

中國新城鎮

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CHINA NEW TOWN DEVELOPMENT COMPANY LIMITED  
中國新城鎮發展有限公司

## ANNUAL REPORT 2010

HONG KONG STOCK CODE: 1278

SINGAPORE STOCK CODE: D4N.sj





## GOAL

OUR GOAL IS TO BE THE BEST NEW TOWN DEVELOPER IN CHINA ACHIEVING LONG-TERM SUSTAINABLE GROWTH WHILST WE CONTINUE TO STRIVE FOR SHORT TO MEDIUM TERM PROFITABILITY IN ORDER TO DELIVER THE GREATEST VALUE TO OUR SHAREHOLDERS.

## 目標

我們的目標是成為中國最成功的新城鎮開發商及達致長期、可持續增長，同時繼續爭取中短期盈利以為股東帶來最大的利益。

## MISSION

OUR MISSION IS TO BUILD A CONSCIENCE CORPORATION EMBRACING THE VALUE OF SOCIAL ETHICS, ENVIRONMENT AND PEOPLE.

## 使命

我們的使命是建立注重社會道德、環境和人民的良心企業。



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## Corporate Profile

China New Town Development Company Limited (the "Company") was incorporated in the British Virgin Islands in January 2006 and our first project located in Shanghai was incepted in 2002 by Shanghai Golden Luodian Development Company Limited. The Company has been listed on the Singapore Exchange Securities Trading Limited since 14 November 2007 and dual listed on The Stock Exchange of Hong Kong Limited on 22 October 2010. The Company became the subsidiary of SRE Group Limited (1207.hk) in 2009.

We have a distinctive business model that, through joint venture partnership with local government entities, we turn bare land into valuable land resources and receive a significant portion of land sale proceeds from the relevant PRC land authorities once the land plots are sold to third party property developers through public auction, tender or listing. In the new town development process, we have exclusive development and management rights and are not only responsible for master town planning, land preparation, infrastructure construction, but also nurturing long term town value through building high quality facilities and introducing premium brands and leading real estate developers. We currently have three new town projects, located in Shanghai, Wuxi and Shenyang respectively, with total site area of approximately 36 sq.km.

## 公司簡介

中國新城鎮發展有限公司（「本公司」）於2006年1月在英屬處女群島註冊成立。我們首個項目由上海金羅店開發有限公司於2002年在上海開展。本公司於2007年11月14日起在新加坡證券交易所有限公司上市，另於2010年10月22日在香港聯合交易所有限公司兩地上市。本公司於2009年成為上置集團公司(1207.hk)的附屬公司。

我們有獨特的商業模式，通過與地方政府公司開設合資公司，把生地變成有價值的土地資源，當相關的中國土地部門通過公開招拍掛將土地使用權出售予第三方地產開發商時，我們便可獲得相當一部分土地出售所得款項。在新城鎮開發的過程中，我們有獨家開發及管理權。我們不但負責總體城鎮規劃、預備土地及興建基建，同時通過建設高質數的設施、引進優質品牌及帶領房地產開發商來培育長期城鎮價值。我們現時有三個分別位於上海、無錫及瀋陽的新城鎮項目，佔地總面積約為36平方公里。



## OUR BUSINESS

# 我們的業務

We focus on planning and developing large-scale new town projects in the suburbs of some of PRC's largest cities, with each current project covering site area of at least six million sq.m. We are currently engaged in three new town projects located in Shanghai, Wuxi and Shenyang. New town projects are typically initiated by local governments who set forth general parameters such as location and size and invite potential new town developers to conduct feasibility studies and produce a master plan for their review. Upon securing a mandate, we will develop the project through a majority-owned joint venture project company that we form with affiliates of the local government. As a project manager, we are involved in every site, obtaining project financing, preparing and clearing the land, relocating and resettling incumbent residents and businesses at our cost, setting up the new town infrastructure and public facilities, to building commercial properties. Each new town project cycle is estimated between 15 and 20 years.

We do not normally acquire land use rights to the land underlying our new town projects, except for land on which we intend to develop real estate properties. The local government generally retains title to the land and sell the land plots by way of public auction, tender or listing to real estate property developers. We have been receiving a portion of the proceeds from the sale of land use rights, the amount of which is authorized and approved by the relevant governmental authority. Such sale proceeds amount for the major part of our revenue.

Apart from land sales, we also develop, manage and operate commercial properties such as hotels and convention centers and also enter into agreements with the local governments to build, manage and operate public amenities, such as museums and recreational parks. Through this we are committed to enhancing the long term value of our new town projects.

我們主要致力於規劃並開發位於中國若干大城市周邊市郊的大型新城鎮項目，正在開發的各個項目的面積至少達六百萬平方米。我們現正進行三個位於上海、無錫及瀋陽的新城鎮項目。新城鎮項目通常先由地方政府列出地點和規模等整體要求，然後邀請有潛力的新城鎮開發商進行可行性研究並提供總體規劃供地方政府審核。獲得授權後，我們會通過與地方政府聯屬企業所組成的合資項目公司開發有關項目，並由我們擁有大部份股權。作為項目的管理人，我們參與每個開發地點的事務、取得項目融資、準備和清理土地、由我們出資動遷安置現有居民和工商企業、建設新城鎮基礎設施和公共設施至建設商用物業。估計每個新城鎮項目的周期為15至20年。

除了我們有意用以開發房地產物業的地塊，我們一般不會取得新城鎮項目中相關土地的土地使用權。地方政府一般會保留土地的擁有權及通過公開招拍掛形式把地塊售予房地產開發商。我們會獲得部份出售土地使用權所得款項，其金額乃經相關政府部門授權及批准。該等出售所得款項是我們的主要收入部分。

除了出售土地，我們也開發、管理及經營商用物業，如酒店和會議中心，並會與地方政府訂立協議，以興建、管理和經營博物館及休閒公園等公用設施。我們致力通過此方面來提升新城鎮項目的長期價值。

In addition, we also strategically participate in real estate development projects. We believe this well complements our core new town development business model and helps diversify and smoothen our revenue stream. We currently engage in developing the Lake Malaren Silicon Valley Project, a low-density commercial headquarters villas located in Shanghai Luodian with luxury view of 2 18-holes golf courses. We also develop the Lake Malaren SOHO Project in Shanghai Luodian, Wuxi Hongqing Project in the Wuxi New Town, as well as a real estate project in Pi County of Chengdu.

此外，我們還會策略性地參與房地產開發項目。我們相信這樣能好好補足我們的核心新城鎮開發商業模式及協助多元化及穩定收入流。我們現正參與開發位於上海羅店的「美蘭湖硅谷項目」，能欣賞到兩個PGA標準18洞高爾夫球場優美景觀的低密度商業總部。我們亦在上海羅店建設美蘭湖SOHO項目，無錫新鎮內開發無錫鴻慶項目，以及在成都郫縣開發房地產項目。

# BUSINESS CYCLE

## 業務周期



### **BARE LAND –**

site selection & master planning, relocation and resettlement of residents

### **生地 –**

選擇地點及總體規劃和動遷安置居民



### **LAND PREPARATION –**

formation of infrastructure and public amenities development

### **準備土地 –**

建設基建及開發公共設施



### **DEVELOPED LAND PARCELS –**

ready for sale through public auction, tender or listing

### **已開發地塊 –**

準備通過公開招拍掛出售





# OUR STRENGTHS & STRATEGIES

## 我們的優勢和策略

### Our competitive strengths:

- Strong reputation and proven track record as a quality and pioneering new town developer in PRC
- Distinctive business model
- Close and successful cooperation with local governments
- Substantial saleable land with high potential for value appreciation
- Proactive marketing and promotion activities
- Experienced management team

### Our business strategies:

- Focus on improving profitability
- Selectively develop focusing on real estate projects within our new towns, to complement new town development business model through diversifying and smoothening our revenue stream
- Emphasize on world class standards of new town planning and design, and adhere to international best practice
- Leverage our expertise and track record to grow our business

### 我們的競爭優勢：

- 我們是中國新城鎮開發商中優秀的先行者，具有良好的品牌聲譽和經驗證明的優秀成績
- 獨特商業模式
- 與地方政府緊密和成功的合作關係
- 具有大量高增值潛力的可供出售土地
- 積極的營銷及推廣活動
- 經驗豐富的管理團隊

### 我們的業務策略：

- 致力提升盈利能力
- 集中在我們的新城鎮項目中選擇性地開發二級市場房地產項目，通過多元化及穩定收入流來補足我們的核心新城鎮開發商業模式
- 持續強調和保持世界級的新城鎮規劃和設計水平及遵循國際的最佳實務慣例
- 充分利用我們的專業知識及過往優秀的業績擴展業務



# Corporate Information 公司資料

## BOARD OF DIRECTORS

### Executives

Mr Shi Jian (*Chairman*)  
Mr Li Yao Min (*Chief Executive Officer, Co-Vice Chairman*)  
Mr Shi Janson Bing (*Co-Chief Executive Officer*)  
Ms Song Yiqing (*Chief Financial Officer*)  
Ms Gu Biya (*Chief Operating Officer*)  
Mr Mao Yiping (*Executive Director*)  
Mr Yang Yonggang (*Executive Director*)

### Non-Executives

Mr Yue Wai Leung Stan (*Co-Vice Chairman*)  
Mr Henry Tan Song Kok (*Lead Independent Director*)  
Mr Loh Weng Whye (*Independent Director*)  
Mr Lam Bing Lun Philip (*Independent Director*)  
Mr Kong Siu Chee (*Independent Director*)

## AUDIT COMMITTEE

Mr Henry Tan Song Kok (*Chairman*)  
Mr Lam Bing Lun Philip  
Mr Loh Weng Whye

## NOMINATING COMMITTEE

Mr Loh Weng Whye (*Chairman*)  
Mr Lam Bing Lun Philip  
Mr Kong Siu Chee

## REMUNERATION COMMITTEE

Mr Kong Siu Chee (*Chairman*)  
Mr Loh Weng Whye  
Mr Lam Bing Lun Philip  
Mr Henry Tan Song Kok

## INVESTMENT COMMITTEE

Mr Lam Bing Lun Philip (*Chairman*)  
Mr Kong Siu Chee  
Mr Henry Tan Song Kok  
Mr Loh Weng Whye

## COMPANY SECRETARIES

Ms Low Siew Tian  
Ms Kwok Yu Ching

## BUSINESS ADDRESS

2503 Convention Plaza Office Tower  
No 1 Harbour Road  
Wanchai Hong Kong SAR  
Telephone: (852) 3965 9000  
Facsimile: (852) 3965 9111  
Website: [www.china-newtown.com](http://www.china-newtown.com)

## 董事會

### 執行

施建先生 (*主席*)  
李耀民先生 (*行政總裁、副主席*)  
施冰先生 (*聯席行政總裁*)  
宋亦青女士 (*首席財務官*)  
顧必雅女士 (*營運總監*)  
茅一平先生 (*執行董事*)  
楊勇剛先生 (*執行董事*)

### 非執行

余偉亮先生 (*聯席副主席*)  
陳頌國先生 (*首席獨立董事*)  
羅永威先生 (*獨立董事*)  
林炳麟先生 (*獨立董事*)  
江紹智先生 (*獨立董事*)

## 審計委員會

陳頌國先生 (*主席*)  
林炳麟先生  
羅永威先生

## 提名委員會

羅永威先生 (*主席*)  
林炳麟先生  
江紹智先生

## 薪酬委員會

江紹智先生 (*主席*)  
羅永威先生  
林炳麟先生  
陳頌國先生

## 投資委員會

林炳麟先生 (*主席*)  
江紹智先生  
陳頌國先生  
羅永威先生

## 公司秘書

劉秀珍女士  
郭汝青女士

## 業務地址

香港灣仔  
港灣道1號  
會展廣場辦公大樓2503室  
電話: (852) 3965 9000  
傳真: (852) 3965 9111  
網址: [www.china-newtown.com](http://www.china-newtown.com)





## Corporate Information 公司資料

### REGISTERED OFFICE

2/F Palm Grove House  
P.O. Box 3340  
Road Town Tortola  
British Virgin Islands

### BVI PRINCIPAL SHARE REGISTRAR

Tricor Services (BVI) Limited  
P.O. Box 3340 Road Town  
Tortola British Virgin Islands

### SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services  
8 Cross Street #11-00  
PWC Building  
Singapore 048424

### HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
26th Floor Tesbury Centre  
28 Queen's Road East, Wanchai, Hong Kong

### SINGAPORE LEGAL ADVISOR

WongPartnership LLP  
One George Street #20-01  
Singapore 049145

### AUDITOR

Ernst & Young  
18th Floor Two International Finance Centre  
8 Finance Street Central  
Hong Kong SAR  
Partner-in-Charge: Mr Philip Leung Wai Lap  
Date of Appointment: 20 November 2007

### COMPLIANCE ADVISOR

Shenyin Wanguo Capital (H.K.) Limited  
28th Citibank Tower Citibank Plaza  
3 Garden Road Central Hong Kong

### STOCK EXCHANGE LISTED

Singapore Exchange Securities Trading Limited  
Stock Name: ChinaNTown  
Stock Code: D4n.si

The Stock Exchange of Hong Kong Limited  
Stock Name: ChinaNewTown  
Stock Code: 1278

ISIN Code: VGG2156N1006

### 註冊辦事處

2/F Palm Grove House  
P.O. Box 3340  
Road Town Tortola  
British Virgin Islands

### 英屬處女群島股份過戶登記總處

Tricor Services (BVI) Limited  
P.O. Box 3340 Road Town  
Tortola British Virgin Islands

### 新加坡股份過戶代理

Tricor Barbinder Share Registration Services  
新加坡 048424  
8克羅士街#11-00  
PWC大廈

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港灣仔皇后大道東28號  
金鐘匯中心26樓

### 新加坡法律顧問

王律師事務所  
新加坡 049145  
喬治街一號#20-01

### 核數師

安永會計師事務所  
香港  
中環金融街8號  
國際金融中心二期18樓  
負責合夥人：梁偉立先生  
委任日期：2007年11月20日

### 合規顧問

申銀萬國融資(香港)有限公司  
香港中環花園道3號  
花旗銀行廣場花旗銀行大廈28樓

### 聯交所上市

新加坡證券交易所  
股份名稱：ChinaNTown  
股份代號：D4n.si

香港聯合交易所有限公司  
股份名稱：中國新城鎮  
股份代號：1278

國際證券編碼：VGG2156N1006



# Five-Year Financial Summary

## 五年財務概要

A summary of the consolidated results and assets and liabilities of the Group of the last four financial years, as extracted from the published audited financial statements, and the consolidated results and assets and liabilities of the Group for the period from 29 June 2006 to 31 December 2006 as extracted from the Company's listing prospectus dated 5 November 2007 in relation to the Company's application of listing in the SGX-ST, which also set out the details of the basis of presentation is set out below.

下文載列本集團過往四個財政年度的合併業績以及資產及負債概要乃摘錄自己公佈經審計財務報表，以及摘錄自就本公司於新交所申請上市而於2007年11月5日刊發的上市章程文件的本集團自2006年6月29日至2006年12月31日止期間之合併業績以及資產及負債，當中亦載列呈列基準詳情。

		Year ended 31 December 截至12月31日止年度				Period from 29 June 2006 to 31 December 2006 自2006年 6月29日至 2006年 12月31日 止期間
		2010	2009	2008	2007	
RMB'000 人民幣千元		2010年	2009年	2008年	2007年	
<b>Revenue</b>	收入	<b>1,479,889</b>	1,087,355	564,096	363,194	647,983
Cost of sales	銷售成本	<b>(567,278)</b>	(435,048)	(369,101)	(203,061)	(302,626)
<b>Gross profit</b>	毛利	<b>912,611</b>	652,307	194,995	160,133	345,357
Other income	其他收入	<b>13,130</b>	8,419	16,159	72,919	201
Selling and distribution costs	銷售及分銷成本	<b>(65,223)</b>	(119,669)	(35,891)	(37,752)	(20,286)
Administrative expenses	管理費用	<b>(196,734)</b>	(133,523)	(165,911)	(106,455)	(27,239)
Other expenses	其他開支	<b>(26,034)</b>	(1,720)	(36,162)	(45,567)	(1,830)
(Loss)/Gain on the repurchase of Senior Notes	購回優先票據(虧損)/收益	<b>(4,177)</b>	24,744	-	-	-
Loss on convertible bonds other than interest cost, net	除利息成本外可轉換債券虧損淨額	-	-	(287,826)	(79,445)	-
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	-	(8,810)	(136,773)	-	-
Fair value gain/(loss) on completed investment properties	已竣工投資物業公允價值收益/(虧損)	<b>16,168</b>	(14,163)	(488,160)	38,948	30,000
Fair value gain/(loss) on investment properties under construction	在建投資物業公允價值收益/(虧損)	<b>(1,723)</b>	39,036	-	-	-
<b>Operating profit</b>	經營溢利	<b>648,018</b>	446,621	(939,569)	2,781	326,203
Financial costs	財務成本	<b>(97,861)</b>	(104,352)	(193,696)	(293,564)	(55,498)
<b>Profit/(loss) before tax</b>	除稅前溢利/(虧損)	<b>550,157</b>	342,269	(1,133,265)	(290,783)	270,705
Income tax	所得稅	<b>(188,575)</b>	(98,809)	145,915	18,772	(91,380)
<b>Profit/(loss) for the year</b>	年度溢利/(虧損)	<b>361,582</b>	243,460	(987,350)	(272,011)	179,325
Non-controlling interests	非控股權益	<b>(114,788)</b>	(76,830)	141,807	(15,342)	(49,225)
<b>Profit/(loss) attributable to owners of the parent</b>	母公司擁有人應佔溢利/(虧損)	<b>246,794</b>	166,630	(845,543)	(287,353)	130,100
<b>Assets and liabilities</b>	資產及負債					
Total assets	資產總額	<b>8,931,850</b>	8,620,425	6,400,122	7,624,218	4,733,515
Total liabilities	負債總額	<b>(5,634,324)</b>	(5,811,268)	(4,324,087)	(4,953,507)	(4,069,622)
Total equity	權益總額	<b>3,297,526</b>	2,809,157	2,076,035	2,670,711	663,893
Equity attributable to owners of the parent	母公司擁有人應佔權益	<b>2,746,007</b>	2,372,926	1,716,934	2,169,803	354,210
Non-controlling interests	非控股權益	<b>551,519</b>	436,231	359,101	500,908	309,683
Total Equity	權益總額	<b>3,297,526</b>	2,809,157	2,076,035	2,670,711	663,893



# ADVOCATE of Low Carbon Ecological Environmental Urbanisation

提倡

低碳  
生態  
環保  
城鎮化







# Project List 項目一覽



Chengdu  
Project  
成都項目



Project List  
項目一覽



Shenyang  
New Town  
瀋陽項目



Wuxi  
New Town  
無錫項目



Shanghai  
New Town  
上海羅店  
項目



CNTD Headquarter  
Hong Kong  
CNTD香港總部





## Project List 項目一覽

### LAND DEVELOPMENT PROJECTS

#### SHANGHAI LUODIAN NEW TOWN

- Total site area of 6.80 sq. km.
- Located at Baoshan District, connected to downtown Shanghai by metro line #7 (with two stops at Luodian), around 30 minutes ride to downtown Shanghai
- Selected as permanent site to co-host the China New Town Investment International Forum with the National Development and Reform Commission of the PRC
- Also features a 5-star Crowne Plaza Hotel, two 18-holes PGA standard golf courses, an European style retail street with over 72,000 sq.m. of rental space, and an international convention centre
- Substantially completed (91% completion)
- Approximately 866,082 sq.m. of remaining land available for sale representing 37% of total, available for sale up to year 2015

#### WUXI HONGSHAN NEW TOWN

- Total site area of 8.68 sq. km.
- Located in Wuxi New District and adjacent to the high-tech industrial park (over 70 of Fortune 500 businesses operating there), close proximity to the Wuxi city centre and Wuxi Airport
- Approximately 51% completed of development
- Approximately 3.17 million sq.m. of remaining land inventory available for sale representing 83% of total, available for sale up to year 2020

#### SHENYANG LIXIANG NEW TOWN

- Site area of 20.55 sq. km.
- Located at Dongling District, close proximity to Shenyang city centre and adjacent to Shenyang Taoxian International Airport
- In the Dahunnan area where is planned to be transformed into "New Centre, New Landmark, new hub and new energy" under the Government's strategic plan; host of the 2013 National Games
- Approximately 45% completed of development
- Approximately 11.84 million sq.m. of remaining land inventory available for sale representing 96% of total, available for sale up to year 2038

### 土地開發項目

#### 上海羅店新城鎮

- 總佔地面積6.80平方公里
- 位於寶山區，地鐵7號線（兩個站位於羅店）連接上海市中心，距離上海市中心約30分鐘車程
- 獲選為永久場地，與中國國家發展和改革委員會合辦「中國城鎮投資國際高峰論壇」
- 亦設有五星級皇冠假日酒店、兩個18洞PGA標準高爾夫球場、歐洲風情零售街（零售空間逾72,000平方米）、國際會議中心
- 大致上竣工(91%竣工)
- 可供出售剩餘土地約866,082平方米(佔總數的37%)，可供出售至2015年

#### 無錫鴻山新城鎮

- 總佔地面積8.68平方公里
- 位於無錫新區，毗鄰高新科技園區（逾70家財富500強企業於該區營運），非常鄰近無錫市中心及無錫機場
- 發展項目約51%已竣工
- 可供出售剩餘土地存貨約317萬平方米(佔總數的83%)，可供出售至2020年

#### 瀋陽李相新城鎮

- 佔地面積20.55平方公里
- 位於東陵區，非常鄰近瀋陽市中心及毗鄰瀋陽桃仙國際機場
- 位於大渾南社區，根據政府策略性計劃，將會轉型為「新中心、新地標、新樞紐及新動力」；主辦2013年全國運動會
- 發展項目約45%已竣工
- 可供出售剩餘土地存貨約1,184萬平方米(佔總數的96%)，可供出售至2038年

### LIST OF COMMERCIAL PROPERTIES CURRENTLY UNDER CNTD'S DEVELOPMENT AND/OR MANAGEMENT

### CNTD開發中及／或管理的商用物業清單

#### LUODIAN

- Crowne Plaza Hotel
- Lake Malaren Golf Course, two 18-holes PGA standard golf courses
- International Convention Centre
- European-styled retail street
- Shanghai shopping mall

#### 羅店

- 皇冠假日酒店
- 美蘭湖高爾夫球場（兩個18洞PGA標準高爾夫球場）
- 國際會議中心
- 歐洲風情零售街
- 上海購物中心

#### WUXI

- A five-star hot spring hotel
- Retail Street in Wuxi Project

#### 無錫

- 五星級溫泉酒店
- 無錫項目的零售街

Note: CNTD's holding interests in Luodian, Wuxi and Shenyang joint-venture companies are respectively 72.73%, 90% and 90%.

註：CNTD分別於羅店、無錫及瀋陽的合資公司持有72.73%、90%及90%的股權。

## REAL ESTATE DEVELOPMENT PROJECTS

### LAKE MALAREN SOHO PROJECT

Type: Commercial  
Location: Within Luodian New Town, adjacent to the Metroline #7, Lake Malaren Station  
Site area: 11,228 sq.m.  
Total GFA: 39,317 sq.m.  
Descriptions: Located right on the top of the Luodian metro Transportation Hub, the Lake Malaren SOHO project is to be developed into commercial use property. It benefits from convenient location, at the junction where the metroline #7 connects the new town with downtown Shanghai, as well as a shopping mall.  
Expected timing: Pre-sale to start in 2011, delivery through 2012-2013

### LAKE MALAREN SILICON VALLEY PROJECT

Type: Commercial  
Location: Adjacent to the Crowne Plaza Lake Malaren Hotel and Lake Malaren Golf Course (two 18-holes PGA standard golf courses to co-host an international golf tournament with the IMG Group ("IMG") in 2011-2015)  
Site area: 242,500 sq.m.  
Total GFA: 97,000 sq.m.  
Descriptions: To be developed into low-density commercial office units and sold for use as corporate headquarters, enjoying full view of the Lake Malaren Golf Courses. The Project will have approximately 240 units, with a standard unit ranging from 360 sq.m. to 460 sq.m.  
Expected timing: Pre-sale to start in 2011, delivery through 2012-2015

### WUXI HONGQING PROJECT

Type: Residential  
Location: Within Wuxi Hongshan New Town of CNTD  
Site area: 69,212 sq.m.  
Total GFA: 83,055 sq.m.  
Descriptions: To be developed into residential property.  
Expected timing: Pre-sale to start in 2011, delivery through 2012-2013

### CHENGDU PROJECT IN PI COUNTY<sup>1</sup>

Type: Residential  
Location: Sanguan Village, Hongguang Town in the Pi county of Chengdu  
Site area: 90,982 sq.m.  
Total GFA: 215,202 sq.m.  
Descriptions: Located in one of the six major city ancillary blocks of Chengdu with good location, convenient transportations and excellent development prospects, this project represents the first ever CNTD real estate project outside its own new towns.  
Expected timing: Pre-sale to start in 2011, completion through 2012-2013

## 房地產開發項目

### 美蘭湖SOHO項目

類別：商業  
位置：位於羅店新城鎮內，毗鄰地鐵7號線美蘭湖站  
佔地面積：11,228平方米  
總建築面積：39,317平方米  
描述：美蘭湖SOHO項目位於羅店地鐵交通樞紐之上，將發展為作商業用途的大樓，其具有位置便利的優勢，處於地鐵7號線連接新城鎮與上海市中心以及購物中心的交匯點  
預期時間表：於2011年開始預售，於2012年至2013年交付

### 美蘭湖硅谷項目

類別：商業  
位置：毗鄰美蘭湖皇冠假日酒店及美蘭湖高爾夫球場（兩個18洞PGA標準高爾夫球場，與IMG集團（「IMG」）於2011年至2015年合辦國際高爾夫球錦標賽）  
佔地面積：242,500平方米  
總建築面積：97,000平方米  
描述：將開發為低密度商業辦公室單位，並出售供企業總部用途，坐享美蘭湖高爾夫球場全景。該項目將有約240個單位，標準單位介乎360平方米至460平方米  
預期時間表：於2011年開始預售，於2012年至2015年交付

### 無錫鴻慶項目

類別：住宅  
位置：CNTD的無錫鴻山新城鎮之內  
佔地面積：69,212平方米  
總建築面積：83,055平方米  
描述：將發展為住宅物業。  
預期時間表：於2011年開始預售，於2012年至2013年交付

### 成都郫縣項目<sup>1</sup>

類別：住宅  
位置：成都郫縣紅光鎮三觀村  
佔地面積：90,982平方米  
總建築面積：215,202平方米  
描述：位於成都六個主要城市配套街區之一，具有良好位置、便利交通及卓越發展前景，此項目為CNTD歷來首個位於其自身的新城鎮以外的房地產項目  
預期時間表：於2011年開始預售，於2012年至2013年交付



Note 1: CNTD has 72.73% effective interest in the project.

註1：CNTD在此項目佔有72.73%的有效權益。





# Chairman's Statement

## 主席報告書



Dear Shareholders,

On behalf of the board of directors, I would like to present the annual report for the results of China New Town Development Company Limited ("CNTD") for the year ended 31 December 2010 (accounting year 2010) to you.

尊敬的股東：

本人謹代表董事局向諸位提呈中國新城鎮發展有限公司（「CNTD」）截至2010年12月31日止之全年（2010年會計年度）業績報告。



## Chairman's Statement 主席報告書

Year 2010 marked CNTD's eighth year of engaging in the new town development business. In the previous year, while the national economy continued to show strong recovery, it was also a year full of both challenges and opportunities for the PRC real estate sector due to surging inflationary pressure through the country as well as emerging asset bubbles. Against such backdrop, CNTD achieved steady growth of its business, with a net profit reaching the Group's record high of RMB247 million, representing a year-on-year growth of 48%. This demonstrates that the Group's dedicated effort on the new town development sector over years have paved well for our harvest.

In October 2010, the 17th Plenary Meeting of the PRC Communist Party was convened, in which the Twelfth Five-Year Plan for National Development (the "Twelfth Five-Year Plan") was passed, delineating the new blueprint for the national economic and social development between 2011 and 2015. The Twelfth Five-Year Plan emphasized the acceleration on the strategic national economic restructuring, in particular, expanding domestic demand and steadily increasing the level of urbanization has been set as priorities. This is solid evidence that urbanization of China in the future is in line with the economic trend and that its importance has been raised to the national policy level. The Twelfth Five-Year Plan also set the specific target of raising the national urbanization rate from 47% in the end of 2009 to 50% by 2015. The future mode of urbanization in China, as outlined in the Twelfth Five-Year Plan, is the coordinated development among small to medium cities and small towns, with large cities providing the foundation and medium and small cities providing the main growth drivers. The rapid urbanization for the national population would create substantial demand for urban land resources, and hence presenting CNTD, a leading non-state owned new town developer, with enormous business opportunities.

Meanwhile, the medium to long term plan for high-speed railway development in China was announced. Closely linked to the Twelfth Five-Year Plan, the plan stated the Government's committed effort to develop a domestic high-speed railway network in the next few years. It is anticipated that domestic high-speed railway network would greatly strengthen the connections among economic zones as well as among large and small cities. In only a matter of few years, this will greatly enhance the radiation of the three currently

在2010年，CNTD踏入在新城鎮開發業務的第八個年頭。去年，國家經濟繼續強勁復甦。然而，與之同時出現的通脹壓力及資產市場日益熾熱的現象，令國內房地產行業經歷了挑戰與機遇並存的一年。在這種環境下，CNTD把握機遇，業務繼續穩步成長，純利達到集團歷史最高的人民幣2.47億，按年增長48%，足證集團多年來在新城鎮開發領域的耕耘已開始結出碩果。

在2010年10月，中共中央召開第十七屆五中全會，會議通過了國家發展的第十二個五年規劃（「十二五規劃」），對2011年至2015年的全國經濟和社會發展提出了新的發展思路。十二五規劃提出加快策略性調整全國經濟結構，其中重點為擴大內需，以及穩步提升城鎮化水平，顯示未來中國的城鎮化已是經濟大勢所趨而且其重要性已被提升到國策的層面。十二五規劃還明確提出，在2015年前全國的城鎮化率將由2009年末的47%提升至50%。十二五所勾勒的中國未來的城鎮化模式，是以大城市為依托、以中小城市為重點，中小城市和小城鎮間協調發展的格局。國內在人口急速城鎮化的過程之中，必然創造對城市土地資源的需求，為CNTD — 國內領先的民營新城鎮開發商 — 帶來龐大的商機。

與十二五規劃所緊扣的，是中國高鐵中長期發展規劃，提出大力發展國內的高速鐵路網絡。預計在短短數年內，國內高鐵網絡將大大加強經濟區與經濟區間、大城市與中小城市之間的往來及聯繫，令國內長三角、環渤海及珠三角此三大對中國最有影響力的經濟區的能量輻射至其他地區。由此，中國的城鎮化大





## Chairman's Statement 主席報告書

most vibrant and influential economic zones in China, namely the Yangtze River Delta, the Bohai Economic Zone and the Pearl River Delta, to other regions in the country. Accordingly, the macro trend of urbanization in China would be complemented by infrastructure development. Located at the center of the Yangtze River Delta, our Luodian new town and our Wuxi new town project will benefit from the further elevation of the economic importance of the Yangtze River Delta in long term. In particular, our Wuxi Hongshan New Town, located right next to the high-speed railway station, would directly benefit and offer substantial growth potential for years to come.

While the national economy achieves fruitful development, the real estate sector has been increasingly exposed to the risk of policy curbing. After the financial tsunami, price and volume for commercial properties nationwide has recorded sharp rise, raising the PRC Central Government's concern on the emergence of asset bubbles. In April 2010, the Central Government introduced policies to strictly curb the speculations of residential properties (alias "Ten Measures of the State Council" ("國十條"), imposing clear and stringent nationwide restrictions over the purchase of real estate as well as housing loans. On 26 January 2011, the Central Government introduced "Eight New Measures of the State Council" ("新國八條"), which does not only further raise the down-payment ratio for second house purchase and strictly limit the purchase of the third house, but also, in respect of political level, hold local governments politically accountable for the curbing of property prices. And in less than a day later of the introduction of such policies, it is also announced that Shanghai and Chongqing would act as the pilot cities for imposing real estate tax. On the other hand, the People's Bank decisively announced credit tightening measures, including the rise in the bank required reserve ratio for seven consecutive times and the upward adjustment of interest rate for three times. Such adjustment and policy control would likely sustain for a certain period, with house purchasers shifting towards a wait-and-see and more prudent approach. Nevertheless, from a long-term perspective, these policies are constructive to the healthy development of the real estate sector. As the business model of CNTD is significantly different from that of ordinary domestic real estate enterprises, we consider that CNTD could fully utilize its strength in such circumstances. Firstly, to control domestic property price, abundant supply of land resources to the market is of utmost importance, especially land from city peripheral area and within affordable price. CNTD has a considerable amount of such land resources, and creates economic value for various parties via long-term value nurturing operations. During the course of our new town development, we have been emphasizing on the

趨勢，將得到基建層面的全面配合。我們在羅店與無錫的兩個新城鎮項目，處於長三角的中心位置，必然長遠受惠長三角經濟地位在國內進一步的提升。其中，我們的無錫鴻山新城鎮緊鄰高鐵站，直接受益，發展潛力巨大。

然而，在國內經濟蓬勃發展的同時，房地產行業卻面臨着重大的政策調壓風險。金融海嘯後，全國各地商業房地產的價量急升，引起了中央對資產泡沫苗頭的關注。2010年4月，中央出台了嚴厲打壓房地產炒賣的政策（俗稱「國十條」），當中對購房、房貸等方面有明確而嚴格的全國性限制。2011年1月26日，中央再出台了「新國八條」，除了進一步調高第二套房的首付比例及嚴格限購第三套房之外，還將調控房價提高到地方政府問責的政治高度；事隔不足一天，再宣佈上海與重慶作試點徵收房產稅。另一方面，人民銀行果斷地宣佈收緊銀根的措施，其中包括連續七度調高銀行存款準備金，以及三度調升利率。可以預期，政策上的調控將會維持一段時間，購房者會轉趨審慎觀望為主。不過從長遠來看，卻有利於房地產行業的健康發展。由於CNTD和一般內房企業的商業模式的顯注不同，我們認為CNTD的優勢在這種環境下可以得到充分的表現。首先，為了控制國內的房價，向市場提供足夠的土地資源至關重要。當中，尤以城市外圍、價格適中的地段的土地為甚。CNTD就是座擁可觀數量的這樣的土地資源，而且歷年來能通過為土地帶來長遠的增值運營為各方創造效益。在我們的城鎮

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relocation of incumbent residents, improving their living conditions, conserving land resources, building ancillary infrastructures and facilities to enhance the quality of the new towns. All of these are great driver of domestic consumption demand, and are thus in line with national policies. In addition, as the Luodian Project is entering maturity, it could provide the Group with steady cash flow, while the steady growth in new town projects in Wuxi and Shenyang would enhance the Group's financial position in the long term. We would humbly remind ourselves of the challenges the real estate industry is facing in the year ahead, and in particular, our Wuxi and Shenyang projects are still in early stage and require a long time of investment and nurturing. However, CNTD will strengthen its management on cash flow and strictly control costs, while actively promoting its brand and maintaining quality and reputation, to fully equip itself for the future opportunities arising in the real estate market.

Furthermore, CNTD was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") by the way of introduction on 22 October 2010, marking a new era for the Group. Looking ahead, CNTD will hold primary listing status on both Singapore and Hong Kong. We deeply believe that the listing in Hong Kong is only our first step towards success, and it takes more steps to reach the goals of being fully understood by the market, as well as getting acknowledged by the market, which also formulates the direction for our future efforts.

開發過程中，我們一向注重對當地原住民的安置，和對其生活條件的改善；對土地集約、節約的利用；對基礎設施的建設和配套功能的提升等等。這都是對內需的極大推動，因此實為順應國策。此外，隨着羅店項目的日漸成熟，將可為集團帶來穩定的現金流，而我們在無錫及瀋陽的新城鎮項目穩步成長，長遠加強集團的財務狀況。我們清醒地認識到，房地產行業在2011年仍是挑戰重重，尤其是我們的無錫及瀋陽項目仍在起步階段，需要長時間的投入及培養。不過CNTD將會加強現金流的管理，嚴格控制成本，同時積極推廣品牌，維持品質和口碑，為未來房地產市場的機遇做好準備。

另一方面，CNTD去年10月22日成功地在香港聯合交易所有限公司（「香港聯交所」）主板以介紹形式掛牌上市，為集團展開新的一頁。今後，CNTD將在新加坡與香港兩地同時上市。我們深信，香港上市只是成功跨出了第一步，要得到市場的充份認識以至認可有一個過程，這也是我們日後努力的方向。





## Chairman's Statement 主席報告書

In the past financial year, the Company has taken a strategic initiative to expand our value chain and enter the property development space. Extending our presence to property market and pursuing an integrated business model of primary (land) and secondary (property) development is a sound strategy for the Company in the long term. Among our secondary market projects, the Lake Malaren Silicon Valley Project is located within our Shanghai Luodian project and benefits from the luxury view of Lake Malaren Golf Course. It will be developed into low-density commercial offices available for use as corporate headquarters in the near future. The Company owns the land use rights of the land. Along with the commencement of the golf tournament at PGA standards, jointly organized by the Group and IMG on the Lake Malaren Golf Course in the next five years, the properties will be gradually released to the market, providing the Company with a new and substantial source of revenue stream. Furthermore, also located in Shanghai Luodian, the SOHO Project will be fully commenced in 2011. Apart from the above, the Group also successfully bid a parcel of land in Pi County in Chengdu, the provincial capital of Sichuan, for the development of residences. Such act marks a try in terms of the development of secondary real estate apart from CNTD's own projects, establishing the business foundation in Chengdu, the center of Southwest China for the Group's deployment of development strategy in the future. Going forward, the Company will fully utilize its in-depth knowledge and extensive connections on a local level. This includes a high level of familiarity with local political and economic environments, as well as unique insights on the potential of real estate projects within our new towns. At the same time, as the Company is devoted to enhancing the long term value of land in our new towns, it will also greatly increase the value appreciation potential of secondary projects within new towns. Furthermore, secondary development business will complement our primary development operations with their steady cash flow and shorter investment cycles. Therefore, there exist strong complementarities between our primary and secondary market operations.

另外，集團在去年作出了策略上的嘗試，積極地為參與二級房地產市場開發作準備。把產業鏈延伸到二級房地產，進行一二級房地產的聯動開發，對集團的長遠發展是十分有利的策略。其中美蘭湖硅谷項目座落於上海羅店項目內，坐擁美蘭湖高爾夫球場的良好風景，將發展成低密度商務辦公用房，可供售為企業總部使用。CNTD已擁有該土地的使用權，該項目將在未來幾年，隨着本集團與IMG在未來五年聯合主辦的國際高爾夫球錦標賽在美蘭湖高爾夫球場的開展而逐步推出市場，為CNTD帶來新的利潤點。同樣位於羅店的美蘭湖SOHO項目也將於2011年全力啟動。除此之外，集團還成功在四川省會成都市的郫縣投得一塊地塊作為發展住宅之用，此舉為CNTD在自身項目以外的房地產二級開發方面的一次嘗試，在中國西南地區的中心城市成都市建立業務基礎，作集團日後的發展戰略佈署。日後，CNTD可以充份利用其通過新城鎮開發業務所獲取的，對外的政經基建等情況的了解，以及對內於項目的開發前景方面的熟悉；而由於CNTD致力於提升新城鎮土地的長遠價值，所以同時也大大提升新城鎮內的二級項目的發展潛力。另一方面，二級開發所具備的投資期短，資金回籠較快的特點，也為一級開發帶來新的利潤點並幫助穩定現金流。由此可見，一二級房地產開發之間，是存在着良好的互補性的。



## Chairman's Statement 主席報告書

While extending our value chain, we are constantly reinforcing our business of land development. One of the areas is we have been particularly focusing on bringing the best healthcare brand names into our new towns. For example, we are studying the feasibility of introducing the International Peace Maternity & Child Health Hospital into our Shanghai Luodian project, as well as the Shanghai Ruijin Hospital into our Wuxi project, which are the most famous hospitals in Shanghai. In a time of rapid household wealth growth and ever growing need of quality healthcare, we foresee a strong demand for brand name healthcare providers in our new towns and their vicinities and believe that such addition will have a long term significant upside support on our land value. In addition, the opening of quality hospital facilities will create employment opportunities, attracting talents and attract visitors to the town. This implies the new town could potentially become the driver of economic growth in the region, thus creating strong demand for the land resources of CNTD. We believe there is much potential complementarity to be explored between the real estate sector and the medical care sector in the future.

For the year under review, the result achieved by CNTD in 2010 is inseparable from the support of all shareholders, investors, related government departments for which the projects are located at, as well as our banks. I would like to express my sincere gratitude towards them on behalf of the board of directors. At the same time, I would also like to fully recognize, and sincerely thank for, the hard work and strong results achieved by the management and all staff members of CNTD in this past year. Looking ahead to the new year, despite the enormous challenges the real estate sector is facing, we will fully align ourselves to the national policies and continue to create long term value for our shareholders with an innovative and adaptive spirit.

**Shi Jian**  
Chairman

10 March 2011

在不斷拓展本公司產業鏈的同時，我們仍一如既往地致力發展我們的土地開發業務。本公司正計劃將一線的醫療保健品牌引入新鎮項目內。例如，本公司正研究將上海的知名醫院中福會國際婦幼保健院及上海瑞金醫院，分別引入我們的羅店和無錫新鎮項目之中。在家庭財富迅速增長及中國普羅大眾對優質醫療需求的意識日益抬頭的年代，優質醫療保健設施已成為住宅城鎮不可或缺的部份，本公司堅信該配套舉措對於拓展本公司產業鏈有着長遠的意義。此外，通過醫療保健院的開設可增加工作崗位，引進人才及增加人流量，意味着這將成為該地區一項強勁的經濟動力，同時，提高對於本公司土地的需求。本公司堅信在房地產行業與醫療行業間的協同性仍然大有發展潛力。

回顧過去一年，CNTD在2010年取得的成績，實有賴各位股東、投資者、項目所在的政府有關部門及銀行在過去一年以來的關注及全力支持，對此，本人謹代表董事局表達由衷的感激。同時，對於CNTD的管理層及全體員工在過去一年的辛勤努力及所創造的佳績，表示充分的肯定及衷心的謝意。展望新的一年，雖然房地產行業仍然充滿挑戰，我們將順應政策，努力發展，以創新、務實的精神，力求繼續為股東創造長遠的價值。

**施建**  
主席

2011年3月10日





# CEO Statement 行政總裁報告書

Dear Shareholders,

In 2010, China New Town Development Company Limited (hereafter referred to as “CNTD” or the “Company”) continued to deliver strong performance. For the financial year ended 31 December 2010, the revenue of CNTD increased year-on-year by 36% to RMB1.48 billion, marking a new record for the Group. Net profit attributable to shareholders increased by 48% year-on-year to RMB247 million, also the highest level in the Group’s history. 2010 marked a very challenging year for the PRC real estate sector. Uncertainties of national policy curbing and control, together with the commencement of tightening monetary policy in the second half of the year, imposed a considerable pressure on the sector. Nonetheless, as the Chairman mentioned in his report, CNTD has a unique business model, and its commitment to the business of developing land resources surrounding large cities is fully aligned with the national policy as well as the economic trend of national urbanization, which is solidly evidenced by our excellent results for the year.

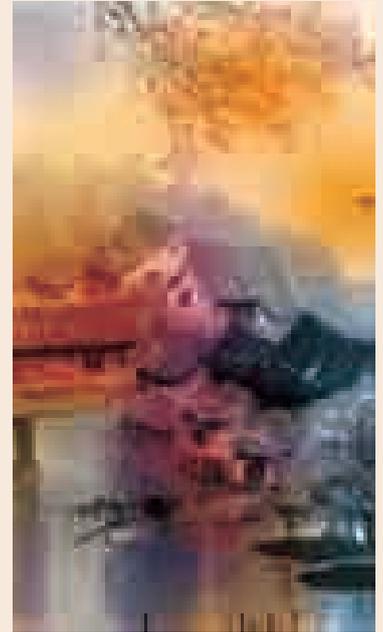
As with the previous years, the operating income from land development still represents the major income source of the Group. We are pleased that, in financial year 2010, apart from the continued generation of strong land sale proceeds from the Luodian New Town, which is in its harvest stage, three parcels of land in our Wuxi New Town were also sold during the year. Wuxi Project has made a new land sales record in terms of the highest achieved selling price by site area. In terms of costs, the unit land development costs for all three projects of CNTD (equally distributed in accordance with budgeted costs of services divided by relevant area) remained unchanged during the year.

各位尊敬的股東

2010年，中國新城鎮發展有限公司(下稱「CNTD」或「本公司」)繼續創出佳績。在截止至2010年12月31日的財政年度，CNTD的營業收入按年上升36%至14.8億人民幣，創下了本集團的收入紀錄。股東應佔純利按年上升48%至2.47億人民

幣，同樣為本集團的歷史最高水平。2010可謂對內地房地產挑戰重重的一年，除了國家政策調控方面的不確定性，在下半年開始的緊縮貨幣政策，均為行業帶來不少運營上的壓力。但是，誠如主席在報告書中所述，CNTD具有獨特的商業模式，其致力發展大城市周邊土地資源的業務，是符合國策和國家城鎮化這一經濟大趨勢的。這一點，從我們今年的良好業績中可以得到充份的印證。

一如既往，土地開發帶來的營業收入仍佔本集團的絕大部份收入來源。可喜的是，在2010財政年度，除了已步入收成期的羅店新鎮繼續帶來強勁的土地出讓收益之外，年內無錫新城鎮也售出了三塊地皮。按其達到的佔地面積的售價計算，無錫項目內土地在去年的最高售價刷新了無錫項目內的土地售價紀錄。在成本方面，CNTD的全部三個項目的土地開發單位成本(按服務預算成本除以相關面積均分)均在年內保持不變。



In addition, the Group also achieved good progress on business apart from land development. Revenue from hotel operation increased significantly from RMB29.74 million in 2009 to RMB50.56 million in 2010, which was mainly due to the growth in business as a result of 2010 Shanghai World Expo, as well as the fall in revenue in 2009 due to the suspension of business in Crowne Plaza Lake Malaren Hotel for renovation works. Also, as planned renovation was conducted in the golf course for the co-hosting of international golf tournament with IMG in the coming year (as detailed in the Luodian section below), the operation of golf course recorded a revenue of RMB39.99 million (2009: RMB56.18 million). The renovation is scheduled to complete by the second quarter of 2011.

Furthermore, as of 31 December 2010, the total value of the Group's cash and bank balance amounted to RMB1.38 billion, while the net gearing ratio dropped further from 24% in the end of 2009 to 19%, showing that the financial position of the Company continues to improve steadily. Moving towards 2011, the operating environment for real estate enterprises will still be harsh, and the Company will continue to place its focus on existing new town projects, as well as to establish its reputation via quality.

## LUODIAN

In financial year 2010, the land sales in Luodian still made the largest contribution to the Group's revenue. During the year, we sold two land parcels with a total site area of 151,150 square meters (sq. m) within our Luodian Project to the subsidiary of Sino-Ocean Land for an aggregate consideration of RMB1.9 billion, and the average auction price was up to RMB21,289 per sq.m. of Gross Floor Area.

Entering into its ninth year of development, the construction and scale of Luodian New Town has grown with the passage of time, and its development has entered the mature stage. Luodian New Town has attracted more and more real estate operators with strong brand names to establish their presence, and the land price has been making new highs, reflecting that the value of its land and the future potential of the town have been well recognized by the market, which marks the time of harvest for the Group after years of investment.

此外，本集團的土地開發以外的業務也取得了良好的進展。酒店業務的收入由2009年的人民幣2,974萬元大幅增長至2010年的人民幣5,056萬元，主要由於2010年上海世博會的影響使業務增加，而且2009年由於上海美蘭湖皇冠假日酒店進行修繕工程暫停營業而致收入減少所致。而由於計劃對高爾夫球場進行翻新，以於明年與IMG合作舉行國際高爾夫球公開賽（詳見下文羅店部份），高爾夫球場經營錄得收入人民幣3,999萬元（2009年為人民幣5,618萬元）。翻新預定於2011年第二季度完成。

另外，截至12月31日，本集團的現金及銀行結餘總值達13.8億人民幣，淨資產負債率進一步從2009年末的24%降至19%，顯示本公司的財務狀況也繼續穩步改善。在步入房地產企業經營環境仍然艱難的2011年，本公司將會繼續專注開發現有的新城鎮項目，以品質打造口碑。

## 羅店

在2010財政年度，羅店的土地出讓仍然為本集團帶來最大的收入貢獻。年內我們以總共19億元人民幣的總成交價出讓了羅店項目內總佔地面積151,150平方米的兩幅地皮予中國遠洋地產的子公司，其平均樓板價高達每平方米21,289元人民幣。

羅店新鎮在步入開發的第九個年頭，城鎮的建設及規模與日俱長，其發展已步入成熟期。羅店新鎮吸引越來越多的具品牌及實力的房地產商進駐，土地價格屢創新高，反映其土地的價值和城鎮將來的潛力已充份獲得市場的認同。對於本集團來說，則是多年的投資到了收成期。





## CEO Statement 行政總裁報告書

As the sole developer of the Luodian project, CNTD always considers the long term benefit to the town, and will stay firmly committed to further improvement of ancillary facilities within the project. Through this we aim to further enhance the new town in respect of lifestyle, education, medication, entertainment and business vibrancy. In 2010, we devoted substantial effort to the development of every aspects of the town, and have achieved good progress. In particular, Lake Malaren Transportation Hub of metro line #7, being one of the key constructions to improve the transportation bottle-neck in Shanghai, was launched in December. Since then, it takes only an around 30-minute-ride to travel from Luodian to Shanghai downtown by the metro line #7, bringing great convenience to the transportation of Luodian. In addition, Century Lianhua outlet in the Transportation Hub has commenced operations, while the food court is on the planning stage and facilities such as the long-haul bus station will be completed in near future progressively, shaping Luodian as an emerging and popular spot for personal consumption.

Furthermore, the Company plans to co-host the International Golf Tournament annually between 2011 and 2015 in Lake Malaren Golf Course with IMG, a renowned integrated sports, entertainment and media company. To embrace the opportunities presented by this important event, we are renovating the Lake Malaren Golf Course, in-charged by Jack Nicklaus, the world's leading golf course designer. Such renovation is now underway and is anticipated to complete by the second quarter of 2011. By then, benefiting from the event of golf competition of the best talents in the field, the brand of Lake Malaren Golf Course will be substantially enhanced, which would in turn greatly contribute to the land value of Luodian New Town. While hosting the Lake Malaren IMG Golf competition, Lake Malaren Silicon Valley Project, the landmark property development project of CNTD within Luodian, is also making meaningful progress. The project is on its final stage of applying relevant permits, and the Company has already owned the relevant land use right of the land. The total site area of the project is approximately 242,500 sq.m (plot ratio 0.4, gross floor area 97,000 sq.m, for the development of commercial properties), and it will be developed to around 240 low-density commercial office units and sold for use as corporate headquarters. It is believed that such project would be launched to the market in line with the golf tournament, providing a substantial and new revenue stream for CNTD.



CNTD作為羅店項目的獨家開發商，事事從城鎮的長遠利益考慮，必將繼續為該項目完善配套建設，讓城鎮不管在生活、教育、醫療、娛樂和商業等等各方面，都進一步完善。而在2010年，我們在城鎮的各方面的發展，都下了不少的努力，並取得了良好的進展。其中，作為改善上海城市交通瓶頸的重點建設項目之一，地鐵7號線美蘭湖交通樞紐在12月正式開通。自此，由羅店至上海市中心，乘搭地鐵7號線，只需要30分鐘左右，大大便利了羅店的交通。另外，交通樞紐的世紀聯華大賣場，已正式投入運營，美食城正在積極籌備中，長途汽車站區等將會在不久的將來陸續落成，為羅店帶來人氣和新的消費點。

此外，本公司將在2011-2015年期間，與著名的體育、娛樂及媒體公司IMG合作在美蘭湖高爾夫球場上舉行一年一度的國際高爾夫球賽事。而為了隆重迎接這一項盛事，我們正在對美蘭湖高爾夫球場進行大翻新，由全球首屈一指的高球場設計師Jack Nicklaus負責該項工程。這一項翻新工程已在進行中，預計在2011年第二季度完成。屆時，乘高爾夫夫人賽的盛事，美蘭湖高爾夫球場的品牌必將獲得大幅提升，羅店新鎮的土地價值也會大受裨益。與美蘭湖IMG高爾夫賽同步的，是CNTD在羅店項目內二級市場的重點項目 美蘭湖硅谷項目。該項目目前已在申辦有關許可證的最後階段，而本公司已擁有相關土地的使用權。項目總佔地面積約242,500平方米（容積率0.4，建築面積97,000平方米，作發展商業物業用途），將發展成約240個低密度商務辦公用房，可供售為企業總部使用。相信該項目配合高爾夫球賽事而推出市場，可為CNTD帶來可觀的新的盈利增長點。

On top of the above, the Company is studying the possibility of introducing the renowned China Welfare Institute International Peace Maternity and Child Health Hospital into our Luodian New Town. Amidst the current rapid growth in wealth of Chinese families and the trend of increasing public awareness on quality medication, we are strongly confident that the land value of our project will be enhanced significantly in the long term through introducing premium medical brand into the project.

### WUXI

2010 witnessed the fourth year of the development of Wuxi Project, for which we were pleased to see its steady development during the year. Wuxi Project had sold three parcels of land with an aggregate total site area of 247,317 sq.m. and for an aggregate consideration of RMB630 million. In terms of the achieved selling price by site area, the unit selling price of Wuxi Project reached over RMB2,350 per sq.m, which was twice the price in 2009. We strongly believe that, on the foundation of the experience gained in the development of Luodian Project, we will achieve flawless execution for the development of Wuxi Project that we target, providing the Group with the next strong profit and growth source in the long and middle term. This represents one of the key Group's strategies.

During the year, Wuxi Project is developing rapidly in a favorable direction. In respect of internal development, we have relocated about 658 units of residents and 38 units of non-residence in 2010: We have also received tremendous policy support in terms of developing supporting facilities on town peripheral. In particular, we were pleased to learn that Wuxi Metro West Railway, a major transportation vein in Wuxi, will extend to Hongshan New Town with two stations within the town. Apart from that, during the year, the Central Government announced policies on committed development of high speed railway network in the next few years, with a station of the high speed railway locating within Wuxi Hongshan New Town. High level of support on the town's external transportation does not only show the dedication and support from the government to the regional economy, but also significantly enhance the economic influence of Wuxi and the Wuxi New District, where the new town project is located. This would lay a firm foundation for the long term value appreciation of our land resources in the project.

此外，本公司現正與上海著名的中福會國際和平婦幼保健院合作在新鎮打造「上海美蘭湖國際和平婦產科醫院」及專業月子會所。在現時中國家庭財富迅速增長及大眾對優質醫療的意識日益增強的趨勢下，新城鎮和周邊地區對優質的醫療服務有着強大的需求。我們有充份信心，為我們的項目引入優質的醫療品牌，長遠必然對項目的土價值有長遠而重大的提升。

### 無錫

踏入項目發展的第四年，無錫項目在2010年的穩步發展，讓我們感到欣喜。無錫項目總共出讓了三幅地皮，總佔地面積為247,317平方米，總成交價為6.3億元人民幣。以佔地面積的售價計算，無錫項目的每平方米的最高單位售價超過平均售價2,350人民幣，比2009年的單位售價攀升一倍。我們深信，在羅店項目開發經驗的基礎上，我們在無錫項目發展的執行上必然能更盡善盡美，為集團中長線提供下一個強勁的利潤點和增長點，此為本集團策略上最重要的一點。

年內，無錫項目正在循着有利的方向迅速發展。在內部發展方面，我們在2010年共拆遷了近658戶居民及38戶非住宅。而在外圍的配套方面，我們也得到了政策上的大力支持配合。其中，我們欣喜獲悉，無錫市的主要交通動脈之一城西鐵路，將會延伸至無錫鴻山新鎮之內，並且設有兩個站。另外，年內國家公佈政策大力發展高鐵網絡，而高鐵也已設站在鴻山新鎮。交通上的配套，除了顯示了政府對地區經濟的重視和支持外，還大大加強了無錫和新鎮項目所在的無錫新區的經濟輻射力，為我們項目的長遠土地資源增值，奠定了堅實的基礎。





## CEO Statement 行政總裁報告書

Meanwhile, ancillary facilities within the project are also being developed at steady pace. We have kicked off the construction of a high-end hot spring hotel within Hongshan New Town. The hotel will be positioned to combine convention, leisure, life and health, and once completed it will be one of the best hotels within the Wuxi New District. Currently, the design and master plan for the hotel has been completed, and the construction team has commenced preliminary preparation work such as clearing and exploration. We strongly believe that, with the completion of a quality hotel within the Wuxi Project, the profile, popularity and business activities would be significantly enhanced. Furthermore, consistent with our strategy in Luodian, we are currently studying the possibility of introducing one of the most-renowned hospital brand, Ruijin Hospital, into our Wuxi New Town.

### SHENYANG

Our Shenyang Project is developing in a well-paced manner, self-sufficiency in terms of capital chain is achieved, allowing the Group to concentrate its resources on the development of other new town projects. In 2010, CNTD did not record any land sale in our Shenyang Project during the year. We believe that the National Game held in 2013 will bring Shenyang, especially the Dahunnan area where the event is held, will create substantial business opportunities and demand for properties. It will become the perfect opportunity for the development of Shenyang Project to greatly leap forward. With a tremendous scale of a site area of more than 20 square kilometers, Shenyang Project will become a significant and valuable land resource of CNTD by then.

### CONCLUSION

Looking ahead to 2011, although the overall PRC real estate sector still faces a series of challenges, it also presents a lot of exciting opportunities for CNTD. We will continue to implement the Group's strategies in the coming year, stay firmly aligned with national policies and long term trend of urbanization and domestic consumption growth in China, and remain fully committed to raising the land value of our new town projects. Specifically, our major objectives for the year include:

- Extend our value chain to the secondary real estate development space, to participate in property development projects (in particular, the Lake Malaren Silicon Valley Project), and to fully unlock the potential complementarities and synergies for integrated of primary and secondary operations by CNTD

與此同時，在項目內的配套設施也正在密鑼緊鼓地發展着。我們啟動了鴻山新鎮內高級溫泉酒店的籌建工作。酒店將定位為會務、休閒、養生、健康為一體，落成後在無錫新區內將為最高檔次的酒店之一。目前酒店的概念方案設計已完成，建設單位已進場開始平整勘探等前期準內工作。我們深信，一座高級酒店落成在無錫項目內，在項目的形象、人氣、商業活動等等都會有大幅度的提升。同時，與羅店的策略一致，我們正在與上海最著名的醫院之一，上海瑞金醫院，共同研究在無錫項目內設立分院。

### 瀋陽

同時，瀋陽項目的發展在有條不紊地進行，並且在資金鏈上來說，做到了自給自足，讓集團可以專注資源發展其他新城鎮項目。2010年內CNTD的瀋陽項目內並沒有錄得任何土地出讓。我們相信，2013年的全運會，會為瀋陽市，尤其是主辦盛事的大津南地區帶來龐大的商機和房地產的需求，屆時將會是瀋陽項目發展大躍進的契機。以瀋陽項目佔地超過20平方公里的巨大規模，到時將是CNTD一塊重大的土地資源。

### 總結

展望2011年，雖然整體房地產行業仍面對挑戰重重，但對於中國新城鎮來說，卻是同時充滿機遇。我們來年會繼續執行集團的策略，堅決地迎合國家在城鎮化和刺激內需方面的政策和趨勢，專注地提升旗下新城鎮項目的土地價值。具體來說，我們在這一年的重大目標包括：

- 延伸產業鏈至二級開發，管理好二級房地產開發項目（尤其是美蘭湖硅谷項目），充份發掘CNTD在一二級房地產聯動的潛在互補性和協同性



## CEO Statement 行政總裁報告書

- Accelerate the relocation of the land in Wuxi to facilitate effective control on the land development cost, and secure sufficient land resources supply for the coming few years
- Keep on developing quality ancillary facilities within our new town projects, to further improve the facilities, living environment, image and brand of all our new town projects. These include two premium hospitals within Luodian and Wuxi projects, the Lake Malaren Golf Course and the golf tournament to be co-hosted with IMG there, as well as the construction and management of hotel
- Exercise control over costs and cash flow, to maintain the level of agility and conservativeness in preparation for the uncertainties and challenges in the real estate sector in the short term
- 盡快動遷無錫的土地，以便有效控制土地的開發成本，並且為未來數年的土地資源供應作充分的準備
- 繼續發展新鎮項目內的優質配套設施，提升各新城鎮項目的設施水平、生活環境、形象和品牌。當中包括羅店及無錫項目內的兩所優質醫院、美蘭湖高爾夫球場及與IMG合辦的高球賽事，以及項目內的酒店建設及管理
- 控制成本以及現金流，穩健地迎接房地產行業短期的不明朗性及挑戰

We would like to sincerely express our gratitude to all shareholders for their firm support over the year, and we promise to continue our fully committed effort in creating outstanding results in this coming year.

我們衷心感謝各位股東在過去一年的支持，並且承諾，在未來一年必將繼續努力，為股東再創佳績。

**Li Yao Min**  
*Chief Executive Officer*

**李耀民**  
*行政總裁*

**Shi Janson Bing**  
*Co-Chief Executive Officer*

**施冰**  
*聯席行政總裁*

10 March 2011

2011年3月10日





# Key Operating Results

## 主要營運指標

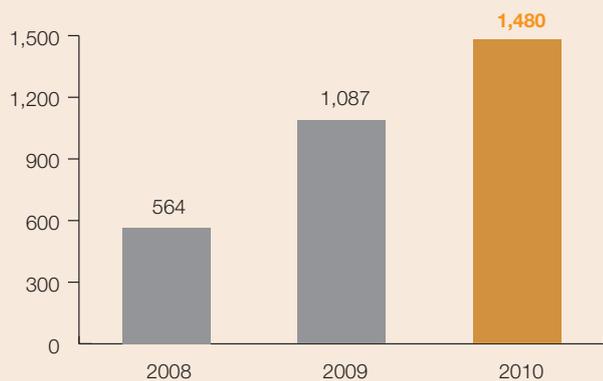
For the financial year 2010

截至2010年財政年度

### Revenue

收入

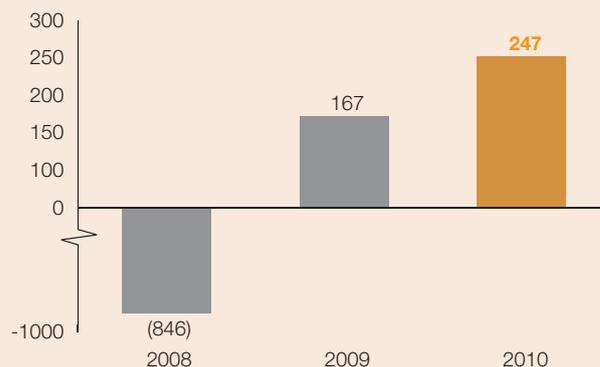
(RMB million)  
(人民幣百萬元)



### Net Attributable Profits

應佔純利

(RMB million)  
(人民幣百萬元)

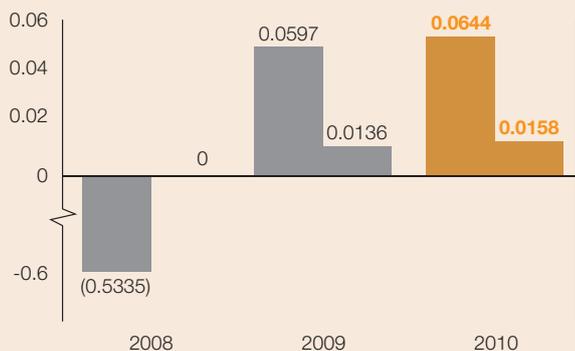


### Earnings and Dividends Per Share

每股盈利及派息

Earnings per share  
(EPS) – RMB  
每股盈利  
—人民幣

Dividends per share  
(DPS) – RMB  
每股股息  
—人民幣

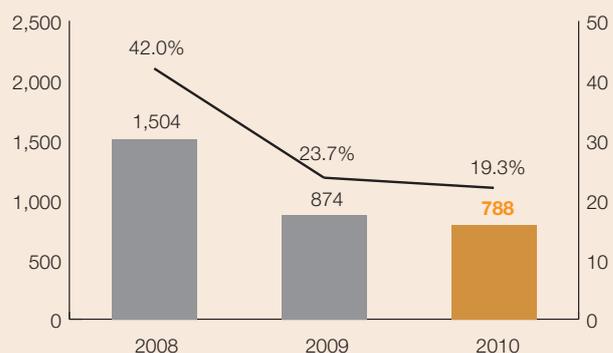


### Leverage and Gearing

負債情況

Net debt  
(RMB million)  
淨債項  
(人民幣百萬元)

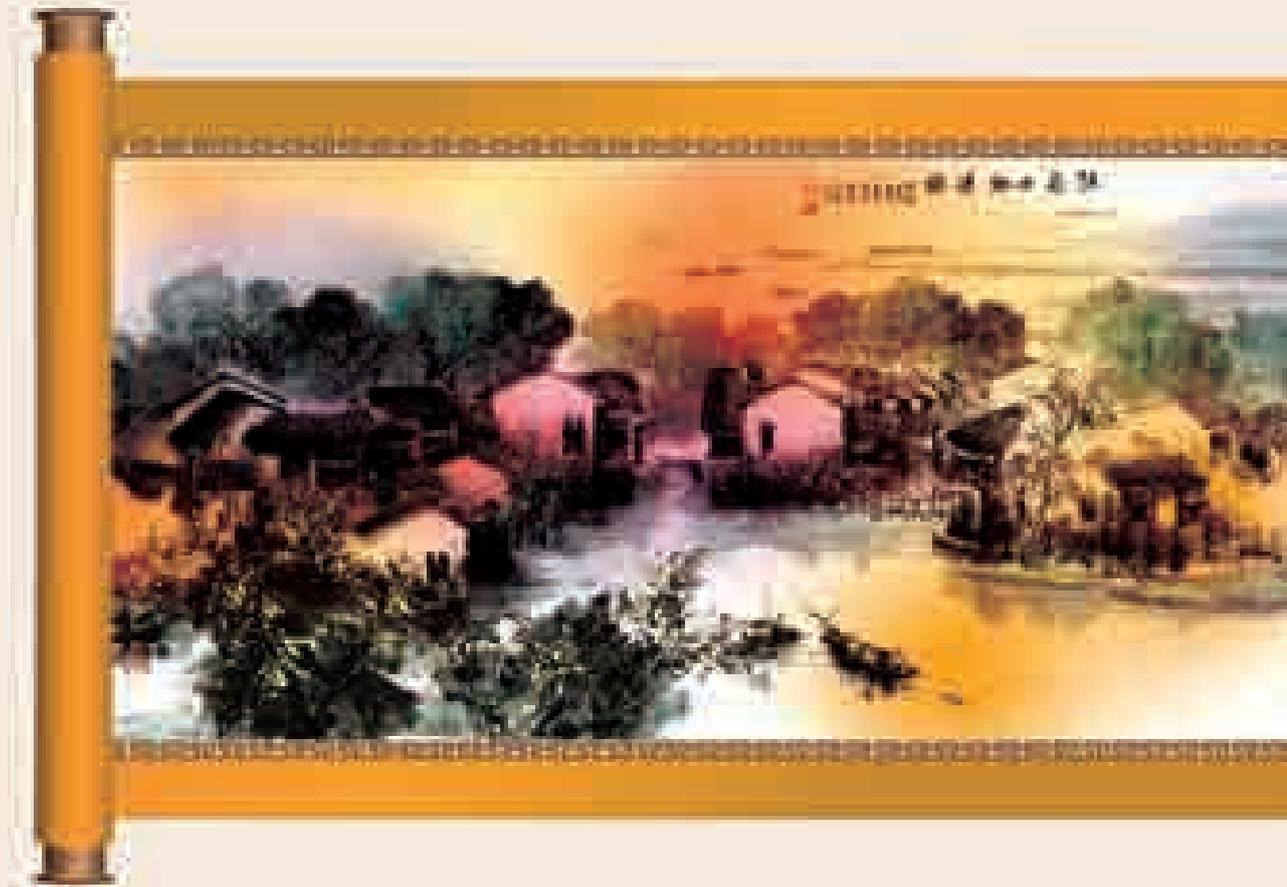
Net gearing  
ratio (%)  
淨資產負債比率  
(%)





# Financial Review

## 財務回顧



### OPERATING RESULTS

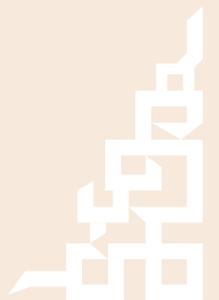
The Group has substantially benefited from the maturity of the Shanghai project. In 2010, the Group recorded revenue of RMB1,480 million (2009: RMB1,087 million), which represents an increase by approximately 36% compared with that of 2009. Profit attributable to shareholders was RMB247 million, an increase of 48% compared with approximately RMB167 million in 2009.

In 2010, revenue arising from sale of two land plots from our Shanghai project and three land plots from the Wuxi project was recognized. In particular, the land plots from Shanghai project sold in 2010 achieved a historical record average price of RMB21,289 per square meter in terms of gross floor area for our project, which represents 133% increase from the sale in 2009.

### 經營業績

上海項目踏入成熟期，令本集團獲益不少。於2010年，本集團錄得收入人民幣14.8億元（2009年：人民幣10.87億元），較2009年增加約36%。股東應佔溢利為人民幣2.47億元，較2009年約人民幣1.67億元增加48%。

於2010年，出售來自上海項目的兩塊地塊及無錫項目的三塊地塊所產生的收入已予確認。具體而言，在2010年出售的上海項目地塊，就建築面積而言在我們的項目中錄得每平方米人民幣21,289元的歷史新高平均價格，比2009年的銷售額上升133%。





## Financial Review 財務回顧

The details of the contracted prices of land sales are summarized as follows:

土地銷售的合約價詳情概述如下：

Project 項目	Site area 地盤面積 (sqm.) (平方米)	Plot ratio 容積率	Month 月份	Gross floor area 建築面積 (sqm.) (平方米)	Contract price 合約價 (RMB' mil) (人民幣百萬元)	Average price by gross floor area 建築面積均價 (RMB per sqm.) (人民幣/平方米)	
Luodian, Shanghai	上海羅店	43,326	0.6	August 8月	25,995	523	20,100
Luodian, Shanghai	上海羅店	107,825	0.6	August 8月	64,695	1,377	21,289
Hongshan, Wuxi	無錫鴻山	53,769	1.05	February 2月	56,457	108	1,913
Hongshan, Wuxi	無錫鴻山	65,911	1.20	February 2月	79,093	136	1,719
Hongshan, Wuxi	無錫鴻山	127,637	1.60	December 12月	204,219	382	1,871

As shown above, the Shanghai Luodian new town continued to be the key earning driver for the Group. In addition, we also have achieved revenue through the sale of three land plots from the Wuxi project. The achieved average price in Wuxi was RMB1,892 per square meter in terms of site area and contributed revenue of RMB246.8 million. As the Wuxi project steadily develops, it will bring in operating cash flow for further development and help geographically diversify earnings of the Group.

誠如以上所示，上海羅店新鎮仍為本集團的主要盈利來源。此外，我們亦透過出售無錫項目的三塊地塊產生收入。無錫的平均價格為每平方米地盤面積人民幣1,892元，而其帶來的收入則為人民幣2.468億元。無錫項目的穩步發展將提供其日後發展用的經營現金流，並協助本集團的盈利在地域上向多樣化發展。

The master plan of the Shenyang project remains in the process of modifications, and as a result, the project is only expected to make some revenue contribution in the next couple of years.

瀋陽項目的整體規劃方案仍在修改過程中，故此，預期該項目在未來數年僅貢獻部份收入。

Revenue from our hotel operations increased substantially to RMB50.56 million in 2010 from RMB29.74 million in 2009, primarily due to increased business as the effect of the Shanghai World Expo in 2010 and depressed revenue during 2009 resulted from a temporary closure of the Crowne Plaza Lake Malaren Shanghai hotel for renovation work.

本集團酒店業務的收入由2009年的人民幣2,974萬元大幅增長至2010年的人民幣5,056萬元，主要由於2010年上海世博會的影響使業務增加，而且2009年由於上海美蘭湖皇冠假日酒店進行修繕工程暫停營業而致收入減少所致。

Due to the scheduled golf course renovation for hosting international golf tournaments with IMG (IMG Sports Development (Shanghai) Limited, a sports, entertainment and media company) next year, the golf operations recorded revenue of RMB39.99 million compared to RMB56.18 million in 2009. The renovation is scheduled to be completed in Q2 2011.

由於計劃對高爾夫球場進行翻新，以於明年與IMG (IMG康體發展(上海)有限公司，一家體育、娛樂及媒體公司) 舉行國際高爾夫球公開賽，高爾夫球場經營錄得收入人民幣3,999萬元，而2009年則為人民幣5,618萬元。翻新預定於2011年第二季度完成。

Further details regarding operating segment information are set out in note 5 to the financial statements.

有關經營分部資料的進一步詳情載於財務報表附註5。

## OPERATING EXPENSE

During the course of the year, selling and distributing costs decreased by RMB54.4 million compared to 2009, which is primarily due to the commission incurred for land sales decreased from RMB78 million in 2009 to RMB18 million in 2010.

During the financial year, administrative expenses increased by RMB63.2 million compared to 2009, mainly due to:

- i. The dual listing expenses and fees of RMB32 million incurred in 2010 for the listing of company shares on the Main Board of the HKEx;
- ii. The allowance of RMB18.5 million against the long aged subsidy receivable in Shanghai project incurred in 2010; and
- iii. The scheduled renovation for retail street and convention center of RMB10 million incurred in 2010.

There were no such expenses incurred in 2009.

## NON-OPERATING ACTIVITIES

Our reported earnings is helped by an increase in fair value of completed investment properties totalling RMB16.2 million mainly attributable to the Wuxi retail street Phase 1 and Shanghai shopping mall.

This, however, are partially offset by

- i. Loss from disposal of property, plant and equipment of RMB13 million arising from clearing the land for developing Lake Malaren Silicon Valley available for sale as corporate headquarters;
- ii. Write-off of property, plant and equipment amounting to RMB4.3 million due to confiscation of property from Liaoning Department of Land and Resources in relation to an alleged occupation of a portion of agricultural land on which a sports and recreation park and club facility were built;
- iii. Net revaluation loss of RMB1.7 million mainly attributable to the Wuxi retail street Phase 2; and
- iv. The donation made in relation to Yushu earthquake amounting to RMB5 million.

## 經營開支

年內，銷售及分銷開支較2009年減少人民幣5,440萬元，主要由於土地銷售產生的佣金自2009年的人民幣7,800萬元減少至2010年的人民幣1,800萬元。

於財政年度內，行政管理開支較2009年增加人民幣6,320萬元，主要由於：

- i. 為籌備公司股份於香港聯交所主板上市而於2010年產生人民幣3,200萬元的兩地上市開支及費用；
- ii. 就2010年上海項目產生的長賬齡應收補貼計提撥備人民幣1,850萬元；和
- iii. 於2010年計劃翻新零售街及會議中心產生的人人民幣1,000萬元。

2009年並無產生該等開支。

## 非經營開支

本集團所呈報的盈利因已竣工投資物業合共人民幣1,620萬元的公允價值增加而上升，其中主要來自無錫零售街一期及上海購物中心。

然而，有關增幅卻因以下事項而抵銷

- i. 處置物業、廠房及設備虧損人民幣1,300萬元，此乃由於清理土地用以開發可作為企業總部出售的美蘭湖硅谷項目；
- ii. 撇銷物業、廠房及設備人民幣430萬元，此乃由於被指稱佔用部份農田建造運動及休閒公園以及會所設施而被遼寧國土資源廳沒收物業所致；
- iii. 重估虧損淨值人民幣170萬元，主要來自無錫零售街二期；和
- iv. 就玉樹地震捐款人民幣500萬元。





## Financial Review 財務回顧

### FINANCING COST

After the completion of the repurchase of the Senior Notes, interest expenses have been reduced. During the year, the Group has recorded total net financing costs of RMB97.9 million, which comprised RMB147.6 million interest expenses arising from various debt instruments, partially offset by interests capitalized of RMB49.7 million. This compares with net finance costs of RMB104.4 million for 2009.

### TAXATION

The Company recorded the income tax of RMB188.6 million in 2010, which comprised income tax of RMB169 million arising from net profit before tax of RMB550.2 million and withholding tax of RMB19.6 million due to the accumulative gain during past three years since 2008 in Shanghai and Wuxi project.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity position remains stable. As at 31 December 2010, cash and bank balances amounted to RMB1,381 million (2009: RMB1,509 million). Working capital (net current assets) of the Group as at 31 December 2010 amounted to approximately RMB3,106 million (2009: RMB2,802 million), an increase of 11% from previous year. Current ratio also increased to 1.92x (2009: 1.86x).

As at 31 December 2010, total liabilities to total equity decreased to 1.71x (2009: 2.07x). At the end of the financial period, the Group's gearing ratio is approximately 19.28% (2009: 23.74%), calculated on the basis of the Group's net debt (includes interest-bearing bank loans, the senior notes, and CB3 and excludes trade and other payables) over total equity (includes equity attributable to owners of the parent and non-controlling interests). Further details regarding interest-bearing bank borrowings are set out in Note 23 of the financial statements.

### 融資成本

購回優先票據完成後，利息開支減少。年內，本集團錄得融資成本淨值總額人民幣9,790萬元，當中包括多項債務工具所產生的利息開支人民幣1.476億元，部份由資本化利息人民幣4,970萬元抵銷。2009年的融資成本淨值為人民幣1.044億元。

### 稅項

本集團於2010年錄得所得稅人民幣1.886億元，由來自除稅前純利人民幣5.502億元之所得稅人民幣1.69億元及由於自2008年過去三年上海及無錫項目之累計收益產生預扣稅人民幣1,960萬元組成。

### 流動資金及財務資源

本集團的流動資金狀況維持穩定。於2010年12月31日，現金及銀行結餘為人民幣13.81億元（2009年：人民幣15.09億元）。本集團於2010年12月31日的營運資金（流動資產淨額）約為人民幣31.06億元（2009年：人民幣28.02億元），較去年增加11%。流動比率亦增至1.92倍（2009年：1.86倍）。

於2010年12月31日，總負債對權益總額減少至1.71倍（2009年：2.07倍）。於財務期間結束時，本集團的資產負債比率約為19.28%（2009年：23.74%），根據本集團債務淨額（包括計息銀行貸款，優先票據及第三批可轉換債券且不包括應付賬款及其他應付款項）除以權益總額（包括母公司擁有人應佔股權及非控股權益）計算。有關計息銀行借貸的詳情載於財務報表附註23。



## MATERIAL ACQUISITION AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year ended 31 December 2010, the Group entered into an agreement with Shanghai Good Property Management Co., Ltd., a subsidiary of SRE Group Limited, to dispose of its entire interest in one of its subsidiaries, Shanghai Lake Malaren Property Management Co., Ltd. The total purchase consideration was RMB3,040 thousand payable in cash and was arrived at based on the net asset value of the subsidiary as at 28 March 2010. The transfer of interests completed on 18 June 2010 and resulted in an amount of RMB636 thousand investment loss to the Group.

## EMPLOYEES

As at 31 December 2010, there were 1,182 (2009: 1,187) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses and share options to eligible staff based on their performance and contributions to the Group.

## CHARGES ON ASSETS

As at 31 December 2010, total bank loans of RMB2,168,589 thousand (2009: RMB2,157,000 thousand) were pledged by the Group's certain properties, completed investment properties and investment properties under construction, prepaid land lease payments as well as bank deposits. Details of which are set out in Note 23 of the financial statements.

## CONTINGENT LIABILITIES

As at 31 December 2010, the Group had no contingent liabilities (2009: nil).

## CAPITAL STRUCTURE

The capital structure of the Group consists of debt, which includes interest bearing bank borrowings, Senior Notes and convertible bonds, and equity attributable to the owners of the Parent, comprising share capital, reserves and retained earnings.

### Senior Notes

On 19 November 2010, the Company has completed the repurchase of all the outstanding RMB87,360 thousand in the principal amount (with a carrying amount of RMB86,160 thousand including interest accrued) of the Senior Notes for a total cash consideration of

## 附屬公司及聯營公司重大收購及出售

截至2010年12月31日止年度，本集團與上置集團有限公司的附屬公司上海上置物業管理有限公司訂立協議，以出售其於其中一家附屬公司上海美蘭湖物業管理有限公司的全部股權。應付現金總購買代價人民幣304萬元乃按附屬公司於2010年3月28日的資產淨值得出。權益轉讓已於2010年6月18日完成，並導致本集團產生投資虧損人民幣63.6萬元。

## 僱員

於2010年12月31日，本集團有1,182名（2009年：1,187名）僱員。員工薪酬待遇乃經考慮市場環境及個別表現釐定，並會不時予以審閱。本集團亦提供其他員工福利（包括醫療保險），並根據員工的表現及對本集團的貢獻，向合資格僱員授出酌情獎勵花紅及購股權。

## 資產抵押

於2010年12月31日，銀行貸款總額為人民幣21.69億元（2009年：人民幣21.57億元）由本集團若干物業、已竣工投資物業以及在建投資物業、預付土地租賃款項以及銀行存款作為抵押。詳情載於財務報表附註23。

## 或有負債

於2010年12月31日，本集團概無任何或有負債（2009年：無）。

## 資本架構

本集團的資本架構由債務（包括計息銀行借貸、優先票據及可換股債券）及母公司持有人應佔股本權益（包括股本、儲備及留存溢利）組成。

## 優先票據

於2010年11月19日，本公司以總現金代價人民幣9,033萬元（即本金額另加截至2010年11月19日的所有累計但未付利息人民幣297萬元），完成購回所有尚未償還的本金額人民幣8,736萬元（賬面值人民幣



## Financial Review 財務回顧

RMB90,330 thousand (i.e. the principal amount plus all accrued but unpaid interest of RMB2,970 thousand up to 19 November 2010). The repurchase resulted in a loss of RMB4,180 thousand and no Senior Notes were outstanding after the repurchase. Details of which are set out in Note 24 of the financial statements.

### Convertible Bonds

On 20 April 2010, the Company allotted and issued 754,145,894 shares to Sinopower pursuant to the conversion of CB3. The carrying amounts of the liability and equity components of CB3 were transferred to share capital from liability and other reserves respectively. As at 31 December 2010 and 2009, no derivative financial liabilities were outstanding. Details of which are set out in Note 25 of the financial statements.

### SIGNIFICANT INVESTMENTS

Save for the property assets in the course of the Group's ordinary and usual course of business, the Group had no significant investments held as at 31 December 2010.

### FINANCIAL INSTRUMENTS FOR HEDGING

As at 31 December 2010, the Group had no financial instruments (2009: nil) for hedging purposes.

### EXCHANGE RATE RISK

All the Group's operating entities operate in Mainland China with most of the transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from golf membership fees received in United States dollars. In addition, the Group has raised certain amount of funds in Hong Kong dollars via bank borrowings. The Group has not hedged its foreign exchange rate risk as it expects that the bank deposits raised would be utilised for general working capital purpose in the near future. Details of which are set out in Note 33 of the financial statements.

8,616萬元，包括累計利息)的優先票據。購回導致虧損人民幣418萬元，且於購回後並無尚未清償的優先票據。詳情載於財務報表附註24。

### 可換股債券

於2010年4月20日，本公司因轉換第三批可轉換債券配發及發行754,145,894股股份予華通。第三批可轉換債券的負債及權益部份的賬面值分別自負債及其他儲備轉撥至股本。於2010年及2009年12月31日，概無尚未清償之衍生金融負債。詳情載於財務報表附註25。

### 重大投資

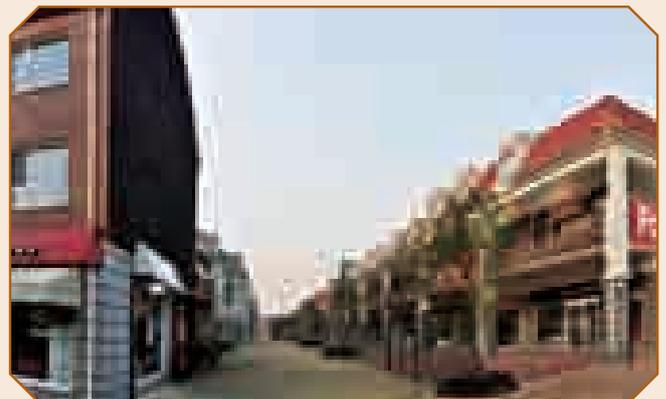
除本集團日常業務運作中的資產，截至2010年12月31日，集團未有其他重大投資。

### 被套期金融工具

於2010年12月31日，本集團概無用作被套期用途的金融工具(2009年：無)。

### 匯率風險

所有本集團的經營實體均位於中國內地，而大部分交易均以人民幣計值。本集團面對產生自以美元收取的高爾夫會籍費的外匯風險。此外，本集團已透過銀行借款籌措一定港元資金。本集團並無對沖其外匯風險，因其預期所籌措的銀行存款將於不久將來用於公司一般營運資金。詳情載於財務報表附註33。





# Profiles of Directors and Senior Management 董事及高級管理層履歷



## EXECUTIVE DIRECTORS

### 執行董事

- 1 **Mr. Shi Jian**  
施建先生
- 2 **Mr. Li Yao Min**  
李耀民先生
- 3 **Mr. Shi Janson Bing**  
施冰先生
- 4 **Ms. Song Yiqing**  
宋亦青女士
- 5 **Ms. Gu Biya**  
顧必雅女士
- 6 **Mr. Mao Yiping**  
茅一平先生
- 7 **Mr. Yang Yonggang**  
楊勇剛先生

## NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

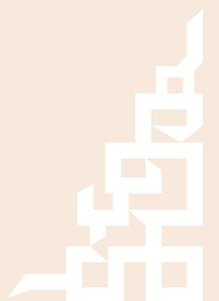
### 非獨立非執行董事

- 8 **Mr. Yue Wai Leung Stan**  
余偉亮先生

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### 獨立非執行董事

- 9 **Mr. Henry Tan Song Kok (Lead)**  
陳頌國先生(首席)
- 10 **Mr. Loh Weng Whye**  
羅永威先生
- 11 **Mr. Kong Siu Chee**  
江紹智先生
- 12 **Mr. Lam Bing Lun Philip**  
林炳麟先生





## Profiles of Directors and Senior Management 董事及高級管理層履歷

### EXECUTIVE DIRECTORS

**Mr. Shi Jian**, aged 57, is the founder of our Company. He was appointed to our Board on January 11, 2007 and has been the Executive Chairman of our Company since April 1, 2007.

Mr. Shi is responsible for the development of our corporate strategies. He is involved in assessing the businesses in which our Company is involved and reassesses each strategy regularly to determine whether it has succeeded or needs replacement by a new strategy to meet changed circumstances. He also provides guidance to the Chief Executive Officer of our Company in developing plans to achieve each strategy. In addition, Mr. Shi is responsible for developing and maintaining good working relationships with government authorities and joint venture partners. He also sits on the boards of various companies within our Group.

Mr. Shi served in the People's Liberation Army from 1970 to 1986, the highest rank attained being colonel. From 1993 to 1995, he was the General Manager of the Universal Mansion project in Shanghai from which he obtained substantial experience in the development of commercial property. He has more than 20 years' experience in business management and the property development industry, including over 8 years' experience in new town development in the PRC.

Mr. Shi is also a founder and is concurrently the Executive Chairman of SRE Group Limited ("SRE"). He is the father of Mr. Shi Janson Bing, the Co-Chief Executive Officer and Executive Director of the Company and the uncle Mr. Shi Lizhou, the Assistant President and Deputy Director of the Company. Mr. Shi is also the father-in-law of Ms. Zuo Xin, the Assistant President of the Company. Mr. Shi is the controlling shareholder of the Company.

**Mr. Li Yao Min**, aged 60, was appointed to our Board on January 11, 2007 and has been the Executive Vice Chairman of our Company since April 1, 2007. Mr. Li was previously appointed as co-vice chairman on December 1, 2008 and has subsequently been re-designated as Chief Executive Officer and Co-Vice Chairman since January 7, 2010.

Mr. Li is responsible for identifying investment opportunities to meet our strategies. He is also responsible for making initial assessments of the investment opportunities and their potential returns and developing working relationships with government authorities and joint venture partners. He also sits on the boards of various companies within our Group.

### 執行董事

**施建先生**，57歲，為本公司創辦人。他於2007年1月11日獲委任至本公司董事會任職，並自2007年4月1日起擔任本公司執行主席。

施先生負責本公司企業策略規劃的發展，他負責就本公司所從事的業務進行評估，並且定期對各項策略進行再評估，以確定該策略是否能取得成功或者是否需要制定新的策略來替代以適應形勢的變化。他還給本公司行政總裁提供指導以制定達成各項策略目標的計劃。此外，施先生負責建立並保持與政府部門以及合資夥伴的良好工作關係。他亦為本集團旗下多家公司的董事會成員。

施先生於1970年至1986年間任職於中國人民解放軍，官至上校軍銜。由1993年至1995年，他擔任上海環球世界大廈項目的總經理，從中獲得豐富的商業物業開發經驗。他亦擁有20多年業務管理及物業開發經驗，包括8年多在中國開發新城鎮的經驗。

施先生亦是上置集團有限公司（「上置」）創辦人及現任執行主席。他為聯席行政總裁施冰先生之父及本公司助理總裁及副董事施力舟先生之伯父。施先生亦為本公司助理總裁左昕女士之家翁。施先生為本公司的控股股東。

**李耀民先生**，60歲，於2007年1月11日獲委任至本公司董事會任職，並自2007年4月1日起擔任本公司執行副主席。李先生原於2008年12月1日獲委任為副主席，其後自2010年1月7日起獲調任為行政總裁兼副主席。

李先生負責物色符合本集團策略的投資商機。他亦負責對投資商機及其潛在的回報作出初步評估，並與政府部門以及合資夥伴建立工作關係。他亦出任本集團旗下多家公司的董事會成員。

## Profiles of Directors and Senior Management 董事及高級管理層履歷

From 1992 to 1993, he was attached to Shanghai Golden World Commercial Building Co., Ltd. as a General Manager, responsible for the overall management and development of commercial property. He has over 16 years of experience in business management and the property development industry, including over 8 years' experience in new town development in PRC.

Mr. Li is one of the founders and is concurrently the executive vice chairman of SRE.

**Mr. Shi Janson Bing**, aged 27, joined our Group in December 2007 and was appointed as an Executive Director since December 12, 2007. He was re-designated as Co-Chief Executive Officer and Executive Director on November 30, 2010 subsequently. He is responsible for project developments, management of human resources and overseeing all commercial operations. Mr. Shi graduated from the University of Southern California and obtained a bachelor's degree in accounting in May 2007. He sits on the boards of various companies within our Group. He is the son of Mr. Shi Jian, our Executive Chairman and a controlling shareholder of the Company. Ms. Zuo Xin, the Assistant President of the Company, is the spouse of Mr. Shi. Mr. Shi Lizhou, the Assistant President, Deputy Director of the Company, is the cousin of Mr. Shi.

**Ms. Song Yiqing**, aged 31, joined our Group as Chief Financial Officer since March 8, 2010 and was appointed as Executive Director on April 30, 2010. She is in charge of financial reporting, financial planning and investment management as well as investor relations affairs for our Group. She also sits on the boards of various companies within our Group.

Ms. Song obtained a master's degree of business administration from the Wharton Business School of the University of Pennsylvania in May 2007, a master's degree in accounting from The College of William and Mary in Virginia in December 2002 and a bachelor's degree of arts in international trade and English from the Shanghai Institute of Foreign Trade in July 2000. She is a member of the American Institute of Certified Public Accountants. She has 7 years of experience in international accounting, global investment banking and global strategy consulting. She provided professional financial consultancy and other advisory services to different global industry sectors.

由1992年至1993年，他於上海黃金世界商廈有限公司任職總經理，負責商業物業的整體管理及開發。他擁有超過16年業務管理及物業開發經驗，包括8年多在中國開發新市鎮的經驗。

李先生亦是上置創辦人之一及現任執行副主席。

**施冰先生**，27歲，於2007年12月加入本集團，並於2007年12月12日獲委任至本公司董事會任職執行董事。他其後於2010年11月30日獲調任聯席行政總裁及執行董事。他負責項目開發、人力資源管理及監管整體商業經營。施先生於2007年5月畢業於南加州大學，取得會計學學士學位。他亦為本集團旗下多家公司的董事會成員。他為本公司執行主席及控股股東施建先生的兒子。本公司助理總裁左昕女士是施先生的配偶。本公司助理總裁及副董事施力舟先生是施先生的堂兄。

**宋亦青女士**，31歲，自2010年3月8日起加入本集團，任職首席財務官，並於2010年4月30日獲委任為執行董事。她主管財務報告、財務規劃、投資管理以及本集團投資者關係事務。她亦為本集團旗下多家公司的董事會成員。

宋女士於2007年5月取得賓夕法尼亞大學沃頓商學院工商管理碩士學位、於2002年12月取得弗吉尼亞威廉瑪麗學院會計學碩士學位以及於2000年7月取得上海對外貿易學院國際貿易學士學位及英語文學學士學位。她是美國註冊會計師協會的會員。她在國際會計、全球投資銀行及全球策略諮詢方面擁有7年經驗，為全球不同行業部門提供專業財務顧問和其他諮詢服務。





## Profiles of Directors and Senior Management 董事及高級管理層履歷

**Ms. Gu Biya**, aged 52, joined our Group in November 2006 and was previously appointed to our Board on November 30, 2006. She was responsible for overseeing the development of the Wuxi Project. On June 1, 2009, Ms. Gu resigned from our Board as she had a surgical operation but was re-appointed as Executive Director and Chief Operating Officer on January 7, 2010 upon recovery. She is now responsible for enhancing the operational effectiveness and efficiency of our Company. She also sits on the boards of various companies within our Group.

Ms. Gu obtained a bachelor's degree in economics and management from the Central Party School in June 1992 and obtained an International Real Estate Advanced Leadership Program Certificate upon completion of a course relating to the financing and management of a real estate company jointly organized by the Harvard University's Graduate School of Design, the graduate school of design of the Harvard University, and the Tsinghua University for real estate professionals in China in March 2005. She was a member of the Shanghai City, Baoshan District Chinese People's Political Consultative Conference National Committee from October 2004 until the change of office bearers of the committee in 2008. She was awarded the 2005 China Construction Industry Top 100 Managers Award in October 2005 from China Management Science Research Institute, China Architectural Culture Center and China Construction Newspaper. Based on the records from Shanghai Changning District Human Resources Service Center, Ms. Gu has over 19 years of management experience in the real estate industry. She has joined the SRE since 1997. In 2002, she was re-designated as a director and the General Manager of Shanghai Golden Luodian Development Company Limited and was responsible for the operations of the company until February 2007.

**Mr. Mao Yiping**, aged 42, joined the SRE in 1993. He subsequently joined our Group in November 2006 and was appointed as an Executive Director on November 30, 2006. He has been the General Manager for the Shenyang Project since April 1, 2007 and is responsible for overseeing the development of the Shenyang Project. He also sits on the boards of various companies within our Group.

Mr. Mao obtained a bachelor's degree in mechanical engineering from the Shanghai Jiao Tong University in July 1991 and a master's degree in business administration from the City University of Hong Kong in November 2003.

**顧必雅女士**，52歲，於2006年11月加入本集團，並於2006年11月30日獲委任至本公司董事會，負責管理無錫項目的開發。於2009年6月1日，由於進行手術，顧女士辭任本公司董事會，但在康復後於2010年1月7日獲重新委任為執行董事兼營運總監。她現負責提高本公司營運效能及效率。她亦為本集團旗下多家公司的董事會成員。

顧女士於1992年6月取得中央黨校經濟管理學士學位，並在修完哈佛大學設計研究院與清華大學設計研究院於2005年3月為中國房地產專業人士共同舉辦的有關房地產公司融資及管理的課程後，取得國際房地產高級領導課程證書。她為全國政協上海市寶山區委員會的委員，任期由2004年10月起至2008年委員會的執事變動為止。於2005年10月，她被中國管理科學研究院、中國建築文化中心及中國建設報授予2005中國建設行業百名管理英才獎。根據上海長寧區人力資源服務中心的記錄，顧女士在房地產行業擁有逾19年管理經驗。她自1997年起加入上置。於2002年，她獲調任為上海金羅店開發有限公司的董事及總經理，負責公司營運管理，任期直至2007年2月為止。

**茅一平先生**，42歲，於1993年加入上置。他其後於2006年11月加入本集團，並於2006年11月30日獲委任為執行董事。他自2007年4月1日起擔任瀋陽項目的總經理，負責監督瀋陽項目的開發。他亦為本集團旗下多家公司董事會成員。

茅先生於1991年7月取得上海交通大學機械工程學士學位以及於2003年11月取得香港城市大學工商管理碩士學位。

## Profiles of Directors and Senior Management 董事及高級管理層履歷

**Mr. Yang Yonggang**, aged 57, joined our Group as a Vice President since April 2007 and was appointed as Executive Director on June 3, 2009. He is responsible for overseeing the legal affairs of our Group. He also sits on the boards of various companies within our Group.

Mr. Yang obtained a bachelor's degree in philosophy from the Xinan Jiaotong University in China in July 1982. He joined the Shanghai Tiedao University in China and became assistant professor in 1993. He later joined SRE in January 2001 as head of administration and was responsible for investment and legal matters.

### NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

**Mr. Yue Wai Leung Stan**, aged 50, joined our Group as an Executive Director on September 30, 2006 and served as Chief Executive Officer from April 2007 to November 2008. Mr. Yue was re-designated as Co-Vice Chairman on December 1, 2008 and Non-Independent Non-Executive Director on June 3, 2009. Mr. Yue is responsible for assisting the Chairman in formulating corporate strategies and providing guidance to our Company in the implementation of corporate strategies and business management. He also sits on the boards of various companies within our Group.

Mr. Yue obtained a bachelor's degree in administration studies from the York University in Toronto, Canada. He is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Yue has over 20 years of experience in the finance and administration sectors in both private and public companies in Hong Kong and the PRC. From May 2004 to April 2007, he held the position of Chief Financial Officer at SRE Group Limited. He has been appointed as Co-chief Executive officer of SRE Group Limited since June 3, 2009 and is responsible for the corporate finance function.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Henry Tan Song Kok**, aged 46, was appointed to our Board on September 25, 2007. He is also the chairman of the Audit Committee of our Company and a member of the Remuneration Committee and the Investment Committee of our Company.

Mr. Tan obtained a bachelor's degree in accountancy with first class honours from the National University of Singapore. He is a fellow of the Institute of Certified Public Accountants of Singapore, a member of the Institute of Chartered Accountants in Australia, the Institute of Internal Auditors Inc (Singapore Chapter) and the Singapore Institute of Directors.

**楊勇剛先生**，57歲，自2007年4月起加入本集團，任職副總裁，於2009年6月3日獲委任為執行董事。他負責監管本集團的法律事務。他亦為本集團旗下多家公司的董事會成員。

楊先生於1982年7月取得中國西南交通大學哲學學士學位，並於1993年加入上海鐵道大學，成為副教授。他隨後於2001年1月加入上置，擔任行政主管，負責投資及法律事務。

### 非獨立非執行董事

**余偉亮先生**，50歲，於2006年9月30日加入本集團，擔任執行董事，並由2007年4月至2008年11月擔任行政總裁。余先生於2008年12月1日獲調任為聯席副主席及於2009年6月3日獲調任為非獨立非執行董事。余先生負責協助主席制定公司策略，並為本公司實施公司策略及業務管理提供指導。他亦為本集團旗下多家公司的董事會成員。

余先生於1984年6月取得加拿大多倫多約克大學管理學學士學位。他為美國註冊會計師協會及香港會計師公會會員。余先生於香港及中國私人及上市公司的財務及行政部門擁有超過20年經驗。由2004年5月至2007年4月，他擔任上置的首席財務官職務。他自2009年6月3日起獲委任為上置集團有限公司的聯席行政總裁，負責企業融資工作。

### 獨立非執行董事

**陳頌國先生**，46歲，於2007年9月25日獲委任至本公司董事會。他亦為本公司審計委員會主席及本公司薪酬委員會及投資委員會成員。

陳先生取得新加坡國立大學會計學一等榮譽學士學位。他為新加坡會計師公會資深會員、澳洲會計師公會、內部審計師協會（新加坡分會）及新加坡董事協會會員。





## Profiles of Directors and Senior Management 董事及高級管理層履歷

Mr. Tan is currently the Managing Director of Nexia TS Public Accounting Corporation and the chairman of Nexia China. He is also the Asia Pacific Regional Chairman and a board member of Nexia International. He also sits on the board of Ascendas Fund Management (S) Limited, which is the Manager of Ascendas REIT, a fund listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). He served as President of Spirit of Enterprise from October 2006 to October 2008, a charity organization. Mr. Tan sits on the Financial Reporting Committee of the Institute of Certified Public Accountants in Singapore and was a member of the Complaints and Disciplinary Panel of the Accounting and Corporate Regulatory Authority in Singapore until May 16, 2010 when his term of office ended.

Mr. Tan also sits on the boards of Chosen Holdings Limited, Raffles Education Corporation Limited, YHI International Limited and Pertama Holdings Limited, all being companies listed on the SGX-ST.

**Mr. Loh Weng Whye**, aged 64, was appointed to our Board on September 25, 2007. He is also the chairman of the Nominating Committee and a member of the Audit Committee, the Remuneration Committee and the Investment Committee.

Mr. Loh obtained a bachelor's degree in engineering and a master of science in industrial engineering, both from the University of Singapore. He is a Professional Engineer (Singapore), a Member of the Singapore Institute of Directors (MSID) and was elected a Fellow of the Institution of Engineers, Singapore (FIES) in 1995.

He is a veteran in infrastructure development and energy industries in Singapore and the region, with four decades of experience at senior appointments with the civil service, government-linked companies and the private sector. While with the Public Utilities Board of Singapore, he headed the division responsible for the management and commissioning of power station project worth more than S\$3 billion. He was also the founding General Manager (Projects) of Tuas Power Ltd. Mr. Loh was formerly President of ST Energy Pte Ltd and SembCorp Energy Pte Ltd. He was appointed Advisor to Green Dot Capital Pte Ltd, an investment and holding company under Temasek Holdings Pte Ltd. He was also the Senior Advisor to YTL Power International Berhad in the recent S\$3.8 billion acquisition of PowerSeraya Ltd.

陳先生現為尼克廈陳與司徒會計事務所董事總經理及尼克廈中國主席，並為尼克廈國際的亞太區主席及董事會成員。他亦擔任新加坡證券交易所有限公司（「新交所」）上市基金騰飛房產信託的管理人騰飛基金管理（新加坡）有限公司董事會成員。他於2006年10月至2008年10月擔任慈善組織企業家精神總裁。陳先生為新加坡會計師公會財務報告委員會及新加坡會計與公司管理局投訴及紀律委員會的成員，直至其任期於2010年5月16日屆滿為止。

陳先生亦為彩訊集團有限公司、萊佛士教育集團有限公司、友發國際有限公司及Pertama Holdings Limited的董事會成員，以上公司全於新交所上市。

**羅永威先生**，64歲，自2007年9月25日獲委任至本公司董事會。他亦為提名委員會主席和審計委員會、薪酬委員會及投資委員會成員。

羅先生取得新加坡大學工程學士及工業工程碩士學位，為新加坡專業工程師(P.E.)、新加坡董事學會會員(MSID)，並於1995年獲選為新加坡工程師學會院士(FIES)。

他於新加坡及區域基建發展及能源業擁有豐富經驗，並在政府部門、政府關連企業及私人機構任職高層管理達40年。在新加坡公用事業局期間，他曾領導電力項目部門總負責建設及完成超過30億新加坡元的發電廠項目。他亦為Tuas Power Ltd的創辦總經理（項目）。羅先生為ST Energy Pte Ltd及SembCorp Energy Pte Ltd的前總裁。之後他被委任為淡馬錫控股(Temasek Holdings Pte Ltd)旗下的投資及控股公司Green Dot Capital Pte Ltd的顧問，亦於YTL Power International 最近價值38億新加坡元的PowerSeraya Ltd收購事項中擔任高級顧問。

## Profiles of Directors and Senior Management 董事及高級管理層履歷

Currently, Mr. Loh sits on the boards of several Singapore and overseas corporations, including several companies listed on the main-board of SGX-ST, namely Leeden Limited, BH Global Marine Limited and XinRen Aluminium Holdings Limited. He also holds advisory and board appointments in public organizations and charity bodies.

**Mr. Kong Siu Chee**, aged 64, was appointed to our Board on November 30, 2006. He is also the chairman of the Remuneration Committee and a member of the Nominating Committee and the Investment Committee.

Mr. Kong obtained a bachelor's degree in arts from The University of Hong Kong in 1969 and a master degree in business administration from the Chinese University of Hong Kong in 1980. He is an associate of The Chartered Institute of Bankers in the United Kingdom. Mr. Kong began his career in 1969 with Standard Chartered Bank, where he served in various managerial positions for 24 years. In 1993, he pursued his new business interest in the telecommunications sector and was a director of Champion Technology Holdings Limited from 1993 to 1994 and a director of Kantone U.K. Ltd. from 1994 to 1996. Between 1999 and 2005, he served as a director, Executive Vice President and alternate Chief Executive Officer of CITIC Ka Wah Bank Limited, and was also a director and the Managing Director of CITIC International Financial Holdings Limited from 2002 to 2005.

**Mr. Lam Bing Lun Philip**, aged 67, was appointed to our Board on November 30, 2006. He is also the chairman of the Investment Committee and a member of the Audit Committee, the Nominating Committee and the Remuneration Committee.

Mr. Lam obtained a diploma in management studies from the Hong Kong Polytechnic (now known as the Hong Kong Polytechnic University) in July 1974. Mr. Lam is active in community affairs and has served as a member on the board of review of the Hong Kong Inland Revenue Department for 3 years. He is a fellow of The Chartered Institute of Management Accountants (U.K.), an associate of The Certified Management Accountants (Canada), The Institute of Chartered Secretaries and Administrators, The Chartered Institute of Bankers and the Hong Kong Institute of Certified Public Accountants. He is also a member of the Establishment and Finance Committee of the Prince Philip Dental Hospital in Hong Kong.

羅先生現為多間新加坡及海外公司的董事，包括數間新交所主板上市的公司，例如勵登有限公司、明輝海事有限公司及鑫仁鋁業控股有限公司。他亦於公共機構及慈善組織出任顧問或董事。

江紹智先生，64歲，於2006年11月30日獲委任至本公司董事會。他亦為薪酬委員會主席以及提名委員會及投資委員會成員。

江先生於1969年取得香港大學文學系學士學位及於1980年取得香港中文大學工商管理系碩士學位。他為英國特許銀行學會成員。江先生於1969年在渣打銀行開展其事業，於各管理職位服務達24年。1993年，他繼續在電子通訊業開始新業務，由1993年至1994年擔任冠軍科技集團有限公司的董事，於1994年至1996年擔任Kantone U.K. Ltd.的董事。1999年至2005年間，他於中信嘉華銀行任職董事、行政副總裁及替任行政總裁，同時亦於2002年至2005年兼任中信國際金融控股有限公司的董事及董事總經理。

林炳麟先生，67歲，於2006年11月30日獲委任至本公司董事會。他亦為投資委員會主席以及審計委員會、提名委員會及薪酬委員會成員。

林先生於1974年7月取得香港理工學院（現稱香港理工大學）的管理學文憑。林先生積極參與社區事務，並出任香港稅務局上訴委員會成員達3年。他是英國特許管理會計師公會資深會員、特許管理會計師公會（加拿大）、英國特許秘書及行政人員公會、英國特許銀行家學會及香港會計師公會會員。他亦為香港菲臘牙科醫院編製及財務委員會成員。





## Profiles of Directors and Senior Management 董事及高級管理層履歷

Mr. Lam began his career in 1963 with Hang Seng Bank Limited. Mr. Lam first joined HKU in 1975 and has served as the Director of Finance since 1990. In this role, he is responsible for overseeing and managing HKU's overall financial affairs. He also spent 3 years in Canada from 1982 to 1985, where he served as the Chief Accountant and Comptroller in the Overseas Bank Canada. Mr. Lam was also a director of Enterpriseasia Limited, a company formerly listed on the London Stock Exchange, since July 2001 up to January 2010 when the company was deregistered in the United Kingdom.

### SENIOR MANAGEMENT

**Ms. Liu Suyin**, aged 54, joined our Group in 2007. She is a Vice-President of our Company as well as the General Manager of SGLD and is responsible for overseeing the Luodian Project since end of 2007.

Ms. Liu obtained a master's degree in business administration from Asia International Open University (Macau) in November 2006. She joined the SRE Group in 2002 and was a member of the senior management of various subsidiaries of SRE principally responsible for overseeing property development projects and hotel management until she joined our Group in 2007. She was appointed as a committee member of the 6th Baoshan District Political Consultative Committee on December 30, 2009.

**Mr. Shi Lizhou**, aged 28, has been re-designated from General Manager, Corporate Finance and Co-General Manager to Assistant President, Deputy Director of the Company with effect from 30 November 2010.

Mr. Shi Lizhou has 3 years of experience in property development under SRE Group Limited. He has been the Co-General Manager of Shanghai Zhufu Property Development Co., Ltd. since June 2007, and became the General Manager in Corporate Finance of SRE Group Limited in March 2010. Mr. Shi Lizhou holds Master Degree in Global Financial Management from the University of Northumbria, Newcastle Upon Tyne and Bachelor Degree of Finance in the University of Lancaster. He is the nephew of Mr. Shi Jian and the cousin of Mr. Shi Janson Bing.

**Ms. Zuo Xin**, aged 27, has been re-designated from General Manager to Assistant President of the Company with effect from 30 November 2010.

林先生於1963年在恒生銀行開展其事業。林先生於1975年加入香港大學，自1990年起擔任財務處處長。在職期間，他負責監督及管理香港大學的整體財務事務。他亦於1982年至1985年的3年間留駐加拿大，並在加拿大海外銀行擔任首席會計及審計師。林先生亦曾任Enterpriseasia Limited的董事，該公司先前於倫敦證券交易所上市，由2001年7月直至2010年1月該公司撤銷在英國註冊上市為止。

### 高級管理層

**劉素引女士**，54歲，於2007年加入本集團。彼自2007年底開始擔任本公司副總裁及上海金羅店開發的總經理，負責監管羅店項目。

劉女士於2006年11月取得亞洲國際公開大學（澳門）工商管理碩士學位。她於2002年加入上置集團，並曾任上置旗下多家附屬公司的高級管理人員，主要負責監管物業發展項目及酒店管理，直至2007年加入本集團。她於2009年12月30日獲委任為第六屆寶山區政治協商委員會委員。

**施力舟先生**，28歲，已由企業融資部總經理兼聯席總經理調任為本公司助理總裁兼副董事，由2010年11月30日起生效。

施力舟先生在上置集團有限公司擁有3年物業發展經驗。自2007年6月，他一直為上海住富房地產發展有限公司聯席總經理，並於2010年3月成為上置集團有限公司企業融資部總經理。施力舟先生持有泰恩河畔紐卡素諾桑比亞大學環球金融管理碩士學位以及蘭卡斯特大學金融學士學位。他是施建先生的侄子及施冰先生的堂兄。

**左昕女士**，27歲，已由總經理調任為本公司助理總裁，由2010年11月30日起生效。

## Profiles of Directors and Senior Management 董事及高級管理層履歷

Ms. Zuo has been the General Manager of New Town (China) Trading Co. Ltd. since June 2010. Prior to that, she had 3 years of experience in auditing, as senior auditor at Ernst & Young Shanghai. Previously, she also worked in premier banking at HSBC-Shanghai and public relations at PORTS China Shanghai Office. Ms. Zuo holds Master Degree in Fashion Business from Polimoda in Italy and Bachelor Degree of Accounting and Finance in University of Sydney. She is the spouse of Mr. Shi Janson Bing and the daughter-in-law of Mr. Shi Jian.

**Mr. Qian Yifeng**, aged 33, has been re-designated from General Manager to Assistant President, Deputy Director of the Company with effect from 30 November 2010.

Mr. Qian was a Vice General Manager of CNTD Wuxi Hongshan New Town Development Co., Ltd from 2007 to 2009 and became the General Manager since June 2009. Previously, he worked in Orient International (Holding), Shanghai FEB Real Estate Co. Ltd. as a project manager in the Department of Development and Market Analysis. Mr. Qian holds Master Degree in Environment and Energy Management from University of Twente, Netherlands and Bachelor Degree in Civil Engineering from Harbin Engineering University, China.

**Mr. Yu Songmin** aged 28, has been re-designated from Vice General Manager to Assistant President, Deputy Director of the Company with effect from 30 November 2010.

Mr. Yu has been a Vice General Manager of Shanghai Golden Luodian Development Co., Ltd. since October 2009. Prior to that, he was a property analyst of Ellenton Capital from 2006 to 2008. Mr. Yu holds Master Degree in Finance from Imperial College London, UK and Bachelor Degree in Finance from Lancaster University, UK.

**Mr. Zhang Zhaozhi**, aged 32, has been re-designated from Deputy General Manager to Assistant President, Deputy Director of the Company with effect from 30 November 2010.

Mr. Zhang has been the Deputy General Manager of Project Development of the Company since 2007. He was a senior financial analyst of RiskMetrics Group from 2006 to 2007 and a partner of MusicUnion.com from 2005 to 2006. Mr. Zhang was a marketing manager of Sony Music Inc. (China) & Shanghai Epic Music Entertainment Co. from 2002 to 2004 and a marketing supervisor of The Coca-Cola (China) Company from 2000 to 2002. Mr. Zhang holds Master Degree in Business Administration from University of Southern California, USA and Bachelor Degree in Management Engineering from Shanghai Jiao Tong University, China.

左女士自2010年6月起擔任新城(中國)商貿有限公司總經理。在此之前，她在上海安永會計師事務所擔任高級審計師，擁有3年審計經驗。她亦曾在滙豐銀行上海分行卓越理財服務部門以及寶姿服裝公司中國上海辦事處公共關係方面工作。左女士持有義大利Polimoda大學時裝學碩士學位及悉尼大學會計及金融學士學位。她是施冰先生的配偶及施建先生的媳婦。

**錢毅鋒先生**，33歲，已由總經理調任為本公司助理總裁兼副董事，由2010年11月30日起生效。

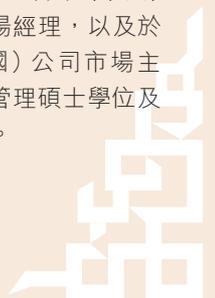
於2007年至2009年，錢先生為CNTD無錫鴻山新城鎮開發有限公司的副總經理，並自2009年6月成為總經理。他先前擔任東方國際(集團)上海外經貿房地產開發有限公司開發及市場分析部項目經理。錢先生持有荷蘭Twente大學環境和能源管理碩士學位以及中國哈爾濱工程大學土木工程學士學位。

**虞松明先生**，28歲，已由副總經理調任為本公司助理總裁兼副董事，由2010年11月30日起生效。

虞先生自2009年10月起擔任上海金羅店開發有限公司副總經理。在此之前，他於2006年至2008年為艾利士通資產管理公司的物業分析師。虞先生持有英國倫敦帝國理工學院金融學碩士及英國蘭卡斯特大學金融學學士。

**張昭智先生**，32歲，已由副總經理調任為本公司助理總裁兼副董事，由2010年11月30日起生效。

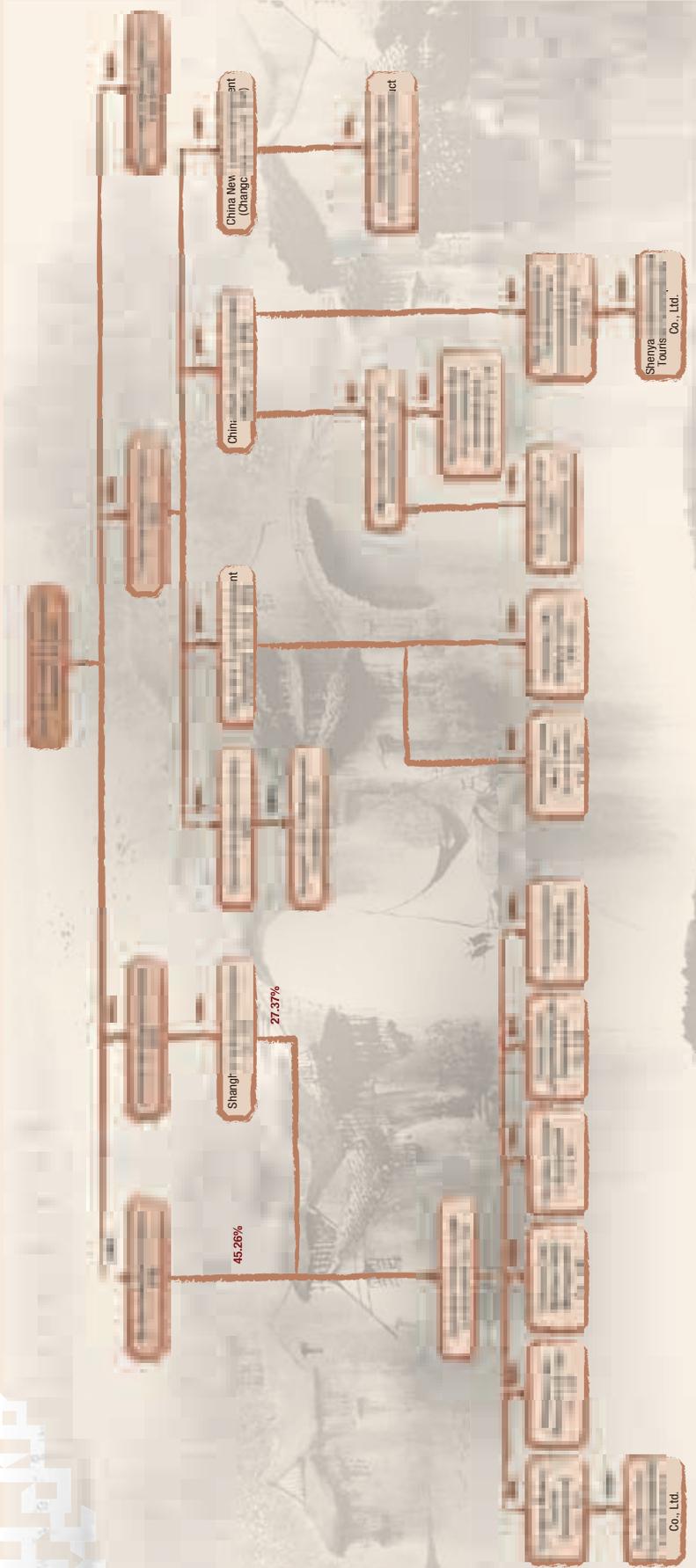
張先生自2007年起擔任公司項目開發副總經理。他於2006至2007年擔任RiskMetrics Group高級金融分析師，並於2005至2006年擔任MusicUnion.com合夥人。張先生於2002年至2004年擔任索尼音樂(中國)有限公司及上海新索音樂有限公司市場經理，以及於2000年至2002年擔任可口可樂(中國)公司市場主管。張先生持有美國南加州大學工商管理碩士學位及中國上海交通大學管理工程學士學位。





# Corporate Structure 企業架構

For the financial year ended 31 December 2010



- 1 Except as otherwise expressly stated, all companies within the group are incorporated in the People's Republic of China.
- 2 Except as otherwise expressly stated, all companies in this corporate structure are wholly-owned by their respective holding companies.
- 3 Name of accounting firm of the significant subsidiaries as defined in Rule 717 of Listing Manual.

## Name of significant subsidiaries

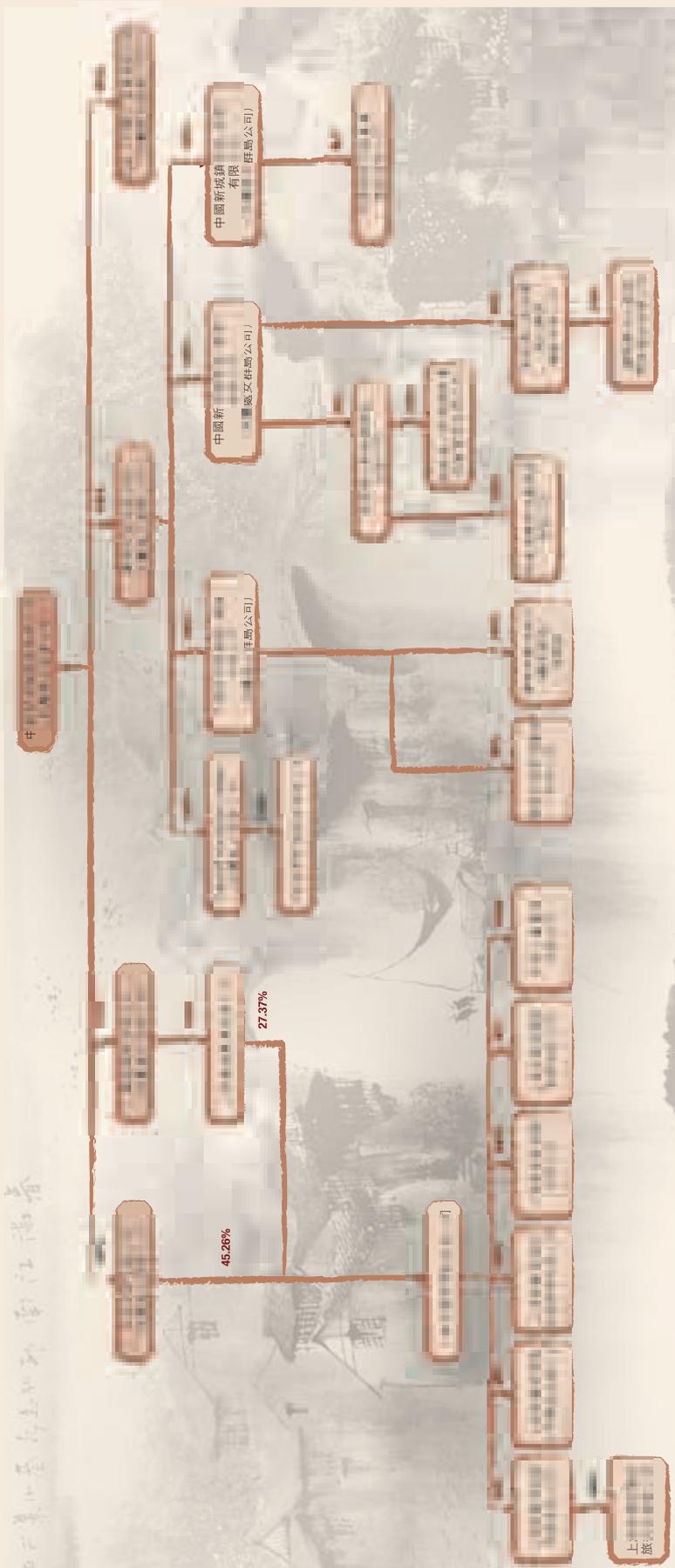
Shanghai CNTD Management Consulting Co., Ltd.  
 Shanghai Jiatong Enterprises Co., Ltd.  
 Shanghai Golden Luodian Development Co., Ltd.  
 Shanghai Lake Malaren Golf Club Co., Ltd.  
 Shenyang Lake Malaren Country Club Ltd.  
 Shenyang Lixiang New Town Development Co., Ltd.  
 Shenyang Meteorite Park Tourism Development Co., Ltd.  
 Wuxi Hongshan New Town Commercial Operation and Management Co., Ltd.  
 Wuxi Hongshan New Town Development Co., Ltd.  
 Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.  
 Changchun New Town Automobile Industry Construct Co., Ltd.

## Name of accounting firms

Huashen Certified Public Accountants  
 Shanghai Jiangnan Certified Public Accountants  
 Shanghai Shenzhou Datong Certified Public Accountants  
 Shanghai Ruihe Certified Public Accountants  
 Shen Yang Zheng De Certified Public Accountants  
 Shen Yang Zheng De Certified Public Accountants  
 Shen Yang Zheng De Certified Public Accountants  
 Wuxi Fanzheng Certified Public Accountants  
 Wuxi Fanzheng Certified Public Accountants  
 Wuxi Fanzheng Certified Public Accountants  
 Jiling Wanxin Certified Public Accountants

# Corporate Structure 企業架構

截至二零一零年十二月三十一日止財政年度



- 1 除另有所外指外，本集團所有公司均於中華人民共和國註冊成立。
- 2 除另有所外指外，本企業架構中的所有公司均由其所屬控股公司全資擁有。
- 3 主要附屬公司之會計事務所名稱於上市手冊規則717條所定義。

## 主要附屬公司名稱

上海智源管理諮詢有限公司  
 上海嘉通實業有限公司  
 上海金羅店開發有限公司  
 上海美蘭湖高爾夫俱樂部有限公司  
 瀋陽美蘭湖鄉村(體育健身)俱樂部有限公司  
 瀋陽李相新城置業有限公司  
 瀋陽隕石山旅遊開發建設有限公司  
 無錫鴻山新城鎮商業經營管理有限公司  
 無錫鴻山新城鎮開發有限公司  
 無錫鴻山新城鎮綠化環保建設有限公司  
 長春新城汽車產業建設有限公司

## 會計事務所名稱

華申會計師事務所有限公司  
 上海江南會計師事務所有限公司  
 上海申洲大通會計師事務所有限公司  
 上海財瑞會計師事務所有限公司  
 瀋陽正德會計師事務所有限公司  
 瀋陽正德會計師事務所有限公司  
 瀋陽正德會計師事務所有限公司  
 無錫方正會計師事務所有限公司  
 無錫方正會計師事務所有限公司  
 無錫方正會計師事務所有限公司  
 吉林萬鑫會計師事務所有限公司



# Corporate Governance Report

## 企業管治報告書

The board of directors (the “Board”) and management are committed to maintaining a high standard of corporate governance principles and practices so as to promote corporate transparency and accountability. Good corporate governance is an integral element of a sound corporation to protect and enhance shareholders’ value.

During the year, the Board has reviewed its corporate governance practices and ensures that the Company is in compliance with all applicable code provisions of the Code of Corporate Governance 2005 (the “Singapore Code”) and the Code on Corporate Governance Practices (the “HK Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKEx (the “Listing Rules”) from the date on which the shares of the Company are listed on the HKEx (the HK Code, and together with the Singapore Code collectively referred to as the “Codes”).

### BOARD MATTERS

#### The Board

The Board has overall responsibility for the proper conduct of the Company’s businesses. The Board’s primary role is to provide entrepreneurial leadership, set strategic aim and ensure that the necessary financial and human resources are in place for the Group to meet its objectives as well as to protect and enhance long-term shareholders’ values. It sets the overall strategy for the Group and review management performance. To fulfill this role, the Board is responsible for the overall corporate governance of the Group including establishing a framework of prudent and effective controls, setting its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Formal Board Committees established by the Board include the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee and they assist the Board in discharge of its duties. The effectiveness of each Committee is also constantly monitored.

The Board meets at least four times a year at approximately quarterly intervals, relating to the review of the financial performance, results of each period, material investments and other significant matters of the Group. The Articles of Association of the Company provides for the convening of the Board or Board Committee meetings by way of telephonic or similar communications.

董事會（「董事會」）及管理層致力維持高標準的企業管治原則及常規，以提高企業透明度及問責性。良好的企業管治是一家健全的公司保障及提升股東價值方面不可或缺的元素。

年內，董事會已審閱其企業管治常規並確保本公司遵守2005年企業監管守則（「新加坡守則」）以及自其股份於香港聯交所上市日期起遵守香港聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治常規守則（「香港守則」）的所有適用守則條文（香港守則連同新加坡守則統稱「守則」）。

### 董事會事宜

#### 董事會

董事會須為妥善經營本公司業務全面負責。董事會的主要角色為提供企業領導、訂立策略性目標及確保本集團具備必要的財力及人力資源足以令本集團達到其目標並且保障及提升股東的長期價值。董事會為本集團訂立整體策略並審閱管理層表現。為履行該項職責，董事會負責本集團的整體企業管治，包括設立審慎及有效的控制框架、訂立其策略方針、設立管理目標及監察該等目標的達成。

由董事會成立的正式董事委員會包括審計委員會、提名委員會、薪酬委員會及投資委員會，彼等協助董事會履行其職責。各委員會的成效亦定期受到監察。

董事會每年就審閱財政表現、各期間業績、重大投資及其他對本集團而言屬重大的事宜至少召開四次會議，大約每季一次。本公司章程細則能讓董事會或董事委員會會議以電話或類似通訊形式召開。

The attendance records of the Directors, together with their attendance at the Board Committee meetings for the financial year ended 31 December 2010 are set out below:

截至2010年12月31日止財政年度的董事出席記錄以連同彼等出席董事委員會會議的記錄載列如下：

Name 姓名	Board Meeting 董事會會議	Audit Committee 審計委員會	Nominating Committee 提名委員會	Remuneration Committee 薪酬委員會	Investment Committee 投資委員會
Number of Meetings 會議數目	5	7	4	2	3
<b>Executive Directors 執行董事</b>					
Shi Jian 施建	5/5	-	-	-	-
Li Yao Min 李耀民	5/5	-	-	-	-
Shi Janson Bing 施冰	5/5	-	-	-	-
Song Yiqing <sup>1</sup> 宋亦青 <sup>1</sup>	4/4	-	-	-	-
Gu Biya 顧必雅	4/5	-	-	-	-
Mao Yiping 茅一平	5/5	-	-	-	-
Yang Yonggang 楊勇剛	5/5	-	-	-	-
<b>Non-independent Non-executive Director 非獨立非執行董事</b>					
Yue Wai Leung Stan 余偉亮	5/5	-	-	-	-
<b>Independent Non-executive Directors 獨立非執行董事</b>					
Henry Tan Song Kok (Lead) 陳頌國 (首席)	5/5	7/7	-	2/2	3/3
Lam Bing Lun Philip 林炳麟	5/5	7/7	4/4	2/2	3/3
Kong Siu Chee 江紹智	5/5	-	4/4	2/2	3/3
Loh Weng Whye 羅永威	5/5	7/7	4/4	2/2	3/3

<sup>1</sup> Ms. Song Yiqing was appointed as a member of the Board on 30 April 2010.

<sup>1</sup> 宋亦青女士於2010年4月30日獲委任為董事會成員之一。

### Delegation by the Board

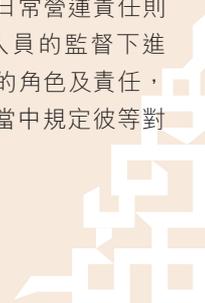
The Board's approval is required for matters such as corporate restructuring, mergers and acquisitions, major investments, material acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's quarterly and annual results, interested person transactions of a material nature, declaration of interim dividends and proposal of final dividends.

All other matters are delegated to the Board Committees whose actions are reported to and monitored by the Board while the day-to-day operational responsibilities are delegated to the executive management and carried out under the supervision of the chief executives. All management and staff have defined roles and responsibilities and are subject to the Code of Conduct as set out in the Employee Manual which imposes on them specific obligations to our business.

### 董事會的權力轉授

企業架構重整、併購、主要投資、重大收購及出售資產、主要經營範圍的主要公司政策、發放本集團的季度及年度業績、涉及重大性質的利害關係人士交易、宣派中期股息及建議末期股息等事宜須得到董事會批准。

所有其他事宜授權予董事委員會。董事委員會的行動需向董事會匯報及受董事會監察，而日常營運責任則授權予行政管理層，並在主要行政人員的監督下進行。所有管理層及員工均有清晰界定的角色及責任，並須遵守僱員手冊所載的行為守則，當中規定彼等對業務的具體責任。





## Corporate Governance Report 企業管治報告書

### Executive Chairman, Co-Vice Chairman and Chief Executive Officer

Mr. Shi Jian is the Executive Chairman and responsible for formulating, developing and reassessing the Group's strategies and policies and ensuring the effectiveness of board matters while Mr. Li Yao Min is the Co-Vice Chairman cum Chief Executive Officer ("CEO") and responsible for the execution of the Group's business strategies and plans. In addition, Mr. Shi Janson Bing was appointed as the Co-Chief Executive Officer on 30 November 2010 and is responsible for overseeing the progress of each new town projects, all commercial operations and management of human resources. Mr. Shi Janson Bing is the son of Mr. Shi Jian. All major decisions made by the Chairman, Co-Vice Chairman and the CEO are reviewed by the Board.

Mr. Yue Wai Leung Stan is the Co-Vice Chairman and Non-Independent Non-executive Director and responsible for providing professional consultative guidance to the Group.

As Mr. Shi Jian, Mr. Li Yao Min and Mr. Shi Janson Bing are part of the executive management team and hence Mr. Henry Tan Song Kok is appointed as Lead Independent Non-executive Director who will be available to shareholders when they have concerns and when the contact through normal channels has failed to resolve or for which such contact is inappropriate.

### Board Composition and Balance

The Board comprises twelve (12) members: seven (7) Executive Directors, one (1) Non-independent Non-executive Director and four (4) Independent Non-executive Directors. The Board is able to exercise independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues. No individual or small group should be allowed to dominate the Board's decision making.

The list of all directors, which also specifies the posts held by each director is set out under the Directors' Report on page 68. The Independent Non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

During the year ended 31 December 2010, the Board at all times met the requirements of the Singapore Code relating to the appointment of at least three Independent Non-executive Directors with at least two Independent Non-executive Directors possessing appropriate professional qualifications or accounting or related financial management expertise.

### 執行主席、聯席副主席及行政總裁

施建先生為執行主席，負責製定、發展及重新評估本集團的策略及政策以及確保董事會事宜的成效，李耀民先生則為聯席副主席兼行政總裁（「行政總裁」），負責執行本集團的業務策略及計劃。此外，施冰先生於2010年11月30日獲委任為聯席行政總裁，並且負責監督各新城鎮項目的進度、所有商業經營及人力資源管理。施冰先生為施建先生之子。所有由主席、聯席副主席及行政總裁作出的重大決定均由董事會審閱。

余偉亮先生為聯席副主席兼非獨立非執行董事，負責向本集團提供專業顧問指引。

由於施建先生、李耀民先生及施冰先生為行政管理層的一部分，故陳頌國先生獲委任為首席獨立非執行董事，其將於股東提出詢問時或無法透過正常渠道聯絡時或該等聯絡並不合適時作出解答。

### 董事會的組成與平衡

董事會由十二(12)名成員組成：七(7)名執行董事、一(1)名非獨立非執行董事及四(4)名獨立非執行董事。董事會可就企業事務行使獨立判斷及向管理層就問題提供多元化及客觀的觀點。概無個人或小組可主導董事會的決策過程。

羅列所有董事的名單（當中具體列出各董事的職位）載於董事會報告第68頁。獨立非執行董事根據上市規則於所有公司通訊中明確區分。

截至2010年12月31日止年度，董事會一直遵守新加坡守則有關委任最少三名獨立非執行董事，且其中最少兩名獨立非執行董事須擁有合適的專業資格或會計或有關財政管理專業知識的規定。

The criterion of independence is based on the definition given in the Codes and the Rule 3.33 of the Listing Rules. The Board considers an “independent” director as one who has no relationship with the Company, its related companies or its officers who could interfere, or be reasonably perceived to interfere, with the exercise of independent judgment of the conduct of the Group’s affairs by director.

The composition of the Board is determined in accordance with the following principles:

- the Board should comprise a sufficient number of Directors to fulfill its responsibilities and who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified); and
- the Board should have enough Directors to serve on various committees of the Board without over-burdening the Directors or making it difficult for them to fully discharge their responsibilities.

The independent and non-executive members of the Board exercise no management functions in the Company or any of its subsidiaries. Although all the Directors have equal responsibility for the performance of the Group, the role of the Independent and Non-executive Directors is particularly important in reviewing and monitoring the performance of executive management in meeting the Group’s agreed goals and objectives and ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined taking into account the long-term interests, not only of the shareholders but also of employees, customers, suppliers and many communities in which the Group conducts businesses. The Board considers its Independent and Non-executive Directors to be of sufficient caliber and number and their views to be of sufficient weight that no individual or small group can dominate the Board’s decision-making processes. The Independent and Non-executive Directors have no financial or contractual interests in the Group other than by way of their fees and shareholdings as set out in the Report of the Directors.

The Board is of the view that its current composition of twelve Directors is appropriate taking into account the scope and nature of the operations of the Company and of the Group.

獨立性的標準乃根據守則及上市規則第3.33條的定義作出。董事會認為「獨立」董事為與本公司、其關連公司、或其可能干涉或合理預期可能干涉董事進行本集團事務時行使獨立判斷的行政人員概無關係的人士。

董事會的成員根據以下原則釐定：

- 董事會須由足夠人數的董事組成以履行其責任以及作為一個團體，提供核心業務如會計或財務、業務或管理經驗、行業知識、策略性計劃經驗及以客為本經驗或知識（董事會認為倘於特定範圍需要額外專業知識或倘物色到一位出色的候選人，該人數可能增加）；及
- 董事會須有足夠董事出任不同董事委員會而不會對董事造成過大負擔或令其難以全面履行其責任。

董事會的獨立及非執行成員於本公司或其任何附屬公司概無管理職能。儘管全體董事均須對本集團的表現負上均等責任，惟獨立及非執行董事對審閱及監察行政管理層表現以符合本集團經協定的目標及目的，並確保由行政管理層建議的策略不僅考慮到股東，而且考慮到僱員、客戶、供應商、及其他與本集團有業務來往的團體的長遠利益而得到全面討論及嚴格審閱尤其重要。董事會認為其獨立及非執行董事具有足夠才幹及人數，而其意見具有足夠份量，致使概無個人或小組得以主導董事的決策過程。除董事會報告所載的董事袍金及股權外，獨立及非執行董事概無擁有本集團的財務或合約性權益。

董事會考慮到本公司及本集團的經營範圍及性質，認為其目前由十二位董事組成的董事會屬合適。





## Corporate Governance Report 企業管治報告書

Insurance cover in respect of legal proceedings and other claims against Directors arising from their office and execution of their powers, duties and responsibilities has been arranged. In 2010, no legal action was made against any of our Directors in relation to their duties performed for the Company.

Throughout the year, the Company complied with the Codes except for the Code provision E1.2 of the HK Code, that the Chairman of the Board did not attend the annual general meeting for the year 2010 due to other business commitment. The Co-Vice Chairman of the Board had attended in Chairman's absence.

Profiles of the Directors and other relevant information are set out on pages 33 to 41 of this Annual Report.

### Induction and Training of Directors

Upon appointment, each Director receives appropriate induction training and coaching to develop individual skills as required. The Directors are also provided with updates on the relevant new laws, regulations and changing commercial risks in the Group's operating environment through regular presentations and meetings; and they also have the opportunity to visit the Group's operational facilities and meet with management to gain a better understanding of business operations and governance practices.

During the financial year, the Directors and senior management were provided with the training regarding the regulations and laws applicable to the Company's business in Hong Kong and PRC. The Directors were also recommended with relevant seminars in relation to the updates on the latest development of accounting standards.

### NOMINATION MATTERS

#### Board Membership and Nominating Committee

The Nominating Committee ("NC") comprises three members, all of whom including the Chairman are Independent Non-executive Directors. The members of the NC are as follows:

Mr. Loh Weng Whye – Chairman  
Mr. Lam Bing Lun Philip – Member  
Mr. Kong Siu Chee – Member

本公司已為董事因其職務及執行其權力、職責及責任而引起的法律程序及其他索償投購保險。2010年內，本公司的董事並無由於為本公司履行其責任而遭提出任何法律訴訟。

年內，本公司均遵守守則，唯香港守則守則條款E1.2除外，因董事會主席須處理其他業務事宜而無法出席2010年的股東週年大會。董事會副主席已代替主席出席大會。

董事簡介及其他相關資料載於本年報第33頁至第41頁。

### 董事就職及培訓

各董事委任後會得到適當的就職培訓及訓練，以發展所需的個人技能。透過定期報告及會議，董事亦得到相關新法律、法規及本集團經營環境的商業風險變動的最新资讯，彼等亦有機會參觀本集團的經營設施及與管理層會面，以更了解業務經營及管治常規。

於本財政年度，董事及高級管理層得到有關適用於本公司關於香港及中國業務的法規及法律培訓。董事亦獲推薦出席與會計準則最新發展的更新有關的相關研討會。

### 提名事宜

#### 董事會成員及提名委員會

提名委員會（「提名委員會」）由三位成員組成，包括主席在內的全體成員均為獨立非執行董事。提名委員會成員如下：

羅永威先生 – 主席  
林炳麟先生 – 成員  
江紹智先生 – 成員

The NC has adopted new set of terms of reference on 7 October 2010 and its principle functions of the NC are to:

1. identify and make recommendations to the Board on the appointment of new executive and non-executive directors, including making recommendations on the composition of the Board and Board Committees;
2. evaluate/monitor the effectiveness of the Board as a whole and the contributions of each director to the effectiveness of the Board;
3. recommend directors who are retiring by rotation to be put forth for re-election; and
4. review the independence of each director.

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the Listing Rules.

The NC has reviewed the independence of each Director and confirmed the independence of all four Independent Non-executive Directors based on the definition provided by the Codes and the Listing Rules regarding what constitutes an independent director.

## Appointment, Re-election and Removal of Directors

The procedures and processes of appointment, re-election and removal of Directors are laid down in the Articles of Association of the Company. Recommendations for appointments and re-appointments of directors and appointments of the members of the various Board Committees are made by the NC and considered by the Board as a whole. The Articles of Association of the Company provides that at each Annual General Meeting (“AGM”) of the Company, one-third of the Directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third), being those who have been longest in office since their last re-election or appointment, are required to retire from office by rotation. A retiring director is eligible for re-election by the shareholders of the Company at the AGM. In addition, any director appointed by the shareholders of the Company or the Board, as the case may be, either to fill a vacancy or as an additional director, shall retire at the next AGM of the Company and shall then be eligible for re-election at that meeting.

提名委員會已於2010年10月7日採納新的職權範圍而提名委員會的主要功能為：

1. 物色及向董事會作出委任新執行及非執行董事的建議，包括就董事會及董事委員會的組成作出建議；
2. 評估／監察董事會整體的成效及各董事對董事會成效作出的貢獻；
3. 建議將予重選連任的輪值退任董事；及
4. 審閱各董事的獨立性。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。

提名委員會已審閱各董事的獨立性並根據守則及上市規則規定有關構成一位獨立董事的定義確認全部四位獨立非執行董事的獨立性。

## 委任、重選及罷免董事

委任、重選及罷免董事的程序及流程載於本公司章程細則。委任及重新委任董事及委任不同董事委員會成員均由提名委員會作出建議並由董事會整體考慮。本公司章程細則規定，於本公司各股東週年大會（「股東週年大會」）上，三分之一當時在任的董事或（倘其人數並非三或三的倍數，則以最接近而不少於三分之一）的董事，即自上一次重選或重新委任後任期最長的董事，須輪值退任。退任董事有資格於股東週年大會上由本公司股東重選。此外，無論作為填補董事空缺或作為額外董事（視乎情況而定）而獲本公司股東或董事會委任的任何董事，須於本公司下一屆股東週年大會上退任及其後於該大會上符合資格獲重選連任。





## Corporate Governance Report 企業管治報告書

During the financial year, the NC assessed the skills, knowledge and experience of Ms. Song Yiqing and unanimously recommended to the Board for her appointment as Director.

Mr. Yue Wai Leung Stan, Mr. Shi Janson Bing, Mr. Henry Tan Song Kok and Mr. Loh Weng Whye will be retiring by rotation pursuant to Article 86(1) of the Company's Articles of Association and Ms. Song Yiqing will be retiring in accordance with Article 85(7) of the Company's Articles of Association. The retiring directors are eligible for re-election at the forthcoming AGM. The NC recommends their re-election after assessing their contribution and performance.

### Board Performance

The Company believes that the Board's performance is ultimately reflected in the performance of the Company. The Board should ensure compliance with applicable laws and Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities: setting strategic directions and ensuring that the Company is ably led. The measure of a board's performance is also tested through its ability to lend support to management especially in times of crisis and to steer the Company in the right direction.

The Company is of the opinion that the financial indicators set out in the Codes as guides for the evaluation of Directors are more of a measure of management's performance and hence are less direct to Directors. In any case, such financial indicators provide a snapshot of a Company's performance, and do not fully measure the sustainable long term performance and value creation of the Company.

The Board through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the integrity, background, experience, knowledge and skills critical to the Company's business and that each Director with his/her special contribution brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC has established and implemented processes for assessing/monitoring the effectiveness of the Board as a whole and performance and contribution of individual directors. At the same time, the processes also identify weaker areas where improvements can be made. The Board and individual directors can thus direct more effort in those areas for achieving better effectiveness and performance of the Board as a whole and individual directors.

於本財政年度，提名委員會評估宋亦青女士的技能、知識及經驗，並一致向董事會建議委任其為董事。

余偉亮先生、施冰先生、陳頌國先生及羅永威先生將須根據本公司章程細則第86(1)條輪值退任，而宋亦青女士將根據本公司章程細則第85(7)條退任。退任董事有資格於下一屆股東週年大會上獲重選。提名委員會評估彼等的貢獻及表現後作出重選建議。

### 董事會表現

本公司相信董事會的表現最終反映本公司的表現。董事會應確保其遵守適用的法律而董事會成員應秉誠行事、盡忠職守並以本公司及其股東的最佳利益為依歸。除該等受信責任外，董事會亦須負上兩項主要責任：訂立策略性方針及確保本公司受到良好領導。董事會的表現亦透過其於危機時期支持管理層及引導本公司朝正確方向發展的能力測試計量。

本公司認為載於守則的財務指標作為評估董事的指引，較為接近對管理層表現的計量，而非直接計量董事的表現。於任何情況下，該等財務指標提供了關於本公司表現的概要，而並非全面計量本公司持久而長遠的表現及創造價值的能力。

董事會通過授權提名委員會盡其最大努力確保獲委任至董事會的董事擁有對本公司業務而言屬非常重要的誠信、背景、經驗、知識及技能，而各董事以其獨特貢獻，為董事會帶來其獨立及客觀的觀點，以作出平衡及深思熟慮的決定。

提名委員會為評估／監察董事會整體的有效性以及個別董事的表現及貢獻而成立，並就此執行政程序。同時，有關程序亦識別須加以改善的不足之處。董事會及個別董事可因而在有關方面投入更大努力而使董事會整體及個別董事達致更佳效益及表現。

## Access to Information

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

The senior management and executives attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

Prior to each Board meeting, the Board is supplied with relevant information by the management pertaining to matters to be brought before the Board for decisions as well as ongoing reports relating to operational and financial performance of the Group.

All Directors have unrestricted access to the Company's records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult with other employees and seek additional information on request.

All Directors have separate and independent access to the company secretaries. The company secretaries administer, attend, prepare and keep minutes of the Board and Board Committee meetings. The company secretaries also assist the Chairman in ensuring that the Board procedures are followed and reviewed so that the Board functions effectively, and the Company's Articles of Association and relevant rules and regulations, including requirements of the SGX-ST and HKEx, are complied with. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final versions are open for Directors' inspection.

## 閱覽資料

週年大會的日程及每次會議的草擬議程通常提前向董事提供。

召開董事會定期會議應在會議前至少十四天向所有董事發出通知。至於召開其他董事會會議及轄下委員會會議，一般應發出合理通知。

董事會文件及所有適當、完整及可靠的資料須在各董事會會議或委員會會議前最少三天向全體董事送出，令董事了解本公司的近期發展及財務狀況，從而令其作出知情決定。

高級管理層及行政人員出席所有定期董事會會議及於必要時出席其他董事會及委員會會議，以就業務發展、財務及會計事宜、法定及監管合規事宜、企業管治以及其他本公司主要範疇提出建議。

於每次董事會會議前，管理層均向董事會提供提交董事會以作決定的事宜的相關資料，以及有關本集團營運及財務表現的持續報告。

全體董事可不受限制閱覽本公司的記錄及資料並於年內收取高級管理層詳細財務及經營報告，以使其能夠履行職務。董事亦在需要時與高級管理層聯絡及可諮詢其他僱員以及按要求尋求額外資料。

所有董事均可單獨及獨立接觸公司秘書。公司秘書管理、出席董事會及董事委員會會議以及預備及保留董事會及董事委員會的會議記錄。公司秘書亦協助主席確保遵循及審閱董事會程序以令董事會有效運作並確保遵守本公司章程細則及相關規則及法規（包括新交所及香港聯交所的規定）。會議記錄的草擬稿一般供董事傳閱，以供彼等於各會議結束後一段合理時間內就此提供意見，定稿會公開給董事查閱。





## Corporate Governance Report 企業管治報告書

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Should Directors, whether as a group or individually, need independent professional advice in the furtherance of their duties, the cost of such professional advice will be borne by the Company.

### REMUNERATION MATTERS

#### Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises four members, all of whom including the Chairman are Independent Non-executive Directors. The members of the RC are as follows:

Mr. Kong Siu Chee – Chairman  
Mr. Loh Weng Whye – Member  
Mr. Lam Bing Lun Philip – Member  
Mr. Henry Tan Song Kok – Member

The RC has adopted new set of terms of reference on 7 October 2010 and its principle functions of the RC are to:

1. implement and administer the Management Grant and the CNTD Share Option Scheme;
2. review and recommend to the Board a framework of remuneration for the Directors and key executives, covering all aspects of remuneration such as fees, salaries, allowances, bonuses, options and benefits-in-kind; and
3. review and determine the specific remuneration packages for each executive Director and senior management.

The members of the RC do not participate in any decision concerning their own remuneration.

本公司章程細則亦載有條文，規定董事須於批准該等董事或彼等的任何聯繫人擁有重大利益的交易的會議上放棄投票，且不計入有關會議的法定人數。

倘董事共同或個別需要尋求獨立專業意見以履行彼等的職責，所產生的專業意見費用由本公司承擔。

### 薪酬事宜

#### 制訂薪酬政策的程序

薪酬委員會（「薪酬委員會」）由四名成員組成，包括主席在內的全體成員均為獨立非執行董事。薪酬委員會成員如下：

江紹智先生 – 主席  
羅永威先生 – 成員  
林炳麟先生 – 成員  
陳頌國先生 – 成員

薪酬委員會已於2010年10月7日採納新的職權範圍而薪酬委員會的主要功能為：

1. 落實及管理管理層購股權計劃以及CNTD購股權計劃；
2. 審閱及向董事會建議董事及主要行政人員的薪酬框架，當中覆蓋所有薪酬範圍，包括董事袍金、薪金、津貼、花紅、購股權及實物利益；及
3. 審閱及釐定各執行董事及高級管理層的具體薪酬組合。

薪酬委員會成員概不參與有關其薪酬的任何決定。



## Level and Mix of Remuneration

In setting remuneration packages, the RC takes into account the performance of the Group, executive Directors and executive management as well as the pay and employment conditions within the same industry and in comparable companies, while aligning the Executive Directors' interests with those of shareholders and linking rewards to corporate and individual performance.

The Independent Directors receive directors' fees, in accordance with their contributions, taking into account factors such as efforts, time spent and responsibilities of the Directors. Directors' fees will be subject to approval at the Company's AGM.

The remuneration of the executive Directors and the key senior executives comprises a basic salary component and a variable component. The variable component comprises a variable bonus linking to the Company and individual performance, and other variable components including the grant of share options under the CNTD Share Option Scheme as set out in the Company's circular dated 12 August 2010. All executive Directors had entered into the new service agreement on 7 October 2010 and are effective for a period of 3 years from 22 October 2010 and meanwhile all Non-executive Directors had adopted a 3-year appointment, details of the terms are set out in the Report of the Directors.

The Company entered into service agreement with Ms. Song Yiqing on 30 April 2010 in connection with her appointment as Executive Director. Either party may terminate the service agreement by giving the other party not less than 6 months' notice in writing of such termination or either party making certain payments to the other party in lieu of notice.

The annual review of the remuneration packages of the Directors are carried out by the RC to ensure that the remuneration of the Executive Directors and senior management commensurates with their performance, giving due regard to the financial and commercial health and business needs of the Group. No Director should involve in deciding his own remuneration.

## 薪酬水平和其構成

在制定薪酬組合時，薪酬委員會會考慮本集團、執行董事及行政管理層的表現以及相同行業及與其可比較之公司的支薪及僱傭條件，同時劃一執行董事的利益與股東利益，並將企業及個人表現與獎勵掛鉤。

獨立董事按其貢獻、計及董事的努力、所花時間及責任等因素收取董事袍金。董事袍金須經本公司的股東週年大會批准。

執行董事及主要高級行政人員的薪酬由基本薪金部分及一個可變部分組成。可變部分由與本公司及個人表現掛鉤的可變花紅及其他可變部分（包括根據CNTD購股權計劃授出的購股權（載於日期為2010年8月12日的本公司通函））組成。所有執行董事已於2010年10月7日訂立新的服務協議，並由2010年10月22日起生效3年，同時非執行董事已採納3年委任年期，條款詳情載於董事會報告。

本公司於2010年4月30日與宋亦青小姐就委任其為執行董事訂立服務協議。任何一方可於不少於6個月前給予另一方終止的書面通知，或任何一方向另一方支付代通知金以終止該服務協議。

董事薪酬組合的年度審閱由薪酬委員會進行以確保執行董事及高級管理層的薪酬符合彼等就本集團的財務及商業穩健，以及業務需要而言的表現。董事不應參與決定其薪酬。





## Corporate Governance Report 企業管治報告書

### Disclosure on Remuneration

Details of the Directors' and top 5 key executives' remuneration paid or payable for the financial year ended 31 December 2010 are set out below:

### 薪酬披露

截至2010年12月31日止財政年度已付或應付董事及五位最高薪行政人員的薪酬詳情載列如下：

Directors 董事	Fixed salary 固定薪金	Bonus 花紅	Directors' fees 董事袍金	Other allowance 其他津貼	Total 合計
Shi Jian 施建	100%	–	–		Band A 範圍A
Li Yao Min 李耀民	100%	–	–		Band B 範圍B
Shi Janson Bing 施冰	100%	–	–		Band A 範圍A
Song Yiqing 宋亦青	85%	–	–	15%	Band B 範圍B
Gu Biya 顧必雅	100%	–	–		Band B 範圍B
Mao Yiping 茅一平	100%	–	–		Band B 範圍B
Yang Yonggang 楊勇剛	100%	–	–		Band A 範圍A
Yue Wai Leung Stan 余偉亮	–	–	100%		Band A 範圍A
Henry Tan Song Kok 陳頌國	–	–	100%		Band A 範圍A
Loh Weng Whye 羅永威	–	–	100%		Band A 範圍A
Lam Bing Lun Philip 林炳麟	–	–	100%		Band A 範圍A
Kong Siu Chee 江紹智	–	–	100%		Band A 範圍A

The exchange rate is calculated on monthly average basis.

匯率按每月平均基準計算。

Top 5 Key Executives 五位最高薪主要行政人員	Fixed salary 固定薪金	Bonus 花紅	Other allowance 其他津貼	Total 合計
Tai Kuo Lin 戴國琳 (Vice President) (副總裁)	100%	–	–	Band A 範圍A
Liu Suyin 劉索引 (General Manager) (總經理)	100%	–	–	Band A 範圍A
Qian Yifeng 錢毅鋒 (Assistant President & Deputy Director) (助理總裁兼副董事)	100%	–	–	Band A 範圍A
Fang Peiji 方培基 (General Manager) (總經理)	100%	–	–	Band A 範圍A
Chen Fuwei 陳富偉 (Assistant Deputy General Manager) (副總經理助理)	100%	–	–	Band A 範圍A

The exchange rate is calculated on monthly average basis.

匯率按每月平均基準計算。

## Notes:

### 1. Remuneration band

Band A: Below S\$250,000

Band B: S\$250,000 to below S\$500,000

2. Details of the interests in securities and share options to the Directors and senior management are set out under the section headed The Management Grant in the Report of the Directors.

3. Details of the remuneration of the Directors are set out in the Financial Statements from pages 154 to 155 of this Annual Report.

Other than the father and son relationship between Mr. Shi Jian, the Executive Chairman, and Mr. Shi Janson Bing, the Co-CEO and Executive Director, there are no employees of the Group who are immediate family members of the Directors or the CEO (within the meaning of Listing Manual of the SGX-ST) whose remuneration exceeded S\$150,000 during the financial year ended 31 December 2010.

## ACCOUNTABILITY AND AUDIT

### Accountability

The Board aims to ensure that the quarterly and annual financial statements and results announcements are presented in a manner which provides a balanced and understandable assessment of the Group's performance, position and prospect.

The financial statements have been prepared in accordance with the International Financial Reporting Standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year.

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2010.

## 附註：

### 1. 薪酬範圍

範圍A：少於250,000新加坡元

範圍B：250,000新加坡元至500,000新加坡元內

2. 董事及高級管理層於證券及購股權擁有權益詳情載於董事會報告管理層購股權一節。

3. 董事薪酬詳情載於本年報第154頁至第155頁的財務報表。

除執行主席施建先生與聯席行政總裁兼執行董事施冰的父子關係外，本集團概無僱員為董事或行政總裁的直系家族成員（定義見新交所上市手冊）而其於截至2010年12月31日止財政年度的薪酬超過150,000新加坡元。

## 問責性及審計

### 問責性

董事會旨在確保季度及年度財務報表及業績公告的呈報方式，對本集團的表現、狀況及前景提供均衡及易於明白的評估。

已根據國際財務報告準則編製財務報表及該財務報表足以真實與公允地反映本集團及本公司於財政年度終的財務狀況。

董事知悉其編製本公司截至2010年12月31日止年度財務報表的責任。





## Corporate Governance Report 企業管治報告書

### Audit Committee

The Audit Committee (“AC”) comprises three members, all of whom including the Chairman are Independent Non-executive Directors. The members of the AC are as follows:

Mr. Henry Tan Song Kok – Chairman  
Mr. Lam Bing Lun Philip – Member  
Mr. Loh Weng Whye – Member

Mr. Henry Tan Song Kok and Mr. Lam Bing Lun, Philip possess accounting and related financial management expertise and experience. The Board considers Mr. Loh Weng Whye as having sufficient financial knowledge and experience to discharge his responsibilities as a member of the AC.

The AC has adopted a new set of terms of reference on 7 October 2010 and it performs the following main functions:

- (a) review the financial reporting process, management of financial risks and the audit process;
- (b) review the audit plans and results of the external auditors’ examination and evaluation of the group’s systems of internal accounting control and any matters which the external auditors wish to discuss (in the absence of management where necessary);
- (c) review the scope and results of the internal audit procedures;
- (d) review the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and the external auditors’ report on those financial statements;
- (e) review the quarterly and annual announcements on the results and financial position of the Company and of the Group;
- (f) review the co-operation and assistance given by the management to the Group’s external auditors;
- (g) evaluate the cost effectiveness, independence and objectivity of the external auditors and the nature and extent of the non-audit services provided by them;

### 審計委員會

審計委員會（「審計委員會」）由三名成員組成，包括主席在內的全體成員均為獨立非執行董事。審計委員會成員如下：

陳頌國先生 – 主席  
林炳麟先生 – 成員  
羅永威先生 – 成員

陳頌國先生及林炳麟先生擁有會計及相關財務管理專業知識及經驗。董事會認為羅永威先生擁有足夠財務知識及經驗履行其作為審計委員會成員的責任。

審計委員會已於2010年10月7日採納新的職權範圍而審計委員會的主要功能為：

- (a) 審閱財務匯報流程、管理財務風險及審計流程；
- (b) 審閱審計計劃及外聘核數師的審計結果並評估本集團內部會計監控制度及外聘核數師擬討論的任何事宜（必要時管理層須避席）；
- (c) 審閱內部核數程序的範圍及成效；
- (d) 在本公司財務報表及本集團合併財務報表提呈予本公司董事會前，審閱該等報表以及外聘核數師就該等財務報表作出的報告；
- (e) 審閱本公司及本集團的季度及年度業績及財政狀況公告；
- (f) 審閱管理層對本集團外聘核數師提供的合作與協助；
- (g) 評估外聘核數師的成本效益、獨立性及客觀性以及由彼等提供的非核數服務的性質及範圍；

## Corporate Governance Report 企業管治報告書

- (h) make recommendation to the Board on the appointment, re-appointment and remuneration of the external auditors of the Company;
- (i) evaluate the adequacy and adherence of the internal control systems including administrative, operating and internal accounting control of the Group; and
- (j) review interested person transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders.
- (h) 就本公司外聘核數師的委任、續聘及薪酬向董事會作出建議；
- (i) 評估本集團內部監控制度（包括行政、經營及內部會計監控）的充足性及一致性；及
- (j) 審閱利害關係人士交易，確保該等交易符合一般商業條款且不會對本公司或其股東的利益造成損害。

The AC is authorised to investigate any matter within its terms of reference, and has full access to the management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any director or executive management to attend its meetings.

審計委員獲授權調查屬於其職權範圍內的任何事宜，並可全面接觸管理層及使用資源以妥為履行其職能。審計委員會亦可全權酌情邀請任何董事或行政管理層出席其會議。

During the financial year, the external auditors did not render any non-audit services to the Group. The details of audit fee and non-audit service fee for the financial years 2009 and 2010 are set out below:

於財政年度，外聘核數師概無向本集團提供任何非核數服務。2009年及2010年財政年度的核數費用及非核數服務費用詳情如下：

	2010 2010年 RMB'000 人民幣千元	2009 2009年 RMB'000 人民幣千元
Audit Fee 核數費用	5,905	3,833
Non-audit Services Fee 非核數服務費用	-	-
Total 合計	<b>5,905</b>	<b>3,833</b>

The Company through the AC, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors have highlighted to the AC matters that require the AC's attention. The external auditors are invited to attend meetings of the AC for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements.

本公司透過審計委員會，與外聘核數師保持合適及透明的關係。在審計本集團財務報表過程中，外聘核數師向審計委員會強調審計委員會須注意的事宜。外聘核數師會就呈報其審計計劃及報告以及呈報其經審計財務報表意見獲邀出席審計委員會的會議。

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

並無任何重大不明朗事件或條件顯示本公司的持續經營能力成疑。

The Company's annual results for the financial year ended 31 December 2010 have been reviewed by the AC.

本公司截至2010年12月31日止財政年度的年度業績已由審計委員會審閱。





## Corporate Governance Report 企業管治報告書

The statement of the external auditors of the Company about their reporting responsibilities for the financial statements is set out in the “Independent Auditors’ Report” from page 88 to page 89.

The AC recommends to the Board the nomination of Ernst & Young as external auditors at the forthcoming AGM of the Company.

### Whistle Blowing Policy

The Company has adopted a whistle blowing policy which provides a channel for staff to report serious concerns relating to financial reporting and unethical or illegal conduct.

Throughout the financial year, the AC did not receive any whistle blowing report.

### Internal Control

The Board acknowledges its responsibility for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and such system provides only reasonable but not absolute assurance against material misstatement or loss.

Risk management is essential to the Company’s business. Risk assessment and evaluation takes place as an integral part of the annual strategic planning cycle. Having identified the risks to the achievement of their strategic objectives, each business is required to document the management and mitigating actions in place and proposed in respect of each significant risk.

The Group transacts mainly in Chinese Renminbi, with some transactions in Hong Kong, Singapore and United States Dollars. Any significant adverse movement in exchange rates may have an impact on the Group’s performance. The Group seeks to minimize this risk by taking advantage of natural hedging opportunities. The Group also reviews control policies and procedures and highlights significant matters to the Board when necessary.

本公司的外聘核數師就財務報表進行報告的責任聲明載於第88頁至89頁的「獨立核數師報告」。

審計委員會向董事會建議於應屆股東週年大會提名安永會計師事務所為本公司外聘核數師。

### 舉報政策

本公司已採納舉報政策，向職員提供舉報有關財務報告以及不道德或非法行為的嚴重問題的渠道。

於整個財政年度，審計委員會概無收到任何舉報報告。

### 內部控制

雖然董事會明白其負責整體的內部監控框架，但亦坦承並無具經濟效益又可排除所有錯誤及違規情況的內部監控系統，因為系統的設計乃為管理不能達到業務目標的風險而非排除該等風險，而且僅能為防止重大錯誤陳述或損失提供合理而非絕對的保證。

風險管理對本公司業務而言非常重要。風險評定及評估乃作為年度策略計劃周期的組成部分。各業務部門在識別出達到彼等的策略目標存在的風險後，須記錄就各項重大風險已採取及擬採取的管理及緩和措施。

本公司主要以中國人民幣進行交易，若干交易以港元、新加坡元及美元進行。匯率出現任何重大不利變動可能對本集團的表現造成影響。本集團透過利用自然對沖機會務求將該風險減至最低。本集團亦審閱控制政策及流程並於必要時向董事會提出重大事宜。



The Company's external auditors, Ernst & Young, have also, in the course of their statutory audit, carried out a review on the Company's system of internal control to the extent of their planned reliance as laid out in their audit plan. Any material non-compliance and internal control weaknesses noted during their audit and their recommendations to address such non-compliance and weaknesses are reported to the AC. The management follows up on Ernst & Young's recommendations as part of its role in the review of the Group's internal control system. The AC also meets with the external auditors without the presence of management at least once a year to discuss internal controls and various accounting issues. In addition, the AC reviews the effectiveness of actions taken by management on the recommendations on internal control by internal and external auditors. During the year, the AC also reviewed the effectiveness of the Company's internal control and was satisfied that the internal control is adequate to meet the needs of the Company in its current business environment.

## Internal Audit

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group's internal audit function is administered and monitored by the individual auditors from its parent company. The internal auditors report to the Chairman of the AC on any material weakness and risks identified in the course of the audit, which are also communicated to the management. The management will accordingly update the AC the status of the remedial action plans.

In order to enhance the Group's internal audit functions, the AC has appointed Shanghai Dongzhou Zhengxin Certified Public Accountants to cope with our internal auditors to review the internal audit program, its scope and the results of the internal audit in ensuing year.

## INVESTMENT MATTERS

The Investment Committee ("IC") comprises four members, all of whom including the Chairman are Independent Non-executive Directors. The members of the IC are as follows:

Mr. Lam Bing Lun Philip – Chairman  
Mr. Kong Siu Chee – Member  
Mr. Henry Tan Song Kok – Member  
Mr. Loh Weng Whye – Member

本公司的外聘核數師安永會計師事務所亦已於彼等的法定審計過程中，就其計劃的審計計劃審閱本公司的內部監控制度。彼等於審計期間發現的任何重大不合規及內部控制弱點，並就該等不合規及內部控制弱點向審計委員會匯報。管理層會跟進安永會計師事務所的建議作為其審閱本集團內部監控制度角色的一部分。審計委員會亦會每年至少和管理層避席的情況下與外聘核數師開會一次，討論內部控制及不同的會計議題。此外，審計委員會會透過內部及外聘核數師就內部控制作出的建議審閱管理層行事的成效。年內，審計委員會亦審閱本公司的內部控制有效性並信納內部控制足以符合本公司目前業務環境所需。

## 內部審計

為協助董事會維持完善的內部監控制度以保障股東的投資及本集團的資產，本集團內部審計功能由來自其母公司的個別核數師管理及監察。內部核數師向審計委員會主席匯報任何於審計過程識別的任何重大弱點及風險，該等資料亦會通報管理層。管理層將因此向審計委員會更新補救計劃的狀況。

為提升本集團的內部審計功能，審計委員會已委任上海東洲政信會計師事務所配合本公司內部核數師審閱隨後一年的內部核數方案、其範圍及內部核數的結果。

## 投資事宜

投資委員會（「投資委員會」）由四名成員組成，包括主席的全體成員均為獨立非執行董事。投資委員會成員如下：

林炳麟先生 – 主席  
江紹智先生 – 成員  
陳頌國先生 – 成員  
羅永威先生 – 成員





## Corporate Governance Report 企業管治報告書

The IC performs the following main functions:

1. review the management's recommended investment opportunities, objectives, strategies, policies and guidelines that direct the investment of the portfolio;
2. review the management's recommended portfolio financial goals and requirements, including asset allocation, risk tolerance, investment time horizon and capital adequacy;
3. review and evaluate the performance of the investment portfolio regularly to assure adherence to policy guidelines and monitor progress toward achieving investment objectives; and
4. review the share purchase, redeem or otherwise acquire Shares activities be conducted by the Company.

### COMMUNICATION WITH SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable.

The Company's AGM remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and ask questions about the resolutions being proposed and the operations of the Group.

The Company's Articles of Association allows a member entitled to attend and vote to appoint more than one proxy to attend and vote on behalf of the member and also provides that a proxy need not be a member of the Company. Voting in absentia by facsimile or email is not currently permitted to ensure proper authentication of the identity of shareholders and their voting intentions.

The Chairmen of the AC, RC, NC and IC are normally available at the meeting to answer those questions relating to a work of these Board Committees.

The Company's external auditors are invited to attend the Company's AGM and will assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

投資委員會主要功能如下：

1. 審閱管理層建議的投資機會、目的、策略、政治及引導投資組合的指引；
2. 審閱管理層建議的財務組合目標及需要，包括資產分配、風險承擔、投資時間水平及資本恰當性；
3. 定期審閱及評估投資組合的表現以確保其跟從政策指引及監察達到投資目的進度；及
4. 審閱本公司進行的股份購買、贖回或以其他方式收購股份的活動。

### 與股東溝通

本集團知悉及時公平向股東、投資者及大眾傳播重大資料的重要性。倘無意中向特定組別披露資料，本公司將在切實可行下盡快公開地作出相同披露。

本公司的股東週年大會將仍為與股東對話的主要論壇。鼓勵股東參與過程及發問有關擬建議決議案及本集團經營的問題。

本公司章程細則容許有權出席股東大會及於股東大會上投票的股東委任一名以上代理人代表該股東出席及投票，而該代理人毋須為本公司股東。目前並不接受以傳真或電郵作出缺席投票以確保股東身份及彼等的表決意向乃為真確。

審計委員會、薪酬委員會、提名委員會及投資委員會主席通常會出席大會並回答與該等董事委員會工作有關的問題。

本公司的外聘核數師獲邀出席本公司的股東週年大會並將協助董事回應股東有關進行審計及核數師報告編製及內容的查詢。

## Corporate Governance Report 企業管治報告書

Code provision E.1.3 of the HK Code stipulates that the issuer should arrange for the notice to shareholders to be sent in the case of the annual general meeting at least 20 clear business days before the meeting and in the case of all other general meetings at least 10 clear business days before the meeting. Since the Company was listed on the HKEx in October 2010, the above code provision was not applicable to the Company before 22 October 2010, the listing date of the Company in Hong Kong.

During the year ended 31 December 2010, at least 14 and 21 calendar days notice was given for the 2010 Annual General Meeting as well as Extraordinary General Meetings held on 30 April 2010 and 3 September 2010. Sufficient notice was given in accordance with the Company's Articles of Association, the laws of the place of incorporation of the Company and the listing rules of the SGX-ST set out in the Singapore Listing Manual.

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

The Group also participates in investor forums held in Singapore, Hong Kong and abroad and also organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

The Group maintains a corporate website at [www.china-newtown.com](http://www.china-newtown.com) which contains the Company's publicly disclosed financial information, annual reports, news releases, announcements and corporate developments.

Shareholders and potential investors are welcome to communicate with the Company by any of the following ways:

Email : [ir@china-newtown.com](mailto:ir@china-newtown.com)  
Contact Number : +852 3965 9000  
Fax : +852 3965 9111  
Address : 2503 Convention Plaza Office Tower,  
1 Harbour Road, Wanchai, Hong Kong

香港守則條文第E.1.3條規定發行人應於週年股東大會舉行前至少20個完整營業日及於所有其他大會舉行前至少10個完整營業日安排向股東發出通知。因本公司於2010年10月於香港聯交所上市，上述守則條文於2010年10月22日（本公司於香港上市的日期）以前並不適用於本公司。

於截至2010年12月31日止年度，於2010年4月30日舉行股東週年大會之前至少給予14個曆日通知及於2010年9月3日舉行股東特別大會之前至少給予21個曆日通知。根據本公司章程細則、本公司註冊成立之地方法律及載於新交所上市規則的新加坡上市手冊，已給予充份通知。

為保障股東權益及權利，就各重大獨立事項（包括選舉個別董事）作出的獨立決議案會於股東大會上提呈。

於股東大會上提出的所有決議案將根據上市規則以投票表決，而投票結果將於各股東大會後於本公司及聯交所網頁刊登。

本集團亦參與於新加坡、香港及外地舉行投資者論壇，並舉辦簡介會以及與分析師及基金經理開會以讓其更了解本集團業務。

本集團的企業網頁[www.china-newtown.com](http://www.china-newtown.com)包含本公司公開披露的財務資料、年報、新聞發佈、公告及公司發展。

歡迎股東及潛在投資者透過任何以下途徑與本公司溝通：

電郵 : [ir@china-newtown.com](mailto:ir@china-newtown.com)  
聯絡電話 : +852 3965 9000  
傳真 : +852 3965 9111  
地址 : 香港灣仔港灣道1號會展廣場辦公大樓2503室





## Corporate Governance Report 企業管治報告書

### COMPLIANCE WITH MODEL CODE AND SECURITIES TRADING

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules and Rule 1207(18) of the Listing Manual of the SGX-ST as the code of conduct regarding securities transactions by Directors. The Directors have confirmed, following specific enquiries by the Company that they have complied with the required standard set out in the Model Code and Listing Manual during the year ended 31 December 2010.

The Company has also established written guidelines with more onerous requirements for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. It prohibits the Company’s directors and officers from dealing in the Company’s shares on short-term considerations and during the period commencing 30 days before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and 60 days before the announcement of the Company’s full year financial statements (or, if shorter, the period from the end of the relevant financial period up to the publication date of the results).

No incident of non-compliance by the employees was noted by the Company.

### MATERIAL CONTRACTS

Save as the service agreements between the Directors and the Company, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholder subsisting at the end of the financial year ended 31 December 2010.

### INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

### 遵守標準守則及證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）及新交所上市手冊第1207(18)條作為董事進行證券交易的操守守則。董事確認於截至2010年12月31日止年度期間均遵守標準守則及上市規則所載的規定標準。

本公司亦已就可能得悉本公司未公佈的可影響股價資料的僱員所進行的證券交易設立規定較嚴謹的書面指引。禁止本公司董事及行政人員以短期因素及於本公司公告其財政年度首三季各季度之財務報表前三十天及本公司公告全年財務報表前六十天期間開始（或（倘時間較短）相關財政期間結束至業績刊發日期期間）買賣本公司股份。

本公司並不知悉有僱員不遵守的事件。

### 重大合約

除董事及本公司之間訂立的服務協議外，本公司或其附屬公司概無訂立任何涉及行政總裁、任何董事或控股股東權益而於截至2010年12月31日止財政年度末仍然存續的重大合約。

### 利害關係人士交易

本公司已設立程序確保所有與利害關係人士的交易及時向審計委員會報告，而交易乃按一般商業條款進行且將不會損害本公司及其少數股東的利益。

# Corporate Governance Report 企業管治報告書

The aggregate value of interested person transactions (“IPT”) entered into by the Group during the financial year under review is as follows:

本集團於回顧財政年度期間訂立的利害關係人士交易（「利害關係人士交易」）總值如下：

## Year ended 31 December 2010

截至2010年12月31止年度

Name of interested person 利害關係人士姓名	Aggregate value of all IPT during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) 所有於回顧財政年度期間的利害關係人士 交易總值（不包括少於100,000新加坡 元的交易以及根據規則920條 股東授權項下進行的交易） (RMB’000) (人民幣千元)	Aggregate value of all IPT conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 所有根據規則920條股東授權項下 進行的利害關係人士交易 (不包括少於100,000新加坡元的交易) (RMB’000) (人民幣千元)
SRE Group Limited 上置集團有限公司	8,602	-

On 26 March 2010, two of the Company’s indirect subsidiaries, Shanghai Golden Luodian Development Co., Limited (“SGLD”) and Shanghai Lake Malaren Golf Club Co., Ltd. (“SLMGC”) entered into an agreement with Shanghai Good Property Management Company Limited (“SGPM”), a subsidiary of SRE Group Limited which is a controlling shareholder of the Company, pursuant to each of SGLD and SLMGC that agreed to dispose of their entire interests in Shanghai Lake Malaren Property Management Company Limited (“SLMPM”) to SGPM. The total purchase consideration of RMB3.04 million payable in cash by SGPM for the disposal was determined on a willing-buyer willing-seller basis and was arrived at based on the net asset value of SLMPM as at 28 March 2010. The disposal was completed on 18 June 2010.

於2010年3月26日，本公司的兩家間接附屬公司上海金羅店開發有限公司（「上海金羅店開發」）及上海美蘭湖高爾夫球俱樂部有限公司（「上海美蘭湖高爾夫球俱樂部」）與本公司的控股股東上置集團有限公司的一家附屬公司上海上置物業管理有限公司（「上海上置物業管理」）訂立協議，據此，上海金羅店開發及上海美蘭湖高爾夫球俱樂部各自同意出售彼等於上海美蘭湖物業管理有限公司（「上海美蘭湖物業管理」）的全部權益予上海上置物業管理。上海上置物業管理就該出售應付的總購買代價為現金人民幣304萬元，其乃按自願買家自願賣家基準釐定，並按上海美蘭湖物業管理於2010年3月28日的資產淨值達成。該出售已於2010年6月18日完成。

On 7 July 2010, SGLD and SLMPM entered into the Property Management Agreement pursuant to which SLMPM agreed to continue to provide property management services to SGLD in respect of the Luodian New Town for a term from 1 July 2010 to 31 December 2012 at a fixed management fee of RMB869 thousand per month. Under the Property Management Agreement, SGLD provides premises with a gross floor area of 132.1 sq.m. to SLMPM for use as property management office free of charge. It is expected that the management fee payable by SGLD to SLMPM for the three years ending 31 December 2010, 2011 and 2012 will not exceed RMB9.9 million, RMB10.5 million, and RMB10.5 million respectively.

於2010年7月7日，上海金羅店開發與上海美蘭湖物業管理訂立物業管理協議，據此，上海美蘭湖物業管理同意於2010年7月1日至2012年12月31日期間繼續就羅店新鎮向上海金羅店開發提供物業管理服務，每月固定管理費為人民幣869,000元。根據物業管理協議，上海金羅店開發免費向上海美蘭湖物業管理提供建築面積為132.1平方米的物業作為物業管理辦事處用途。預計上海金羅店開發應付予上海美蘭湖物業管理截至2010年、2011年及2012年12月31日止三個年度的管理費將分別不會超過人民幣990萬元、人民幣1,050萬元及人民幣1,050萬元。





## Corporate Governance Report 企業管治報告書

### RISK MANAGEMENT

The Company does not have a Risk Management Committee. However, the management regularly reviews the Company's businesses and operational activities to identify areas of significant operational and enterprise risks and takes appropriate measures to control and mitigate these risks. The management reviews all significant control policies and procedures and draw all significant matters to the attention of Directors and the AC.

### CONCLUSION

The Company recognizes the importance of good corporate governance practices for maintaining and promoting investor confidence. The Company will continue to review and improve its corporate governance practices on an ongoing basis.

### 風險管理

本公司並無風險管理委員會。然而，管理層會定期審閱本公司的業務及經營活動以識別重大經營及企業風險範疇並採取合適措施控制及緩和該等風險。管理層會審閱所有重大控制政策及程序並且向董事及審計委員會提呈所有重大事宜。

### 結論

本公司知悉良好的企業管治常規對維持及提升投資者信心的重要性。本公司將以持續基準繼續審閱及改進其企業管治常規。





# Report of the Directors

## 董事會報告

The Directors are pleased to present the Annual Report together with the audited financial statements for the financial year ended 31 December 2010.

### PRINCIPAL ACTIVITIES

The Group is mainly engaged in large-scale new town planning and development. The principal activities of its principal subsidiaries are set out in note 3 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The Group's results for the financial year ended 31 December 2010 are set out in the consolidated statement of comprehensive income on page 90 of this Annual Report.

The Directors recommend the payment of a final dividend of HK1.880 cents (SG0.308 cent) per Share to the shareholders whose names appear on the register of members of the Company on 12 May 2011, amounting to a total of approximately RMB61,698 thousand. None of the shareholders of the Company has waived or agreed to waive any dividends.

### RESERVES

Movements in the reserves of the Group and the Company during the financial year are set out in note 22 to the consolidated financial statements of this Annual Report.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the financial year are set out in note 21 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事欣然提呈年報連同截至2010年12月31日止財政年度的經審計財務報表。

### 主要業務

本集團主要從事大規模新城鎮規劃及開發。其主要附屬公司的主要業務載於合併財務報表附註3。

### 業績及分配

本集團截至2010年12月31日止財政年度的業績載於本年報第90頁的合併綜合收益表。

董事提議派付末期股息每股1.880港仙(0.308新加坡仙)予於2011年5月12日名列本公司股東名冊的股東，金額合共約為人民幣6,169.8萬元。本公司股東概無豁免或同意豁免任何股息。

### 儲備

本集團及本公司於財政年度的儲備變動載於本年報合併財務報表的附註22。

### 股本

本公司的股本於財政年度的變動詳情載於合併財務報表附註21。

### 優先購股權

本公司章程細則並無訂立優先購股權條文，是關於規定本公司須按比例向現有股東發售新股份。





## Report of the Directors 董事會報告

### TAXATION IN THE BRITISH VIRGIN ISLANDS (“BVI”)

A BVI business company is exempt from all provisions of the Income Tax Ordinance of the BVI (including with respect to all dividends, interests, rents, royalties, compensations and other amounts payable by the company to persons who are not resident in the BVI). Capital gains realized with respect to any shares, debt obligations or other securities of the company by persons who are not resident in the BVI are also exempt from all provisions of the Income Tax Ordinance of the BVI.

No estate, inheritance, succession or gift tax is payable by persons who are not resident in the BVI with respect to any shares, debt obligations or other securities of the company, save for interest payable to or for the benefit of an individual resident in the European Union.

### DONATIONS

During the financial year, the Group made donations of RMB5 million to support earthquake recovery efforts in Qinghai Yushu, PRC.

### FIXED ASSETS

Details of the movements of the Group during the year for:

- Investment properties are set out in note 14 to the consolidated financial statements
- Property, plant and equipment are set out in note 13 to the consolidated financial statements

### GROUP FINANCIAL SUMMARY

A summary of the results of the Group is set out from page 26 to page 32.

### 英屬處女群島（「英屬處女群島」）稅項

英屬處女群島商業公司獲豁免毋須遵守英屬處女群島所得稅條例的一切條文（包括有關公司應付非英屬處女群島居民的所有股息、利息、租金、專利權費、賠償及其他款項）。非英屬處女群島居民在公司任何股份、債務責任或其他證券已變現的資本收益亦獲豁免毋須遵守英屬處女群島所得稅條例的一切條文。

非英屬處女群島居民毋須就任何公司股份、債務責任或其他證券繳納遺產稅、繼承稅或遺產取得稅或饋贈稅，而向居住於歐盟地區的人士或以歐盟地區人士為受益人支付的利息除外。

### 捐款

於財政年度，本集團就支持中國青海玉樹地震災後救援作出人民幣500萬元的捐款。

### 固定資產

本集團於年內的變動詳情：

- 投資物業載於合併財務報表附註14。
- 物業、廠房及設備載於合併財務報表附註13。

### 本集團財務概要

本集團的業績概要載於第26頁至32頁。



**PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY**

**購買、出售或贖回本公司證券**

**(i) Transfer of treasury shares**

On 7 April 2010, the Company transferred 4,128,750 treasury shares by virtue of the exercise of share options under the Management Grant. For further details, please refer to the section headed “The Management Grant” in the Report of Directors.

**(i) 轉讓庫存股份**

於2010年4月7日，本公司因行使管理層購股權計劃項下的購股權轉讓4,128,750股庫存股份。進一步詳情請參閱董事會報告內「管理層購股權計劃」一節。

**(ii) Conversion of convertible bonds**

On 19 April 2010, the Company received from Sinopower Investment Limited a conversion notice to exercise in full the conversion rights attached to the convertible bonds in aggregate principal amount of RMB275,994,230 at the predetermined conversion price of SGD0.07872 per ordinary share. As a result of the conversion of convertible bonds in full, all relevant convertible bonds were cancelled and a total of 754,145,894 new ordinary shares in the Company were issued and allotted to Sinopower Investment Limited.

**(ii) 轉換可轉換債券**

於2010年4月19日，本公司接收華通投資有限公司一項轉換通知，以預定轉換價每股普通股0.07872新加坡元全面行使本金總額人民幣275,994,230元的可轉換債券所附的轉換權。由於悉數轉換可轉換債券，所有相關可轉換債券已註銷並向華通投資有限公司發行及配發本公司合共754,145,894股新普通股股份。

**(iii) Sale of treasury shares**

On 7 July 2010, the Company sold the outstanding amount of 51,639,250 treasury shares in the open market at SGD0.105 per share on SGX-ST.

**(iii) 出售庫存股份**

於2010年7月7日，本公司於新交所公開市場以每股0.105新加坡元出售51,639,250股已發行庫存股份。

**(iv) Repurchase of senior notes**

On 19 November 2010, the Company repurchased the outstanding RMB87,360,000 in aggregate amount of the Senior Notes at 100 percent of its principal amount, together with all accrued but unpaid interest for the period from and including 12 September 2010 up to the date of redemption. The 17.75% US dollar settled Senior Secured Guaranteed Notes were issued on 12 September 2008 with the principal amount of RMB593,300,000 due on 12 September 2011. Further details are set out in the announcement of the Company dated 15 November 2010.

**(iv) 購回優先票據**

於2010年11月19日，本公司按本金另加自2010年9月12日（包括該日）起至贖回日期期間所有累計但未繳利息購回所有尚未償還的本金總額人民幣87,360,000元的優先票據。該本金額人民幣593,300,000元於2011年9月12日到期的17.75%美元結算的優先有抵押擔保票據於2008年9月12日發行。進一步詳情載於本公司日期為2010年11月15日的公告。





## Report of the Directors 董事會報告

### PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors at the date of this Annual Report, the Company has maintained a sufficient public float as required under the Listing Rules during the financial year. The details are set out in the Analysis of Shareholdings of this Annual Report.

### DIRECTORS

The Directors of the Company in office at the date of this Annual Report are:

#### Executive Directors

Shi Jian  
Li Yao Min  
Shi Janson Bing  
Song Yiqing (Appointed on 30 April 2010)  
Gu Biya\* (Appointed on 7 January 2010)  
Mao Yiping  
Yang Yonggang

#### Non-independent Non-executive Director

Yue Wai Leung Stan

#### Independent Non-executive Directors

Henry Tan Song Kok  
Loh Weng Whye  
Lam Bing Lun Philip  
Kong Siu Chee

\* Ms. Gu Biya was previously appointed as an Executive Director on 30 November 2006 and resigned on 1 June 2009 and she was subsequently re-appointed as a Director on 7 January 2010.

At the forthcoming Annual General Meeting ("AGM"), Mr. Yue Wai Leung Stan, Mr. Shi Janson Bing, Mr. Henry Tan Song Kok and Mr. Loh Weng Whye will be retiring by rotation pursuant to Article 86(1) of the Company's Articles of Association and Ms. Song Yiqing will be retiring in accordance with Article 85(7) of the Company's Articles of Association. All of them, being eligible, have offered themselves for re-election.

### 公眾持股量

按照本公司公開可得的資料及就董事所知，於本年報日期，本公司於財政年度根據上市規則規定維持足夠的公眾持股量。詳情載於本年報的持股分析。

### 董事

於本年報日期在職的本公司董事為：

#### 執行董事

施建  
李耀民  
施冰  
宋亦青 (於2010年4月30日獲委任)  
顧必雅\* (於2010年1月7日獲委任)  
茅一平  
楊勇剛

#### 非獨立非執行董事

余偉亮

#### 獨立非執行董事

陳頌國  
羅永威  
林炳麟  
江紹智

\* 顧必雅女士過往曾於2006年11月30日獲委任為執行董事，但於2009年6月1日請辭，其後於2010年1月7日重新獲委任為董事。

於應屆股東週年大會（「股東週年大會」），余偉亮先生、施冰先生、陳頌國先生及羅永威先生將根據本公司章程細則第86(1)條輪值退任而宋亦青女士將根據本公司章程細則第85(7)條退任。彼等均符合資格並願意膺選連任。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out from page 33 to page 41 in this Annual Report.

## MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the financial year.

## DIRECTOR'S INTEREST IN COMPETING BUSINESS

For the period from the date of commencement of listing on The Stock Exchange of Hong Kong Limited to the date of this Annual Report, none of the Directors is considered to have an interest in the businesses, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

## INTERESTS IN SIGNIFICANT CONTRACTS OF DIRECTORS, SUBSIDIARIES OF THE COMPANY AND CONTROLLING SHAREHOLDERS

Mr. Shi Jian and Mr. Li Yao Min, being executive Directors and Mr. Yue Wai Leung Stan, being a non-independent non-executive Director, are also executive directors of SRE Group Limited. Other than Mr. Shi, Mr. Li and Mr. Yue, none of the remaining Directors have any appointment in SRE Group Limited, a controlling shareholder of the Company.

Save as disclosed above and under the section headed "Connected Transaction" and "Continuing Connected Transaction" in this Report, none of the Directors, chief executives (direct or indirectly), subsidiaries of the Company or controlling shareholder of the Company and its subsidiaries had entered into any significant contract with the Group during the financial year.

## 董事及高級管理層的履歷詳情

董事及高級管理層的履歷詳情載於本年報第33頁至第41頁。

## 管理合約

於財政年度，除僱傭合約外，概無訂立或存續有關本公司業務全部或任何重大部分的管理及行政的合約。

## 董事於競爭業務的權益

根據上市規則，自於香港聯合交易所有限公司開始上市日期起至本年報日期止期間，董事概無被視為對本集團業務直接或間接構成或可能構成競爭的業務中擁有權益。

## 董事、附屬公司及控股股東於重大合約的權益

執行董事施建先生及李耀民先生以及非獨立非執行董事余偉亮先生亦為上置集團有限公司的執行董事。除施先生、李先生及余先生外，其餘董事概無於本公司控股股東上置集團有限公司擔任任何職位。

除上文及本報告「關連交易」及「持續關連交易」一節所披露者外，董事、主要行政人員（直接或間接）、本公司附屬公司或本公司及其附屬公司控股股東於本財政年度概無與本集團訂立任何重大合同。





## Report of the Directors 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

We operate on a distinctive business model and the usual concept of customers under the Listing Rules is not applicable to us. We receive a significant portion of the land premium from the relevant PRC land authorities when they sell land use rights over the land we develop to third party property developers through public auction, tender or listing.

During the financial year, purchases from our single largest supplier accounted for approximately 21% of our total purchases, while purchases from our five largest suppliers accounted for approximately 54% of our total purchases. The Directors were not aware of any interests of any directors, their associates or any substantial shareholder (including any director who held more than 5% of the Company's share capital) in the 5 largest suppliers or customers.

### PENSION SCHEMES

In Hong Kong, we operate a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to our profit and loss account as they become payable. Our contributions as employer vest fully with the employees when we contribute to the scheme. We contribute 5% of the relevant monthly salary to such scheme and our employees contribute the lower of HK\$1,000 or 5% of their monthly salary to such scheme as employee mandatory contributions.

In the PRC, we participate in the relevant social insurance contribution plans organized by the relevant local governmental bodies. In accordance with relevant PRC laws, members of our Group operating in the PRC are required to pay a monthly social insurance premium covering pension insurance, medical insurance,

### 主要客戶及供應商

我們擁有與眾不同的商業模式，而上市規則項下的一般客戶概念並不適用於我們。我們在相關中國土地部門通過公開招拍掛向第三方物業開發商出售我們開發的土地的土地使用權時，向其收取土地出讓金的大部份。

於財政年度，來自我們的單一最大供應商的採購額佔我們的總採購額約21%，而來自我們的五大供應商的採購額佔我們的總採購額約54%。據董事所悉，任何董事、其聯繫人或任何主要股東（包括持有本公司股本的5%以上的任何董事）概無於最大供應商或客戶中擁有任何權益。

### 退休金計劃

於香港，我們根據強制性公積金計劃條例（香港法例第485章）為所有香港僱員參與定額供款退休福利計劃。供款按僱員基本薪金的百分比作出，並於應付時於損益賬扣除。我們作為僱主的供款於我們向計劃供款時全數歸屬僱員。我們按相關月薪的5%向該計劃供款，而僱員則按1,000港元或其月薪的5%（以較低者為準），作為僱員強制性供款向該計劃供款。

於中國，我們參與相關地方政府部門組織的相關社會保險供款計劃。根據中國有關法律，本集團在中國經營的成員公司須為其有關僱員每月支付社會保險費，包括養老保險費、醫療保險費、失業保險費、工傷保險費及生育保險費（如適用）。有關中國法規亦規定



unemployment insurance, occupational injury insurance and maternity (where applicable) for their relevant employees. We are also required by the relevant PRC regulations to register with a competent housing provident fund management center and make contributions to the respective housing provident funds for our employees.

Details of the employer's pension cost for the financial year are set out in note 30 of the consolidated financial statements in this Annual Report.

## CORPORATE GOVERNANCE

The Company subscribes to best practice on corporate governance, and has complied with the principles and guidelines of the Code of Corporate Governance 2005 issued by the Corporate Governance Committee in Singapore and has subsequently complied with the code provisions of the Code on Corporate Governance Practices (the "HK Code") set out in Appendix 14 of the Rules Governing the Listing of Securities on the HKEx (the "Listing Rules") from the date of its listing on the HKEx to 31 December 2010 except for the Code provision E1.2 of the HK Code, that the Chairman of the Board did not attend the annual general meeting (the "AGM") for the year 2010 due to other business commitment. The Vice-chairman of the Board had attended in chairman's absence. Details of the Corporate Governance Report are set out from page 44 to page 71.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. The Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standard set out in the Model Code during the financial year ended 31 December 2010.

The Company has received written annual confirmation from each Independent Non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all of its Independent Non-executive Directors to be independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement.

我們須向主管住房公積金管理中心登記並為僱員作出有關住房公積金供款。

本財政年度的僱主退休金成本詳情載於本年報的合併財務報表附註30。

## 企業管治

本公司致力遵行最佳企業管治常規，並已遵守新加坡企業管治委員會頒佈的2005年企業管治守則的原則及指引，而其後自其在香港聯交所上市當日起至2010年12月31日遵守香港聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治常規守則（「香港守則」）的守則條文，惟香港守則的守則條文第E1.2條除外，即董事會主席因其他業務承擔而未有出席2010年度的股東週年大會。董事會副主席已代替主席出席大會。企業管治報告詳情載於第44頁至第71頁。

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事進行證券交易的操守守則。經本公司作出特定查詢後，董事確認於截至2010年12月31日止財政年度期間均遵守標準守則所載的規定標準。

本公司已接獲各獨立非執行董事根據上市規則的規定就其獨立性而呈交的年度書面確認。本公司認為其所有獨立非執行董事乃獨立於管理層，且並無任何足以嚴重干預彼等進行獨立判斷的任何關係。





## Report of the Directors 董事會報告

### CONNECTED TRANSACTIONS

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

On 26 March 2010, two of the Company's indirect subsidiaries, Shanghai Golden Luodian Development Co., Limited ("SGLD") and Shanghai Lake Malaren Golf Club Co., Ltd. ("SLMGC") entered into an agreement with Shanghai Good Property Management Company Limited ("SGPM"), a subsidiary of SRE Group Limited which is a controlling shareholder of the Company, pursuant to each of SGLD and SLMGC that agreed to dispose of their entire interests in Shanghai Lake Malaren Property Management Company Limited ("SLMPM") to SGPM. The total purchase consideration of RMB3.04 million payable in cash by SGPM for the disposal was determined on a willing-buyer willing-seller basis and was arrived at based on the net asset value of SLMPM as at 28 March 2010. The disposal was completed on 18 June 2010.

Since the transaction was made prior to the commencement of listing on the HKEx and therefore the percentage ratios set out in Rule 14A.10 of the Listing Rules was not applicable.

### CONTINUING CONNECTED TRANSACTIONS

On 7 July 2010, SGLD and SLMPM entered into a property management agreement pursuant to which SLMPM agreed to continue to provide property management services to SGLD in respect of Shanghai Luodian New Town for a term from 1 July 2010 to 31 December 2012 at a fixed management fee of RMB869,373.90 per month, out of which SLMPM is responsible for payment of the wages of management staff and their social insurance and statutory benefits, and other management expenses including those for daily operations and maintenance of and insurance for the common areas and shared facilities which including cleaning and sanitation, maintenance of greenery and social order of the new town, administration and relevant taxes. The management fee was determined with reference to the costs to be incurred by SLMPM for managing Shanghai Luodian New Town. It is expected that the management fee payable by SGLD to SLMPM for the three years ending 31 December 2010, 2011 and 2012 will not exceed RMB9.9 million, RMB10.5 million, and RMB10.5 million respectively.

The HKEx has granted a waiver from the requirement to obtain independent shareholders' approval.

### 關連交易

本公司已遵守上市規則第十四A章的披露規定。

於2010年3月26日，本公司的兩家間接附屬公司上海金羅店開發有限公司（「上海金羅店開發」）及上海美蘭湖高爾夫球俱樂部有限公司（「上海美蘭湖高爾夫球俱樂部」）與本公司的控股股東上置集團有限公司的一家附屬公司上海上置物業管理有限公司（「上海上置物業管理」）訂立協議，據此，上海金羅店開發及上海美蘭湖高爾夫球俱樂部各自同意出售彼等於上海美蘭湖物業管理有限公司（「上海美蘭湖物業管理」）的全部權益予上海上置物業管理。上海上置物業管理就該出售應付的總購買代價為現金人民幣304萬元，該出售乃按自願買家自願賣家基準釐定，並按上海上置物業管理於2010年3月28日的資產淨值達成。該出售已於2010年6月18日完成。

由於該交易乃於開始在香港聯交所上市前進行，故上市規則第14A.10條所載的百分比率並不適用。

### 持續關連交易

於2010年7月7日，上海金羅店開發與上海美蘭湖物業管理訂立物業管理協議，據此，上海美蘭湖物業管理同意繼續向上海金羅店開發提供有關上海羅店新鎮的物業管理服務，由2010年7月1日起至2012年12月31日止，每月的固定管理費為人民幣869,373.90元，其中，上海美蘭湖物業管理須負責支付管理員工的工資及其社會保險和法定福利，以及其他管理開支，包括羅店新鎮的公共區域及公用設施的日常營運和維護以及所投保險的開支、新鎮的清潔衛生、綠化維護和安保開支、管理費用及有關稅項。管理費乃參考上海美蘭湖物業管理就管理上海羅店新鎮將產生的成本釐定。截至2010年、2011年及2012年12月31日止三個年度，預計上海金羅店開發向上海美蘭湖物業管理應付的管理費將分別不會超過人民幣990萬元、人民幣1,050萬元及人民幣1,050萬元。

香港聯交所已授出毋須遵守取得獨立股東批准的豁免。

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in above in accordance with the Rule 14A.38 of Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

As SLMPM is a subsidiary of SRE Group Limited, a controlling shareholder of the Company, pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors had reviewed this continuing connected transaction of the Group and confirmed was:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the service agreement, the terms are fair and reasonable and in the interests of the shareholders of the company as a whole.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES**

Except as described in section headed "The Management Grant" of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement 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.

本公司核數師已獲委聘就本集團之持續關連交易作出匯報，有關匯報乃按照《香港核證委聘準則》第3000號「審核或審閱過往財務資料以外之核證委聘」及根據香港會計師公會發出之《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」進行。核數師已根據上市規則第14A.38條之規定，就本集團於上文披露之持續關連交易發出無保留意見函件，當中載列其發現及結論。本公司已向香港聯合交易所有限公司提供核數師函件的文本。

由於上海美蘭湖物業管理為本公司的控股股東上置集團有限公司的一家附屬公司，根據上市規則第14A.37條，獨立非執行董事已審閱本集團的持續關連交易，並確認交易為：

- (1) 本集團日常及一般業務過程中進行；
- (2) 按一般商業條款訂立；及
- (3) 根據服務協議，條款屬公平合理且符合本公司股東的整體利益。

## **董事購買股份及債券的權利**

除本報告「管理層購股權計劃」一節所述者外，本公司概無於財政年度結束或任何時間訂立任何安排，致使本公司的董事可藉買入本公司或任何其他法人團體的股份或債券而獲取利益。





## Report of the Directors 董事會報告

### SECURITIES INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

At 31 December 2010, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKEx pursuant to the Model Code were as follows:

#### (a) Long Position in shares of the Company

Name of Director 董事姓名	Number of ordinary shares 普通股股份數目			Total 合計	Approximate percentage of the issued share capital 佔已發行股本 概約百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益		
Shi Jian 施建	–	–	2,396,781,817 <sup>(1)</sup>	2,396,781,817	61.54%
Li Yao Min 李耀民	1,481,250	–	–	1,481,250	0.04%
Yue Wai Leung Stan 余偉亮	888,750	–	–	888,750	0.02%
Gu Biya 顧必雅	750,000	–	–	750,000	0.02%
Mao Yiping 茅一平	618,750	–	–	618,750	0.02%
Yang Yonggang 楊勇剛	1,275,000	–	–	1,275,000	0.03%
Henry Tan Song Kok 陳頌國	100,000	–	–	100,000	0.003%
Loh Weng Whye 羅永威	700,000	–	–	700,000	0.02%

(1) Mr. Shi Jian is deemed to be interested in Sinopower Investment Limited's ("Sinopower") entire shareholding in the Company by virtue of the fact that he is a controlling shareholder of SRE Group Limited ("SRE Group") through SRE Investment Holding Limited. Mr. Shi Jian's spouse also has a negligible direct shareholding in SRE Group. At the beginning of the financial year, Sinopower held 1,544,696,064 ordinary shares and on 19 April 2010 and 20 April 2010 had purchased 97,939,859 shares from open market and converted the rights attached to convertible bonds in full to 754,145,894 ordinary shares, respectively.

### 董事及主要行政人員於證券的權益

於2010年12月31日，本公司各董事及主要行政人員在本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有登記在根據證券及期貨條例第352條須存置的登記冊內或根據標準守則須知會本公司及香港聯交所的權益或淡倉如下：

#### (a) 於本公司股份中的好倉

(1) 由於施建先生透過上置投資控股有限公司作為上置集團有限公司（「上置集團」）的控股股東，因此被視作擁有華通投資有限公司（「華通」）全部股權權益。施建先生的配偶亦因此於上置集團擁有微不足道的直接股權。於財政年度初，華通持有1,544,696,064股普通股份及分別於2010年4月19日及2010年4月20日由公開市場購買97,939,859股股份並將可轉換債券所附的權利悉數轉換為754,145,894股普通股份。

**(b) Long Position in underlying shares of the Company**

Pursuant to the Management Grant of the Company, certain Directors were granted share options to subscribe for the shares of the Company as follows and details are set out under the section headed "The Management Grant" in this Annual Report.

**(b) 於本公司相關股份中的好倉**

根據本公司管理層購股權計劃，若干董事獲授購股權認購本公司股份如下，詳情載於本年報「管理層購股權計劃」一節。

Name of Director 董事姓名	Number of Shares awarded under the Management Grant but not yet vested 根據管理層購股權計劃 已授出但尚未歸屬 的股份數目	Approximate percentage of the issued share capital 佔已發行股本 概約百分比
Li Yao Min 李耀民	4,443,750	0.11%
Yue Wai Leung Stan 余偉亮	4,443,750	0.11%
Gu Biya 顧必雅	2,250,000	0.06%
Mao Yiping 茅一平	1,856,250	0.05%
Yang Yonggang 楊勇剛	3,825,000	0.10%

**(c) Long Position in shares and underlying shares in associated corporations of the Company**

Shares in SRE Group Limited

**(c) 於本公司相關法團股份及相關股份中的好倉**

於上置集團有限公司的股份

Name of Director 董事姓名	Personal Interests 個人權益	Family Interests 家族權益	Corporate Interests 公司權益	Total 合計	Approximate percentage of the issued share capital of associated corporation 佔相關法團已發行 股本概約百分比
Shi Jian 施建	7,246,887	2,220 <sup>(1)</sup>	1,248,400,938 <sup>(2)</sup>	1,255,650,045	34.84%
Li Yao Min 李耀民	5,172,220	-	-	5,172,220	0.14%

(1) These 2,220 shares were held by Ms. Si Xiao Dong, the spouse of Mr. Shi Jian.

(1) 該等2,220股股份由施建先生的配偶司曉東女士所持有。

(2) These 1,248,400,938 shares were held by SRE Investment Holding Limited ("SREI"). As Mr. Shi Jian and his spouse, Ms. Si Xiao Dong together beneficially own 63% of the issued share capital of SREI, Mr. Shi is therefore taken to be interested in these 1,248,400,938 shares.

(2) 該等1,248,400,938股股份由上置投資控股有限公司（「上置投資」）所持有。由於施建先生及其配偶司曉東女士共同實益擁有上置投資已發行股本63%，施先生因此被視作擁有該等1,248,400,938股股份的權益。





## Report of the Directors 董事會報告

There was no change in any of the abovementioned interests between the end of the financial year and 21 January 2011. Except as disclosed in this Annual Report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Save as disclosed above, at 31 December 2010, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

### CNTD SHARE OPTION SCHEME (THE "SCHEME")

#### (a) Purpose of the Scheme

The purpose of the Scheme is to provide the participants working for the interest of the Group with an opportunity to obtain equity interest in the Company, thus linking their interests with the interests of the Group and thereby providing them with incentives to work better for the interests of the Group and/or rewards for their contribution and support to the Group's success and development.

#### (b) Participants and Eligibility

The Remuneration Committee (the "RC") may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of any member of the Group or the parent group to take up share options to subscribe for Shares and in determining the basis of eligibility of the participants, the RC would take into account such factors as the RC may at its discretion consider appropriate.

Controlling shareholders and their spouse, child, adopted child, step-child, brother, sister and parent shall not be eligible to participate in the Scheme.

財政年度結束至2011年1月21日期間，上文所述的權益概無變動。除本年報所披露者外，於財政年度結束時在職董事概無於財政年度開始或於委任日期（倘較後）或於財政年度結束時於本公司或關連公司的股份、購股權、認股權證或債券擁有權益。

除上文所披露者外，於2010年12月31日，本公司董事或主要行政人員概無在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及8分部（包括根據證券及期貨條例的該等條文被當作或視為擁有的權益及淡倉）或標準守則須知會本公司及香港聯交所或須登記在根據證券及期貨條例第352條規定存置的登記冊內的權益或淡倉。

### CNTD購股權計劃（「計劃」）

#### (a) 計劃目的

計劃旨在為本集團利益工作的參與者提供獲得本公司股權的機會，藉以連繫其利益與本集團利益，因此向其提供獎勵，令其更盡心為本集團利益工作及／或作為彼等對本集團的成功及發展作出的貢獻及支持的回報。

#### (b) 參與者及參與資格

薪酬委員會（「薪酬委員會」）可酌情邀請本集團或母公司集團任何成員的任何執行或非執行董事（包括獨立非執行董事或任何僱員（無論作為兼職或全職僱員））接納購股權以認購股份及釐定參與者的參與資格基準，薪酬委員會將考慮其酌情認為適合的因素。

控股股東及彼等之配偶、子女、收養子女、繼子女、兄弟、姊妹及父母概無資格參與計劃。

**(c) Maximum Number of Shares available for Subscription**

The Company shall not grant share options in aggregate exceed 389,480,492 Shares of the Company, representing 10.0% of the total number of Shares in issue as at the date of this Annual Report, unless the Company obtains an approval from its shareholders.

Notwithstanding the provision in above, all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not exceed 15.0% of the Shares in issue from time to time.

**(d) Maximum Entitlement of Shares of Each Participant**

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1.0% of the total number of Shares in issue. The total number of Shares issued and to be issued upon exercise of the options granted for any participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, in the 12-month period shall not representing in aggregate more than 0.1% of the total number of Shares in issue on the relevant date and having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the relevant date, in excess of HKD5 million.

**(e) Period for Taking up an Option**

The Scheme is subject to the administration of the RC. The RC would take into account the factors of in compliance with the listing requirements, the provision of the Scheme as the RC may at its discretion consider appropriate. As at the date of this Annual Report, the RC did not grant any option nor consider the terms and conditions of the grant of options since the adoption of the Scheme.

**(c) 最多可供認購股份數目**

除非本公司獲其股東批准，否則本公司不得授出合共超過本公司389,480,492股股份（佔於本年報日期已發行股份總額的10.0%）的購股權。

除上文的規定外，所有根據計劃及本公司任何其他購股權計劃已授出但尚未獲行使之購股權不得超過不時已發行股份的15.0%。

**(d) 各參與者最多可享有股份數目**

於任何12個月期間，參與者因行使向每名參與者已授出的購股權而已發行及將予發行的股份總數不得超過已發行股份總額的1.0%。於12個月期間，向身為主要股東或本公司之獨立非執行董事、或彼等各自之聯繫人的參與者發行及將予發行的股份總額不應佔超過於相關日期已發行股份總額的0.1%及按相關日期以香港聯交所每日報價表中所列的收市價為基準計算不應超過500萬港元。

**(e) 獲得購股權期間**

計劃受薪酬委員會管理。薪酬委員會將考慮其酌情認為適合的有關遵守上市規則、計劃規定的因素。於本年報日期，薪酬委員會自採納計劃後並無授出任何購股權或考慮授出購股權的條款及條件。





## Report of the Directors 董事會報告

### (f) Minimum Period for Holding an Option before Exercise

Subject to the terms and conditions upon which such option was granted, an option may be exercised by the original participant ("Grantee") at any time during the period to be determined by the RC at its absolute discretion and notified by the RC to each Grantee as being the period during which an option may be exercised and in any event, such period shall not commence until after the first anniversary of the date on which an offer is made to a participant ("Offer Date") and shall not be longer than 10 years from the Offer Date.

### (g) Amount Payable on Acceptance of the Option

The option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the Grantee together with a remittance in favor of the Company of HKD1.00 by way of consideration for the granting thereof is received by the Company within the acceptance period. Such remittance shall in no circumstances be refundable or be considered as part of the subscription price.

### (h) Exercise Price

The subscription price in respect of each Share issued pursuant to the exercise of options granted shall be a price solely determined by the RC and shall be at least the highest of:-

- The closing price of the Shares as stated in the daily quotations sheet of the SEHK or the Singapore Exchange Securities Trading Limited (the "SGX-ST") on the offer date (whichever is higher); and
- A price being the average of the closing prices of the Shares as stated in the daily quotations sheet of the SEHK or the SGX-ST for the 5 business days immediately preceding the offer date (whichever is higher).

### (i) Duration of the Scheme

The Scheme shall be valid and effective for a period of 10 years commenced since the adoption date of 3 September 2010.

During the financial year, no option of the Company or any corporation in the Group was granted under the Scheme. For the details of untaken up share options, please refer to the section headed "The Management Grant" in this Report of Directors.

### (f) 購股權行使前須持有的最短期限

在授出該購股權的條款及條件的規限下，原參與者（「承授人」）可於薪酬委員會全權酌情釐定及知會各承授人的購股權行使期內隨時行使購股權，惟無論如何，該行使期不得在向參與者提出要約的日期（「要約日期」）後的首週年結束前開始，且自要約日期起計不得超過十年。

### (g) 接納購股權時應付的金額

倘本公司於接納期間內接獲有關的要約函件副本（包括由承授人正式簽署的要約接納函件）連同向本公司支付1.00港元作為授出要約的代價，則要約有關的購股權亦將被視作已授出及已生效。在任何情況下有關已支付款項將不予退回，亦不會被視為認購價的一部分。

### (h) 行使價

薪酬委員會將全權決定因行使購股權而發行之每股股份之認購價，必須至少為下列兩者中之較高者：

- 股份於要約日期在香港聯交所或新加坡證券交易所有限公司（「新交所」）日報價表所載之收市價（以較高價格為準）；及
- 股份於緊接要約日期前五個營業日在香港聯交所或新交所每日報價表所載之平均收市價（以較高價格為準）。

### (i) 計劃期限

計劃將應自2010年9月3日採納日期起有效及生效，為期十年。

於財政年度，本公司或本集團之任何公司概無根據計劃授出購股權。有關未授出購股權之詳情，請參閱本董事會報告「管理層購股權計劃」一節。

**DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

**董事收取及享有的合約性利益**

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and except that Mr. Shi Jian, Mr. Li Yao Min, Mr. Shi Janson Bing, Ms. Song Yiqing, Ms. Gu Biya, Mr. Mao Yiping and Mr. Yang Yonggang have an employment relationship with the Company, and have received remuneration in that capacity. The particulars of the service agreements and the appointment letters are set out below:

自財政年度開始，除財務報表所披露者及除施建先生、李耀民先生、施冰先生、宋亦青女士、顧必雅女士、茅一平先生及楊勇剛先生與本公司有僱傭關係，而以該等身份收取薪酬外，概無董事因本公司或由相聯法團與該董事或彼等為股東的公司或彼等擁有重大財務利益的公司所訂立的合約已收取或有權收取利益。服務協議及委任信函的細節如下：

Name of Director 董事姓名	Date of service agreement(s)/ appointment letter(s) 服務協議／委任信函日期	Term 任期	Fixed annual remuneration 每年固定薪酬	Termination notice period/payment in lieu of notice 終止通知期／代通知金
<b>Executive Directors 執行董事</b>				
Shi Jian 施建	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至2013年10月21日	HKD1 million 100萬港元	6 months 6個月
Li Yao Min 李耀民	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至2013年10月21日	HKD2 million 200萬港元	6 months 6個月
Shi Janson Bing 施冰	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至2013年10月21日	HKD1 million and increased to HKD1 million plus RMB260,000 with effect from 30 November 2010 100萬港元並增加至100萬港元加人民幣260,000元，自2010年11月30日起生效	6 months 6個月
Song Yiqing 宋亦青	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至2013年10月21日	HKD1.56 million with housing allowance of HKD300,000 and increased to HKD1.56 million with housing allowance of HKD300,000 plus RMB650,000 with effect from 30 November 2010 156萬港元連同房屋津貼300,000港元，並增加至156萬港元連同房屋津貼300,000港元加人民幣650,000元，自2010年11月30日起生效	6 months 6個月
Gu Biya 顧必雅	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至2013年10月21日	HKD1.5 million and increased to HKD1.5 million plus RMB260,000 with effect from 30 November 2010 150萬港元並增加至150萬港元加人民幣260,000元，自2010年11月30日起生效	6 months 6個月





# Report of the Directors

## 董事會報告

Name of Director 董事姓名	Date of service agreement(s)/ appointment letter(s) 服務協議/ 委任信函日期	Term 任期	Fixed annual remuneration 每年固定薪酬	Termination notice period/payment in lieu of notice 終止通知期/ 代通知金
Mao Yiping 茅一平	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	HKD1.5 million and increased to HKD1.5 million plus RMB260,000 with effect from 30 November 2010 150萬港元並增加至150萬港元加人民幣260,000元， 自2010年11月30日起生效	6 months 6個月
Yang Yonggang 楊勇剛	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	HKD800,000 and increased to HKD800,000 plus RMB130,000 with effect from 30 November 2010 800,000港元並增加至800,000港元加 人民幣130,000元，自2010年11月30日起生效	6 months 6個月
<b>Non-independent Non-executive Director 非獨立非執行董事</b>				
Yue Wai Leung Stan 余偉亮	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	HKD240,000 240,000港元	1 month 1個月
<b>Independent Non-executive Directors 獨立非執行董事</b>				
Henry Tan Song Kok 陳頌國	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	SGD80,000 plus a meeting allowance of SGD2,800 80,000新加坡元加會議津貼2,800新加坡元	1 month 1個月
Loh Weng Whye 羅永威	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	SGD70,000 plus a meeting allowance of SGD2,800 70,000新加坡元加會議津貼2,800新加坡元	1 month 1個月
Lam Bing Lun Philip 林炳麟	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	SGD70,000 plus a meeting allowance of SGD2,800 70,000新加坡元加會議津貼2,800新加坡元	1 month 1個月
Kong Siu Chee 江紹智	7 October 2010 2010年10月7日	22 October 2010 to 21 October 2013 2010年10月22日至 2013年10月21日	SGD70,000 plus a meeting allowance of SGD2,800 70,000新加坡元加會議津貼2,800新加坡元	1 month 1個月



**SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES**

主要股東及其他人士於證券的權益

Save as disclosed below, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, at 31 December 2010, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Section 336 of the SFO:

除下文所披露者外，董事並不知悉任何其他人士（本公司董事或主要行政人員或彼等各自的聯繫人士除外）於2010年12月31日，在本公司的股份或相關股份中擁有根據證券及期貨條例第336條須向本公司披露的權益或淡倉：

**Long Position in the shares of the Company**

於本公司股份中的好倉

Name of substantial shareholders 主要股東的姓名	Capacity in which interests are held 持有利益的身份	Number of ordinary shares/ underlying shares 普通股份／ 相關股份數目	Approximate percentage of the issued share capital 佔已發行股本 概約百分比
Sinopower Investment Limited (Note 1) 華通投資有限公司 (附註1)	Beneficial owner 實益擁有人	2,396,781,817	61.54%
SRE Group Limited (Note 1) 上置集團有限公司 (附註1)	Interest of controlled corporation 受控制公司的權益	2,396,781,817	61.54%
SRE Investment Holding Limited (Note 1) 上置投資控股有限公司 (附註1)	Interest of controlled corporation 受控制公司的權益	2,396,781,817	61.54%
Och-Ziff Capital Management Group, LLC (Note 2) (附註2)	Interest of controlled corporation 受控制公司的權益	466,356,537	11.97%
OZ Management, L.P. (Note 2 and 3) (附註2及3)	Investment manager 投資經理	466,356,537	11.97%
Och-Ziff Holding Corporation (Note 2) (附註2)	Interest of controlled corporation 受控制公司的權益	466,356,537	11.97%
Daniel Saul Och (Note 2) (附註2)	Interest of controlled corporation 受控制公司的權益	466,356,537	11.97%

Notes:

- (1) A controlled corporation of Mr. Shi Jian, duplicate to those disclosed in the section "Securities Interests of Directors and Chief Executive" above.
- (2) OZ Management, L.P. was wholly owned by Och-Ziff Holding Corporation which in turn was wholly owned by Och-Ziff Capital Management Group, LLC. Och-Ziff Capital Management Group, LLC was 77.4% owned by Daniel Saul Och. The interests in 465,356,537 shares relates to the same block of shares in the Company.

附註：

- (1) 施建先生擁有的一間受控制公司與上文「董事及主要行政人員於證券的權益」一段所披露相同。
- (2) OZ Management, L.P. 由Och-Ziff Holding Corporation全資擁有，Och-Ziff Holding Corporation則由Och-Ziff Capital Management Group, LLC全資擁有。Och-Ziff Capital Management Group, LLC由Daniel Saul Och擁有77.4%權益。上述465,356,537股股份於本公司的權益皆指同一組本公司的股份。





## Report of the Directors 董事會報告

(3) OZ Management, L.P. held deemed interest in 465,356,537 shares of the Company by virtue of its control over the following corporations, which held direct interests in the Company:

(3) OZ Management, L.P.因控制下列持有本公司直接權益的公司而被視作持有本公司465,356,537股股份權益：

Name of controlled corporation 受控制公司名稱	Percentage of ownership in controlled corporation 佔受控制公司所有權百分比 (%)	No. of shares 股份數目
OZ Master Fund, Ltd.	100	215,964,438
OZ Asia Master Fund, Ltd.	100	208,730,085
Goldman Sachs & Co. Profit Sharing Master Trust	100	2,547,151
OZ Select Master Fund, Ltd.	100	1,452,173
Gordel Holding Ltd.	100	2,446,298
OZ Global Special Investments Master Fund, LP	100	35,216,392

### RIGHTS TO SUBSCRIBE FOR SHARES

### 認購股份的權益

#### (i) The Management Grant

On 5 July 2007, the Board of Directors approved the award of a total of 28,500,000 ordinary shares of no par value ("Shares") following adjustments made pursuant to the subdivision of one Share into 75,000 Shares (the "Share Split") to certain of our Company's directors and employees as stated below (collectively, referred to as the "Entitled Persons"), as an incentive for their continued service to the Company (the "Management Grant"). The Management Grant was implemented on 5 July 2007.

On 9 July 2007, options on 28,500,000 unissued share with an exercise price of RMB8.00 per Share (before adjusting for the Share Split) were granted to the Entitled Persons.

In accordance with the terms of the Management Grant, the shares which are to be allotted will vest as follows:—

- a. 10% at the end of the 12th month after the date of listing of the Company on the Main Board of the SGX-ST;
- b. 15% at the end of the 24th month after the date of listing of the Company on the Main Board of the SGX-ST;
- c. 20% at the end of the 36th month after the date of listing of the Company on the Main Board of the SGX-ST;

#### (i) 管理層購股權計劃

於2007年7月5日，董事會批准向下文所述的若干本公司董事及僱員（統稱「獲賦權人士」）授出合共28,500,000股無面值普通股股份（「股份」）（根據每一股份拆細至75,000股（「股份拆細」）作出調整後）作為其持續服務本公司的獎勵（「管理層購股權計劃」）。管理層購股權計劃於2007年7月5日實施。

於2007年7月9日，以每股行使價人民幣8.00元（作出股份拆細調整前）向獲賦權人士授出28,500,000股未發行股份的購股權。

根據管理層購股權計劃條款，將配發股份將歸屬如下：

- a. 10%於本公司於新交所主板上市日期後12個月完結時；
- b. 15%於本公司於新交所主板上市日期後24個月完結時；
- c. 20%於本公司於新交所主板上市日期後36個月完結時；

## Report of the Directors 董事會報告

- d. 25% at the end of the 48th month after the date of listing of the Company on the Main Board of the SGX-ST; and
- e. the remaining 30% at the end of the 60th month after the date of listing of the Company on the Main Board of the SGX-ST,

provided that the relevant Entitled Persons remain in service within the Group on the vesting day and he/she has not submitted a notice of resignation. The exercise price is RMB8.00 per Share (before adjusting for the Share Split).

On 7 April 2010, 4,128,750 shares were transferred from treasury shares by virtue of the exercise of the option at the exercise price of RMB8.00 per share (before adjusting for the Share Split) to the Entitled Persons.

- d. 25%於本公司於新交所主板上市日期後48個月完結時；及
- e. 其餘30%於本公司於新交所主板上市日期後60個月完結時。

惟有關獲賦權人士須於歸屬當日仍於本集團服務及彼等並未提呈離職通知。行使價為每股人民幣8.00元（作出股份拆細調整前）。

於2010年4月7日，由於按每股行使價人民幣8.00元（作出股份拆細調整前）行使購股權，向獲賦權人士轉讓4,128,750股庫存股份。

### Number of shares subject to options under the Management Grant

根據管理層購股權計劃授出購股權的股份數目

Name of Entitled Persons 獲賦權人士姓名	Share options granted 已授出購股權	Movement during the financial year 財政年度期間變動				Total number of Shares allotted and issued (or by way of transfer of treasury shares) 已配發及發行股份總數（或透過轉讓庫存股份）	Share options exercisable as at 31.12.2010 於31.12.2010 可行使購股權	Aggregate unrelease Share options 未授出購股權總數
		Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效			
<b>Directors 董事</b>								
Li Yao Min 李耀民	5,925,000	-	888,750	-	-	1,481,250	1,185,000	4,443,750
Yue Wai Leung Stan 余偉亮	5,925,000	-	888,750	-	-	888,750	1,185,000	4,443,750
Gu Biya 顧必雅	3,000,000	-	450,000	-	-	750,000	600,000	2,250,000
Mao Yiping 茅一平	2,475,000	-	371,250	-	-	618,750	495,000	1,856,250
Yang Yonggang 楊勇剛	5,100,000	-	765,000	-	-	1,275,000	1,020,000	3,825,000
<b>Employees 僱員</b>								
Cheng Wai Ho 鄭衛豪	3,000,000	-	450,000	-	2,250,000	750,000	-	-
Tai Kuo-Lin 戴國琳	1,875,000	-	281,250	-	-	468,750	375,000	1,406,250
Sun Xiaomeng 孫曉萌	225,000	-	33,750	-	-	56,250	45,000	168,750



## Report of the Directors 董事會報告

### *Other information required by the Listing Manual of the SGX-ST*

In addition to the information disclosed elsewhere in the Annual Report, that during the financial year:

- (a) The Remuneration Committee administering the Management Grant and CNTD Share Option Scheme comprised Mr. Kong Siu Chee, Mr. Loh Weng Whye, Mr. Lam Bing Lun Philip and Mr. Henry Tan Song Kok.
- (b) No options were granted to the controlling shareholders of the Company or their associates.
- (c) No employees of the Company or its related corporations have received 5% or more of the total Shares available under the Management Grant nor CNTD Share Option Scheme.
- (d) Details of options granted to participants who are directors of the Company are disclosed under the section headed "The Management Grant" and no participant received 5% or more of the total numbers of Shares.

### **(ii) Options to Take Up Unissued Shares**

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted, except for the Management Grant.

### **(iii) Options Exercised**

On 7 April 2010, there were 4,128,750 shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

On 19 April 2010, the Company received from Sinopower Investment Limited a conversion notice to exercise in full the conversion rights attached to the convertible bonds in aggregate principal amount of RMB275,994,230 at the predetermined conversion price of S\$0.07872 per ordinary share. As a result of the conversion of convertible bonds in full, all relevant convertible bonds were cancelled and a total of 754,145,894 new ordinary shares in the Company were issued and allotted to Sinopower Investment Limited.

### *新交所上市手冊規定的其他資料*

除於本年報其他部分披露的資料外，財政年度：

- (a) 管理層購股權計劃及CNTD購股權計劃的薪酬委員會由江紹智先生、羅永威先生、林炳麟先生及陳頌國先生組成。
- (b) 概無向本公司控股股東或彼等的聯繫人士授出購股權。
- (c) 本公司或其相聯法團的僱員概無收取根據管理層購股權計劃及CNTD購股權計劃項下股份總數的5%或以上。
- (d) 向參與者（為本公司董事）授出的購股權詳情於「管理層購股權計劃」一節披露，概無參與者收取股份總數的5%或以上。

### **(ii) 佔用未發行股份的購股權**

於財政年度，除管理層購股權計劃外，概無授出認購本公司或本集團任何公司未發行股份的購股權。

### **(iii) 已行使購股權**

於2010年4月7日，因行使認購未發行股份的購股權，已發行本公司4,128,750股股份。

於2010年4月19日，本公司接收華通投資有限公司一項轉換通知，以預先釐定轉換價每普通股0.07872新加坡元全面行使本金總額人民幣275,994,230元的可轉換債券所附的轉換權。由於悉數轉換可轉換債券，所有相關可轉換債券已被註銷並向華通投資有限公司予以發行及配發本公司合共754,145,894股新普通股份。

# Report of the Directors 董事會報告

The details of the Terms and Conditions of the Convertible Bonds were set out in the Company's circular dated 13 August 2009.

可轉換債券的條款及條件詳情載於2009年8月13日的本公司通函。

## (iv) Unissued Shares

At the end of the financial year, there are 18,393,750 unissued shares of the Company in relation to the Management Grant.

## (iv) 未發行股份

於財政年度結束時，與管理層購股權計劃有關的本公司未發行股份為18,393,750股。

## AUDIT COMMITTEE

The Audit Committee comprises the following members:

Henry Tan Song Kok	(Lead Independent Non-executive Director)
Lam Bing Lun, Philip	(Independent Non-executive Director)
Loh Weng Whye	(Independent Non-executive Director)

During the financial year, the external auditors did not render any non-audit services to the Group.

The Audit Committee has recommended to the Board of Directors the nomination of Ernst & Young for re-appointment as external auditors at the forthcoming AGM of the Company.

The functions performed by the Audit Committee are detailed in the Corporate Governance Report.

## 審計委員會

審計委員會由以下成員組成：

陳頌國	(首席獨立非執行董事)
林炳麟	(獨立非執行董事)
羅永威	(獨立非執行董事)

於財政年度，外聘核數師概無向本集團提供任何非審計服務。

審計委員會已向董事會推薦提名安永會計師事務所於本公司應屆股東週年大會續聘為外聘核數師。

審計委員會所履行的職能詳載於企業管治報告書。





## Report of the Directors 董事會報告

### AUDITORS

The consolidated financial statements for the financial year ended 31 December 2010 have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment at the 2011 AGM. A resolution to re-appoint them as the auditors of the Company and to authorise the Directors to fix their remuneration will be proposed at the 2011 AGM.

### On behalf of the Board of Directors

#### Shi Jian

*Executive Chairman*

#### Li Yao Min

*Co-Vice Chairman & Chief Executive Officer*

10 March 2011

### 核數師

截至2010年12月31日止財政年度的合併財務報表已由安永會計師事務所審計。安永會計師事務所將於2011年的股東週年大會上退任，惟符合資格膺選連任。續聘其為本公司核數師及授權董事釐定其薪酬的決議案將於2011年的股東週年大會上提呈。

### 代表董事會

#### 施建

*執行主席*

#### 李耀民

*副主席兼行政總裁*

2011年3月10日





# Statement by Directors

## 董事聲明

We, Shi Jian and Song Yiqing, being two of the Directors of China New Town Development Company Limited, do hereby state that, in the opinion of the Directors:

- a. The consolidated financial statements of the Group and the financial statements of the Company together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results and changes in equity and cash flows of the Group and the changes in the equity of the Company for the financial year ended on that date; and
- b. At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

**Mr Shi Jian**  
*Director*

**Ms Song Yiqing**  
*Director*

10 March 2011

吾等施建及宋亦青為中國新城鎮發展有限公司兩名董事，謹此聲明，董事認為：

- a. 本集團的合併財務報表及本公司的財務報表連同有關附註，乃編製以真實而公平地反映本集團及本公司於2010年12月31日的事務狀況及本集團截至該日止財政年度的業績、權益變動及現金流量及本公司的權益變動；及
- b. 於本聲明日期，有合理理由相信本公司將能夠於到期時償還其債務。

謹代表董事會

**施建先生**  
*董事*

**宋亦青女士**  
*董事*

2011年3月10日





# Independent Auditors' Report

## **To the shareholders of China New Town Development Company Limited**

(Incorporated in the British Virgin Islands with limited liability)

We have audited the consolidated financial statements of China New Town Development Company Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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



# Independent Auditors' Report

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Ernst & Young

Certified Public Accountants

Hong Kong

10 March 2011





# Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	Year ended 31 December 2010	Year ended 31 December 2009
<b>Revenue</b>	6	<b>1,479,889</b>	1,087,355
Cost of sales	7	<b>(567,278)</b>	(435,048)
<b>Gross profit</b>		<b>912,611</b>	652,307
Other income	6	<b>13,130</b>	8,419
Selling and distribution costs	7	<b>(65,223)</b>	(119,669)
Administrative expenses	7	<b>(196,734)</b>	(133,523)
Other expenses	6	<b>(26,034)</b>	(1,720)
(Loss)/gain on the repurchase of Senior Notes	24	<b>(4,177)</b>	24,744
Impairment loss of property, plant and equipment	13	–	(8,810)
Fair value gain/(loss) on completed investment properties	14	<b>16,168</b>	(14,163)
Fair value (loss)/gain on investment properties under construction	14	<b>(1,723)</b>	39,036
<b>Operating profit</b>		<b>648,018</b>	446,621
Finance costs	8	<b>(97,861)</b>	(104,352)
<b>Profit before tax</b>		<b>550,157</b>	342,269
Income tax	9	<b>(188,575)</b>	(98,809)
<b>Profit after tax</b>		<b>361,582</b>	243,460
Other comprehensive income		–	–
<b>Total comprehensive income</b>		<b>361,582</b>	243,460
Profit attributable to:			
Owners of the parent		<b>246,794</b>	166,630
Non-controlling interests		<b>114,788</b>	76,830
		<b>361,582</b>	243,460
Total comprehensive income attributable to:			
Owners of the parent		<b>246,794</b>	166,630
Non-controlling interests		<b>114,788</b>	76,830
		<b>361,582</b>	243,460
Earnings per share attributable to ordinary equity holders of the parent (RMB per share):	12		
Basic earnings per share		<b>0.0678</b>	0.0640
Diluted earnings per share		<b>0.0644</b>	0.0597

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

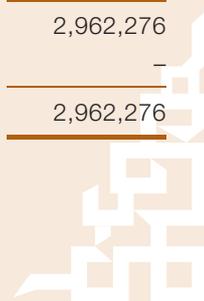


# Statements of Financial Position

As at 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	Group		Company	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
<b>Assets</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	3	–	–	<b>2,617,549</b>	2,968,699
Investment in an associate	4	<b>200</b>	200	–	–
Property, plant and equipment	13	<b>1,175,322</b>	1,235,292	<b>198</b>	256
Completed investment properties	14	<b>679,000</b>	489,000	–	–
Investment properties under construction	14	<b>95,000</b>	170,710	–	–
Prepaid land lease payments	15	<b>236,285</b>	390,823	–	–
Non-current trade receivables	19	<b>93,257</b>	93,655	–	–
Deferred tax assets	9	<b>120,010</b>	128,607	–	–
Other assets		<b>48,476</b>	50,652	–	–
<b>Total non-current assets</b>		<b>2,447,550</b>	2,558,939	<b>2,617,747</b>	2,968,955
<b>Current assets</b>					
Land development for sale	16	<b>3,590,414</b>	3,640,398	–	–
Properties under development for sale	17	<b>74,094</b>	–	–	–
Prepaid land lease payments	15	<b>326,232</b>	162,588	–	–
Inventories		<b>4,032</b>	3,820	–	–
Amounts due from subsidiaries		–	–	<b>496,312</b>	252,906
Amounts due from related parties	28	–	47,003	–	–
Prepayments	18	<b>254,155</b>	6,155	–	–
Other receivables	18	<b>368,434</b>	354,983	<b>4</b>	2
Trade receivables	19	<b>485,890</b>	337,168	<b>26</b>	–
Cash and bank balances	20	<b>1,381,049</b>	1,509,371	<b>102,730</b>	14,521
<b>Total current assets</b>		<b>6,484,300</b>	6,061,486	<b>599,072</b>	267,429
<b>Total assets</b>		<b>8,931,850</b>	8,620,425	<b>3,216,819</b>	3,236,384
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity attributable to owners of the parent:					
Share capital	21	<b>2,778,853</b>	2,497,385	<b>2,778,853</b>	2,497,385
Treasury shares	21	–	(37,294)	–	(37,294)
Other reserves	22	<b>608,807</b>	749,001	<b>1,942,220</b>	2,082,414
Accumulated losses		<b>(641,653)</b>	(836,166)	<b>(1,679,381)</b>	(1,580,229)
		<b>2,746,007</b>	2,372,926	<b>3,041,692</b>	2,962,276
Non-controlling interests		<b>551,519</b>	436,231	–	–
<b>Total equity</b>		<b>3,297,526</b>	2,809,157	<b>3,041,692</b>	2,962,276





# Statements of Financial Position

As at 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	Group		Company	
		31 December 2010	31 December 2009	31 December 2010	31 December 2009
<b>Non-current liabilities</b>					
Convertible bonds – host debts	25	–	142,406	–	142,406
Interest-bearing bank borrowings	23	<b>1,698,300</b>	1,847,000	–	–
Deferred income from sale of golf club membership	26	<b>538,176</b>	562,675	–	–
Deferred tax liabilities	9	<b>19,625</b>	–	–	–
<b>Total non-current liabilities</b>		<b>2,256,101</b>	2,552,081	–	142,406
<b>Current liabilities</b>					
Senior Notes	24	–	84,363	–	84,363
Interest-bearing bank borrowings	23	<b>470,289</b>	310,000	<b>170,299</b>	–
Trade payables	27	<b>917,806</b>	1,265,252	–	–
Other payables and accruals	27	<b>569,771</b>	596,434	<b>4,828</b>	47,339
Amounts due to related parties	28	–	12	–	–
Advances from customers	29	<b>5,523</b>	4,568	–	–
Deferred income arising from land development	26	<b>895,670</b>	639,940	–	–
Current income tax liabilities		<b>519,164</b>	358,618	–	–
<b>Total current liabilities</b>		<b>3,378,223</b>	3,259,187	<b>175,127</b>	131,702
<b>Total liabilities</b>		<b>5,634,324</b>	5,811,268	<b>175,127</b>	274,108
<b>Total equity and liabilities</b>		<b>8,931,850</b>	8,620,425	<b>3,216,819</b>	3,236,384
<b>Net current assets</b>		<b>3,106,077</b>	2,802,299	<b>423,945</b>	135,727
<b>Total assets less current liabilities</b>		<b>5,553,627</b>	5,361,238	<b>3,041,692</b>	3,104,682

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Mr. Shi Jian**  
Chairman

**Ms. Song Yiqing**  
Chief Financial Officer



# Statements of Changes in Equity

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## Group

	Notes	Equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
		Share capital	Treasury shares	Other reserves	Accumulated losses			
As at 1 January 2009	21/22	2,115,240	(180)	604,670	(1,002,796)	1,716,934	359,101	2,076,035
Total comprehensive income		-	-	-	166,630	166,630	76,830	243,460
Equity-settled share options to management	22/30	-	-	12,485	-	12,485	-	12,485
Shares issued upon exercise of management share options granted under Management Stock Option Plan ("Management Grant")	21/22	5,569	-	(5,569)	-	-	-	-
Capital contribution from non-controlling interests of subsidiaries		-	-	-	-	-	300	300
Shares issued upon private placement	21/31	244,252	-	-	-	244,252	-	244,252
Shares issued upon the repurchase of Senior Notes	21/24	132,324	-	-	-	132,324	-	132,324
Equity component of CB3	22/25	-	-	137,415	-	137,415	-	137,415
Treasury shares	21	-	(37,114)	-	-	(37,114)	-	(37,114)
As at 31 December 2009	21/22	2,497,385	(37,294)	749,001	(836,166)	2,372,926	436,231	2,809,157
Total comprehensive income		-	-	-	246,794	246,794	114,788	361,582
Equity-settled share options to management	22/30	-	-	5,574	-	5,574	-	5,574
Shares issued and treasury shares used upon exercise of management share options granted under Management Grant	21/22	5,592	2,761	(8,353)	-	-	-	-
Changes in non-controlling interests due to disposal of a subsidiary		-	-	-	-	-	500	500
Shares issued upon CB3 conversion	21/22	283,696	-	(137,415)	-	146,281	-	146,281
Dividends	10	-	-	-	(52,281)	(52,281)	-	(52,281)
Sales of treasury shares	21	(7,820)	34,533	-	-	26,713	-	26,713
As at 31 December 2010	21/22	2,778,853	-	608,807	(641,653)	2,746,007	551,519	3,297,526





## Statements of Changes in Equity

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

### Company

	Notes	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
As at 1 January 2009	21/22	2,115,240	(180)	1,938,083	(1,549,915)	2,503,228
Total comprehensive income	11	-	-	-	(30,314)	(30,314)
Equity-settled share options to management	22/30	-	-	12,485	-	12,485
Shares issued upon exercise of management share options granted under Management Grant	21/22	5,569	-	(5,569)	-	-
Shares issued upon private placement	21/31	244,252	-	-	-	244,252
Shares issued upon the repurchase of Senior Notes	21/24	132,324	-	-	-	132,324
Equity component of CB3	22/25	-	-	137,415	-	137,415
Treasury shares	21	-	(37,114)	-	-	(37,114)
As at 31 December 2009	21/22	2,497,385	(37,294)	2,082,414	(1,580,229)	2,962,276
Total comprehensive income	11	-	-	-	(46,871)	(46,871)
Equity-settled share options to management	22/30	-	-	5,574	-	5,574
Shares issued and treasury shares used upon exercise of management share options granted under Management Grant	21/22	5,592	2,761	(8,353)	-	-
Shares issued upon CB3 conversion	21/22	283,696	-	(137,415)	-	146,281
Dividends	10	-	-	-	(52,281)	(52,281)
Sales of treasury shares	21	(7,820)	34,533	-	-	26,713
As at 31 December 2010	21/22	2,778,853	-	1,942,220	(1,679,381)	3,041,692

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Consolidated Statement of Cash Flows

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	Year ended 31 December 2010	Year ended 31 December 2009
<b>Cash flows from operating activities</b>			
Profit before tax		550,157	342,269
Adjustments for:			
Depreciation of property, plant and equipment	13	60,181	65,475
Amortisation of prepaid land lease payments	15	9,246	8,550
Impairment loss of property, plant and equipment	13	–	8,810
Loss on disposal of property, plant and equipment		17,317	–
Fair value (gain)/loss on completed investment properties	14	(16,168)	14,163
Fair value loss/(gain) on investment properties under construction	14	1,723	(39,036)
Loss on disposal of a subsidiary		636	–
Loss/(gain) on the repurchase of Senior Notes	24	4,177	(24,744)
Management share option expense	22	5,574	12,485
Expenses incurred for the listing of existing shares	7	32,058	–
Interest income	6	(9,752)	(1,237)
Interest expense	8	97,861	104,352
		<b>753,010</b>	491,087
Decrease/(increase) in land development for sale		83,147	(160,033)
Increase in properties under development for sale		(68,459)	–
Increase in prepaid land lease payments		(17,112)	–
Increase in inventories		(266)	(361)
Decrease/(increase) in amounts due from related parties		47,003	(45,246)
(Increase)/decrease in prepayments		(248,000)	487
Decrease/(increase) in other receivables and assets		15,000	(494,479)
(Increase)/decrease in trade receivables		(149,370)	76,951
Decrease in deferred income from sale of golf club membership		(24,499)	(28,490)
Increase in deferred income arising from land development		255,730	368,497
Increase/(decrease) in advances from customers		1,274	(84,593)
(Decrease)/increase in trade and other payables		(326,695)	587,678
(Decrease)/increase in amounts due to related parties		(12)	63
<b>Net cash inflow from operating activities</b>		<b>320,751</b>	711,561
<b>Cash flows from investing activities</b>			
Purchases/construction of property, plant and equipment		(58,020)	(95,890)
Proceeds from disposal of property, plant and equipment		785	173
Payments for land use rights		(232)	(102,869)
Payments for investment properties		(121,985)	(69,379)
Disposal of a subsidiary	34	(336)	–
Interest received		6,109	1,237
<b>Net cash outflow from investing activities</b>		<b>(173,679)</b>	(266,728)



## Consolidated Statement of Cash Flows

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

	Notes	Year ended 31 December 2010	Year ended 31 December 2009
<b>Cash flows from financing activities</b>			
Sale/(purchase) of treasury shares	21	26,713	(37,114)
Cash proceeds from issuance of new shares of the Company		–	127,624
Capital contributions from non-controlling shareholders of subsidiaries		–	300
Proceeds from bank borrowings		320,299	1,090,000
Repayment of bank borrowings		(310,010)	(70,000)
Cash paid for the repurchase of Senior Notes	24	(90,332)	(340,329)
Proceeds from issuance of convertible bonds	25	–	275,994
Payments for expenses incurred for the repurchase of CB2		–	(22,785)
Cash released from deposits restricted in relation to coupon interest payments for Senior Notes/convertible bonds		7,759	38,518
Cash placed as restricted deposits in relation to interest payments for bank borrowings		(178,000)	(36,000)
Interest paid		(141,877)	(142,545)
Dividend paid		(52,281)	–
Payments of expenses incurred for the listing of existing shares		(27,906)	–
Payment of transaction costs for new shares		–	(860)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(445,635)</b>	882,803
Net (decrease)/increase in cash and cash equivalents		(298,563)	1,327,636
Cash and cash equivalents at beginning of year		1,465,612	137,976
<b>Cash and cash equivalents at end of year</b>	20	<b>1,167,049</b>	1,465,612

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 1. CORPORATE INFORMATION

### Corporate information

China New Town Development Company Limited (the "Company") was incorporated on 4 January 2006 in the British Virgin Islands ("BVI") by one shareholder. After a series of reorganisations, on 14 November 2007, the Company was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 22 October 2010, the Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEx") by way of introduction. As a result, the Company is dual listed on the Main Board of both the SGX-ST and the HKEx.

The Company with its subsidiaries (the "Group") is a new town developer in the Mainland China and is principally engaged in planning and developing large-scale new towns in China's largest cities of which the activities include designing the master plan, relocating and resettling incumbent residents and businesses, clearing and preparing the land and installing infrastructure. Land use rights to the residential parcels in the new towns developed by the Group are then sold by the relevant land authorities to real estate property developers, the proceeds of which are apportioned to the Group on specified bases. The Group also develops and manages commercial properties in those new towns.

In the opinion of the Directors, the Company's ultimate holding company is SRE Group Limited ("SRE"), a company incorporated in Bermuda. As the Company has become a subsidiary of SRE since September 2009 after a series of share placement and convertible bond issuance (see Notes 25 and 31), the Company ceased to be an associate of SRE since then.

### Subsidiaries

The principal activities of the subsidiaries are disclosed in Note 3 below.

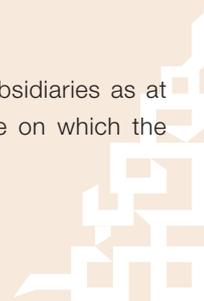
## 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements has been prepared on a historical cost basis, except for investment properties under construction as at 31 December 2010 and 2009, certain financial instruments and completed investment properties that have been measured at fair value. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ('000) unless otherwise indicated.

### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2010. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries attributable to equity interests that are not held by the Group are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the parent shareholders' equity. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity.

### Operating cycle

The operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Due to the nature of the Group's business, the Group's normal operating cycle is longer than twelve months. The Group's current assets include assets (such as land development for sale) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the end of the reporting period, in accordance with IFRS.

## 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

### New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRSs and IFRIC interpretations effective as of 1 January 2010:

		<b>Effective dates</b>
IFRS 1	IFRS 1 First-time Adoption of IFRSs (Revised)	1 July 2009
IFRS 2	IFRS 2 Share-based Payment: Group Cash-settled Share-based Payment Transactions (Revised)	1 January 2010
IFRS 3 and IAS 27	IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended), including consequential amendments to IFRS 2, IFRS 5, IFRS 7, IAS 7, IAS 21, IAS 28, IAS 31 and IAS 39	1 July 2009
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
Improvements to IFRSs (May 2008)		
Improvements to IFRSs (April 2009)		

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

The adoption of the standards or interpretations is described below:

### **IFRS 1 First-time Adoption of IFRSs (Revised)**

IFRS 1 (Revised) is effective for annual periods beginning on or after 1 July 2009. The revised IFRS 1 corrects a potential technical problem arising from the interaction of IFRS 1 and the revised IFRS 3 Business Combinations and revised IAS 27 Consolidated and Separate Financial Statements, both published in March 2008. The amendment does not have any financial impact on the Group.

### **IFRS 2 – Share-based Payment (Revised)**

The IASB issued an amendment to IFRS 2 that clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of 1 January 2010. It did not have an impact on the financial position or performance of the Group.

### **IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)**

IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after 1 January 2010.

The changes introduced by these revised standards are applied prospectively and had no material impact on the financial position or performance of the Group.

### **IAS 39 – Financial Instruments: Recognition and Measurement – Eligible Hedged Items**

The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

### **IFRIC 17 – Distributions of Non-cash Assets to Owners**

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position nor performance of the Group.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONTINUED)

### Improvements to IFRSs

In May 2008 and April 2009, the IASB issued an omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of these amendments has no significant financial effect on the Group's financial statements.

## 2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Information:

### (i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

### Estimates and assumptions

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

### (i) Estimate of fair value of investment properties

Investment properties were revalued at the end of each reporting period using the income approach on the basis of capitalisation of net rental income derived from the existing tenancies with due allowance for reversionary income potential of the property interest by independent professionally qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the estimate, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

During the year of 2009, IAS 40 has been revised to bring within its scope investment properties under construction. The policy has been applied prospectively from 1 January 2009. Consequently such properties are also carried at fair value as determined by independent professional qualified valuers. The fair value of investment properties under construction is determined using the discounted cash flow method, residual method, etc.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

### Estimates and assumptions (continued)

#### (ii) *Carrying amount of land development for sale*

The Group's land development for sale is stated at the lower of cost and net realisable value. Based on the Group's recent experience and the nature of the subject land development, the Group makes estimates of cost allocated to each parcel of land infrastructure and attributable to ancillary public facilities and infrastructure, and its net realisable value, i.e., the revenue to be derived from the sale of land development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue from the sale of land development for sale based on prevailing market conditions.

If the cost is higher than the estimated net realisable value, provision for the excess of cost of land development for sale over its net realisable value should be made. Such provision would require the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for land development for sale in the periods in which such estimate is changed will be adjusted accordingly.

#### (iii) *Valuation of derivatives embedded in the convertible bonds*

The fair values of the derivatives (other than equity component) embedded in the convertible bonds, that need to be accounted for separately at fair value, cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow and option price models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk, market risk and volatility, etc. Changes in assumptions about these factors could affect the reported fair values and changes in fair values of such derivatives.

#### (iv) *Valuation of host debt component and equity component of the convertible bonds*

The fair values of the convertible bonds (including the values allocated the host debt and equity components) that need to be accounted for at fair value at initial recognition, cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow and option price models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as credit risk, market risk and volatility, etc. Changes in assumptions about these factors could affect the reported carrying values of such financial instruments.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

### Estimates and assumptions (continued)

#### (v) *Deferred tax assets and liabilities*

Deferred tax assets are recognised for deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for taxable temporary differences. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Where the actual or expected tax positions of the relevant companies of the Group in future are different from the original estimates, such differences will impact on the recognition of deferred tax assets and liabilities and income tax charge in the period in which such estimate has been changed.

#### (vi) *Impairment of receivables*

Impairment of receivables is made based on assessment of the recoverability of receivables. The identification of impairment of receivables requires management's judgements and estimates. Where the actual outcome or expectation in future is different from the original estimation, such difference will have impact on the carrying value of the receivables and impairment of receivables/reversal of impairment in the period in which such estimate has been changed.

#### (vii) *Useful lives and impairment of property, plant and equipment*

The Group's management determines the estimated useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. Such estimates could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charges where useful lives are less than previously estimated lives, or management will write off or write down technically obsolete assets that have been abandoned.

The carrying value of an item of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with the accounting policy as disclosed in Note 2.4. The recoverable amount of an item of property, plant and equipment is calculated as the higher of its fair value less costs to sell and the value in use, where the calculations of which involve the use of estimates.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

### Estimates and assumptions (continued)

#### (viii) *Measurement of revenue from land development*

Revenue from the development of land infrastructure and ancillary public facilities (owned by the local governments) within the districts where the Group runs its businesses is allocated and recognised separately. The allocation of revenue from the land development to land infrastructure and ancillary public facilities is based on their relative fair values of the construction works, determined by reference to the relative estimated construction costs of each component, as the nature of construction works for the components are similar.

Revenue attributable to land infrastructure is recognised in full upon the sale of the relevant land use rights and the specific construction works are completed. However, revenue attributable to ancillary public facilities is recognised for the portions of ancillary public facilities completed at the sale of the land. The remaining revenue attributable to uncompleted portions of ancillary public facilities is recognised as deferred revenue as a current liability in the statements of financial position, and will be recognised as revenue when the related construction works are completed.

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Subsidiaries

A subsidiary is an entity, including an unincorporated entity such as a partnership, that is controlled by the Group. The results of subsidiaries are included in the Company's income statement to the extent of dividend received and receivables. In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

### Investments in associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit or loss of associates is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments in associates (continued)

The financial statements of the associate are prepared for the same reporting period as the investor. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

### Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a joint venture in which the Group is a venturer;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. The Group determines the classification of financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of the investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The subsequent measurement of financial assets depends on their classification as follows.

#### (a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

The Group evaluates its financial assets at fair value through profit or loss (held for trading) to assess whether the intent to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets in rare circumstances. The reclassification from financial assets at fair value through profit or loss to loans and receivables, available-for-sale financial assets or held-to-maturity investments depends on the nature of the assets. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the statement of comprehensive income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### (b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of comprehensive income.

#### (c) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold it to maturity. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.

#### (d) *Available-for-sale financial investments*

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the statement of comprehensive income in finance costs and removed from the available-for-sale reserve.

The Group evaluated its available-for-sale financial assets whether the ability and intention to sell them in the near term is still appropriate. When the Group is unable to trade these financial assets due to inactive markets and managements intent significantly changes to do so in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or maturity. The reclassification to hold to maturity is permitted only when the entity has the ability and intent to hold until the maturity date of financial asset accordingly.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (continued)

#### (d) *Available-for-sale financial investments (continued)*

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to the statement of comprehensive income.

### Fair value of financial instruments

The fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis or other valuation models.

### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### (a) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (continued)

#### (a) *Assets carried at amortised cost (continued)*

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of that financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

#### (b) *Available-for-sale financial investments*

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. "Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss - is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of comprehensive income. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the statement of comprehensive income, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Financial liabilities at amortised cost (including interest-bearing bank borrowings)

Financial liabilities including trade payables, amounts due to related parties, interest-bearing loans and borrowings, etc., are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within “finance costs” in profit or loss.

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

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Convertible bonds

When the equity conversion options embedded in the convertible bonds issued by the Company are not equity instruments of the Company, the entire convertible bonds are accounted for as a financial liability, i.e., a host debt instrument with embedded derivatives. On initial recognition, the embedded derivatives are separated from the host debt instrument, measured at fair value and presented as part of derivative financial instruments, and are accounted for as a financial liability at fair value through profit or loss and are remeasured in subsequent years. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component (the host debt), the host debt instrument is initially recognised at fair value net of related transaction costs, and is subsequently measured at amortised cost. Transaction costs are apportioned between the host debt and derivative components of the convertible bonds based on the allocation of proceeds to the host debt and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the host debt is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

When the equity conversion options embedded in the convertible bonds are equity instruments of the Company, they are classified as equity and presented separately from the liability components (including any derivatives embedded in the convertible bonds other than the equity component) of the convertible bonds. The carrying amount of such convertible bonds is allocated to its equity and liability components. The equity component is assigned the residual amount after deducting from the fair value of the convertible bonds as a whole the amount determined for the liability components, hence, no gain or loss arises from separation of the equity and liability components of the convertible bonds. After separation of equity and liability components, the derivatives, if any, embedded in the liability components of the convertible bonds, are accounted for as a financial liability at fair value through profit or loss. The host debt instrument is initially recognised at fair value net of related transaction costs, and is subsequently measured at amortised cost.

When the Company extinguishes convertible bonds before maturity through an early redemption or repurchase in which the original conversion privileges are unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the convertible bonds at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the Company when the convertible bonds were issued. Once the allocation of the consideration is made, the amount of gain or loss relating to the liability component is recognised in profit or loss and the amount of consideration relating to the equity component is recognised in equity.

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

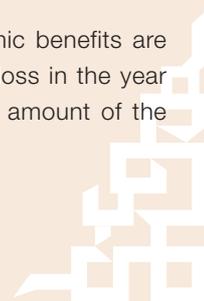
Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (10% of the cost) over its estimated useful life. The estimated useful lives for this purpose are as follows:

Hotel properties	Building 30 years, equipment 10 years, fixtures and fittings 5 years
Golf operational assets	Golf course between 40 and 50 years, club buildings 30 years, club equipment 10 years, club fixtures and fittings 5 years
Other buildings	20 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

When parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the fair value less cost to sell and the carrying amount of the relevant asset.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Property, plant and equipment and depreciation (continued)

CIP represents buildings under construction and is stated at cost less any impairment in value, and is not depreciated. Cost mainly comprises the direct costs during the period of construction and capitalised interest. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### Investment properties

Investment property comprises completed property and property under construction or re-development held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met and it is accounted for as a finance lease.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of comprehensive income in the year in which they arise.

Investment properties under construction are stated at fair value with changes in fair values recognised in profit or loss.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in profit or loss in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

### Land development for sale

Development cost of land development for sale comprises the aggregate cost of development, materials and supplies, capitalised borrowing costs on related borrowing funds during the period of construction and other costs directly attributable to such land development for sale.

Land development for sale is stated at the lower of cost and net realisable value. Net realisable value takes into account the Group's share of proceeds derived from the sale of land development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue derived from the sale of land development for sale based on prevailing market conditions.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value.

The costs of properties held or under development for sale comprise specifically identified cost, including acquisition costs, development expenditures and borrowing costs and other related expenditure directly attributable to the development of such properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than land development for sale, inventories, deferred tax assets, financial assets, investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Operating leases (continued)

Prepaid land lease payments under operating leases are initially stated at cost. The subsequent measurement of prepaid land lease payments is as follows:

- (i) Prepaid land lease payments incurred for properties other than investment properties and investment properties under construction (after the adoption of IAS 40 revised), they are amortised over the lease terms on the straight-line basis. The amortisation during the period of construction of the properties is capitalised as the cost of properties under development. The amortisation during the period before the commencement and after the completion of the construction of the properties is expensed in profit or loss.
- (ii) Prepaid land lease payments included in investment properties and investment properties under construction (after the adoption of IAS 40 revised) are not amortised as they are stated at fair value.

### Inventories

Inventories, which mainly refer to supplies and low-value consumables used in hotel and golf course operations, are accounted for at cost when purchased. Cost of supplies is determined using the first-in, first-out method. Low-value consumables relating to golf course and hotel operations are expensed in full when issued for use.

Inventories are valued at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is the estimated selling price in the ordinary course of business, less estimated expenses and related taxes necessary to make the sales. The net realisable value is determined based on contract prices or market prices.

Any excess of cost over the net realisable value of individual items of inventories is recognised as an allowance.

### Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the statements of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted to use.

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of comprehensive income.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

#### *Revenue from land development*

The Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities (owned by the local governments) within the districts where the Group runs its businesses. When the land plots are sold by the local governments to land buyers through public auction, tender or listing, the Group is entitled to receive from the local governments a proportion of the proceeds from land sales (including related public utilities fees, if any). As ancillary public facilities are separately identifiable from land infrastructure, such proceeds to be received by the Group are allocated between land infrastructure and ancillary public facilities based on their relative fair values.

Revenue from the land development is recognised upon the transfer of risks and rewards in connection with the land development and when the amount of revenue can be measured reliably, which occurs upon the completion of related construction works as well as sales of land. Accordingly, at the time of the sales of land, proceeds allocated to the completed land infrastructure and completed ancillary public facilities are recognised as revenue, and proceeds allocated to uncompleted construction works are deferred and recognised as revenue when the related construction works are completed.

#### *Hotel operations revenue*

Hotel operations revenue represents the income from hotel and convention center rooms and conference facilities, and the sale of related food and beverages, which is recognised when the services are rendered or goods are sold.

#### *Golf course operations revenue*

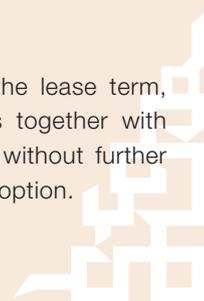
Golf course operations revenue represents the income from the annual fees, the usage of golf courses and ancillary equipment, the provision of golf services, and the provision of golf equipment, food and beverages, etc., which is recognised when the services are rendered or goods are sold.

#### *Golf club membership revenue*

Golf club membership entitles the members to golf operations related services provided during the membership period or to purchase goods or services at prices lower than those charged to non-members. Golf club membership revenue is recognised on the straight-line basis which reflects the expected period when the benefits are provided.

#### *Operating lease income*

Operating lease income from investment properties is recognised on the straight-line basis over the lease term, which is the non-cancellable period for which the lessee has contracted to lease the properties together with any further terms for which the lessee has the option to continue to lease the properties, with or without further payments, when at the inception of the lease, it is reasonably certain that the lessee will exercise the option.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (continued)

#### *Property management revenue*

Property management revenue is recognised in the periods when the services are rendered.

#### *Interest income*

Interest income is recognised on a time proportion basis using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

#### *Dividend income*

Dividend income is recognised when the shareholders' right to receive payment has been established.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised.

Other borrowing costs are recognised as expenses when incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of fund. The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a sit of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

### Government grants

Government grants (including non-monetary grants) are recognised at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the grant is deducted from the relevant asset before arriving at the carrying amount of the asset. The grant is recognised in the statement of comprehensive income over the time of asset realisation by way of a reduced cost of assets' charge. Grants received in connection with the Group's role in planning and constructing the ancillary public facilities are deducted from the development cost of the ancillary public facilities and would be recognised indirectly in the form of an increased profit margin over the course of recognising revenue in connection with the ancillary public facilities services.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate the same taxable entity and the same taxation authority.

### Dividends

When dividends have been approved by the directors and shareholders and declared, they are recognised as a liability.

### Employee retirement benefits

Pursuant to the relevant regulations of the PRC government, the companies comprising the Group operating in the PRC (the "PRC group companies") have participated in a local municipal government retirement benefits scheme (the "Scheme"), whereby the PRC group companies are required to contribute a certain percentage of the salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

### Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by the Company with assistance from the valuer using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Share-based payment transactions (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share, where appropriate.

### Foreign currency translation

The Financial Information is presented in RMB which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating to those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the statement of financial position of the Group.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The Group intends to adopt those standards when they become effective.

### **IAS 24 Related Party Disclosures (Amendment)**

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government related entities. The Group does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

### **IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment)**

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Group after initial application.

### **IFRS 9 Financial Instruments: Classification and Measurement**

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address hedge accounting and impairment. The completion of this project is expected in 2011. The Group will quantify the effect of adoption of the first phase of IFRS 9 in conjunction with the other phases, when issued, to present a comprehensive picture.

### **IFRIC 14 Prepayments of a minimum funding requirement (Amendment)**

The amendment to IFRIC 14 is effective for annual periods beginning on or after 1 January 2011 with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is expected to have no impact on the financial statements of the Group.

### **IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments**

IFRIC 19 is effective for annual periods beginning on or after 1 July 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Group.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

### Improvements to IFRSs (issued in May 2010)

The IASB issued Improvements to IFRSs, an omnibus of amendments to its IFRS standards. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments are expected to have a significant impact on the financial position or performance of the Group.

### IFRS 1 Amendment: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

The Amendment relieves first-time adopters of IFRS from providing the additional disclosures introduced by Improving Disclosures about Financial Instruments (Amendments to IFRS 7). It thereby ensures that first-time adopters benefit from the same transition provisions that Amendments to IFRS 7 provides to current IFRS preparers. The amendment is not expected to have impact on the Group's financial statements.

### IAS 12 – Income Taxes (Amendments – Deferred Tax: Recovery of Underlying Assets)

The amendment to IAS 12 is effective for annual periods beginning on or after 1 January 2012. The amendment mainly concerns the determination of deferred tax on investment property measured at fair value and non-depreciable assets measured using the revaluation model in IAS 16 Property, Plant and Equipment. The amendment is expected to have no impact on the financial statements of the Group.

### IFRS 1 Amendment: Severe Hyperinflation and Removal of Fixed Rates for First-Time Adopters

The amendment to IFRS 1 is effective for annual periods beginning on or after 1 July 2011. The amendment introduces a new deemed cost exemption for entities that have been subject to severe hyperinflation. They also remove the fixed dates in IFRS 1 relating to derecognition and day one gain or loss transactions. The amendment is expected to have no impact on the financial statements of the Group.

### IFRS 7 Financial Instruments – Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 July 2011. The amendments require more disclosure information that enables users of financial statements to evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position and will promote transparency in the reporting of transfer transactions, particularly those that involve securitization of financial assets. This amendment is expected to have no impact on the Group after initial application.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 3. INVESTMENTS IN SUBSIDIARIES

### Company

	31 December 2010	31 December 2009
Unlisted shares, at cost	2,024,561	2,024,561
Less: Allowance for impairment	(787,000)	(787,000)
Advances to subsidiaries	1,379,988	1,731,138
	<b>2,617,549</b>	<b>2,968,699</b>

As of 31 December 2010 and 2009, the Company reassessed the impairment on the investment in Shanghai Golden Luodian Development Co., Ltd. ("SGLD") and determined that the carrying amount (net of allowance for impairment) was close to the recoverable amount (the value in use based on estimated future cash flows discounted at a rate of 12 per cent per annum (2009: 11 per cent per annum)). As a result, the Company neither further provided nor reversed the impairment loss in the Company's separate financial statements for the years ended 31 December 2010 and 2009.

The allowance for impairment on the investment in SGLD, as reported in the Company's separate financial statements, did not affected the consolidated financial statements, as the investments in SGLD have been fully eliminated upon consolidation and all operating results of SGLD were included in the consolidated financial statements.

As at 31 December 2010 and 2009, the Group's direct or indirect interests in all subsidiaries are set out below:

### Directly held by the Company

Name	Place and date of incorporation	Cost of investment	Proportion of ownership interest (%)		Principal activities
			2010	2009	
Meeko Investment Limited	British Virgin Islands 19 August 2005	1,230,300	100	100	Investment holding
Weblink International Limited	British Virgin Islands 17 November 2005	794,261	100	100	Investment holding
Protex Investment Limited	British Virgin Islands 18 October 2006	–	100	100	Investment holding
New Town (China) Trading Co., Ltd.	British Virgin Islands 31 July 2007	–	100	–	Investment holding
		<b>2,024,561</b>			

# Notes to the Financial Statements

For the financial year ended 31 December 2010

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## 3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As at 31 December 2010 and 2009, the Group's direct or indirect interests in all subsidiaries are set out below:  
(continued)

### Indirectly held by the Company

Ultimately held through	Name	Place and date of incorporation and issued capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities
			2010	2009	2010	2009	
Meeko Investment Limited and Weblink International Limited	SGLD	PRC 26 September 2002 RMB548,100,000	<b>72.63</b>	72.63	<b>72.63</b>	72.63	Land development
	Shanghai Lake Malaren Golf Club Co., Ltd.	PRC 6 July 2004 RMB5,000,000	<b>95</b>	95	<b>69</b>	69	Golf club management
	Shanghai Lake Malaren Property Management Co., Ltd.	PRC 23 June 2005 RMB5,000,000	-	97.6	-	70.89	Property management
	Shanghai Junyihui Entertainment Co., Ltd.	PRC 28 July 2005 RMB1,680,000	<b>100</b>	100	<b>72.63</b>	72.63	Entertainment services provider
	Shanghai Lake Malaren Hotel Management Co., Ltd.	PRC 25 April 2006 RMB5,000,000	<b>100</b>	100	<b>72.63</b>	72.63	Hotel management
	Shanghai Golden Luodian Infrastructure Development Co., Ltd.	PRC 16 March 2009 RMB10,000,000	<b>95</b>	100	<b>69</b>	72.54	Construction of transportation hub and real estate development
	Shanghai Lake Malaren Tourism Development Co., Ltd.	PRC 29 December 2009 RMB3,000,000	<b>90</b>	90	<b>65.37</b>	65.37	Travelling information and wedding etiquette service
	Shanghai Golden Luodian International Travel Services Co., Ltd.	PRC 18 June 2010 RMB1,000,000	<b>100</b>	-	<b>65.37</b>	-	Travel service
	Chengdu Shanghai Real Estate Co., Ltd.	PRC 20 December 2010 RMB20,000,000	<b>100</b>	-	<b>72.63</b>	-	Real estate development
	Weblink Investment Limited	Shanghai Jia Tong Enterprises Co., Ltd.	PRC 12 April 2006 RMB1,000,000	<b>100</b>	100	<b>100</b>	100





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As at 31 December 2010 and 2009, the Group's direct or indirect interests in all subsidiaries are set out below:  
(continued)

### Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation and issued capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities
			2010	2009	2010	2009	
Protex Investment Limited	China New Town Development (Changchun) Company Limited	British Virgin Islands 7 September 2006	100	100	100	100	Investment holding
	China New Town Development (Wuxi) Company Limited	British Virgin Islands 18 October 2006	100	100	100	100	Investment holding
	China New Town Development (Shenyang) Company Limited	British Virgin Islands 18 October 2006	100	100	100	100	Investment holding
	Safewell Investment Limited	British Virgin Islands 14 February 2007	100	100	100	100	Investment holding
	Wuxi Hongshan New Town Development Co., Ltd.	PRC 6 March 2007 RMB192,689,000	90	90	90	90	Land development
	Shenyang Lixiang New Town Development Co., Ltd.	PRC 6 March 2007 RMB747,667,000	90	90	90	90	Land development
	Shanghai CNTD Management Consulting Co., Ltd.	PRC 21 June 2007 RMB1,513,000	100	100	100	100	Enterprise investment consultation
	Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.	PRC 17 August 2007 RMB372,204,000	90	90	90	90	Planting, maintenance and management of scenic spots in the Wuxi Project
	Wuxi Hongqing Real Estate Development Co., Ltd.	PRC 27 April 2010 RMB8,000,000	100	–	90	–	Real estate development

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 3. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As at 31 December 2010 and 2009, the Group's direct or indirect interests in all subsidiaries are set out below:  
(continued)

### Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation and issued capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities
			2010	2009	2010	2009	
Protex Investment Limited	Changchun New Town Automobile Industry Construct Co., Ltd.	PRC 15 November 2007 RMB220,267,000	80	80	80	80	Land development
	Shenyang Lake Malaren Country Club Co., Ltd.	PRC 6 March 2008 RMB17,704,000	100	100	100	100	Sports management
	Shenyang Meteorite Park Tourism Development Co., Ltd. (Formerly named: Shenyang Lixiang New Town virescence Environmental Protection construction Co., Ltd.)	PRC 13 March 2008 RMB340,050,000	100	100	90	100	Landscaping, and plant maintenance and management of scenic spots
	Wuxi Hongshan New Town Commercial Operation and Management Co., Ltd.	PRC 18 March 2008 RMB1,000,000	100	100	90	90	Business management

The advances to subsidiaries are advances to intermediate holding companies, and they are unsecured, non-interest-bearing, with no fixed repayment terms and are expected to be settled in cash. The intermediate holding companies used these advances to finance their investment holdings of equity interests of the Group's indirect subsidiaries. Details of which are as follows:

	31 December 2010	31 December 2009
Amounts due from:		
China New Town Development (Shenyang) Co., Ltd.	690,897	1,042,047
China New Town Development (Wuxi) Co., Ltd.	511,258	511,258
China New Town Development (Changchun) Co., Ltd.	176,320	176,320
Safewell Investment Limited	1,513	1,513
	<b>1,379,988</b>	<b>1,731,138</b>



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 4. INVESTMENT IN AN ASSOCIATE

Group	31 December 2010	31 December 2009
Share of net assets:		
Balance at beginning and end of the year	200	200

Details of the associate are as follows:

Name	Place and date of incorporation	Proportion of ownership interest attributable to the Group (%)		Effective equity interest attributable to the Group (%)		Issued and paid-up capital	Authorised share capital	Principal activity
		31 December 2010	31 December 2009	31 December 2010	31 December 2009			
		Shanghai Malaren Lake Artwork Exhibition Co., Ltd.	PRC 25 April 2006	20	20			

The assets and operation results of the associate are not material to the Group.

## 5. OPERATING SEGMENT INFORMATION

For management purpose, the Group is organised into business units based on their products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment provides land infrastructure development and construction of ancillary public facilities;
- Property leasing segment provides property leasing services of investment properties;
- Hotel operations segment provides room, restaurants and conference hall services;
- Golf operations segment provides golf course management services; and
- Others segment provides investment and property management services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Land development revenue from the Group's share of proceeds from land sale (including related public utilities fees, if any) by local authorities accounted for 77% in Shanghai and 17% in Wuxi (2009: 80% in Shanghai) of the revenue in the year ended 31 December 2010.

An analysis by operating segment is as follows:

	Year ended 31 December 2010						Total
	Land development	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	
<b>Segment results</b>							
External sales	1,382,783	3,668	50,564	39,989	2,885	-	1,479,889
Intersegment sales	-	-	1,213	-	6,018	(7,231) <sup>1</sup>	-
Total segment sales	1,382,783	3,668	51,777	39,989	8,903	(7,231)	1,479,889
<b>Results</b>							
Depreciation	(8,072)	-	(28,992)	(22,111)	(1,006)	-	(60,181)
Amortisation	(233)	-	(3,711)	(5,302)	-	-	(9,246)
Loss on the repurchase of Senior Notes	-	-	-	-	(4,177)	-	(4,177)
Fair value gain on completed investment properties	-	16,168	-	-	-	-	16,168
Fair value loss on investment properties under construction	-	(1,723)	-	-	-	-	(1,723)
<b>Segment profit/(loss)</b>	<b>733,839</b>	<b>13,448</b>	<b>(37,171)</b>	<b>(26,879)</b>	<b>(35,219)</b>	<b>(97,861)<sup>2</sup></b>	<b>550,157</b>
<b>Segment assets</b>	<b>5,513,204</b>	<b>875,493</b>	<b>629,031</b>	<b>824,381</b>	<b>969,531</b>	<b>120,210<sup>3</sup></b>	<b>8,931,850</b>
<b>Segment liabilities</b>	<b>2,197,590</b>	<b>64,403</b>	<b>42,782</b>	<b>615,992</b>	<b>6,179</b>	<b>2,707,378<sup>4</sup></b>	<b>5,634,324</b>
<b>Other disclosures</b>							
Capital expenditure <sup>5</sup>	6,279	99,844	12,759	29,797	75	-	148,754

<sup>1</sup> Intersegment sales are eliminated on consolidation.

<sup>2</sup> Profit for each operating segment does not include finance costs (RMB97,861 thousand).

<sup>3</sup> Assets in segments do not include investment in an associate (RMB200 thousand) and deferred tax assets (RMB120,010 thousand) as these assets are managed on a group basis.

<sup>4</sup> Liabilities in segments do not include current income tax payables (RMB519,164 thousand), loans (RMB2,168,589 thousand) and deferred tax liabilities (RMB19,625 thousand) as these liabilities are managed on a group basis.

<sup>5</sup> Capital expenditure consists of additions of prepaid land lease payments (non-current) (RMB3,687 thousand), property, plant and equipment (RMB45,222 thousand), and completed investment properties and investment properties under construction (RMB99,845 thousand).



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

An analysis by operating segment is as follows: (continued)

	Year ended 31 December 2009						Total
	Land development	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	
<b>Segment results</b>							
External sales	991,132	6,061	29,744	56,176	4,242	–	1,087,355
Intersegment sales	–	–	–	–	5,533	(5,533) <sup>1</sup>	–
Total segment sales	991,132	6,061	29,744	56,176	9,775	(5,533)	1,087,355
<b>Results</b>							
Depreciation	(8,082)	–	(29,901)	(26,032)	(1,460)	–	(65,475)
Amortisation	(220)	–	(3,028)	(5,302)	–	–	(8,550)
Gain on the repurchase of Senior Notes	–	–	–	–	24,744	–	24,744
Impairment loss on property, plant and equipment	–	–	(8,810)	–	–	–	(8,810)
Fair value loss on completed investment properties	–	(14,163)	–	–	–	–	(14,163)
Fair value gain on investment properties under construction	–	39,036	–	–	–	–	39,036
<b>Segment profit/(loss)</b>	519,357	(13,334)	(45,829)	(10,779)	(2,794)	(104,352) <sup>2</sup>	342,269
<b>Segment assets</b>	5,160,670	748,192	726,764	867,069	988,923	128,807 <sup>3</sup>	8,620,425
<b>Segment liabilities</b>	2,250,744	91,299	38,258	635,983	279,366	2,515,618 <sup>4</sup>	5,811,268
<b>Other disclosures</b>							
Capital expenditure <sup>5</sup>	8,760	98,087	97,099	51,941	85	–	255,972

<sup>1</sup> Intersegment sales are eliminated on consolidation.

<sup>2</sup> Profit for each operating segment does not include finance costs (RMB104,352 thousand).

<sup>3</sup> Assets in segments do not include investment in an associate (RMB200 thousand) and deferred tax assets (RMB128,607 thousand) as these assets are managed on a group basis.

<sup>4</sup> Liabilities in segments do not include current income tax payables (RMB358,618 thousand) and loans (RMB2,157,000 thousand) as these liabilities are managed on a group basis.

<sup>5</sup> Capital expenditure consists of additions of prepaid land lease payments (non-current) (RMB79,100 thousand), property, plant and equipment (RMB78,785 thousand), and completed investment properties and investment properties under construction (RMB98,087 thousand).

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 6. REVENUE, OTHER INCOME AND OTHER EXPENSES

### Revenue

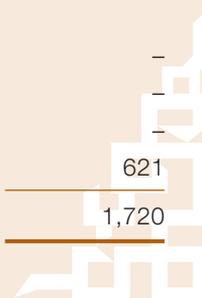
	Year ended 31 December 2010	Year ended 31 December 2009
Land development:		
Development of land infrastructure	480,465	367,024
Construction of ancillary public facilities	975,776	676,073
Hotel operations	53,318	31,325
Golf operations	60,030	72,380
Investment property leasing	3,884	6,384
Others	3,372	4,613
Less: Business tax and surcharges	(96,956)	(70,444)
	<u>1,479,889</u>	<u>1,087,355</u>

### Other income

	Year ended 31 December 2010	Year ended 31 December 2009
Foreign exchange gain, net	–	300
Interest income	9,752	1,237
Tax refund	1,863	5,900
Others	1,515	982
	<u>13,130</u>	<u>8,419</u>

### Other expenses

	Year ended 31 December 2010	Year ended 31 December 2009
Foreign exchange loss, net	152	–
Bank charges	883	1,099
Donation	5,000	–
Loss from disposal of property, plant and equipment		
– loss on Shenyang club facilities (Note 18(c))	4,334	–
– disposal of other property, plant and equipment	12,983	–
Loss on disposal of a subsidiary (Note 34)	636	–
Others	2,046	621
	<u>26,034</u>	<u>1,720</u>





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 7. EXPENSES BY NATURE

	Year ended 31 December 2010	Year ended 31 December 2009
Cost of land development:	<b>483,234</b>	351,785
<i>Resettling incumbent residents and enterprises and preparing raw land</i>	<b>420,593</b>	308,707
<i>Constructing public facilities – Road</i>	<b>41,338</b>	26,978
<i>Constructing public facilities – Lake</i>	<b>8,095</b>	5,938
<i>Constructing public facilities – Park</i>	<b>5,228</b>	3,735
<i>Constructing public facilities – Others</i>	<b>7,980</b>	6,427
Depreciation of property, plant and equipment	<b>60,181</b>	65,475
Amortisation of prepaid land lease payments	<b>9,246</b>	8,550
Auditors' remuneration	<b>5,905</b>	3,833
Expenses incurred for the listing of existing shares	<b>32,058</b>	–
Employee benefits	<b>74,552</b>	78,587
Cost of inventories	<b>19,924</b>	12,967
Utility expenses	<b>15,228</b>	13,745
Property tax, stamp duty and land use tax	<b>13,724</b>	11,534
Commission to agents for sale of golf club membership	<b>1,469</b>	1,462
Bad debt provision – non-trade (Note 18)	<b>18,510</b>	–
Agency fee for promotional services	<b>17,955</b>	78,000
Financial advisory service fee	–	12,120
Others	<b>77,249</b>	50,182
Total cost of sales, selling and distribution costs and administrative expenses	<b>829,235</b>	688,240

## 8. FINANCE COSTS

	Year ended 31 December 2010	Year ended 31 December 2009
Interest on bank and borrowings wholly repayable within 5 years	<b>68,807</b>	4,890
Interest on bank and borrowings not wholly repayable within 5 years	<b>55,946</b>	79,912
Interest on Senior Notes	<b>17,287</b>	91,335
Interest on CB3	<b>5,560</b>	5,536
Less: Interest capitalised	<b>(49,739)</b>	(77,321)
	<b>97,861</b>	104,352

The borrowing costs have been capitalised at weighted average rates of 6.45% and 9.97% per annum for the years ended 31 December 2010 and 2009, respectively.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 9. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% (2009: 25%) on their taxable income according to the Income Tax Law of the PRC.

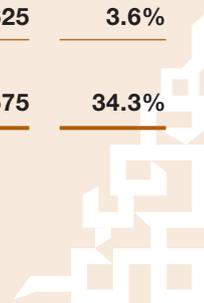
The major components of income tax are:

	Year ended 31 December 2010	Year ended 31 December 2009
Income tax charge:		
Current income tax	160,601	97,600
Deferred tax	27,974	1,209
Income tax charge as reported in profit or loss	<u>188,575</u>	<u>98,809</u>

A reconciliation between tax credit and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

### Year ended 31 December 2010

	CNTD and BVI companies		Mainland China		Total	
Profit/(loss) before tax	(49,450)		599,607		550,157	
Tax at the statutory tax rate	-	-	149,902	25.0%	149,902	27.2%
Tax losses not recognised	-	-	2,598	0.4%	2,598	0.5%
Non-deductible expenses for tax purposes	-	-	16,450	2.7%	16,450	3.0%
Effect of withholding tax on the distributable profits of the Group's subsidiaries in Mainland China	-	-	19,625	3.3%	19,625	3.6%
Income tax as reported in statement of comprehensive income	<u>-</u>	<u>-</u>	<u>188,575</u>	<u>31.4%</u>	<u>188,575</u>	<u>34.3%</u>





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 9. INCOME TAX (CONTINUED)

### Year ended 31 December 2009

	CNTD and BVI companies		Mainland China		Total	
Profit/(loss) before tax	(30,416)		372,685		342,269	
Tax at the statutory tax rate	–	–	93,171	25.0%	93,171	27.2%
Tax losses not recognised	–	–	1,843	0.5%	1,843	0.5%
Non-deductible expenses for tax purposes	–	–	3,795	1.0%	3,795	1.1%
Income tax as reported in statement of comprehensive income	–	–	98,809	26.5%	98,809	28.9%

### Other comprehensive income

	Year ended 31 December 2010	Year ended 31 December 2009
Deferred tax related to items charged or credited directly to equity during the year:		
Income tax charged directly to equity	–	–

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 9. INCOME TAX (CONTINUED)

Deferred income tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	31 December 2010	31 December 2009	Year ended 31 December 2010	Year ended 31 December 2009
<b>Deferred tax liabilities/(assets)</b>				
Net difference between net carrying amount of prepaid land lease payments and land infrastructure under development and their tax base	<b>48,293</b>	41,932	<b>6,361</b>	1,319
Pre-operating expense	–	(47)	<b>47</b>	164
Net difference between net carrying amount of property, plant and equipment and their tax base	<b>(32,719)</b>	(35,218)	<b>2,499</b>	(1,025)
Net difference between net carrying amount of investment properties and their tax base	<b>3,871</b>	(4,656)	<b>8,527</b>	13,164
Losses available for offsetting against future taxable income	<b>(15,404)</b>	(17,410)	<b>2,006</b>	(9,603)
The difference in accounting and tax bases arising from the accounting for golf club revenue and related costs	<b>(118,250)</b>	(114,871)	<b>(3,379)</b>	(4,473)
Disposal of a subsidiary (Note 34)	–	–	<b>(248)</b>	–
Provision for impairment of other receivables	<b>(4,628)</b>	–	<b>(4,628)</b>	–
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	<b>19,625</b>	–	<b>19,625</b>	–
Others	<b>(1,173)</b>	1,663	<b>(2,836)</b>	1,663
	<b>(100,385)</b>	(128,607)		
<b>Deferred income tax charge</b>			<b>27,974</b>	1,209
<b>Deferred tax assets</b>	<b>(120,010)</b>	(128,607)		
<b>Deferred tax liabilities</b>	<b>19,625</b>	–		





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 10. DIVIDENDS

A final dividend of SG\$0.00308 per ordinary share to the shareholders registered in the British Virgin Island Register and HK\$0.01880 per ordinary shares to the shareholders registered in the Hong Kong Branch Register has been proposed by the Company in respect of the year ended 31 December 2010 (2009: SG\$0.00278 per ordinary share to the shareholders). The proposed dividend for the year ended 31 December 2010 shall be paid on 24 May 2011 subject to the approval of the shareholders at the forthcoming Annual General Meeting. The proposed dividend for the year ended 31 December 2009 which has been approved by the shareholders at the Annual General Meeting on 30 April 2010 and dividends of SG\$10,684 thousand (RMB52,281 thousand) was paid on 24 May 2010.

## 11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the parent for the years ended 31 December 2010 and 2009 includes a loss of RMB46,871 thousand and RMB30,314 thousand respectively, which has been dealt within the financial statements of the Company.

## 12. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the years ended 31 December 2010 and 2009.

The diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting profit or loss effects of dilutive convertible bonds or employee share options, if any) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. Employee share options (see Note 30) are treated as options and outstanding from the date of grant, since they are dilutive, they have been included in the dilutive earnings per share calculation for the years ended 31 December 2010 and 2009.

The following reflects the profit and share data used in the basic and diluted earnings per share calculations:

	Year ended 31 December 2010	Year ended 31 December 2009
Profit attributable to ordinary equity holders of the parent	246,794	166,630
Add: Net effect of the dilutive convertible bond	2,562	2,943
Profit attributable to ordinary equity holders of the parent adjusted for effect of the dilutive convertible bond	<u>249,356</u>	<u>169,573</u>
Weighted average number of ordinary shares outstanding	3,642,052,148	2,603,796,888
Add: Net effect of dilutive potential ordinary shares of Management Grant	1,896,763	994,897
Add: Net effect of dilutive potential ordinary shares of the convertible bond	225,210,723	235,541,457
Number of ordinary shares used to calculate the diluted earnings per share	<u>3,869,159,634</u>	<u>2,840,333,242</u>
Basic earnings per share (RMB)	<u>0.0678</u>	0.0640
Diluted earnings per share (RMB)	<u>0.0644</u>	0.0597

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

# Notes to the Financial Statements

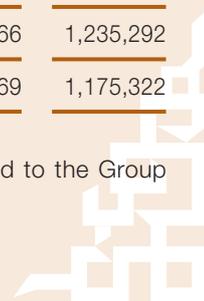
For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 13. PROPERTY, PLANT AND EQUIPMENT

Group	Hotel properties	Golf operational assets	Other buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
<u>Original cost</u>							
At 1 January 2009	719,059	623,865	74,608	58,132	39,987	95,508	1,611,159
Transfers	1,021	–	–	–	–	(25,241)	(24,220)
Additions	1,180	563	7,276	706	1,361	67,699	78,785
Disposals	–	–	–	(49)	(1,450)	–	(1,499)
At 31 December 2009	721,260	624,428	81,884	58,789	39,898	137,966	1,664,225
Transfers	–	12,480	–	–	–	(12,480)	–
Additions	3,845	2,182	3,283	2,695	4,534	28,683	45,222
Disposals	–	(39,180)	(10,019)	(90)	(1,465)	–	(50,754)
Disposal of a subsidiary	–	–	–	(2,329)	(285)	–	(2,614)
At 31 December 2010	725,105	599,910	75,148	59,065	42,682	154,169	1,656,079
<u>Accumulated depreciation</u>							
At 1 January 2009	108,091	59,942	5,904	26,971	18,293	–	219,201
Provided during the year	25,879	17,574	4,573	10,158	7,291	–	65,475
Disposals	–	–	–	(26)	(1,300)	–	(1,326)
At 31 December 2009	133,970	77,516	10,477	37,103	24,284	–	283,350
Provided during the year	25,126	18,305	3,915	8,561	4,274	–	60,181
Disposals	–	(4,311)	(1,238)	(63)	(707)	–	(6,319)
Disposal of a subsidiary	–	–	–	(1,814)	(224)	–	(2,038)
At 31 December 2010	159,096	91,510	13,154	43,787	27,627	–	335,174
<u>Impairment</u>							
At 1 January 2009	136,773	–	–	–	–	–	136,773
Recognised during the year	8,810	–	–	–	–	–	8,810
Reversals	–	–	–	–	–	–	–
At 31 December 2009	145,583	–	–	–	–	–	145,583
Recognised during the year	–	–	–	–	–	–	–
Reversals	–	–	–	–	–	–	–
At 31 December 2010	145,583	–	–	–	–	–	145,583
<u>Net carrying amount</u>							
At 1 January 2009	474,195	563,923	68,704	31,161	21,694	95,508	1,255,185
At 31 December 2009	441,707	546,912	71,407	21,686	15,614	137,966	1,235,292
At 31 December 2010	420,426	508,400	61,994	15,278	15,055	154,169	1,175,322

Certain of the Group's properties have been pledged to banks for interest-bearing bank loans granted to the Group (see Note 23).





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### Disposal of property, plant and equipment

During the year ended 31 December 2010, the disposal of property, plant and equipment included a write-down of RMB30.6 million carrying amount of club facilities located in Shenyang (see Note 18(c)).

### Disposal of a subsidiary

The Group disposed of certain property, plant and equipment as a result of disposal of a subsidiary (see Note 34).

### Impairment of property, plant and equipment

During the year ended 31 December 2010, the Group reassessed the impairment on the property, plant and equipment used in the hotel operations and conference centre, and determined the net carrying amounts were close to the recoverable amounts. As a result, the Group neither further recognised nor reversed the impairment loss in the Group's financial statements for the year ended 31 December 2010. The recoverable amounts were determined based on value in use and were determined at the estimated future cash flow discounted at rates of 11 to 11.5 per cent per annum.

## 14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION

### Group

	Year ended 31 December 2010	Year ended 31 December 2009
<b>Completed investment properties</b>		
At beginning of year	489,000	497,010
Add: Transfer from investment properties under construction	173,832	6,153
Add: Gain/(loss) from increase/(decrease) in fair value of completed investment properties	16,168	(14,163)
At end of year	<b>679,000</b>	489,000
<b>Investment properties under construction</b>		
At beginning of year	170,710	39,740
Add: Construction costs	99,845	98,087
Less: Transfer to completed investment properties	(173,832)	(6,153)
Add: Fair value (loss)/gain	(1,723)	39,036
At end of year	<b>95,000</b>	170,710

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION (CONTINUED)

The investment properties owned by the Group include retail spaces on commercial streets and comprise both completed investment properties and investment properties under construction. The fair values were valued by DTZ Debenham Tie Leung Limited ("DTZ"), an independent professionally qualified valuer.

As there is no active market for the said properties, and due to the absence of similar properties in the same location and condition, the valuations were performed based on the income approach. The following main inputs have been used.

Completed investment properties	31 December 2010	31 December 2009
<b>Yield</b>		
Scandinavia Street, Shanghai	9-10%	9-10%
Shopping mall, Shanghai	4-5%	–
Retail Street in Wuxi Project, Wuxi	4-5%	4-5%

### Investment properties under construction

In arriving at fair value of the investment properties under construction, reference is made to the comparable sales evidence available in the relevant market, after taking into account the construction costs and the costs that will be expended to complete the development.

Changes in fair values of completed investment properties are recognised in profit or loss. The Group's interests in completed investment properties at their net book values are analysed as follows:

Description and Location	Existing use	Tenure	Unexpired lease term	31 December 2010	31 December 2009
Scandinavia Street Shanghai, PRC	Retail street	Leasehold	44.8 years	420,000	420,000
Shopping mall Shanghai, PRC	Supermarket	Leasehold	39.0 years	190,000	–
Retail Street in Wuxi Project Wuxi, PRC	Retail street	Leasehold	36.9 years	69,000	69,000
				679,000	489,000

The Group's investment properties are held under medium term (less than 50 years but not less than 10 years) leases and are situated in Mainland China.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION (CONTINUED)

The following amounts relating to the completed investment properties and investment properties under construction have been recognised in profit or loss:

	Year ended 31 December 2010	Year ended 31 December 2009
Completed investment properties:		
Rental income	3,884	6,384
Gain/(loss) from increase/(decrease) in fair value	16,168	(14,163)
Other direct operating expenses	(3,148)	(1,033)
Investment properties under construction:		
(Loss)/gain from (decrease)/increase in fair value	(1,723)	39,036

Certain investment properties are pledged for bank borrowings (see Note 23).

## 15. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments represent prepaid operating lease payments and their movements are analysed below:

Group	31 December 2010	31 December 2009
In Mainland China, Medium term leaseholds (less than 50 years but not less than 10 years)	485,553	477,548
In Mainland China, Long term leaseholds (not less than 50 years)	76,964	75,863
	562,517	553,411
Group	Year ended 31 December 2010	Year ended 31 December 2009
At beginning of year	553,411	320,273
Additions	23,402	241,688
Amortisation charges to profit or loss	(9,246)	(8,550)
Amortisation into properties under development for sales and construction in progress	(5,050)	–
At end of year	562,517	553,411

As of 31 December 2010, the above prepaid land lease payments included a balance of RMB326,232 thousand (2009: RMB162,588 thousand) of prepaid land lease payments held for development into properties for sale, hence they are classified as current assets.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 15. PREPAID LAND LEASE PAYMENTS (CONTINUED)

The net carrying amounts of prepaid land lease payments, which were pledged for bank borrowings (see Note 23), were as follows at the end of each of reporting periods:

	<b>31 December 2010</b>	<b>31 December 2009</b>
Land use rights for convention facilities	<b>70,705</b>	72,285
Land use rights for golf club house and hotel	<b>71,600</b>	226,125
Land use rights for Lake Malaren SOHO Project	<b>101,493</b>	–
Land use rights for Lake Malaren Silicon Valley Project	<b>147,775</b>	–
	<b>391,573</b>	298,410

## 16. LAND DEVELOPMENT FOR SALE

<b>Group</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
At cost:		
Mainland China	<b>3,590,414</b>	3,640,398

Land development for sale represents cost of land development within the districts of the new town development projects. Though the Group does not have ownership title or land use right to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects. When the land plots are sold by the local governments, the Group is entitled to receive from the local authorities a proportion of the proceeds from land sales (including related public utilities fees, if any).

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

As mentioned in Note 2.4 accounting policy of revenue recognition on land development for sale, when revenue is recognised depends on the timing of sales of related land plots by authorities, which is uncertain and out of the control of the Group. Upon the sales of related land plots by authorities, the amounts of land development for sale were recognised and recorded as cost of sales (see Note 7).





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 17. PROPERTIES UNDER DEVELOPMENT FOR SALE

Group	31 December 2010	31 December 2009
At cost:		
In Shanghai City, PRC	73,073	–
In Wuxi City, PRC	1,021	–
	74,094	–
	31 December 2010	31 December 2009
Properties under development expected to be recovered:		
Within one year	–	–
After one year	74,094	–
	74,094	–

As of 31 December 2010, none of the Group's properties under development for sale were pledged as collateral for the Group's bank loans.

## 18. PREPAYMENTS AND OTHER RECEIVABLES

Group	31 December 2010	31 December 2009
Prepayments	254,155	6,155
Other receivables	368,434	354,983
	31 December 2010	31 December 2009
Other receivables	386,944	354,983
Less: allowance for impairment	(18,510)	–
Other receivables, net	368,434	354,983

(a) The above prepayments at 31 December 2010 included a RMB214 million (31 December 2009: nil) of prepayment for land use right located in Chengdu.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 18. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

- (b) The above other receivable balances at 31 December 2010 included an estimated receivable of RMB292 million (31 December 2009: RMB322 million) due from the Changchun Auto Industry Development Zone Administrative Committee (the "Changchun Committee"). In December 2009, the Group has entered into an agreement ("the 2009 Agreement") with the Changchun Committee to cease the land development by the Group through Changchun New Town Automobile Industry Construct Co., Ltd. in Changchun. Pursuant to the 2009 Agreement, although no detailed repayment schedule had been set out in the 2009 Agreement, the Changchun Committee agreed to fully repay the Group within a year from the date of the 2009 Agreement, for, firstly, the cost of construction, which shall be determined by independent qualified professional parties after conducting construction audits, and, secondly, the cost of relocation that has been incurred by the Group in accordance with the relevant relocation agreement, and compensate the Group for finance costs (including certain related miscellaneous expenditure) at an interest rate of 10% per annum based on the time elapsed since the actual date when such finance costs were incurred by the Group. During the year ended 31 December 2010, RMB33 million had been collected by the Group (2009: RMB10 million after signing the 2009 Agreement), among which RMB19 million (2009: nil) was used to settle the estimated payables to constructors on behalf of the Changchun Committee during the year ended 31 December 2010. In addition, the estimated receivables from the Changchun Committee and estimated payables to constructors were both increased by a total amount of RMB3 million as a result of the construction audits to date. The total collections so far from the Changchun Committee amounted to approximately RMB51 million (RMB8 million had been received before the 2009 Agreement was reached). In December 2010, due to the delay in construction audits and other necessary procedures, the Changchun Committee issued a letter requesting to extend the repayment of remaining balances from end of 2010 to no later than end of 2011. Since Changchun Committee promised, in the letter, to continue to honour all other clauses of the 2009 Agreement, the directors expect that the receivable will be fully settled, and hence, no allowance had been made for the receivable due from the Changchun Committee as at 31 December 2010 (2009: no allowance). The transaction did not contribute any significant profit or loss to the Group.
- (c) The above other receivable balances at 31 December 2010 also included an amount of RMB35 million receivable due from two third-party constructors. In December 2008, due to illegal occupation of agricultural land for the purpose of constructing a golf course, the Liaoning Department of Land and Resources established that as a case for investigation, and it issued the Administrative Penalty Decision Notice in this respect. Though the Group has instructed third-party constructors to stop the construction of the golf course on the agricultural land, those constructors still continued such construction and therefore those constructors agreed to compensate the Group by RMB41 million. Up to May 2010, the Group has fulfilled what was required by the Liaoning Department of Land and Resources, i.e., the golf clubhouse which was established within the grounds of the sports and recreation park under the Shenyang Project, was confiscated, the Group paid a fine of approximately RMB14.7 million and was required to reinstate the portion of agricultural land that was illegally occupied for the construction of the golf course and clubhouse. The confiscation of club house and reinstatement of a portion of agricultural land caused the Group to write down a total carrying amount of RMB30.6 million (see Note 13) of property, plant and equipment. Since the RMB41 million compensation from the constructors partially compensate the fine and the write-down of property, plant and equipment, the Group incurred a loss of RMB4.3 million as disclosed in Note 6. During the year ended 31 December 2010, RMB6 million has been collected by the Group and the third-party constructors promised to repay the remaining amounts in the year ending 31 December 2011. As of 31 December 2010, no further allowance in respect of the case was made as the case was closed officially in June 2010 and the directors expect that the receivable will be fully settled.



## Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

### 18. PREPAYMENTS AND OTHER RECEIVABLES (CONTINUED)

An aged analysis of the other receivables is as follows:

	31 December 2010	31 December 2009
Within 6 months	39,892	334,131
6 months to 1 year	35,143	156
1 year to 2 years	292,580	755
2 years to 3 years	360	19,331
Over 3 years	18,969	610
	<b>386,944</b>	<b>354,983</b>

Included in the above, there is a bad debt allowance for other receivables of RMB18,510 thousand, which has been outstanding for almost four years and is not expected to be recovered. The Group does not hold any collateral or other credit enhancements over this balance.

Except for the above impaired receivable, none of the balances is either past due or impaired.

### 19. TRADE RECEIVABLES

Group	31 December 2010	31 December 2009
Receivables from land development for sale	566,131	374,545
Receivables from the sale of golf club membership	7,688	51,075
Others	5,328	5,203
	<b>579,147</b>	<b>430,823</b>

An aged analysis of the trade receivables is as follows:

	31 December 2010	31 December 2009
Within 6 months	29,940	164,472
6 months to 1 year	320,790	14,640
1 year to 2 years	44,381	156,993
2 years to 3 years	112,305	27,991
Over 3 years	71,731	66,727
	<b>579,147</b>	<b>430,823</b>

The above balances are unsecured and interest-free. The fair values of the trade receivables at the end of each reporting period approximate to their carrying amounts. No trade receivables were written off as of 31 December 2010 (2009: nil).

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 19. TRADE RECEIVABLES (CONTINUED)

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	31 December 2010	31 December 2009
Neither past due nor impaired	571,420	408,062
Past due but not impaired:		
Within 30 days	256	618
30 to 60 days	–	667
61 to 90 days	–	1,127
91 to 120 days	1	517
Over 120 days	7,470	19,832
	<b>579,147</b>	<b>430,823</b>

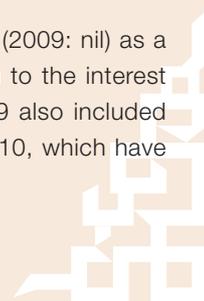
Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

## 20. CASH AND BANK BALANCES

	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Cash on hand	383	310	2	1
Cash at banks	1,166,666	1,365,302	102,728	6,762
Short-term bank deposits	–	100,000	–	–
Cash and cash equivalents	1,167,049	1,465,612	102,730	6,763
Restricted bank deposits	214,000	43,759	–	7,758
	<b>1,381,049</b>	<b>1,509,371</b>	<b>102,730</b>	<b>14,521</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term bank deposits are made for varying periods of between one day and three months, based on the immediate cash requirements of the Group, and earn interest at the respective short-term bank deposit rates.

Included in restricted bank deposits as of 31 December 2010 are mainly amounts of RMB178 million (2009: nil) as a collateral for the HK\$200,140 thousand bank loan and RMB36 million (2009: RMB36 million) relating to the interest to be paid for the RMB600 million bank loan. The restricted bank deposits as of 31 December 2009 also included an amount of US\$1,135 thousand related to the interest to be paid for Senior Notes on 12 March 2010, which have been escrowed in an interest reserve account.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 20. CASH AND BANK BALANCES (CONTINUED)

The carrying amounts of the cash and deposits which are denominated in the following currencies are set out below:

RMB equivalent of the following currencies:	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
SG\$	92	72	92	72
RMB	1,278,254	1,494,781	-	-
HK\$	93,500	6,682	9,137	6,682
US\$	9,203	7,836	93,501	7,767
	<b>1,381,049</b>	<b>1,509,371</b>	<b>102,730</b>	<b>14,521</b>

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

## 21. SHARE CAPITAL

### Group and Company

	Year ended 31 December 2010		Year ended 31 December 2009	
	Number of shares (Thousand)*	Amount*	Number of shares (Thousand)*	Amount*
<b>Ordinary shares issued and fully paid</b>				
<b>Ordinary shares authorised:</b>	<b>10,000,000</b>		10,000,000	
<b>Ordinary shares issued and fully paid:</b>				
Share capital at the beginning of the year	3,140,659	2,497,385	2,006,025	2,115,240
Increases during the year:				
Shares issued upon exercise of management share options granted under Management Grant	-	5,592	2,753	5,569
Ordinary shares converted from CB3	754,146	283,696	-	-
Sales of treasury shares	-	(7,820)	-	-
Shares issued upon private placement	-	-	902,295	244,252
Shares issued upon the repurchase of Senior Notes	-	-	229,586	132,324
Share capital at the end of the year	<b>3,894,805</b>	<b>2,778,853</b>	3,140,659	2,497,385

\* There is no par value for the shares of the Company. In 2007, there was a share split whereby one existing share prior to the share split split into 75,000 shares.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 21. SHARE CAPITAL (CONTINUED)

### Group and Company (continued)

The holders of ordinary shares, except treasury shares, are entitled to receive dividends as and when they are declared by the Board of Directors and approved by the shareholders. All ordinary shares carry one vote per share without restrictions.

Treasury shares	Year ended 31 December 2010		Year ended 31 December 2009	
	Number of shares (Thousand)	Amount*	Number of shares (Thousand)	Amount*
At the beginning of the year	55,768	37,294	600	180
Acquired during the year	-	-	55,168	37,114
Issued upon exercise of management share options granted under Management Grant	(4,129)	(2,761)	-	-
Sold during the year	(51,639)	(34,533)	-	-
At the end of the year	-	-	55,768	37,294

Treasury shares relate to ordinary shares of the Company that are held by the Company.

During the year ended 31 December 2010, 4,129 thousand treasury shares were issued upon the exercise of management share options granted under Management Grant and sold 51,639 thousand treasury shares at the open market for a total proceeds amounting to SG\$5,402 thousand (equivalent to RMB26,713 thousand). During the year ended 31 December 2009, the Company acquired 55,168 thousand shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was RMB37,114 thousand and this was presented as a component within the shareholders' equity.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 22. OTHER RESERVES

### Group

	Imputed equity contribution upon reorganisation	Employee equity benefit reserve	Equity component of convertible bonds	Capital contribution received upon the repurchase of CB2	Other reserves	Total
At 1 January 2009	224,032	25,400	–	163,433	191,805	604,670
Equity-settled share options to management	–	12,485	–	–	–	12,485
Shares issued upon exercise of management share options granted under Management Grant	–	(5,569)	–	–	–	(5,569)
Equity component of CB3	–	–	137,415	–	–	137,415
At 31 December 2009	224,032	32,316	137,415	163,433	191,805	749,001
Equity-settled share options to management	–	5,574	–	–	–	5,574
Shares issued upon exercise of management share options granted under Management Grant	–	(8,353)	–	–	–	(8,353)
Shares issued upon CB3 conversion	–	–	(137,415)	–	–	(137,415)
At 31 December 2010	224,032	29,537	–	163,433	191,805	608,807

### Company

	Imputed equity contribution upon reorganisation	Employee equity benefit reserve	Equity component of convertible bonds	Capital contribution received upon the repurchase of CB2	Other reserves	Total
At 1 January 2009	1,557,445	25,400	–	163,433	191,805	1,938,083
Equity-settled share options to management	–	12,485	–	–	–	12,485
Shares issued upon exercise of management share options granted under Management Grant	–	(5,569)	–	–	–	(5,569)
Equity component of CB3	–	–	137,415	–	–	137,415
At 31 December 2009	1,557,445	32,316	137,415	163,433	191,805	2,082,414
Equity-settled share options to management	–	5,574	–	–	–	5,574
Shares issued upon exercise of management share options granted under Management Grant	–	(8,353)	–	–	–	(8,353)
Shares issued upon CB3 conversion	–	–	(137,415)	–	–	(137,415)
At 31 December 2010	1,557,445	29,537	–	163,433	191,805	1,942,220

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 22. OTHER RESERVES (CONTINUED)

### Nature and purpose of other reserves

#### *Imputed equity contribution upon reorganisation*

The Company applied the pooling of interests method to account for the business combination under common control which occurred on 20 December 2006. This therefore represents the difference between the Company's share of net assets of the Group and the sum of share capital and retained earnings that should be recorded as a result of applying the pooling of interest method.

#### *Employee equity benefit reserve*

Employee equity benefit reserve represents the equity-settled share options granted to management (see Note 30). The reserve represents the cumulative value of services received from management recorded since the grant date of equity-settled share options, and would be reduced by the exercise of the share options.

	Year ended 31 December 2010	Year ended 31 December 2009
At beginning of year	32,316	25,400
Cost of equity-settled share options during the year	5,574	12,485
Transfer upon the exercise of share options	(8,353)	(5,569)
At end of year	29,537	32,316

#### *Equity component of convertible bonds*

This represents the equity component of CB3 (see Note 25).

#### *Capital contribution received upon the repurchase of CB2*

This represents the capital contribution from SRE Investment Holdings Limited ("SRE Investment"), the shareholder of SRE Group limited, in connection with the Company's repurchase of CB2.

#### *Other reserves*

This represents the fair value change of the equity component of CB2 upon the repurchase of CB2.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 23. INTEREST-BEARING BANK BORROWINGS

The interest-bearing bank borrowings which were all denominated in RMB (except a HK\$200,140 thousand loan) are as follows:

	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Bank loans – secured	<b>2,168,589</b>	2,157,000	<b>170,299</b>	–

The bank borrowings are repayable as follows:

	Group		Company	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Within 6 months	<b>190,299</b>	100,000	<b>170,299</b>	–
6 months to 9 months	<b>49,990</b>	–	–	–
9 months to 12 months	<b>230,000</b>	210,000	–	–
1 year to 2 years	<b>325,000</b>	250,000	–	–
2 years to 5 years	<b>802,000</b>	870,000	–	–
Over 5 years	<b>571,300</b>	727,000	–	–
	<b>2,168,589</b>	2,157,000	<b>170,299</b>	–

The Group's bank loans bore interest at floating rates ranging from 5.76% to 6.73% and 5.35% to 6.37% per annum for the years ended 31 December 2010 and 2009, respectively.

### Long-term and short-term bank borrowings

As at 31 December 2010, bank borrowings of RMB2,168,589 thousand (2009: RMB2,157,000 thousand) were pledged by the Group's certain properties, completed investment properties and investment properties under construction, prepaid land lease payments as well as bank deposits, whose net carrying amounts at 31 December 2010 were RMB516,437 thousand (2009: RMB558,978 thousand), RMB610,000 thousand (2009: RMB584,000 thousand), RMB391,573 thousand (2009: RMB298,410 thousand), and RMB178,000 thousand (2009: nil) respectively. Also, as at 31 December 2010, a long-term bank loan with principal of RMB149,990 thousand (2009: nil) were guaranteed by Mr. Shi Jian, the Chairman of the Company.

The Group had a undrawn credit facilities of RMB50 million as at 31 December 2010 (2009: nil).



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 24. SENIOR NOTES

### Group and Company

On 12 September 2008, a 17.75% US dollar settled Senior Secured Guaranteed Notes (the "Senior Notes") with the principal amount of RMB593.3 million due on 12 September 2011 were issued by the Company as part of the consideration for the repurchase of the 5.0% US dollar settled convertible bonds ("CB2", originally issued on 13 February 2007, all of which were converted or repurchased before 2009).

On 11 September 2009, the Company has completed the repurchase of RMB505,940 thousand in the principal amount (with a carrying amount of RMB497 million) of the Senior Notes from the Noteholders by an aggregate of newly issued 229,586,468 ordinary shares (with a fair value of RMB132 million) of the Company by way of a private placement and cash amounting to US dollar equivalent of RMB340 million, as a result, the Group reported a RMB24,744 thousand gain on repurchase. The Company financed the above-mentioned cash consideration through (i) the issue of 2% convertible bonds in an aggregate of RMB276 million due 2016 (see Note 25) and (ii) the issue of an aggregate of 222,295,064 shares in an amount of RMB84 million by way of private placement to Sinopower Investment Limited ("Sinopower"), a wholly-owned subsidiary of SRE Group Limited. The repurchased Senior Notes were cancelled and the outstanding principal after the repurchase was reduced to RMB87,360 thousand.

On 19 November 2010, the Company has completed the repurchase of all the outstanding RMB87,360 thousand in the principal amount (with a carrying amount of RMB86,155 thousand including interest accrued) of the Senior Notes for a total cash consideration of RMB90,332 thousand (i.e. the principal amount plus all accrued but unpaid interest of RMB2,972 thousand up to 19 November 2010). The repurchase resulted in a loss of RMB4,177 thousand and no Senior Notes were outstanding after the repurchase.

The movements of the carrying amounts of the Senior Notes in the years ended 31 December 2010 and 2009 are as follows:

	Year ended 31 December 2010	Year ended 31 December 2009
Carrying amount at beginning of year	84,363	550,835
Interest expense (recognised using the effective interest rate of 25.75% per annum)	17,287	91,335
Interest paid	(15,495)	(60,409)
Repurchase	(86,155)	(497,398)
Carrying amount at end of year	-	84,363
Current portion	-	(84,363)
Non-current portion	-	-

Since certain covenants of the remaining Senior Notes have not been complied with as of 31 December 2009, which could result in the holder of the Senior Notes requiring immediate repayment of the outstanding principal and accrued and unpaid interest, the Group classified the Senior Notes as current liability as of 31 December 2009 accordingly.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 25. CONVERTIBLE BONDS

### Group and Company

#### CB3

On 9 September 2009, the Company issued RMB275,994 thousand in the aggregate principal amount of two (2) per cent convertible bonds due in 2016 ("CB3"), to Sinopower, a shareholder of the Company. The holder of the bond has the right to convert the entire bond to 754,145,894 shares of the Company at the conversion price of RMB0.3660 per share (translated from SG\$0.07872, translated at an exchange rate, which is fixed in the terms and conditions) at any time from the issue date until the maturity date. On the maturity date, CB3 shall be redeemed at the principal amount together with unpaid accrued interest.

Based on the terms of CB3, the equity conversion options embedded in CB3 are equity instruments of the Company. Hence, the convertible bond comprises two components: a financial liability (a straight debt) and an equity instrument (the conversion option, i.e., a call option granting the holder the right to convert CB3 into a fixed number of ordinary shares of the Company). Accordingly, the Company has presented the liability and equity components separately on its statement of financial position from 9 September 2009. The host debt instruments are initially recognised at fair value net of related transaction costs, and are subsequently measured at amortised cost.

#### Conversion of CB3

On 20 April 2010, the Company allotted and issued 754,145,894 shares to Sinopower pursuant to the conversion of CB3. The carrying amounts of the liability and equity components of CB3 were transferred to share capital from liability and other reserves respectively.

The movements of the carrying amounts of host debts in CB3 in the years ended 31 December 2010 and 2009 are as follows:

	Year ended 31 December 2010	Year ended 31 December 2009
Carrying amount of host debts at beginning of year	144,115	–
Carrying amount of host debts on initial recognition upon issuance (fair value upon issuance)	–	138,579
Interest expense recognised using the effective interest rate of 13.49% per annum	5,560	5,536
Interest paid	(3,394)	–
Conversion to shares	(146,281)	–
Carrying amount of host debts at end of year	–	144,115
Less: current portion – accrued coupon interest (Note 27)	–	(1,709)
Non-current portion at end of year	–	142,406

The fair values of CB3 are valued by DTZ and Real Actuarial Consulting Limited.

As at 31 December 2010 and 2009, no derivative financial liabilities were outstanding.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 26. DEFERRED INCOME

Group	Notes	31 December 2010	31 December 2009
Deferred revenue arising from:			
Sale of golf club membership	(i)	<b>538,176</b>	562,675
Land development	(ii)	<b>895,670</b>	639,940
		<b>1,433,846</b>	1,202,615

Notes:

- (i) The revenue arising from the sale of golf club membership is deferred and recognised on the straight-line basis over the expected period when the related benefits would be provided.
- (ii) The deferred revenue arising from land development for sale represents the portion of amounts received/receivable from the land authorities as a result of the sales of parcels of land developed by the Group that are not yet recognised as revenue, because the developments of the ancillary public facilities attributable to the parcels of land sold are still in progress. The amounts received/receivable are non-refundable unless the Group cannot complete the development work. The deferred income is classified as a current liability as the remaining development work is expected to be provided within the normal operating cycle.

## 27. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Group	31 December 2010	31 December 2009
Trade payables	<b>917,806</b>	1,265,252
Accruals for commission of golf club membership	<b>25,131</b>	28,488
Payroll and welfare	<b>6,103</b>	5,158
Other taxes payable:		
Business tax payable	<b>262,891</b>	176,860
Property tax payable	<b>30,686</b>	25,406
Land use tax payable	<b>13,270</b>	10,407
Other miscellaneous tax	<b>10,760</b>	4,743
Estimated payables to constructors on behalf of the Changchun Committee	<b>113,681</b>	132,125
Receipts in excess of the Group's estimated share of land sales proceeds	<b>64,473</b>	26,477
Agency fee payables for promotional services	<b>4,057</b>	42,000
Obligation to construct a transportation centre	–	53,222
Earnest money of a potential investment	–	43,605
Other payables	<b>34,652</b>	42,631
Accrued coupon interest of CB3 (Note 25)	–	1,709
Accrued interest on bank borrowings	<b>4,067</b>	3,603
	<b>1,487,577</b>	1,861,686



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 27. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (CONTINUED)

Terms and conditions of the above liabilities:

- Trade payables are non-interest-bearing and are normally settled within one year.
- Accruals for the commission of golf club membership to agents are settled in the period in which the related golf club membership fees are received.
- Payroll and welfare are normally settled within the next month.
- Interest payable on bank borrowings is normally settled quarterly throughout the financial year.
- Other payables and other tax payables are non-interest-bearing and are normally settled within one year.

An aged analysis of the Group's trade payables as at the reporting dates is as follows:

	31 December 2010	31 December 2009
Within one year	556,085	903,808
1 to 2 years	226,411	285,174
Over 2 years	135,310	76,270
	<u>917,806</u>	<u>1,265,252</u>

## 28. AMOUNTS DUE FROM/TO RELATED PARTIES

Group	Note	31 December 2010	31 December 2009
<b>Amounts due from related parties:</b>			
Shenyang Hua Rui Shiji Asset Management Co., Ltd.	(i)	-	47,000
Amounts due from associates		-	3
		<u>-</u>	<u>47,003</u>
<b>Amounts due to related parties:</b>			
SRE Group Limited		-	11
Others		-	1
		<u>-</u>	<u>12</u>

- (i) Balances as at 31 December 2009 represented the loan to Shenyang Hua Rui Shiji Asset Management Co., Ltd., a partially-owned subsidiary owned by SRE Group Limited. The loan and the amounts due from associates were interest-free, unsecured and repayable on demand. The loan was fully repaid to the Group during the year ended 31 December 2010.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 29. ADVANCES FROM CUSTOMERS

### Group

Advances from customers mainly represented sales proceeds received in advance for its land sales, hotel operations and golf operations during the years ended 31 December 2010 and 2009. All of the advances from customers are expected to be recognised as revenue when the related services are provided and they are non-refundable unless the Group cannot provide the related services.

## 30. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

### Employee benefits (Group)

	Year ended 31 December 2010	Year ended 31 December 2009
Employee benefit expense (including directors):		
Wages and salaries	49,066	49,144
Social welfare other than pensions	4,215	5,568
Pension – defined contribution plan	3,467	2,131
Staff welfare and bonuses	12,230	9,259
Share-based payments (Management Grant)	5,574	12,485
	<b>74,552</b>	<b>78,587</b>

### Directors' remuneration

Details of the directors' remuneration are as follows:

	Year ended 31 December 2010	Year ended 31 December 2009
Fees	1,689	1,538
Other emoluments:		
Salaries, allowances and benefits in kind	9,649	7,776
Equity-settled share option expense	7,483	11,531
Pension scheme contributions	107	143
	<b>18,928</b>	<b>20,988</b>





## Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

### 30. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (CONTINUED)

#### Directors' remuneration (continued)

The names of the directors and their remuneration for the Relevant Periods are set out below:

Year ended 31 December 2010	Fees	Salaries, allowances and benefits in kind	Equity- settled share option expenses	Pension scheme contributions	Total
Shi Jian	-	866	-	-	866
Li Yao Min	-	1,731	1,977	-	3,708
Cheng Wai Ho (resigned in 2010)*	-	1,315	-	51	1,366
Gu Biya	-	1,339	1,001	-	2,340
Mao Yiping	-	1,339	826	-	2,165
Yang Yonggang	-	713	1,702	-	2,415
Shi Janson Bing	-	940	-	-	940
Song Yi Qing (appointed in 2010)	-	1,406	-	56	1,462
Yue Wai Leung Stan	208	-	1,977	-	2,185
Henry Tan Song Kok	407	-	-	-	407
Loh Weng Whye	358	-	-	-	358
Lam Bing Lun Philip	358	-	-	-	358
Kong Siu Chee	358	-	-	-	358
	<b>1,689</b>	<b>9,649</b>	<b>7,483</b>	<b>107</b>	<b>18,928</b>

\* Cheng Wai Ho resigned in 2010. As a result, the unvested tranches of Management Grant to Cheng Wai Ho were forfeited according to the terms of Management Grant, the related equity-settled share option expenses (RMB2,610 thousand) previous accrued were reversed in 2010.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 30. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (CONTINUED)

### Directors' remuneration (continued)

The names of the directors and their remuneration for the Relevant Periods are set out below: (continued)

Year ended 31 December 2009	Fees	Salaries, allowances and benefits in kind	Equity- settled share option expenses	Pension scheme contributions	Total
Shi Jian	–	220	–	–	220
Li Yao Min	–	1,432	2,687	–	4,119
Cheng Wai Ho	–	1,858	1,361	93	3,312
Gu Biya	–	664	1,361	–	2,025
Mao Yiping	–	1,424	1,122	–	2,546
Yang Yonggang	–	477	2,313	–	2,790
Shi Janson Bing	–	825	–	–	825
Yue Wai Leung Stan	123	876	2,687	50	3,736
Henry Tan Song Kok	389	–	–	–	389
Loh Weng Whye	342	–	–	–	342
Lam Bing Lun Philip	342	–	–	–	342
Kong Siu Chee	342	–	–	–	342
	1,538	7,776	11,531	143	20,988

The directors have not waived any remuneration as listed above.

### Five highest paid employees

The five highest paid employees were all directors for the years ended 31 December 2010 and 2009, details of whose remuneration are set out in the directors' remuneration above.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 30. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (CONTINUED)

### Management Grant

On 5 July 2007, the Board of Directors of the Company passed a resolution to award a total of 380 shares (equivalent to 28,500,000 shares after the share split on 16 October 2007 whereby one existing shares prior to the share split is equivalent to 75,000 shares after share split) to certain of the Company's directors and employees ("Entitled Persons") as an incentive for their continued service to the Company in the following proportions.

Entitled Person	Number of shares allotted	
	Before share split	Equivalent to number of shares after share split
Li Yao Min	79	5,925,000
Yue Wai Leung Stan	79	5,925,000
Yang Yonggang	68	5,100,000
Gu Biya	40	3,000,000
Cheng Wai Ho	40	3,000,000
Mao Yiping	33	2,475,000
Tai Kuo-Lin	25	1,875,000
Ma Da Yu	10	750,000
Sun Xiaomeng	3	225,000
Zhang Qiong	3	225,000
Total	380	28,500,000

In accordance with the terms of Management Grant, the shares are allotted and will vest as follows: (a) 10% at the end of the 12th month after the date of listing of the Company on the Main Board of the SGX-ST; (b) 15% at the end of the 24th month after the date of listing of the Company on the Main Board of the SGX-ST; (c) 20% at the end of the 36th month after the date of listing of the Company on the Main Board of the SGX-ST; (d) 25% at the end of 48th month after the date of listing of the Company on the Main Board of the SGX-ST; and (e) the remaining 30% at the end of the 60th month after the date of listing of the Company on the Main Board of the SGX-ST.

Management Grant is provided on the basis that the relevant Entitled Persons remain in service within the Group on the vesting days and he/she has not submitted a notice of resignation at those dates. The exercise price is RMB8 per share (before share split). Management Grant is accounted for as a compensation for services to be provided by the Entitled Persons in the periods of service (the "vesting periods") as specified above. Since the shares granted do not vest until the Entitled Persons complete their services in the vesting periods, the Company will recognise the expenses over the vesting periods.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 30. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (CONTINUED)

### Fair value of stock options granted

DTZ Debenham Tie Leung Limited was engaged by the Group to assess the fair value of these Management Grant, who estimated the weighted average fair value to be RMB151,717 per share (before the share split, see Note 21) at the date of grant.

The fair value of the equity-settled stock options granted is estimated as at the date of grant using the binomial option pricing model, taking into accounts the terms and conditions upon which the options were granted. The following are the major inputs to the model used in the valuation at the grant date:

Assumption:

Estimated share price (before the share split)	RMB151,724
Exercise price (before the share split)	RMB8
Maturity date for exercise	No maturity date
Dividend yield (p.a.)	0.00%
Risk-free interest rate (p.a.)	5.24%
Volatility rate (p.a.)	28.40%

The volatility used in the model was based on the historical volatilities of listed companies who have risk profiles comparable with the risk profile of the Group.

Some of the Entitled Persons who have totally 43 shares (before the share split) left the Company till end of 31 December 2010, so their rights under Management Grant were forfeited according to the terms of Management Grant.

There have been no cancellations or modifications to any of Management Grant during the years ended 31 December 2010 and 2009.

### Movement

The following table illustrates the number of and movements in Management Grant:

	<b>31 December 2010</b>	<b>31 December 2009</b>
	<b>Number of shares (after the share split)</b>	<b>Number of shares (after the share split)</b>
Outstanding at the beginning of the year	<b>24,772,500</b>	27,750,000
Forfeited during the year	<b>(2,250,000)</b>	(225,000)
Exercised during the year	<b>(4,128,750)</b>	(2,752,500)
Outstanding at the end of the year	<b>18,393,750</b>	24,772,500
Exercisable at the end of the year	<b>4,905,000</b>	4,128,750

The weighted average share price at the date of exercise for share options exercised during the year ended 31 December 2010 was SG\$0.13 (year ended 31 December 2009: SG\$0.07).



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 31. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

As at 31 December 2010 and 2009, Sinopower, a wholly-owned subsidiary of SRE Group Limited, holds 61.54% and 50.07% of the Group's shares, respectively. In September 2009, the Group issued CB3 (see Note 25) to Sinopower. Since CB3 can be converted at any time into the shares of the Company, and upon such conversion, Sinopower will hold more than 50% of the shares of the Company, for accounting purposes, Sinopower became the parent company of the Company since then. The Company was an associate of Sinopower before that.

SRE Investment Holding Limited is the largest shareholder of SRE Group Limited. It holds 34.64% and 34.64% of the issued share capital of SRE Group Limited as at 31 December 2010 and 2009, respectively.

(a) In addition to the transactions detailed in Notes 23, 25, 28 and 30, the Group had the following material transactions with related parties during the years ended 31 December 2010 and 2009:

	Notes	Year ended 31 December 2010	Year ended 31 December 2009
Transactions with the parent, fellow subsidiaries, the parties significantly influenced by or whose significant voting power resides with, directly or indirectly, some members of key management personnel of the Company:			
Land development revenue	(i)	<b>313,723</b>	289,977
Sale of a subsidiary	(ii)	<b>3,040</b>	–
Property management service expense	(iii)	<b>5,562</b>	–
Loan provided to another subsidiary of SRE Group Limited	(iv)	–	47,000
Loan repaid	(iv)	<b>47,000</b>	–
Issuance of new ordinary shares to Sinopower	(v)	–	244,252
Issuance of CB3 to Sinopower	25	–	275,994

Notes:

- (i) The amount in 2010 was the Group's share of the sales proceeds from land plots (developed by the Group and sold by authorities, through public auction, tender or listing) purchased by Wuxi Zhongqing Real Estate Co., Ltd., a subsidiary of SRE Group Limited (2009: Shanghai Oasis Garden Real Estate Co., Ltd., a subsidiary of SRE Group Limited). RMB162,167 thousand was recognised for the year ended 31 December 2010 (2009: RMB258,685 thousand) and RMB151,556 thousand was deferred as income arising from construction of ancillary public facilities as at 31 December 2010 (2009: RMB31,292 thousand).

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions detailed in Notes 23, 25, 28 and 30, the Group had the following material transactions with related parties during the years ended 31 December 2010 and 2009: (continued)

(ii) During the year ended 31 December 2010, the Group entered into an agreement with Shanghai Good Property Management Co., Ltd., a subsidiary of SRE Group Limited, to dispose of its entire interest in one of its subsidiaries, Shanghai Lake Malaren Property Management Co., Ltd. The total purchase consideration was RMB3,040 thousand payable in cash and was arrived at based on the net asset value of the subsidiary as at 28 March 2010. The transfer of interests completed on 18 June 2010 and resulted in an amount of RMB636 thousand investment loss to the Group.

(iii) Shanghai Lake Malaren Property Management Co., Ltd. (a former subsidiary disposed of in 2010, see Note (ii) above) provides property management services to SGLD in respect of the Luodian New Town.

In July 2010, SGLD and Shanghai Lake Malaren Property Management Co., Ltd. entered into an agreement pursuant to which Shanghai Lake Malaren Property Management Co., Ltd. agreed to continue to provide property management services to SGLD for a term from 1 July 2010 to 31 December 2012 at a fixed management fee of RMB869,373.90 per month, out of which Shanghai Lake Malaren Property Management shall be responsible for the payment of the wages of management staff and their social insurance and statutory benefits, and other management expenses including those for daily operations and maintenance of and insurance for the common areas and shared facilities of the Luodian New Town, cleaning and sanitation, maintenance of greenery and social order of the new town, administration and relevant taxes. The management fee was determined with reference to the costs to be incurred by Shanghai Lake Malaren Property Management for managing the Luodian New Town.

(iv) During the year ended 31 December 2009, the Group provided an interest-free loan to a related party. The loan was fully repaid on 29 June 2010 (see Note 28(i)).

(v) During the year ended 31 December 2009, the Company has issued to Sinopower with 680 million new ordinary shares and 222,295,064 shares upon the repurchase of the Senior Notes.

The related party transaction in respect of item (ii) constitutes a connected transaction entered into in 2010, and the related party transaction in respect of item (iii) constitutes a continuing connected transaction entered into in 2010, as defined in Chapter 14A of the rules governing the listing of securities on the Stock Exchange of Hong Kong Limited.

### (b) Compensation of key management personnel of the Group:

	Year ended 31 December 2010	Year ended 31 December 2009
Wages and salaries	16,227	14,223
Share-based payments (Management Grant)	8,184	12,485
Social security costs	218	197
Pension – defined contribution plan	303	330
Staff welfare and bonuses	2,138	2,127
	<b>27,070</b>	<b>29,362</b>

Further details of directors' remuneration are included in Note 30.



## Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

### 32. CAPITAL COMMITMENTS AND COMMITMENTS IN RESPECT OF LAND OR PROPERTY DEVELOPMENT FOR SALE

At the end of each reporting period, the Group had capital commitments and commitments in respect of land development or properties under development for sale as follows:

<b>Group</b>	<b>31 December 2010</b>	<b>31 December 2009</b>
Commitments in respect of land development for sale:		
Contracted but not provided for	<b>2,062,227</b>	2,216,317
Authorised but not contracted for	<b>4,780,887</b>	5,312,403
Commitments in respect of properties under development for sale:		
Contracted but not provided for	<b>356,383</b>	–
Authorised but not contracted for	<b>192,676</b>	–
Investment properties under construction:		
Contracted but not provided for	<b>3,900</b>	101,179
Authorised but not contracted for	<b>144,895</b>	169,066
Property, plant and equipment and leasehold land:		
Contracted but not provided for	<b>312,219</b>	270,017
Authorised but not contracted for	<b>2,506,806</b>	2,531,860
Total	<b>10,359,993</b>	10,600,842

The Group had significant commitments as it had entered into three township development projects in Shanghai, Wuxi and Shenyang and such commitments are quantified based on contracts, feasibility studies and detailed plans for the respective projects. As a result, the Group prepares cash flow budgets for major project companies annually and updates the cash flow budgets regularly.

As of 31 December 2010, among the commitments that are contracted but not provided for RMB1,739 million are with no specified due date for payments (2009: RMB1,810 million).

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank borrowings, trade and other payables, other borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arose directly from its operations. The main risks faced by the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The board reviews and agrees policies for managing each of the risks which are summarised below:

### Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to its interest-bearing bank borrowings. The Group does not use derivative financial instruments to manage its interest rate risk. The interest rates and terms of repayments of the borrowings are disclosed in Note 23.

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit before tax (mainly the impact on floating rate borrowings). Group's equity is not affected, other than the consequential effect on the accumulated losses (a component of the Group's equity) of the changes in the profit before tax as disclosed below.

	Year ended 31 December 2010	Year ended 31 December 2009
Increase/(decrease) in interest rate (basis points)	100/(100)	100/(100)
(Decrease)/increase on profit before tax	(20,070)/20,070	(21,670)/21,670

### Foreign currency risk

All the Group's operating entities operate in Mainland China with most of the transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from golf membership fees received in United States dollars. In addition, the Group has raised certain amount of funds in Hong Kong dollars via bank borrowings. The Group has not hedged its foreign exchange rate risk as it expects that the bank deposits raised would be utilised for general working capital purpose in the near future.

The RMB is not a freely convertible currency, the conversion of the RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Foreign currency risk (continued)

The following table demonstrates the sensitivity to reasonably possible changes in the US\$ or HK\$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the carrying amount of monetary assets and liabilities). Group's equity is not affected, other than the consequential effect on the accumulated losses (a component of the Group's equity) of the changes in the profit before tax as disclosed below.

	Year ended 31 December 2010	Year ended 31 December 2009
Increase/(decrease) in US\$ exchange rate	10%/(10%)	10%/(10%)
Increase/(decrease) on profit before tax	927/(927)	900/(900)
Increase/(decrease) in HK\$ exchange rate	10%/(10%)	10%/(10%)
Increase/(decrease) on profit before tax	(7,680)/7,680	(3,690)/3,690

### Credit risk

Credit risk arises from cash and bank balances, trade receivables and other receivables, the balances of which represent the maximum credit risk exposure of the Group. As at 31 December 2010 and 2009, a large portion of the trade receivables were from the revenue derived from land development for sale, also there is a significant other receivable as mentioned in Note 18(b) from the Changchun Committee, and therefore there is concentration of risk. Management considers that the credit risk arising from trade receivables is considered low as land development for sale is sold through public auction, tender or listing to qualified land buyers, whose qualifications are verified by relevant government authorities and buyers have paid a portion of proceeds as performance bonds to the government authorities.

Purchasers of golf club membership are generally granted with monthly instalment payment terms mainly ranging from 12 to 24 months. Pursuant to the related sale agreement, the Group can cancel a buyer's membership if the instalment payment is overdue for more than three months. The Group has no net exposure as the deferred income from the sale of golf club membership is larger than the related receivables. Hence, there would be no adverse impact on profit before tax if the buyers' membership was cancelled due to the non-payments.

### Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or to have available funding through the use of bank loans, debentures and other borrowings to meet its commitments over the foreseeable future in accordance with its strategic plan.

# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

#### The Group

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Contractual due date not specified	Total
<b>31 December 2010</b>							
Interest-bearing loans	171,082	29,974	386,160	1,390,621	696,528	-	2,674,365
Trade payables	506,236	-	-	-	-	411,570	917,806
Other liabilities	248,097	-	-	-	-	-	248,097
	<u>925,415</u>	<u>29,974</u>	<u>386,160</u>	<u>1,390,621</u>	<u>696,528</u>	<u>411,570</u>	<u>3,840,268</u>

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Contractual due date not specified	Total
<b>31 December 2009</b>							
Interest-bearing loans	-	30,773	398,837	1,443,047	883,608	-	2,756,265
Senior Notes	92,076	-	-	-	-	-	92,076
CB3	-	2,760	2,760	22,080	287,034	-	314,634
Trade payables	781,614	-	-	-	-	483,638	1,265,252
Other liabilities	373,718	-	-	-	-	-	373,718
	<u>1,247,408</u>	<u>33,533</u>	<u>401,597</u>	<u>1,465,127</u>	<u>1,170,642</u>	<u>483,638</u>	<u>4,801,945</u>

#### The Company

All of the Company's financial liabilities as of 31 December 2010, are repayable on demand as at each of the reporting dates.

#### Fair values

Except as indicated below, the fair values of the Group's financial instruments are not materially different from their carrying amounts. Fair value estimates are made at a specific point in time and are based on relevant market information and appropriate valuation models.

	Carrying amount		Fair value	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009
Senior Notes	-	84,363	-	92,076
CB3 – host debt	-	144,115	-	143,720





# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds, convertible bonds or new shares.

As the Group is engaged in land development, it needs a substantial amount of funds. The Group manages capital by closely monitoring its gearing ratio (which is defined by management as net debt divided by capital plus net debt).

For capital management purposes, the Group has changed the way the net debt and equity were defined before the calculation of gearing ratio is to be more in line with industry practice since year 2010. Net debt includes interest-bearing bank loans, the Senior Notes and CB3 and excludes trade and other payables. Equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratios are calculated as follows:

	31 December 2010	31 December 2009
Interest-bearing loans and borrowings	2,168,589	2,157,000
Senior Notes	–	84,363
CB3 (non-current portion)	–	142,406
Less: Cash and bank balances	(1,381,049)	(1,509,371)
Net debt	787,540	874,398
Capital:		
Equity	3,297,526	2,809,157
Capital and net debt	4,085,066	3,683,555
Gearing ratio	19.28%	23.74%

### Collateral held

The Group did not hold any collateral as at 31 December 2010 and 2009.



# Notes to the Financial Statements

For the financial year ended 31 December 2010

(All amounts expressed in RMB'000 unless otherwise specified)

## 34. DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2010, the Group disposed of its entire 97.6% interest in Shanghai Lake Malaren Property Management Co., Ltd. (see Note 31(a)(ii)).

	<b>18 June 2010</b> <b>(unaudited)</b>
Net assets at the date of disposal:	
Investment in a non-controlling equity interest of another subsidiary of the Group	500
Property, plant and equipment	576
Deferred tax assets	248
Amounts due from the Group	3,505
Inventories	54
Trade and other receivables	110
Cash and bank balances	3,376
Trade and other payables and accruals	(4,693)
	<u>3,676</u>
Loss on disposal of a subsidiary (Note 6)	(636)
Consideration receivable	<u>3,040</u>

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	<b>31 December</b> <b>2010</b>
Consideration receivable	3,040
Less: amount not yet received	-
Cash received up to the date of 31 December 2010	<u>3,040</u>
Cash and bank balances disposed of	(3,376)
Net outflow of cash and cash equivalents as a result of the disposal of a subsidiary	<u>(336)</u>

## 35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 10 March 2011.





# Analysis of Shareholdings

As at 2 March 2011

## ISSUED AND FULLY PAID-UP CAPITAL

Issued and Fully Paid-up Capital	:	RMB2,778,853,426
Total number of Issued shares excluding treasury shares	:	3,894,804,926
Total number of treasury shares	:	0
Class of shares	:	Ordinary shares of no par value
Voting rights	:	One vote per share

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 2 MARCH 2011

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	6	0.07	2,139	–
1,000 – 10,000	4,088	46.64	17,105,800	0.44
10,001 – 1,000,000	4,603	52.52	400,009,583	10.27
1,000,001 AND ABOVE	68	0.79	3,477,687,404	89.29
	<u>8,765</u>	<u>100.00</u>	<u>3,894,804,926</u>	<u>100.00</u>

## TWENTY LARGEST SHAREHOLDERS AS AT 2 MARCH 2011

SHAREHOLDER'S NAME	NO. OF SHARES	%
1 SINOPOWER INVESTMENT LIMITED	2,396,781,817	61.54%
2 RAFFLES NOMINEES (PTE) LTD	317,462,386	8.15%
3 HKSCC NOMINEES LIMITED	209,197,000	5.37%
4 PRIMEMODERN LIMITED	125,887,500	3.23%
5 CITIBANK NOMINEES SINGAPORE PTE LTD	73,558,000	1.89%
6 UOB KAY HIAN PTE LTD	45,262,250	1.16%
7 LIM & TAN SECURITIES PTE LTD	33,346,000	0.86%
8 DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	33,127,000	0.85%
9 OCBC SECURITIES PRIVATE LTD	21,864,000	0.56%
10 PHILLIP SECURITIES PTE LTD	18,661,000	0.48%
11 KIM ENG SECURITIES PTE. LTD.	16,399,451	0.42%
12 GRAND WEALTH RESOURCES LIMITED	15,000,000	0.39%
13 CIMB SECURITIES (SINGAPORE) PTE LTD	12,630,000	0.32%
14 UNITED OVERSEAS BANK NOMINEES PTE LTD	12,604,000	0.32%
15 PHONG CHONG YEE	7,119,000	0.18%
16 DBS NOMINEES PTE LTD	7,008,000	0.18%
17 WONG CHIN KION	7,000,000	0.18%
18 PETER TAY KWONG LAIN	6,540,000	0.17%
19 HSBC (SINGAPORE) NOMINEES PTE LTD	6,042,000	0.16%
20 SHAN LIHUA	5,444,000	0.14%
<b>TOTAL:</b>	<b><u>3,370,933,404</u></b>	<b><u>84.55%</u></b>

Note:

%: Based on 3,894,804,926 shares (excluding shares held as treasury shares) as at 2 March 2011.

# Analysis of Shareholdings

As at 2 March 2011

## SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 2 March 2011.

	No. of Ordinary Shares			
	Direct Interest %		Deemed Interest %	
Sinopower	2,396,781,817	61.54	-	-
SRE Group	-	-	2,396,781,817	61.54
SRE Investment	-	-	2,396,781,817	61.54
Shi Jian	-	-	2,396,781,817	61.54
OZ Management, L.P. )	-	-	412,765,037	10.60
Och-Ziff Holding Corporation )				
Och Ziff Capital Management )				
Group, LLC				
Daniel Saul Och )				

Notes:

- (1) SRE Group Limited ("SRE Group") is deemed interested by virtue of the fact that Sinopower Investment Limited ("Sinopower") is a wholly-owned subsidiary of SRE Group.
- (2) SRE Investment Holding Limited ("SRE Investment") is deemed interested by virtue of the fact that it is a controlling shareholder of SRE Group, which in turn deemed interested in Sinopower's entire shareholding in the Company.
- (3) Mr. Shi Jian is deemed interested in Sinopower's entire shareholding in the Company by virtue of the fact that he is a controlling shareholder of SRE Group through SRE Investment.
- (4) OZ Management, L.P. ("**OZM**") manages the investments of the various funds (the "**OZ Funds**") that hold shares in the Company. By virtue of this, OZM is deemed interested in all the 412,765,037 shares held by the OZ Funds, representing 10.60% of the total number of issued shares of the Company.

Och-Ziff Holding Corporation ("**OZH**") is the sole general partner of, and is authorised to manage and represent OZM. By virtue of this, OZH, through OZM, is deemed interested in all the 412,765,037 shares held by the OZ Funds, representing 10.60% of the total number of issued shares of the Company.

Och-Ziff Capital Management Group, LLC ("**OZCM**") is the sole shareholder in OZH. By virtue of this, OZCM, through OZH and in turn OZM, is deemed interested in all the 412,765,037 shares held by the OZ Funds, representing 10.60% of the total number of issued shares of the Company.

Daniel Saul Och ("**DSO**") holds not less than 20.0% of the voting rights in OZCM. By virtue of this, DSO, through OZCM and in turn OZH and OZM is deemed interested in all the 412,765,037 shares held by the OZ Funds, representing 10.60% of the total number of issued shares of the Company.

Raffles Nominees (Pte) Ltd is the registered holder for the 412,765,037 shares of the Company.





## Analysis of Shareholdings

As at 2 March 2011

### **FREE FLOAT**

As at 2 March 2011, approximately 27.71% of the total number of issued shares of the Company was held in the hands of the public (on the basis of information available to the Company). The Company has no outstanding treasury shares, preference shares or convertible equity securities in issue.

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



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