872,914	0.10
MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,621,995	0.08
TOTAL	**1,827,650,949**	**94.62**

SHAREHOLDING STATISTICS
AS AT MARCH 16, 2020

SUBSTANTIAL SHAREHOLDERS
As stated in the Register of Substantial Shareholders

	Direct Interest		Deemed Interest		Total Interest	
Name	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]	80,456,500	4.17	1,278,390,000	66.19	1,358,846,500	70.35

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, Chapter 50 of Singapore.

2 Percentages calculated based on share capital of the Company as at March 16, 2020, excluding treasury shares and rounded to the nearest two (2) decimal places.

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 16, 2020, 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.

Yanlord Land Group Limited ("Company" and together with its subsidiaries, "Group") is committed to achieving high standards of corporate governance to enhance long-term shareholder value, whilst taking into account the interests of other stakeholders. The board of directors of the Company ("Board") and management of the Group ("Management") believe that good corporate governance is key to the integrity of the Group and essential to the sustainability of the Group's businesses and performance. In line with Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual"), this statement outlines the Company's corporate governance processes and activities with specific references to the principles and provisions set out in the Code of Corporate Governance 2018 ("Code"). The Board believes that the Company has complied in all material respects with principles and provisions in the Code and variations in any specific areas of the provisions are stated and accordingly explained in this statement.

CORPORATE GOVERNANCE STRUCTURE

SHAREHOLDERS AND STAKEHOLDERS

CHAIRMAN AND CEO
Zhong Sheng Jian

Key Objective
Leads the Board to ensure its effectiveness on all aspects of its roles and provides close oversight, guidance and leadership to Management

BOARD OF DIRECTORS
Total 9 Directors:
5 Independent Non-Executive Directors
4 Non-Independent Executive Directors

Key Objective
Oversees the business affairs and dictates the strategic direction and management of the Company as well as ensures that obligations to the Shareholders and other stakeholders are met

GROUP STRATEGIC COMMITTEE
Comprising five professional management sub-committees namely, Investment Management Committee, Operational Management Committee, Financial Management Committee, Fund Investment Committee and Organisational Management Committee, each of which is made up by top executives of business and support units

Key Objective
Manages business operation activities and ensures enhancement of control procedures

AUDIT COMMITTEE
Chairman:
Ronald Seah Lim Siang
(Lead Independent Director)
5 Independent Non-Executive Directors

Key Objective
Assists the Board in discharging its responsibilities on matters relating to financial, accounting and internal controls and to ensure that the Management creates and maintains an effective control environment in the Group

RISK MANAGEMENT COMMITTEE
Chairperson:
Ng Shin Ein

3 Independent Non-Executive Directors
1 Executive Director

Key Objective
Assists the Board in ensuring the adequacy and effectiveness of risk management system of the Group, including overseeing the implementation of relevant risk management procedures by the Management

NOMINATING COMMITTEE
Chairman:
Hee Theng Fong

3 Independent Non-Executive Directors
1 Executive Director

Key Objective
Recommends to the Board on directors' appointment, re-election and retirement, ensures the Board has appropriate level of independency and assesses the performance of the Board, various Board committees, Chairman and individual directors

REMUNERATION COMMITTEE
Chairman:
Hong Pian Tee

4 Independent Non-Executive Directors

Key Objective
Recommends to the Board an appropriate framework of remuneration for the Board and key management personnel and specific remuneration packages for each director and key management personnel

EXTERNAL AUDITORS

INTERNAL AUDITORS

BOARD MATTERS

Principle 1: Board's Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Roles and Principal Functions of the Board

The Board oversees the business affairs and dictates the strategic direction and management of the Company through reviews of amongst others the financial performance, risk management system and internal controls of the Group. All directors objectively discharge their duties and responsibilities at all times as fiduciaries of the Company and act honestly with diligence, and in the best interests of the Company. The Board holds Management accountable for performance of the Group and ensure its obligations to the shareholders of the Company ("Shareholders") and other stakeholders are met. The Group advocates, throughout the organisation, a core value of "*managing with benevolence and integrity and achieving perpetuity through perseverance* "*仁信治业丶持之以恒*" and has put in place a code of business conduct with relevant policies and practices that inculcates a clean corporate culture such that the Group shall conduct its business with integrity and in socially responsible, ethical and honest manners with zero-tolerance stance against bribery and corruption. The principal functions of the Board include, among others:

(a) providing entrepreneurial leadership, setting the Group's corporate and strategic objectives, and monitoring progress (including to ensure that the necessary resources are in place) towards achieving these objectives;

(b) overseeing and ensuring the adequacy of the Group's risk management system and internal controls (including financial, operational, compliance and information technology controls) framework and standards so as to safeguard the Company's assets; and

(c) constructively challenging the Management and supervising the overall management and performance of the business and affairs of the Group.

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.

In the event of a conflict of interest situation arising in respect of a matter under consideration by the Board and/or its committee(s), directors facing conflicts of interest comply with relevant disclosure obligations and recuse themselves from discussions and decisions concerning the matter in issue.

Training and Development for the Board

A director, upon appointment, will be provided with a formal letter setting out his/her duties and obligations as a director and undergone necessary program to familiarise himself/herself of the Group's business and structure, governance practices and matters relating to the Board and Board's committees. A formal letter was furnished to the newly-appointed independent non-executive director, Teo Ser Luck who has prior experience as a director of listed companies, upon his appointment in February 2020. The directors visit the development sites of the Group and meet the local management team as and when necessary. In September 2019, the directors visited the project sites of the Group in Shanghai and Suzhou, the People's Republic of China and through engagement with and presentations by the local management team during the trip, they have gained greater insight of the Group's business operations. The directors have also been provided with further explanation and information on any aspect of the Group's operation or business issues from Management at 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 and the Company shall be responsible for funding for any such training of directors.

Matters Requiring Board Approval

The Board approves significant corporate matters including matters in relation to financing, investments and divestments, major undertakings, annual budget, financial results, issuances of securities, appointment of Company's officers, dividend payout, and all matters and transactions listed in the Listing Manual that require Board's approval such as relevant interested persons transactions, share buyback mandate, etc. The matters which are specifically decided on and approved by the Board are duly recorded and communicated to the Management. Financial authorisation and approval limits are established for the day-to-day transactions to facilitate operational efficiency.

Delegation of Authority to Board Committees

The Board understands its accountability to the Shareholders for the Group's performance, and Management understands its role and is accountable to the Board. 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.

Meetings of Board and Board Committees

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:

	Board Meeting		AC Meeting		NC Meeting		RC Meeting		RMC Meeting	
Director	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance	Held*	Attendance
Zhong Sheng Jian	4	4	–	–	1	1	–	–	1	1
Zhong Siliang	4	4	–	–	–	–	–	–	–	–
Chan Yiu Ling	4	4	–	–	–	–	–	–	–	–
Zhong Ming	4	4	–	–	–	–	–	–	–	–
Ronald Seah Lim Siang	4	4	4	4	1	1	1	1	–	–
Ng Shin Ein	4	4	4	4	–	–	1	1	1	1
Hee Theng Fong	4	4	–	–	1	1	–	–	1	1
Hong Pian Tee	4	4	4	4	–	–	1	1	1	1
Teo Ser Luck[1]	N.A.									

Notes:

[1] Teo Ser Luck was appointed as an independent non-executive director, a member of the AC, a member of the NC and a member of the RC after the financial year under review, on February 26, 2020.

* Reflects the number of meetings held during the year.

– Indicates that the director was not a member of that committee during the year under review.

Access to Information

Management ensures that the Board will be provided with complete, adequate and timely information, in order for the directors to discharge their duties efficiently and effectively. Documents including financial results together with other relevant 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 and/or Board Committees' meetings such as internal audit progress reports, disclosure of directors' interests, any financing activities and interested person transactions memorandum(s), etc are uploaded to the electronic portal prior to the scheduled meetings for the directors to download onto their electronic devices for viewing, consideration and discussion at the meetings. The directors are also provided with relevant key updates on the Group's developments and industry trends. Relevant information on material events or transactions are provided to the directors as and when they arise. Annual budget together with relevant annual variance reports are provided on a yearly basis. Directors are entitled to request from Management and be provided with such additional information as needed to make informed and timely decisions.

Access to Management, Company Secretary and Professional Advice

The Chairman and Chief Executive Officer ("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 meetings and as and when necessary. The Board has separate and independent access to the company secretary at all times through electronic mail, telephone and face-to-face meetings.

The company secretary attends all meetings of the Board and Board Committees. In addition to advising the Board on corporate and administrative matters, the role of the company secretary includes responsibility for ensuring that Board procedures are followed, applicable rules and regulations are complied with and assisting the Board in implementing the corporate governance practices and processes. 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 non-executive directors. The appointment and removal of the company secretary should be a matter for the Board as a whole.

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.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Structure of the Board

The Board comprises the following nine members, of whom five are independent non-executive and four are non-independent executive:

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 Non-Executive Director
7.	Hee Theng Fong	Independent Non-Executive Director
8.	Hong Pian Tee	Independent Non-Executive Director
9.	Teo Ser Luck	Independent Non-Executive Director (appointed on February 26, 2020)

Independence of Directors

The Board determines, at the recommendation of the NC, the independence of each independent non-executive director, taking into account, *inter alia*, the criteria and circumstances set out in the Listing Manual, the Code and the complementary practice guidance ("Practice Guidance"). For the independence test, each director is required to endorse the independence questionnaire uploaded in electronic portal on which the director shall confirm that he/she does not have any relationship(s) with the Company, its related corporations, its substantial shareholders or its officers which could interfere, or be reasonably perceived to interfere, with the exercise of his/her independent business judgement in the best interests of the Company. The director shall notify the Company in writing promptly, should there be any changes as and when it arises. All of the five independent non-executive directors confirmed that they did not have any such relationship.

Independent Non-Executive Directors who have served beyond Nine Years

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 non-executive director who has served on the Board beyond nine years from his/her first appointment. Having noted that two independent non-executive 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 non-executive director of the Company. The rigorous peer review also assessed whether the two independent non-executive 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 two independent non-executive directors has 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 non-executive directors have continued to demonstrate strong independence in character and judgment in the discharge of their responsibilities as an independent non-executive 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 non-executive directors who have served the Board beyond nine years from the respective date of their first appointments remain independent and none of them has a relationship that would otherwise deem any of them not to be independent. 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, the NC and the Board will continue to progressively review and assess the structure and composition of the Board and Board Committees.

The Board is of the view that there is a sufficiently strong independent element on the Board to enable independent exercise of objective judgment on the corporate affairs of the Group, with independent non-executive directors making up a majority of the Board. There is also an appropriate balance of power and authority within the various Board Committees chaired by independent non-executive directors.

Non-Executive Directors

To avoid undue influence of Management over the Board and ensure that appropriate checks and balances are in place, five independent non-executive directors make up a majority of the Board. They constructively challenge and comment on proposals on strategies; and review the performance of Management in meeting goals and monitor the reporting of performance.

Composition and Size of the Board

The Board believes that a diverse Board will enhance the decision makings of the Board by utilising 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 mix of skills, experience, gender, age and knowledge of the Group so as to avoid groupthink and foster constructive debate, whilst the need for succession and progressive refreshing of Board are also taken into consideration. The Board is of a view that the current size and composition of the Board, experience and core competencies of directors in various fields are appropriate, effective and provide 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, public sectors 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 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.

Meetings of Non-Executive Directors and/or Independent Non-Executive Directors

During the year, the independent non-executive directors on board met separately with internal and external auditors 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. No significant issue was raised in such meetings.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Zhong Sheng Jian currently fulfills the roles as the Chairman of the Board ("Chairman") and the CEO of the Company. There is no division of responsibilities between the Chairman and the CEO. The Board has not adopted the recommendation in provision 3.1 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 non-executive directors, in ensuring a degree of checks and balance. Consistent with the intent of Principle 3 of the Code, the Board is able to exercise objective judgement independently from Management and no individual or small group of individuals dominates the decision of the Board.

Roles and Responsibilities of Chairman and CEO

The Chairman and CEO, *inter alia*, leads the Board to ensure its effectiveness on all aspects of its roles and provides close oversight, guidance and leadership to 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. He plays a key role in fostering constructive dialogue between the Board and Management, the Shareholders and other stakeholders and encourages 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. The Chairman and CEO, with the assistance of the company secretary, also schedules meetings and sets meeting agenda and ensures sufficient allocation of time for thorough discussion of each agendum, 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 director and attendee.

Lead Independent Director

Pursuant to the recommendation in the Code, the Company appointed Ronald Seah Lim Siang as its lead independent director to, *inter alia*, provide leadership in situations where the Chairman is conflicted. The lead independent director coordinates the activities of independent non-executive directors and plays an additional facilitative role within the Board, and where necessary, provides feedback to the Chairman and CEO for any relevant issues to be further addressed by the Group. He is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and CEO or Management are inappropriate or inadequate. Any concerns of Shareholders, if received by the Company, to the attention of the lead independent director shall be forwarded to him accordingly.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the board.

Nominating Committee

The NC makes recommendations to the Board on all board appointments. The majority of the members of the NC, including its chairman, are independent non-executive. The chairman of the NC is Hee Theng Fong and the other members are Zhong Sheng Jian, Ronald Seah Lim Siang, our lead independent director and Teo Ser Luck. 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 selection, nomination and re-nomination of directors (including alternate directors, if any) having regard to the composition and progressive renewal of the Board, as well as each director's competencies, commitment, contribution and performance;

(b) determining annually, and as and when circumstances require, if a director is independent;

(c) developing a process and objective criteria for evaluation of the performance of the Board, its Board Committees, the Chairman and CEO and directors;

(d) assessing the effectiveness of the Board as a whole, and of each Board Committee as well as contribution by the Chairman and CEO and each individual director to the Board; and

(e) reviewing training and professional development programmes for the Board and its directors.

Selection, Appointment and Re-appointment of Directors

The NC will first consider the needs of the Board before considering the selection of candidates and 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, independence, diversity of competencies and expertise of the new directors. New directors will have to make a declaration as to their interests in and/or independence from the Company. 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 hold office only until the next Annual General Meeting ("AGM") of the Company and shall then be eligible for re-election at the AGM. 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 for the time being (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) to retire by rotation at every AGM; provided always that all directors shall retire at least once every three years. The Board and the NC value 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 independency, competencies, commitment, contribution and performance. Such recommendations will then be submitted to the Board for Board's consideration.

Zhong Ming, Hee Theng Fong and Chan Yiu Ling will be retiring by rotation under Regulation 89 of the Constitution of the Company, and Teo Ser Luck will cease to hold office pursuant to Regulation 88 of the Constitution of the Company. Zhong Ming, Hee Theng Fong and Teo Ser Luck have respectively expressed their stand to seek for re-election at the forthcoming AGM of the Company ("2020 AGM"). Hee Theng Fong will, upon re-election as a director of the Company, continue to serve as chairman of the NC, a member of the AC and a member of the RMC. Teo Ser Luck will, upon re-election as a director of the Company, continue to serve as a member of the AC, a member of the NC and a member of the RC. Chan Yiu Ling has decided not to seek for re-election and she will step down from the Board as an Executive Director at the conclusion of the 2020 AGM.

Assessment of Independence

The NC is tasked to review, evaluate and determine the independence of each director on an annual basis, having regard to the criteria and circumstances set out in the Listing Manual, the Code and the Practice Guidance. None of the independent non-executive directors has a relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his/her independence or that will otherwise deem such independent non-executive director not to be independent.

Multiple Board Representations

The NC and Board determine on an annual basis whether a director with other directorships (listed company board representations) and/or principal commitments is able to and has been diligently, adequately and effectively carrying out his/her duties as a director of the Company, and whether sufficient time and attention have been given by these directors to the affairs of the Company. Taking into consideration the results of annual assessment of the Board, Board Committees, Chairman and individual directors as well as the attendance records at the meetings of the Board, Board Committees and Shareholders and ability to 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 directorships (board representations in other listed entities) and other principal commitments, such directorships and principal commitments do not hinder them from carrying out their duties as directors and these directors are able to give sufficient time and attention to the affairs of the Company. Instead, these directors' participation in other listed entities have widened the experience of the Board and given it a broader perspective. The NC and Board recognise that the individual circumstances and capacity of each director are different, no maximum number of other directorships and other principal commitments which any director may hold was set during the financial year. The NC shall make recommendation to the Board for the Board to consider adopting the recommendation of the Practice Guidance to establish guidelines on what a reasonable and maximum number of directorships and other principal commitments for each director should be as and when necessary in due course.

Alternate Director

No alternate director has been appointed to the Board in the year under review and the Company does not have any alternate director.

Key Information on Directors

Key information regarding the directors is set out in this Annual Report ("2019 Annual Report") under the heading entitled "Board of Directors" and "Directors' Statement".

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Company believes that excellent board performance enhances 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 effectiveness of the Board as a whole, that of each of the Board Committees as well as the contribution by the Chairman and CEO and each individual director to the Board on an annual basis ("Performance Assessment"). The Company does not engage external facilitator in the Performance Assessment.

Criteria and Process for Assessment on Board and Chairman

In carrying out the Performance Assessment, the NC and Board take into consideration the views of each individual director. Each director is required to answer the questionnaires uploaded in electronic portal setting out relevant performance criteria which were approved by the Board for his/her views on the performance of the Board, each of the Board Committees and Chairman based on criteria in various aspects. 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. Having noted that the Code supersedes and replaces the Code of Corporate Governance 2012 commencing from January 1, 2019, the performance criteria have been updated accordingly to comply with the principles and provisions set out in the Code as well as the Practice Guidance. This updated set of performance criteria have been reviewed and approved by the Board. The criteria of assessment for the Board includes structure and composition, conduct of meetings, corporate strategy and planning, risk management and internal controls, Company's performance, compensation, communication with Shareholders and engagement with stakeholders while the criteria of assessment for each Board Committee focus on its structure and composition, duties and responsibilities, conduct of meetings and functionality. The Company's performance relative to the industry trend is reviewed by the Board 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 contribution of the Chairman and CEO is assessed taking into consideration the role of Chairman as prescribed by the relevant Practice Guidance. The director is abstained from participating in the assessment of Board Committee which he/she is seated in and the Chairman is 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 effectiveness, would resolve whether to retain the current composition of the Board taking into consideration, among others, adequate diversity of the Board, each director's independency, competencies, commitment, contribution and performance.

Criteria and Process for Assessment on Individual Directors

The NC also assessed the contribution by individual directors to the Board 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 individual directors' assessment for the financial year 2018. Recommendation in respect of the contribution of individual directors 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. The Chairman and CEO shall act on the results of the Performance Assessment, and in consultation with the NC, propose, where appropriate, new members to be appointed to the Board, or seek the resignation of directors. Based on the results of Performance Assessment conducted for the year, the NC and the Board are of the view that the Board as a whole and each of the Board Committee operates effectively, and each director including the Chairman and CEO has contributed to the overall effectiveness of the Board.

REMUNERATION MATTERS

Principle 6: Procedure for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Remuneration Committee

The RC comprises 4 members, all of whom are independent non-executive directors. The chairman of the RC is Hong Pian Tee and the other 3 members are Ronald Seah Lim Siang, Ng Shin Ein and Teo Ser Luck.

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 Board and key management personnel and reviewing the specific remuneration packages for each director and key management personnel; and

(b) considering all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms, as applicable, of the directors and key management personnel, which should aim to be fair and avoid rewarding poor performance.

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.

Termination Terms

The RC had 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.

Access to Expert Advice

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. During the year under review, the RC has not engaged any consultant to advise on remuneration matters.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Remuneration Framework

To attract, retain and motivate directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term, appropriate remuneration packages are offered to the executive directors and key management personnel. These remuneration packages are offered based on established framework and reviewed annually by the RC.

Performance-Related Remuneration of Executive Directors and Key Management Personnel

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 to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of Shareholders and other stakeholders 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.

Remuneration of Independent Non-Executive Directors

Save for directors' fees, which have to be approved by the Shareholders at every AGM, the independent non-executive directors do not receive any other remuneration from the Company. The RC and the Board reviewed the fees of the independent non-executive directors and were of the view that the directors' fees are fair, adequate, comparable to the other industry peers in the market and appropriate to the level of contribution of the independent non-executive 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.

Contractual Provisions

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. The executive directors also owe a fiduciary duty to the Company and the Company should be able to avail itself of the relevant remedies at law against the executive directors in the event of such breach of fiduciary duties. However, the Company will consider adopting such contractual provisions, as and when appropriate.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company believes that a fair and reasonable remuneration framework which is linked to a formal and transparent assessment of performance and value creation are key factors in managing its human resources, which in turn is an important asset in creating long-term value to the Group. While the Group's performance in terms of financial results is one of the key criteria in assessing the effectiveness of the Board as well as the performance of the key management personnel, key management personnel are also assessed on the performance of the respective business unit and contracted sales of projects manned by them. Notably, to align with shareholders' interests, a significant portion of the remuneration of the Chairman and Group CEO is tied to the profit attributable to owners of the Company as disclosed in the audited consolidated statement of profit or loss of the Company for each financial year. Having considered the above criteria that is designed to drive corporate performance and create long-term value as well as the relevant comparative remuneration of industry peers, the remuneration packages in particular annual performance incentives are proposed for review by the RC and subsequent approval by the Board before offered to the executive directors and key management personnel.

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 2019 Annual Report in bands of S$250,000 instead of disclosing such amounts of remuneration as provided in the Code.

1. Remuneration of Directors

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, 2019, 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$10,000,000 to S$10,249,999					
Zhong Sheng Jian	2.6%	97.3%	–	0.1%	100%
S$500,000 to S$749,999					
Zhong Siliang	75%	25%	–	–	100%
Zhong Ming	75%	25%	–	–	100%
S$250,000 to S$499,999					
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%
Teo Ser Luck*	–	–	–	–	–

Note:

* No director's fee was paid or payable to Teo Ser Luck who was appointed as an independent non-executive director of the Company after the financial year under review, on February 26, 2020.

2. **Remuneration of the Top 5 Key Management Personnel**

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 directors or the CEO) as at December 31, 2019, 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$500,000 to S$749,999					
Zhang Hao Ning	74%	26%	–	–	100%
Zhou Yi Qun	72%	28%	–	–	100%
Zhou Cheng	68%	32%	–	–	100%
S$250,000 to S$499,999					
Lam Ching Fung	74%	26%	–	–	100%
Chan Chi Wai	72%	28%	–	–	100%

The aggregate remuneration paid to the above top 5 key management personnel (who are not directors or the CEO) in the financial year under review was S$2,938,771.

3. **Remuneration of Employees who are Substantial Shareholders of the Company, or are Immediate Family Members (i.e. spouse, child, adopted child, step-child, brother, sister and parent) of a Director, the CEO or a Substantial Shareholder of the Company, and whose Remuneration Exceed S$100,000 During the Year**

Remuneration Band	Position	Relationship	Basic Salary	Annual Performance Incentive	Other Fees	Other Benefits including Benefits in Kind	Total
S$300,000 to S$399,999							
Zheng Xi	Vice-Chairman of Yanlord Investment (Nanjing) Co., Ltd.	Brother of the Chairman & CEO, Zhong Sheng Jian	77%	23%	–	–	100%
S$200,000 to S$299,999							
Zhong Si Nuo	Assistant to the Chairman & CEO, Zhong Sheng Jian	Daughter of the Chairman & CEO, Zhong Sheng Jian	86%	14%	–	–	100%
Zhong Si Li	Assistant General Manager – Wuhan	Brother of Zhong Siliang, an Executive Director	78%	22%	–	–	100%
S$100,000 to S$199,999							
Chung Chiu Yan	Director of Yanlord Investment (Nanjing) Co., Ltd.	Brother of the Chairman & CEO, Zhong Sheng Jian	100%	–	–	–	100%
Zhong Si Min	Vice Financial Controller – Shanghai	Brother of Zhong Siliang, an executive director	79%	21%	–	–	100%

No termination, retirement and post-employment benefits has been granted to directors, the Chairman and CEO or the top 5 key management personnel (who are not directors or the CEO) in the financial year under review.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets. The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. Procedures are in place to identify and manage significant business risks and evaluate potential financial effects to the Group.

Risk Management Committee

The role of risk management has been delegated to the RMC. The Board, with the assistance of the RMC, reviews the adequacy and effectiveness of the Company's risk management practices and procedures, and oversees the Management in the design, implementation and monitoring of the risk management system. The RMC assists the Board in overseeing the Company's risk management framework and policies, whilst the day-to-day management of risks rests with Management. Management is responsible for the effective implementation of risk management procedures to facilitate the achievement of business plans and goals. Key business risks are proactively identified, addressed and reviewed on an on-going basis. 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 on the implementation and effectiveness of any associated risk action plans developed by the Group's senior management;

(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; and

(d) reviewing and recommending on an annual basis the nature and extent of the significant risks that the Company should undertake to achieve its strategic objectives and value creation that are consistent with the Company's risk appetite.

The internal auditors report to the RMC, and the RMC reports to the Board, on identified risks, impacts of such risk to the Group, corresponding risk management policies and practices as well as status on the findings since last reporting on an annual basis. During the year under review, the risks identified and reported are in relation to the areas of government policies, financial, liquidity, human resources and information technology,

Internal Controls

The responsibility of overseeing the Group's internal controls system is delegated by the Board to, and undertaken by, the Audit Committee with the assistance of the internal auditors. The internal and external auditors conduct audits that involve testing the adequacy and effectiveness of the material internal control systems in the Group. The internal auditors present the report on key internal controls of the Group to the Audit Committee, and the Audit Committee to the Board, on an annual basis. In connection with the statutory audit review, the external auditors identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and 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 they identify during their audit. The internal controls (including financial, operational, compliance and information technology 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.

Adequacy and Effectiveness of Risk Management and Internal Controls

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, have rigorously assessed and are satisfied 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, 2019. No material weaknesses are identified by the Board and RMC for the financial year under review.

The Board has received assurance from the Chairman and CEO and the Group Financial Controller as well as the internal auditors 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 adequacy and effectiveness of the Company's risk management and internal control systems.

Principle 10: Audit Committee

The Board has an AC which discharges its duties objectively.

The AC comprises 5 independent 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 4 members are Ng Shin Ein, Hong Pian Tee, Hee Theng Fong and Teo Ser Luck. 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 objectively to safeguard the Group's assets, ensure integrity of the Company's financial reporting, and develop and maintain adequate and effective systems of internal controls, 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, the external auditors and internal auditors on matters relating to audit.

The duties of the AC include:

(a) reviewing with the external auditors their audit plans and evaluation of the system of internal accounting controls;

(b) reviewing financial statements and any significant financial reporting issues and judgements, 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 at least annually the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls and ensuring co-ordination between the 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);

(d) reviewing and discussing with the 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 including to review the whistle-blowing policy for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;

(e) considering and recommending the appointment or re-appointment of the external auditors including remuneration of the external auditors, taking into consideration the Audit Quality Indicators (or other factors/requirements as may be amended from time to time) 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 and consider whether such transaction is carried out on normal commercial terms whereby the number and terms are fair and reasonable and is not prejudicial to the interests of the Company and its minority shareholders;

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

(h) reviewing the assurance from the Chairman and CEO, the Group Financial Controller and internal auditors (or such other officer/management of equivalent level) on the financial records and financial statements;

(i) 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

(j) 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 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 shall abstain from reviewing and deliberating that particular transaction and voting on that particular resolution. The AC also meets separately 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. No significant issue has been raised in such meetings and required immediate attention of the AC and the Board. 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 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, the reports from external auditors, the yearly report on key internal controls and potential interested person transactions. The AC also reviewed the scope, results and effectiveness of the internal audit and external audit function, the independence and objectivity of the external auditors, the non-audit services rendered by external auditors as well as the re-appointment of external auditors and their audit fees.

The AC are 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.

External Auditors

The Group incurred an aggregate amount of fees of approximately RMB7.2 million (excluding out of pocket expenses and goods and services tax and converted at a rate of S$1 = RMB5.11) 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 RMB4.6 million and non-audit services fee of approximately RMB2.6 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, in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

The Group has complied with Rules 712 and 715 of the Listing Manual in appointing the audit firms.

AC Commentary on Significant Matters

During the financial year under review, the following significant matters that impact the financial statements were reviewed by the AC in relation to their materiality and appropriate methodology/assessment. These matters were also discussed with Management and the external auditors.

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 ("Properties")	The AC considered 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 Management's 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, 2019. Refer to page 60 of this Annual Report.
Acquisition of United Engineers Limited ("UEL")	The AC considered the basis used by Management in determining the fair value of the net identifiable assets acquired. The AC reviewed Management's calculation for the acquisition of UEL and the goodwill or gain on bargain purchase, if any. The acquisition of UEL 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, 2019. Refer to page 61 of this Annual Report.

Significant matters	How the AC reviewed these matters and what decisions were made
Valuation of investment properties	The AC considered the approach and methodology applied by the independent professional valuers 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 or per carpark unit; (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, 2019. Refer to page 62 of this Annual Report.
Land appreciation tax ("LAT")	The AC considered 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, 2019. Refer to page 62 of this Annual Report.

Whistle-Blowing Policy

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 department 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 department of the Company by the following means:–

1) By Email

Email address: roy.tsui@yanlord.com.hk
Attention: The Assistant Internal Audit Manager

<u>OR</u>

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.

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) Hong Kong Institute of Chartered Secretaries. 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 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 and yearly key internal controls report tabled to the AC, the AC is satisfied that the Company's Internal Audit is independent, adequately resourced and effective.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all Shareholders fairly and equitable in order to enable them to exercise Shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives Shareholders a balanced and understandable assessment of its performance, position and prospects.

The Company is committed to delivering high standards of corporate disclosure and transparency in its communications with Shareholders. All Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights.

Information to Shareholders

In line with continuous disclosure obligations of the Company, the Board's policy is that Shareholders be informed promptly of any major development that may have a material impact on the Group's performance 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, financial statements announcements, press releases and other relevant announcements via SGXNET. Management also made presentation to Shareholders to update them on the Company's performance and position at general meetings, and relevant presentation materials are made available on SGXNET and the Company's website for the benefit of Shareholders. The Company does not practice selective disclosure.

Participation and Voting at General Meetings

All the general meetings of Shareholders are held in Singapore to ensure that Shareholders have the opportunity to participate effectively in and vote at the general meetings. Shareholders are informed of the relevant rules including procedures that govern general meetings of Shareholders. 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. Notice of the general meeting and proxy form have been duly distributed to the Shareholders. 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 regulation 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. Subject to the applicable written laws and regulations and the Constitution of the Company, the Company, may at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile. Separate resolutions are proposed for substantially separate issues at the general meetings, so as the Shareholders are given the right to express their views and exercise their voting rights on each resolution separately. For resolutions on the election or re-election of directors, the Company provides sufficient information on the background of directors and the Board and Board Committee positions they are expected to hold upon election or re-election.

Electronic Online Voting

Since 2015, all resolutions at all general meetings of the Company 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.

Attendance at the General Meeting

All directors on board including the independent non-executive directors and the external auditors attended and presented for the entire duration of the annual general meeting of the Company held in 2019. The directors always strive to attend all general meetings of Shareholders to address Shareholders' queries and take the opportunity to interact with Shareholders after the general meetings.

Minutes of General Meetings

The company secretary prepares minutes of the general meetings recording substantial and relevant comments or queries from Shareholders relating to the agenda of the general meeting, and responses from the Board, Management and external auditors, if any. These minutes are not published on the Company's website but are available to Shareholders upon request and authentication of Shareholder's identity by the Company.

Dividend

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 after 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 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 12: Communication with Shareholders

The Company communicates regularly with its Shareholders and facilitates the participation of Shareholders during general meetings and other dialogues to allow Shareholders to communicate their views on various matters affecting the Company.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interest. The Company has in place an investor relation policy and a team of investor relations staff to actively engage and 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. Shareholders may contact the Company with questions through the telephone number or email address set out in the Company's website and the Company may respond to such questions accordingly. 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 2019 Annual Report.

On January 9, 2020, the Singapore Exchange Regulation introduced a new risk-based approach for quarterly reporting requirement whereby only companies associated with higher risks are mandatorily to have quarterly reporting and all other companies need only to do semi-annual reporting. Under the new regime, the Company is only required to announce half-yearly and full year financial results. However, having considered the need of Shareholders and investors for information in the absence of quarterly financial results reporting, the Company has decided to engage with the Shareholders and investors by voluntarily providing updates on the Group's property sales operating figures on a monthly basis via SGXNET. The Company shall consider on the need to have other voluntary interim updates, taking into consideration its Shareholders' expectations, context of business environment and long-term business strategy.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Stakeholders are parties who may be affected by the Company's activities, or whose actions can affect the ability of the Company to conduct its activities. The Board recognises the relationships with material stakeholders may have an impact on the Company's long-term sustainability. The sustainability report covering the sustainability performance, activities and initiatives of the Group explains on how the Group met its responsibilities with its material stakeholders. The Company's contact information is reflected on its website, to enable the stakeholders to contact the Company, if required.

OTHER CORPORATE GOVERNANCE MATTERS

Dealings in Securities

The Company has adopted and implemented internal compliance practices to provide guidance to its directors and key employees 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 half year and full year financial statements (if the Company does not announce its quarterly financial statements), or two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the Singapore Exchange or otherwise), and are further prohibited from dealing in the Company's securities on short-term considerations.

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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 Non-Executive Director

Hee Theng Fong
Independent Non-Executive Director

Hong Pian Tee
Independent Non-Executive Director

Teo Ser Luck
Independent Non-Executive Director

AUDIT COMMITTEE
Ronald Seah Lim Siang, *Chairman*
Ng Shin Ein
Hong Pian Tee
Hee Theng Fong
Teo Ser Luck

NOMINATING COMMITTEE
Hee Theng Fong, *Chairman*
Ronald Seah Lim Siang
Zhong Sheng Jian
Teo Ser Luck

REMUNERATION COMMITTEE
Hong Pian Tee, *Chairman*
Ronald Seah Lim Siang
Ng Shin Ein
Teo Ser Luck

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

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Partner-in-charge:
Cheung Pui Yuen
(Appointed on May 21, 2018)

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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

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