廣州富力地產股份有限公司

GUANGZHOU R&F PROPERTIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 2777)

2012 Annual Results Announcement

- **Turnover up 11% to RMB30.4 billion**
- **Net Profit up 17% to RMB5.66 billion**
- **Profit from property development increased 18% to RMB5.33 billion**
- **Net debt to equity ratio stable at 86%**
- **Proposed final dividend of RMB0.5 per share**

The board of directors (the "Board") of Guangzhou R&F Properties Co., Ltd. (the "Company" or "R&F") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012. The annual results have been reviewed by the audit committee of the Company.

CHAIRMAN'S STATEMENT

The Group set out realistic targets going into 2012, aimed at maintaining a pattern of continuous growth that was both healthy and sustainable. We are pleased to report that despite a business environment that remained very challenging, we successfully achieved all our key targets for the year, including contracted sales, delivery of completed properties, construction new starts, and total GFA under development. In terms of financial results, our total turnover increased steadily by 11% to RMB30.4 billion and our net profit increased by a healthy 17% to RMB5.66 billion. This solid performance has put the Group in a good position going forward, and has left us well-equipped to face any unexpected macro or sector-related policies which may be introduced in the future.

An evolving marketplace

As a backdrop to the Group's performance over the past 12 months and our strategies for the year ahead, it is worth recapping the developments that have most influenced our industry in 2012. Perhaps the single biggest such factor was urbanization. Urbanization has been a continuing theme in China for some years, and was firmly established at the 18th National Congress of the CPC as one of the key directions of the national development plan. From the perspective of the China property sector, urbanization means a growing importance is being placed on the production of rigid demand type housing, a development that inevitably impacts on the business models of major property developers like R&F.

Another development in 2012 has been the maturing of market for non-residential property developments. We have seen very rapid development of certain niche markets in China, specifically those for commercial properties (office and retail), retirement communities, and property related to cultural and tourism development. This trend has broadened the types of properties in which developers are becoming involved in from those on which they have historically placed emphasis.

Over the past year, the regulatory environment has been less of a factor for property developers than it had been in the previous few years. In 2012 the Government introduced no new control measures of any significance, instead concentrating on increasing the efficacy of existing measures. Top officials restated their commitment to enforcing these measures from time to time and on 20 February 2013 the State Council pronounced five enhanced measures (the "2013 Measures") to supplement them. The 2013 Measures do not represent a departure from the existing regulatory framework. The Government's aim remains one of reining in property speculation and supporting legitimate demand for housing at a reasonable cost.

Overall though, we have seen a gradual improvement in the property market over the year, starting with rigid property demand, percolating through to higher-grade properties, and finally reaching investment-type properties. The Group's sales were strongest in the fourth quarter, offering testimony to an improving market environment as the year unfolded.

Our performance in 2012

For our Group, the stability of the regulatory environment in 2012 has proved advantageous. We have had sufficient time to adapt to the regulatory regime to achieve significant successes. The Group's contracted sales target for 2012 was RMB32 billion. Actual contracted sales for the year amounted to RMB32.2 billion, with a saleable area of 2.88 million sq.m. This represented a 13% increase in terms of amount and 32% increase in terms of GFA from the previous year (2011: contracted sales of RMB28.5 billion and saleable area of 2.19 million sq.m.). Despite a challenging environment, our actual contracted sales exceeded our target, in line with our overall plans and demonstrated an optimal deployment of our resources for 2012. In addition, there were sales from five joint venture projects generating contracted sales attributable to the Group of RMB2.0 billion with saleable area of 96,900 sq.m.

Turnover from sale of properties, the key to the Group's financial results, is based on actual completion and delivery of properties. Construction proceeded largely according to plan, and this resulted in the delivery during the year of 2.38 million sq.m. of properties for sale, along with 145,000 sq.m. of investment properties. Turnover from sale of properties for 2012 increased 10.5% over 2011 to RMB28.1 billion with improvement in net margin.

The Group acquired four plots of land in 2012. One of the plots in Hebei was acquired in the first half of the year, while the other three in Beijing, Hangzhou and in Guangzhou were second-half acquisitions. The total land area acquired amounted to 1,532,000 sq.m. The Hangzhou acquisition marked the Group's entry into yet another new city where the Group sees long term potential, the 15th in which we now operate. In line with our current land bank strategy, the time period between acquisition and commencement of pre-sale for these newly-acquired pieces of land is expected to be from eight to twelve months.

Business highlights of 2012

We began pre-sales for six new projects during the year; of particular note is the fact that the land purchased for four of these projects was completed within just 12 months of pre-sales starting. Indeed, R&F American Dream Island Phase 2 in Beijing began pre-sales just seven and a half months after land acquisition, while our Jiangwan New Town project in Harbin commenced pre-sales very rapidly despite the fact that we first entered the city for land acquisition less than a year earlier. By achieving such a short development cycle, we are able to optimize our operating cash flow and ensure competitiveness. The short project cycle was accomplished without any adverse effects on sales success; in fact, the first week of pre-sales of these projects generated significant sales together exceeding RMB1.3 billion. This model of quick asset turnover is one that we plan to expand in the years ahead.

Our hotel operations continue to expand, with two new hotels being added to our hotel portfolio in 2012. These were the Chongqing Hyatt Regency, and the Huizhou Renaissance. Our mature hotels continue to show improvement in operating results.

It has been a particularly eventful year on the financing front, and we have been very active in exploring new financing options to broaden our financial flexibility. The core of our financing continued to come from regular construction loans in 2012, but certain other developments are well worth mentioning. First, the Company's domestic corporate bonds with a sell-back option exercisable in October 2012 (the third anniversary date) were extended in their entirety for a further two years, but with only a 30 bps rise in interest. Secondly, we acquired RMB3.2 billion in funding from Ping An Trust Co. Ltd., as described in our interim report. Thirdly, the Group took advantage of favourable windows to re-tap its US$ 10.875% 5-year Senior Notes in August 2012 raising US$238 million and then, in January 2013, to issue US$600 million of 7-year Senior Notes. This ability to issue longer tenor senior notes showed both the depth of the offshore financing market and the maturity of the Group's credit. This new bond issue successfully adopted a new structure based upon a keepwell undertaking by the Company, instead of a formal guarantee requiring approval by PRC authority which would be a stringent and slow process. The ability to be quick to the capital market ensures we are able to capture market window with more certainty.

Strategic planning for 2013

As China's new leaders take the helm in 2013, we do not expect the general direction of the regulatory environment to change course. However, we do expect that the new Central Government will want to maintain a similar focus on the housing sector in order to achieve stable housing prices and sustainability. Indeed, the 2013 Measures support rather than contradict this view. The continuance of existing control measures to moderate housing price rises, a possible extension of the current city-based trial property tax to more cities, and wider construction of low-income housing, will be some of the factors that set the tone for the market in 2013.

Given the cautiously optimistic outlook, the Group's strategies for 2013 will be aimed at achieving an increase in its growth momentum compared with the moderate growth of the past few years. For 2013, we are looking to raise the pace and scale of our growth by such strategies as sourcing quality land and increasing asset turnaround. Specifically, we will be looking for land that lends itself to a short project cycle from acquisition to pre-sale. At the same time, we are aiming to build up a larger land bank portfolio, which may see us making more acquisitions in second- and third-tier cities while retaining our focus on selecting only prime locations. These changes will also be beneficial for preserving the Group's liquidity.

We will also be deploying resources on building and fine-tuning our brand image, along with our sales and marketing strategies. Having a respected brand name brings many advantages. In property development, brands gain critical mass when consumers can see multiple examples of the brand at work. To this end, we will focus on having multiple developments up or ongoing in a few selected cities, so local consumers can see the R&F brand at work on a larger scale. At the same time, we will be looking to make the market positioning of our offerings more precise (e.g. in terms of city location, likely income groups etc.), and to boost the attractiveness of our properties for sale by completing construction of sought-after ancillary facilities earlier than in the past, a move that should boost both sales volumes and prices.

At a macro level, we aim to build brand respect by getting involved in a more in-depth way in the major cities where we are operating. It is well-known that businesses that commit to massive investment in a community or locality generate strong longer-term benefits, specifically through the creation of a 'virtuous circle' of goodwill and trusted relationships that can extend to government authorities, local banks and suppliers, and of course the wider community. This is something the Group will be looking at ways of developing further in the coming year.

Effective cost control will remain a major focus of the Group's efforts in 2013. We are looking to further reduce costs in a number of ways, including through the use of a small but elite project team, and by engaging in joint sales and marketing campaigns of certain projects, making for a more efficient sharing of resources.

Looking ahead to 2013

We have already mentioned that we are looking to increase the rate of our growth in 2013. This will be grounded on construction new starts, which will translate into larger GFA under development and ultimately more properties available for sale. Our plans therefore are to increase our construction new starts by over 70% in 2013 to approximately six million sq.m., which will raise our GFA under development. These proposed increases break the mould of the last few years, being significantly higher.

As a result of a rich planned project pipeline, we are able to adopt a more optimistic view of contracted sales. Consequently, we have set a contracted sales target for 2013 of RMB42 billion, a planned rise of 23% over 2012. The target is based on the planned project launch schedule of 42 projects in total. As for delivery targets, we aim to deliver approximately 2.84 million sq.m. in 2013, with approximately 1/3 in the first half and 2/3 in the second half of the year.

We are now operating in 15 different cities, a sizeable number with regional diversification but without over-stretching resources. As such, expansion into new cities simply for expansion's sake is not a priority. The key factor will be opportunity, in terms of land bank availability and local market dynamics. Given our past experience however, and our current land bank strategy, it seems probable that in 2013 the Group will enter one or two new second- or third-tier cities.

After a period of adjustment to new housing controls, accompanied by proactive exploration of new funding options and ongoing steady but prudent land bank acquisition, the Group is in a strong position to step up its activities in 2013. We are not looking at a radical change of gear, simply a gentle increase in the pace at which we turn our projects around and tailor them for the marketplace. We have an excellent land bank, an established and growing reputation, and a strong brand name. We are expecting that in 2013, R&F will continue to mark itself out as one of China's best and most forward-looking property developers.

Acknowledgements

In the property industry, the goodwill, co-operation and active support of many different parties is vital for any company's success. We would here like to acknowledge some of those groups, especially the shareholders and investors who have supported us so loyally and enthusiastically in an era of considerable changes within our market. To our customers, the ones who bear witness to the value and quality of our products by actually buying them, we extend our warmest gratitude. Customer confidence is of the essence in building a brand name that has real value in the market place. Finally, thanks are due to the Company's Directors and many staff members. Their commitment and readiness to adapt and move us ahead is an inspiration, and the envy of many. All these parties have helped ensure a satisfactory year for R&F in 2012; for the year to come, their support is what will carry us forward with renewed confidence and vigour.

Consolidated Income Statement

(All amounts in RMB Yuan thousands unless otherwise stated)

	Note	Year ended 31 December 2012	Year ended 31 December 2011
Revenue	2	30,365,056	27,370,095
Cost of sales	4	(17,986,776)	(15,954,244)
Gross profit		12,378,280	11,415,851
Other gains – net	3	825,859	725,872
Selling and marketing costs	4	(454,006)	(471,804)
Administrative expenses	4	(1,522,400)	(1,452,454)
Other operating expenses		-	(9,197)
Operating profit		11,227,733	10,208,268
Finance costs	5	(1,501,609)	(1,139,152)
Share of results of jointly controlled entities		402,974	(19,131)
Share of results of associates		(87,333)	118,218
Profit before income tax		10,041,765	9,168,203
Income tax expenses	6	(4,382,415)	(4,333,387)
Profit for the year		5,659,350	4,834,816
Profit attributable to:			
– Owners of the Company		5,501,979	4,841,650
– Non-controlling interests		157,371	(6,834)
		5,659,350	4,834,816
Basic and diluted earnings per share for profit attributable to owners of the Company (expressed in RMB Yuan per share)	8	1.7224	1.5057

	Note	Year ended 31 December 2012	Year ended 31 December 2011
Dividends	7	1,916,621	1,920,470

Consolidated Statement of Comprehensive Income

(All amounts in RMB Yuan thousands unless otherwise stated)

	Year ended 31 December	
	2012	**2011**
Profit for the year	5,659,350	4,834,816
Other comprehensive income		
Fair value gain/(loss) on available-for-sale financial assets, net of tax	35,175	(4,200)
Other comprehensive income for the year, net of tax	35,175	(4,200)
Total comprehensive income for the year	5,694,525	4,830,616
Total comprehensive income attributable to:		
– Owners of the Company	5,537,154	4,837,450
– Non-controlling interests	157,371	(6,834)
	5,694,525	4,830,616

Consolidated Balance Sheet

(All amounts in RMB Yuan thousands unless otherwise stated)

		As at 31 December	
ASSETS	**Note**	**2012**	**2011**
Non-current assets			
Land use rights		850,398	680,069
Property, plant and equipment		5,489,200	4,124,919
Investment properties		13,347,220	12,687,557
Intangible assets		897,797	848,088
Interests in jointly controlled entities		3,795,093	3,355,575
Interests in associates		179,843	264,586
Deferred income tax assets		2,696,531	2,402,822
Available-for-sale financial assets		224,000	177,100
Trade and other receivables and prepayments	9	1,624,219	2,209,693
		29,104,301	26,750,409
Current assets			
Properties under development		39,427,395	33,087,780
Completed properties held for sale		7,964,288	6,035,545
Inventories		305,812	271,858
Trade and other receivables and prepayments	9	7,609,054	7,581,432
Tax prepayments		1,314,646	1,405,997
Restricted cash		5,835,622	2,899,620
Time deposits		-	1,300,000
Cash		7,026,092	4,826,243
		69,482,909	57,408,475
Total assets		98,587,210	84,158,884
EQUITY			
Equity attributable to owners of the Company			
Share capital		805,592	805,592
Other reserves		4,351,603	4,316,428
Shares held for Share Award Scheme		(167,364)	(165,924)
Retained earnings			
– Proposed final dividend		1,597,184	1,288,948
– Others		19,878,940	16,280,782
		26,465,955	22,525,826
Non-controlling interests		363,919	206,548
Total equity		26,829,874	22,732,374

LIABILITIES	Note	As at 31 December 2012	2011
Non-current liabilities			
Long-term borrowings		28,419,956	18,285,250
Deferred income tax liabilities		2,780,705	2,364,187
		31,200,661	20,649,437
Current liabilities			
Accruals and other payables	10	12,679,479	10,124,938
Deposits received on sale of properties		13,165,205	14,054,998
Current income tax liabilities		7,499,685	6,503,780
Short-term borrowings		1,432,052	352,033
Current portion of long-term borrowings		5,780,254	9,741,324
		40,556,675	40,777,073
Total liabilities		71,757,336	61,426,510
Total equity and liabilities		98,587,210	84,158,884
Net current assets		28,926,234	16,631,402
Total assets less current liabilities		58,030,535	43,381,811

1. General information

The Company and its subsidiaries mainly engages in the development and sale of properties, property investment, hotel operations and other property development related service in the PRC.

The Company is a limited liability company incorporated in the PRC. The address of its registered office is 45-54/F, R&F Center, No.10 Hua Xia Road, Guangzhou 510623, the PRC.

The shares of the Company were listed on The Main Board of Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 14 July 2005.

These financial statements are presented in RMB Yuan thousands (RMB'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 20 March 2013.

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties which are carried at fair values.

New and amended standards adopted by the Group.

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning 1 January 2012.

- HKAS 12 (Amendment), "Deferred tax: Recovery of underlying assets" is effective for annual periods beginning on or after 1 January 2012. It introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. HKAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. The amendment introduces a rebuttable presumption that an investment property measured at fair value is recovered entirely by sale.

  The amendment has no material impact on the Group's financial statements, as the business model of the Group's investment properties is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the presumption of HKAS 12 (Amendment) is rebutted and related deferred tax is not remeasured.

- HKFRS 7 (Amendment), "Disclosures – Transfers of financial assets" is effective for annual periods beginning on or after 1 July 2011. It promotes transparency in the reporting of transfer transactions and improves users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. This has no material impact on the Group's financial statements.

2. Segment information

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

As almost the entire Group's consolidated revenue and results are attributable to the market in the PRC and almost all of the Group's consolidated assets are located in the PRC, the Executive Directors consider the business mainly from product perspective. The Group is principally engaged in the property development, property investment and hotel operations. Other services provided by the Group mainly represent property management and property agency. The results of these operations are included in the "all other segments" column.

The Executive Directors assess the performance of the operating segments based on a measure of profit for the year. The information provided to the Executive Directors is measured in a manner consistent with that in the financial statements.

The segment information provided to the Executive Directors for the reportable segments for the year ended 31 December 2012 and the segment assets and liabilities at 31 December 2012 are as follows:

	Property development	**Property investment**	**Hotel operations**	**All other segments**	**Group**
Segment revenue	28,057,384	680,868	874,284	993,398	30,605,934
Inter-segment revenue	-	(52,541)	(44,015)	(144,322)	(240,878)
Revenue from external customers	28,057,384	628,327	830,269	849,076	30,365,056
Profit/(loss) for the year	5,331,595	742,625	(175,285)	(239,585)	5,659,350
Finance costs	(1,096,026)	(163,912)	(204,317)	(37,354)	(1,501,609)
Share of results of jointly controlled entities	402,974	-	-	-	402,974
Share of results of associates	(87,015)	-	-	(318)	(87,333)
Income tax expenses	(4,198,185)	(252,080)	58,429	9,421	(4,382,415)
Depreciation and amortisation	(130,138)	-	(153,249)	(24,581)	(307,968)
Goodwill disposed for sale of properties	(4,898)	-	-	-	(4,898)
Allowance for impairment losses	(2,575)	-	(206)	(1,316)	(4,097)
Fair value gain on investment properties – net	-	659,663	-	-	659,663
Segment assets	77,377,881	13,347,220	4,407,292	534,286	95,666,679
Segment assets includes:					
Interests in jointly controlled entities	3,795,093	-	-	-	3,795,093
Interests in associates	128,553	-	-	51,290	179,843
Additions to non-current assets (other than financial instruments and deferred tax assets)	276,493	-	827,862	79,667	1,184,022
Segment liabilities	25,110,250	-	145,613	588,821	25,844,684

The segment information for the year ended 31 December 2011 and the segment assets and liabilities at 31 December 2011 are as follows:

	Property development	**Property investment**	**Hotel operations**	**All other segments**	**Group**
Segment revenue	25,390,191	541,083	797,688	740,271	27,469,233
Inter-segment revenue	-	(50,039)	(39,610)	(9,489)	(99,138)
Revenue from external customers	25,390,191	491,044	758,078	730,782	27,370,095
Profit/(loss) for the year	4,510,954	451,929	(109,927)	(18,140)	4,834,816
Finance costs	(766,893)	(180,215)	(180,108)	(11,936)	(1,139,152)
Share of results of jointly controlled entities	(19,131)	-	-	-	(19,131)
Share of results of associates	116,942	-	-	1,276	118,218
Income tax expenses	(4,229,421)	(149,300)	36,642	8,692	(4,333,387)
Depreciation and amortisation	(109,030)	-	(134,503)	(6,252)	(249,785)
Goodwill disposed for sale of properties	(37,403)	-	-	-	(37,403)
Allowance for impairment losses	(521)	-	(448)	(283)	(1,252)
Fair value gain on investment properties – net	-	435,686	-	-	435,686
Segment assets	64,729,517	12,687,557	3,654,365	507,523	81,578,962
Segment assets includes:					
Interests in jointly controlled entities	3,355,575	-	-	-	3,355,575
Interests in associates	207,357	-	-	57,229	264,586
Additions to non-current assets (other than financial instruments and deferred tax assets)	439,700	-	-	21,882	461,582
Segment liabilities	23,485,416	-	258,789	435,731	24,179,936

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the income statement.

The amounts provided to the Executive Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

Deferred tax and available-for-sale financial assets held by the Group are not considered to be segment assets but rather are managed on a central basis.

Reportable segments' assets are reconciled to total assets as follows:

	31 December 2012	31 December 2011
Segment assets for reportable segments	95,666,679	81,578,962
Deferred income tax assets	2,696,531	2,402,822
Available-for-sale financial assets	224,000	177,100
Total assets per balance sheet	98,587,210	84,158,884

The amounts provided to the Executive Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed on a central basis.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	31 December 2012	31 December 2011
Segment liabilities for reportable segments	25,844,684	24,179,936
Deferred income tax liabilities	2,780,705	2,364,187
Current income tax liabilities	7,499,685	6,503,780
Current borrowings	7,212,306	10,093,357
Non-current borrowings	28,419,956	18,285,250
Total liabilities per balance sheet	71,757,336	61,426,510

3. Other gains – net

	2012	2011
Fair value gain on investment properties – net	659,663	435,686
Interest income	148,183	129,112
Dividend received from available-for-sale financial assets	2,100	-
Loss on disposal of investment properties	-	(29,602)
Gain on disposal of land use rights to local governments	-	150,203
(Loss)/gain on disposal of property, plant and equipment and land use rights	(746)	12,097
Others	16,659	28,376
	825,859	725,872

4. Expenses by nature

Expenses by nature comprising cost of sales, selling and marketing costs, administrative expenses and other operating expenses are analysed as follows:

	2012	2011
Crediting:		
Reversal of allowance for doubtful debts	(9,778)	(11,641)
Charging:		
Cost of completed properties sold	15,903,431	14,161,629
Business taxes and other levies	1,884,826	1,625,546
Employee benefit expense	796,329	763,725
Depreciation	265,177	227,541
Advertising cost	173,104	215,120
Amortisation of land use rights and intangible assets	42,791	22,244
Office expenses	112,549	103,831
Operating lease payments	14,706	9,873
Allowance for doubtful debts	13,875	12,893
Auditors' remuneration	9,212	7,824
Others	756,960	749,114
	19,972,960	17,899,340
	19,963,182	17,887,699

5. Finance costs

	2012	2011
Interest on bank loans	1,279,164	1,252,636
Interest on corporate bonds	421,675	390,513
Interest on senior notes	361,817	204,377
Interest on other borrowings	699,743	62,111
Interest on finance lease liabilities	9,462	-
Less: interest capitalised	(1,270,252)	(770,485)
	1,501,609	1,139,152

6. Income tax expenses

	2012	2011
Current income tax		
– PRC enterprise income tax (Note (b))	2,135,787	3,172,860
Deferred income tax	111,084	(1,269,272)
	2,246,871	1,903,588
Current PRC land appreciation tax (Note (c))	2,135,544	2,429,799
Total income tax expenses (Note (d))	4,382,415	4,333,387

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group did not have estimated assessable profit for the year (2011: Nil).

(b) PRC enterprise income tax

The PRC enterprise income tax is computed according to the relevant laws and regulations in the PRC.

For the year ended 31 December 2012, the applicable income tax rate for the profits generated from certain construction companies was 2%-3.75% based on the revenue throughout the year (2011: 2%-3.75% based on the revenue throughout the year); the applicable income tax rate for the profits generated from other business was primarily 25% (2011: 25%) based on taxable profits.

(c) PRC land appreciation tax

Certain PRC subsidiaries are also subject to the PRC land appreciation tax which is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction expenditure.

(d) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

	2012	**2011**
Profit before income tax	10,041,765	9,168,203
Less: Land appreciation tax	(2,135,544)	(2,429,799)
	7,906,221	6,738,404
Calculated at tax rate of 25% (2011: 25%)	1,976,555	1,684,601
Effect of different income tax regime of certain companies	44,211	(22,824)
Development costs not deductible for taxation purposes	171,408	67,292
Others	54,697	174,519
PRC enterprise income tax	2,246,871	1,903,588
Land appreciation tax	2,135,544	2,429,799
Tax charge	4,382,415	4,333,387

(e) The tax (charge) /credit relating to components of other comprehensive income is as follows:

	2012			**2011**		
	Before tax	Tax charge	After tax	Before tax	Tax credit	After tax
Fair value gain/(loss) of available-for-sale financial assets	46,900	(11,725)	35,175	(5,600)	1,400	(4,200)

7. Dividends

	2012	2011
Interim dividend paid of RMB0.10 (2011: RMB0.20) per ordinary share	322,237	644,473
Less: Dividend for shares held by Share Award Scheme at 30 June 2012	(2,800)	(1,751)
	319,437	642,722
Proposed final dividend of RMB0.50 (2011: RMB0.40) per ordinary share	1,611,184	1,288,948
Less: Dividend for shares held by Share Award Scheme at 31 December 2012	(14,000)	(11,200)
	1,597,184	1,277,748
	1,916,621	1,920,470

An interim dividend in respect of six months ended 30 June 2012 of RMB0.10 per ordinary share, totalling RMB322,237,000 was paid in September and December 2012 (six months ended 30 June 2011: RMB644,473,000), of which RMB2,800,000 was paid in respect of shares held by Share Award Scheme.

A final dividend in respect of 2011 of RMB0.40 per ordinary share, totalling RMB1,288,948,000 was paid in June and August 2012, of which RMB12,800,000 was paid in respect of shares held by Share Award Scheme.

A final dividend in respect of 2012 of RMB0.50 per ordinary share, totalling RMB1,611,184,000 which is based on the number of shares as at 31 December 2012 is to be approved by the shareholders at the Annual General Meeting ("AGM") on 29 May 2013, of which RMB14,000,000 is to be paid in respect of shares held by Share Award Scheme as at 31 December 2012, This proposed final dividend will be accounted for as an appropriation of retained earnings in the year ending 31 December 2013. These financial statements do not reflect this dividend payable.

The aggregate amounts of the dividends paid and proposed during 2012 and 2011 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.

8. Basic and diluted earnings per share

Earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year less shares held for Share Award Scheme.

	2012	2011
Profit attributable to owners of the Company	5,501,979	4,841,650
Weighted average number of ordinary shares in issue less shares held for Shares Award Scheme (thousands)	3,194,367	3,215,534
Earnings per share (RMB per share)	1.7224	1.5057

There were no dilutive potential shares during the years presented above.

9. Trade and other receivables and prepayments

	2012	2011
Trade receivables		
– Due from jointly controlled entities (Notes (a))	99,305	96,754
– Due from third parties (Note (a))	2,912,248	1,827,962
	3,011,553	1,924,716
Less: allowance for impairment of trade receivables (Note (a))	(1,818)	(2,737)
Trade receivables – net	3,009,735	1,921,979
Other receivables (Note (b))	2,714,903	2,992,091
Prepayments (Note (c))	1,084,430	2,492,803
Due from jointly controlled entities	1,317,840	1,269,600
Due from associates	1,139,377	1,142,648
Less: allowance for impairment of other receivables (Note (e))	(33,012)	(27,996)
Total (Note (d))	9,233,273	9,791,125
Less : non-current portion	(1,624,219)	(2,209,693)
Current portion	7,609,054	7,581,432

The carrying amounts of trade and other receivable approximate their fair values.

(a) Trade receivables

Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Generally, purchasers of properties are required to settle the balances within 90 days as specified in the sale and purchase agreements. Purchasers of certain office and commercial units are required to settle the outstanding balances within 12 months as specified in the sale and purchase agreements. The ageing analysis of trade receivables at 31 December 2012 is as follows:

	2012	**2011**
0 to 90 days	2,010,999	906,943
91 to 180 days	149,012	428,877
181 to 365 days	350,790	389,779
1 year to 2 years	386,827	102,765
Over 2 years	113,925	96,352
	3,011,553	1,924,716

Trade receivables are analysed as below:

	2012	**2011**
Fully performing under credit terms	2,849,395	1,742,691
Past due but not impaired	160,340	179,288
Non-performing and impaired	1,818	2,737
Trade receivables	3,011,553	1,924,716
Less: allowance for impairment	(1,818)	(2,737)
Trade receivables – net	3,009,735	1,921,979

As at 31 December 2012, trade receivables of RMB1,818,000 were impaired and fully provided for (31 December 2011: RMB2,737,000). The individually impaired receivables mainly relate to certain independent customers which are in unexpectedly difficult economic situations.

For past due but not impaired receivables, the Group has the right to cancel the sales contracts and take over the legal title and possession of the underlying properties for re-sales. Therefore, the Directors consider that the receivables would be recovered and no provision was made against these receivables as at 31 December 2012 (31 December 2011: Nil).

Movements on the allowance for impairment of trade receivables are as follows:

	2012	**2011**
At 1 January	2,737	2,756
Reversal for doubtful debts	(919)	(19)
At 31 December	1,818	2,737

(b) Other receivables

The ageing analysis of other receivables at 31 December 2012 is as follows:

	2012	**2011**
0 to 1 year	788,639	781,683
1 year to 2 years	351,634	2,094,769
2 year to 3 years	1,505,633	77,916
Over 3 years	68,997	37,723
	2,714,903	2,992,091

It mainly represents deposits for acquisitions of land use rights through tendering system. Such deposits will be transferred to prepayments when the tender is successful. Payments on land acquisitions will be made in accordance with the payment terms as stipulated in the land acquisition contracts. The land acquisition costs which are contracted but not provided for are included in commitments.

Other receivables are analysed as below:

	2012	**2011**
Performing under normal business	2,681,891	2,964,095
Non-performing and impaired	33,012	27,996
Other receivables	2,714,903	2,992,091
Less: allowance for impairment	(33,012)	(27,996)
Other receivables – net	2,681,891	2,964,095

(c) It mainly represents prepayments for acquisitions of land use rights and prepayments for purchases of construction materials.

(d) The carrying amounts of the Group's trade and other receivables and prepayments as at 31 December 2012 and 2011 are denominated in RMB.

(e) Movements on the allowance for impairment of other receivables are as follows:

	2012	**2011**
At 1 January	27,996	26,725
Allowance for doubtful debts	13,875	12,893
Reversal of allowance for doubtful debts	(8,859)	(11,622)
At 31 December	33,012	27,996

10. Accruals and other payables

	2012	2011
Amounts due to jointly controlled entities (Notes (b)	1,096,399	809,056
Amounts due to associates (Notes (b))	-	70,290
Construction payables (Note (c))	7,092,377	6,071,992
Other payables and accrued charges (Note (d))	4,490,703	3,173,600
	12,679,479	10,124,938

(a) The carrying amounts of the Group's accruals and other payables are denominated in RMB, except for balance due to a jointly controlled entity amounted to RMB366,415,000 as at 31 December 2012 (31 December 2011: RMB457,164,000) which is denominated in HKD.

(b) The amounts are unsecured, interest free and are repayable on demand.

(c) Construction payables comprise construction costs and other project-related expenses payable which are based on project progress measured by project management team of the Group. Therefore, no ageing analysis for trade payables is presented.

(d) The balance mainly represents interest payables, accruals and other tax payables excluding income tax.

(e) The carrying amounts of accruals and other payables approximate their fair value.

BUSINESS REVIEW

The global economy faced many headwinds in 2012. The European debt crisis lingered on and the US fiscal cliff towards the end of the year overshadowed prospects of any potential and (at best) fragile economic recovery. The state of the global economy weighed on China's own economy, which recorded annual GDP growth of just under 8%. Although its 2012 growth rate was lower than recent years, the Chinese economy remained fundamentally sound with the urbanization process continued in full swing. Urbanization is one of the four strategic directions of development laid out at the 18th National Congress of the CPC in November 2012; as a driver of domestic consumption, it is a powerful force behind the unabated heavy rigid demand for property. Amid a regulated business environment, this rigid demand fed a resilient property market that showed distinct signs of recovery in the last quarter of the year.

Contracted sales

The Group achieved its contracted sales target for 2012. Actual contracted sales amounted to RMB32.2 billion, an increase of 13% from the previous year's total. Contracted sales were derived from projects in 14 cities and areas, two more than in 2011. Of the 12 cities and areas with contracted sales for comparison with the previous year, eight registered increases in 2012. In the cities where we offered products especially suited to rigid demand for properties, more significant increases in contracted sales were achieved. This included increases of 92% in Taiyuan, 73% in Chongqing and 26% in Xian, cities which together posted combined contracted sales of RMB5.69 billion. Guangzhou's contracted sales remained the highest among all cities at RMB8.44 billion, approximately 15% less than the amount for 2011. In terms of GFA, however, contracted sales there reduced by 42%, reflecting the much higher average selling price of RMB18,890 per sq.m. for the year, against RMB12,860 per sq.m. the previous year. The current year's average selling price was a more typical one for Guangzhou, where sales normally include a significant portion of commercial properties as well as generally higher-priced residential properties; the city's 2011 average selling price was affected by sales of a one-off low income housing project. Overall for the Group, contracted sales in GFA increased by 32% to 2.876 million sq.m. from 2.187 million sq.m., accompanied by a decrease in average selling price to RMB11,200 per sq.m. from RMB13,040 per sq.m. in the previous year. As always, sales mix was a major factor in determining the overall average selling price; the change in the average selling price was due in part to increasing weighting being given to sales of properties that cater to rigid demand.

Details of the Group's 2012 contracted sales by geographical distribution are set out below:

Location	**Approximate saleable area sold (sq.m.)**	**+/- % vs. 2011**	**Approximate total value (RMB million)**	**+/- % vs. 2011**
Guangzhou	447,000	-42%	8,443	-15%
Beijing and vicinity	569,000	88%	7,025	3%
Tianjin	299,000	27%	4,245	14%
Xian	170,000	33%	1,341	26%
Chongqing	362,000	118%	1,893	73%
Chengdu	88,000	-31%	896	-21%
Huizhou	132,000	529%	996	408%
Hainan	57,000	-20%	830	-12%
Shanghai and vicinity	140,000	21%	1,702	20%
Taiyuan	432,000	196%	2,454	92%
Shenyang	17,000	-32%	175	-37%
Nanjing	94,000	25%	1,215	100%
Harbin	44,000	N/A	863	N/A
Datong	25,000	N/A	122	N/A
Total	**2,876,000**	**32%**	**32,200**	**13%**

Projects under development

Through optimal allocation of resources, the Group maintained a pace and scale of development in 2012 which enabled it to fulfil the year's delivery target and build up saleable resources in support of its contracted sales plan. The Group started the year with approximately 6.86 million sq.m. of GFA under development, spread across 39 projects in 14 cities and areas. During the year, the Group completed 2.85 million sq.m. GFA of properties for sale, and began construction of 28 projects of approximately 3.35 million sq.m. GFA. The Company's GFA under development at the end of the year therefore increased by 7% to approximately 7.36 million sq.m., distributed across 39 projects. When this area under construction is put together with planned construction new starts in 2013, they are together estimated to make available pre-sale permits for properties with an approximate value of up to RMB75 billion, providing a solid basis for the Company's sales target and delivery plans for 2013.

Location	Number of projects	Approximate total GFA (sq.m.)	Approximate saleable area (sq.m.)
Guangzhou	8	1,570,000	1,145,000
Beijing and vicinity	7	1,340,000	1,077,000
Tianjin	5	1,123,000	760,000
Xian	1	199,000	181,000
Chongqing	1	834,000	700,000
Chengdu	2	182,000	149,000
Shanghai and vicinity	2	109,000	105,000
Shenyang	1	10,000	10,000
Hainan	3	300,000	296,000
Taiyuan	4	771,000	611,000
Huizhou	2	357,000	303,000
Harbin	1	240,000	199,000
Nanjing	1	149,000	107,000
Datong	1	172,000	144,000
Total	**39**	**7,356,000**	**5,787,000**

Southern and Western China

Guangzhou is the growth engine of southern China. The city has invested heavily in infrastructure in recent years, at a pace that was accelerated to support the 16th Asian Games hosted by the city in 2010. The city is now enjoying the economic benefits of these investments, as more business enterprises and their skilled professional personnel have been drawn to the city by its efficient business environment. Despite regulatory measures, the growing middle class population has provided strong support for property demand.

Contracted sales for Guangzhou in the year amounted to RMB8.44 billion, and mainly derived from sales of five projects: R&F Yingkai Plaza, R&F Yingtong Plaza, R&F Tangning Garden, R&F Jingang City, and R&F Spring World. R&F Yingkai Plaza and R&F Yingtong Plaza are both commercial properties in Pearl River New Town, the CBD of Guangzhou, where the Group has a very strong presence. R&F Yingkai Plaza, located next to the Group’s headquarters building, R&F Center, is a grade-A office building with a Park Hyatt hotel yet to come on its upper floors. The project includes a rare complete set of amenities and offers purchasers superb value. During the year approximately RMB2.74 billion worth of properties were sold there, making the project first in Guangzhou in the four categories of sales value, GFA sold, average selling price, and number of commercial property units sold. R&F Yingtong Plaza is another project in the Group’s series of commercial projects in Pearl River New Town starting with “Ying”, a prefix which has become synonymous with quality and high standards. Building on a strong pedigree, R&F Yingtong Plaza rang up RMB480 million in sales on launch and generated RMB820 million during the year. R&F Tangning Garden, located in the old Liwan District of Guangzhou, comprises high-rise apartments as well as villas and link houses. The high-rise apartments all practically sold out upon sales launch, while the unique villa and link houses were eagerly sought after by higher-end purchasers. In total R&F Tangning Garden generated RMB1.26 billion in contracted sales, of which RMB280 million came from sales of villas and link houses. R&F Jingang City was the other key residential project for the year. Located in north Guangzhou, the project sold over 2,000 units in the year and was among the top sales projects in Guangzhou in terms of units sold. With the average selling price also increasing by approximately 16% in the year to reach RMB6,850 per sq.m., the project generated RMB1.25 billion in contracted sales. R&F Spring World in Conghua is approximately 1.5 hour commute from the Guangzhou city center, and is the only large-scale resort and leisure type development in the area to possess golfing and hot spring facilities. With marketing efforts focused on high-end past customers, the project recorded RMB440 million in contracted sales for the year. Sales of retail spaces and car parks in various projects also made significant contributions to the year's contracted sales.

Chongqing, having established itself as a manufacturing center for key industries such as the electronics and automobile industries, is now also taking shape as a financial center for the upper Yangtze River region. With these two streams of economic activity, the city's economy in 2012 was robust; in terms of exports it ranked among the top 10 of all Chinese cities.

The Group's total contracted sales for the year in the city increased by 73% to RMB1.89 billion. The Group's multi-phased mega project Chongqing R&F City was the only project under development and for sale in 2012, as it was in the previous year. The fact that quite significant sales growth was achieved despite sales being from just a single project demonstrates the advantages of mega projects like Chongqing R&F City. The project occupies a site of 2.6 million sq.m. in an area designated to become Chongqing's 'university city', and upon final completion it will have a total GFA of approximately 6.8 million sq.m. The scale of the project and the way it has been refined over its successive phases of development to suit changing market demand has fostered sales growth over a prolonged period; Chongqing R&F City was in its seventh year of development in 2012, a year which saw its highest annual contracted sales ever. Up to the end of 2012, GFA of approximately 880,000 sq.m. had been completed and cumulative contracted sales from the project amounted to approximately RMB6.0 billion.

Chengdu now ranks third among sub-provincial cities in China in terms of GDP, just behind Guangzhou and Shenzhen. The city's economy achieved healthy growth within a larger Chinese economy which faced downward pressure in the year; GDP increased by 13% to exceed RMB800 billion and the disposable income of the city's urban population increased at a similar rate.

Contracted sales in Chengdu amounted to RMB896 million, derived from three projects: residential developments R&F Peach Garden and R&F Ritz International Apartments, and the commercial building R&F Center. At RMB430 million, contracted sales of R&F Ritz International Apartments were slightly slower than expected. However, the project is adjacent to the Chengdu R&F Ritz-Carlton Hotel, so the project's appeal to purchasers will be significantly enhanced with the planned completion of the hotel in the first half of 2013, and could become a main driver of sales in Chengdu in 2013. The commercial project R&F Center was almost completely sold in the year.

Hainan's property market is one of a kind in China. Properties for vacationing or retirement form a major part of developments on the island, so by nature many property purchasers are not first-time home buyers, or are investors. The regulatory measures that so effectively weeded out the speculative elements from this group of buyers have without doubt dampened Hainan's property market. However, given the island's favourable year-round warm weather and other unmatched natural advantages, there remains substantial non-speculative and long-term investment demand for vacation or retirement properties on the island. This is evident from sales achieved in the year, despite the overall market remaining sluggish.

The Group's contracted sales for the year rose modestly, from three projects; R&F Bay Shore, R&F Yingxi Valley, and R&F Mangrove Bay. R&F Yingxi Valley is located on Haikou's west coast and is comprised of villas and link houses, while R&F Mangrove Bay is located at Chengmai Town adjacent to 99 hectare of mangrove forest. These two projects partly offer smaller sized units of around 90 sq.m., and the satisfactory sales recorded there demonstrated ongoing demand for resort or retirement properties carrying a lower price tag. The third project, R&F Bay Shore, is a mix of resort style low-rise apartments with additional facilities that include a resort hotel and a yacht club at Xiangshui Bay. It is in its fifth year of sales.

Huizhou covers an area of approximately 22,300 sq.km., divided into five administrative regions; it is a fast growing economy in the Pearl River Delta region with a strong electronics industry sector boasting major brand names, as well as a sizable petrochemical industry.

Contracted sales for Huizhou jumped four fold to RMB996 million, from RMB196 million in the previous year. Sales were mainly from R&F Ligang Center, the Group's high-end integrated property development which is now a landmark of the Huizhou CBD. During the year, the remaining inventory of R&F Ligang Center was cleared out and a new villa project, Longmen R&F Hot Spring Villa was launched. The project's unique location, combined with smart marketing tactics and a reasonable price-tag, helped to sell over 390 units of the first two phases in a short period upon launch, bringing in RMB620 million in contracted sales. Sales continued at the mixed development R&F Modern Plaza in Boluo, launched in late October 2011; sales of RMB185 million were recorded, up from RMB66 million in 2011.

Northern and Eastern China

Beijing was the second city that the Group entered for business, back in 2003, and since then it has carried a product line comparable to Guangzhou's both in number and diversity. Contracted sales for the year, in which it again ranked just behind Guangzhou, amounted to RMB7.03 billion. This was up slightly from 2011, and accounted for 22% of the Group's total contracted sales.

The impact of new projects on contracted sales was especially noticeable in Beijing. Nine projects were the main contributors to Beijing's contracted sales; these included both mature projects such as the flagship R&F Festival City, and several newer projects. The second phases of R&F Danish Town and Xianghe R&F New Town, both newly launched in the year, together with R&F Golden Jubilee Garden and R&F Shengyue Court, accounted for over 80% of Beijing's total contracted sales. The latter two projects were also more recent projects, having been launched in 2010 and 2011 respectively. Despite its suburban location, Xianghe R&F New Town achieved contracted sales well in excess of the target set for the project, of RMB1.20 billion. This outstanding result was achieved due to very successful efforts in building an image of a grand development, by completing many amenities at an early stage and having a very sizable area under construction. As for the second phase of R&F Danish Town, creative marketing also made possible better-than-expected sales of RMB1.83 billion, as compared to RMB1.14 billion for the first phase in 2011, with the average selling price approximately 30% higher.

Tianjin, with contracted sales of RMB4.25 billion in the year, ranked third among all cities in which the Group operated. The key project in the city is the flagship project Tianjin R&F Jinmen Lake, now in its sixth year of development. Acquired in 2007, R&F Jinmen Lake has recorded cumulative sales to date of RMB10.7 billion, including RMB3.19 billion in 2012. The massive scale of R&F Jinmen Lake, together with continuous improvement of the surrounding environment, has enabled sales of this project to reach new highs year after year. It again achieved record sales 2012, an achievement definitely facilitated by the completion of renovations that further beautified the man-made lake which is central to the development. This will probably benefit future sales too, since approximately 750,000 sq.m. is yet to be delivered. Besides R&F Jinmen Lake, the other projects of significance in Tianjin were R&F Peach Garden, a residential development, and R&F Center, an office building located in the heart of Tianjin's CBD.

In addition to its 100% owned projects, the Group also held a one-quarter interest in Tianjin Jinnan New City, a large-scale mixed development with a site area of 1.29 million sq.m. and a GFA of over 3 million sq.m.

Xian has contributed steadily to the Group's contracted sales in recent years. Its one project in the city, Xian R&F City, generated RMB1.34 billion in the year, an increase from RMB1.06 billion the previous year. Xian R&F City is a large multi-phased residential project with a total GFA of over one million sq.m., and is now close to completion after seven years of development. The project achieved further growth in sales by leveraging the sales momentum provided by smaller units to promote larger sized units. Villas were also offered for sale in the final month of the year; 24 units were sold within hours of launch, bringing in RMB152 million in contracted sales.

Shanghai and its vicinity recorded the highest contracted sales ever of RMB1.70 billion in the year from two projects: R&F Bay Shore in Kunshan and R&F Peach Gardens in Qingpu District, both low-density residential developments. R&F Peach Gardens came top in Qingpu District both in terms of the number of units sold and GFA sold. The project was wound up with practically all inventory having been sold. R&F Bay Shore managed to achieve satisfactory sales in a still difficult market by using the fact of its superb lake views of the Kunshan area to emphasize the relaxing lifestyle available there, and consequently grasped a substantial share of property sales in the area.

The Group is also developing a mixed project of residential properties, retail spaces, offices and a hotel in the Yangpu District of metro Shanghai, in a joint venture with KWG Property Holdings Limited. The residential portion, named California Place, commenced sales toward the end of 2011.

Nanjing is among the top 20 cities in China in terms of GDP and disposable income per capita. Its property market has considerable depth and provides ample opportunities for the Group to expand there.

The Group's single project in the city, Nanjing R&F City, is a mixed use development with both commercial and residential components. The project is located on a 572,000 sq.m. site in the Qilin High-Tech Incubation Park, in Nanjing's Jiangning District. Sales of Nanjing R&F City were successfully launched in October 2011, the same year in which the project site was first acquired. The Group's acquisition was based on what it saw as the considerable potential of the Qilin High-Tech Incubation Park, a fact which has become more evident in the past year as (1) a wide variety of projects have confirmed that they will base themselves in the Park; 2) the light rail serving the district is expected to open prior to the 2014 Youth Olympic Games being hosted by the city, and 3) construction of a 3.7 sq.km. central park has commenced. Such developments have helped boost the appeal of Nanjing R&F City tremendously. Contracted sales from Nanjing R&F

City approximately doubled to RMB1.22 billion in the year, of which approximately 73% came from residential units due to very strong demand from Nanjing home-buyers. Cumulative contracted sales in GFA for Nanjing R&F City amount to approximately 169,000 sq.m., of a total GFA of 545,000 sq.m. for the whole project.

Taiyuan is a market with property demand tilted towards the rigid demand type. The Group achieved a breakthrough by offering five projects in the year in the city and achieving contracted sales of RMB2.45 billion, an increase of 92% from RMB1.28 billion the prior year. With the exception of the more upmarket R&F Edinburgh Apartment, these projects all catered to rigid demand and home upgrading, matching the city's mainstream demand. Aside from R&F Edinburgh Apartment, the other four projects were Taiyuan R&F City and Taiyuan R&F Modern Plaza, continuing from the previous year, and new projects Taiyuan Peach Garden and Taiyuan American Dream Island. Taiyuan R&F City, located on a site with a total GFA of approximately 2.1 million sq.m., is the largest of the Group's projects in northern China and will be developed in seven phases. The project is now in its second phase and the very complete ancillary facilities promised to purchasers have materialized, helping sales stay strong throughout the year. The project recorded RMB1.49 billion of contracted sales in the year, bringing cumulative sales to RMB4.33 billion since its first launch in July 2008. Taiyuan R&F Modern Plaza sold its last unit early in the year, having sold 2,948 units over the project's 2.5 years lifespan. R&F Peach Garden was launched in mid-December 2012 and recorded RMB173 million of contracted sales in just two weeks due to targeted marketing efforts ahead of launch. R&F Edinburgh Apartment, with full-year sales that increased four fold to reach RMB234 million, has established itself as a market leader in the north Taiyuan luxury property market.

Datong was the second city the Group entered in Shanxi Province. The site for the first project in the city, Datong R&F City, was acquired in December 2011, and sales were launched just 11 months later in November 2012. Although this residential project is the Group's first venture into the city, the R&F brand name is well known among potential purchasers in Datong, and 182 units were sold on the first day of sale. Total contracted sales for the year amounted to RMB122 million, representing 231 units sold.

Shenyang will be hosting the 12^{th} National Games in 2013 and the location of the R&F Xianhu project holds tremendous potential, standing as it does alongside the athletes' village. The project's ancillary facilities within the project perimeter have now been completed. Together with its advantages of location, this has made R&F Xianhu project the top pure villa development in its locality. In 2012, 45 villas were sold at an average selling price of RMB10,300 per sq.m.

Harbin is the northernmost city where the Group now operates, after it acquired a site with GFA of approximately 700,000 sq.m. in 2011. The site has since been developed into a mixed residential/commercial project, Harbin Jiangwan New Town. In less than a year, Harbin Jiangwan New Town has become one of the hottest projects in Harbin, attracting much media attention and becoming regarded as "the property project with the most potential for capital appreciation in Harbin". Despite the sales launch of the project being in October, already a low season month for property sales due to the cold weather, approximately RMB600 million in contracted sales was recorded on the first day. Total contracted sales for the year amounted to RMB863 million, or 44,000 sq.m. sold.

Land bank

The Group was relatively active in exploring land acquisition opportunities, especially in the second half of the year, while its overall approach continued to remain conservative and balanced. The Group prefers to acquire land with conditions that allow for a short project cycle from acquisition to sales commencement. During the year, the Group added four plots of land to its land bank with a total attributable GFA of 1,532,000 sq.m. One of the plots was at Majuqiao in Beijing, with GFA of 326,000 sq.m. Another piece of land was at Nansha, with GFA of 199,000 sq.m. The Group's total land bank at year-end increased to 28.6 million sq.m. GFA. Details are given below:

Location	Approximate total GFA (sq.m.)	Approximate saleable area (sq.m.)
Development Properties		
Guangzhou	3,741,000	3,467,000
Huizhou	4,473,000	4,473,000
Hainan	3,099,000	3,016,000
Chongqing	5,199,000	5,199,000
Chengdu	680,000	561,000
Shanghai and vicinity	391,000	391,000
Hangzhou	280,000	280,000
Nanjing	476,000	416,000
Beijing and vicinity	2,670,000	2,507,000
Tianjin	2,527,000	2,072,000
Xian	338,000	338,000
Taiyuan	2,850,000	2,825,000
Datong	392,000	392,000
Harbin	700,000	700,000
Shenyang	90,000	90,000
Investment Properties	710,000	693,000
Total	**28,616,000**	**27,420,000**

Investment Properties

Two hotels were added to the Group's investment property portfolio in the year; they were the Hyatt Regency Chongqing Hotel opened in August, and the Renaissance Huizhou Hotel opened in April. Both hotels are operated by reputable hotel management companies with which we already have a successful working relationship, and we expect outstanding performances from these two hotels once their operations mature. With these new additions, the Group owned six hotels at the end of the year. The four existing hotels, the Ritz Carlton and the Grand Hyatt in Guangzhou, and the Renaissance Beijing Capital Hotel and the Holiday Inn Express Temple of Heaven Beijing in Beijing, further improved their performance. Hotel occupancy stayed at a high level with improvements in room rates despite severe competition, especially in Guangzhou. As for the other categories of investment properties, rental office buildings and shopping malls, no new additions were made during the year. The jewel in the crown of the Group's office buildings is the Guangzhou R&F Center. Its excellent location in Pearl River New Town, within Guangzhou's thriving business district, together with its superb building quality and management standards, have helped the Guangzhou R&F Center attract steady and escalating rental income year after year. As for shopping malls, the Viva Beijing R&F Plaza in Beijing has evolved into an elegant and contemporary shopping mall that attracts not only shoppers from the neighbourhood but also those from further afield looking for an enjoyable shopping experience. This successful transformation has been reflected in its operating results. The Group intends to replicate the success of the Viva Beijing R&F Plaza in Tianhu Mall in Chengdu Panda City, which currently has room for further improvements.

Investment properties completed or in the pipeline are as follows:

Investment properties	**Location**	**Description**	**Approximate total GFA (sq.m.)**
Guangzhou			
The Ritz-Carlton, Guangzhou*	Pearl River New Town J2-7	5-star hotel 351 rooms and 91 serviced apartments	104,000
Grand Hyatt, Guangzhou*	Pearl River New Town F1-2	5-star hotel 375 rooms	115,000
R&F Center*	Pearl River New Town J1-4	55-storey office building	163,000
Holiday Inn Airport Guangzhou	R&F Jingang City	4-star hotel 350 rooms	38,000
Park Hyatt, Guangzhou	Pearl River New Town J1-1	5-star hotel 176 rooms	66,000
Conrad, Guangzhou#	Pearl River New Town Liede Village	5-star hotel 350 rooms	39,000
Beijing			
Renaissance Beijing Capital Hotel*	Beijing R&F City	5-star hotel 540 rooms	120,000
R&F Center*	Beijing R&F City	Office building	60,000
Viva Beijing R&F Plaza*	Beijing R&F City	Shopping mall	111,000
Holiday Inn Express Temple of Heaven Beijing*	R&F Xinran Court/Plaza	4-star hotel 321 rooms	22,000
Tianjin			
Marriott Hotel	Tianjin R&F City	5-star hotel 400 rooms	58,000
Tianjin R&F City Commercial Complex	Tianjin R&F City	Shopping mall	43,000
Huizhou			
Renaissance Huizhou Hotel*	Ligang Center	5-star hotel 342 rooms	54,000
Hilton Huizhou Longmen Resort	Longmen R&F Hotspring Villa	5-star hotel 350 rooms	45,000
Chongqing			
Hyatt Regency Chongqing Hotel*	Jiangbei District	5-star hotel 321 rooms	46,000
Chengdu			
R&F Tianhui Mall*	Chengdu Panda City	Shopping Mall	255,000
Ritz-Carlton Chengdu	Chengdu Panda City	5-star hotel 350 rooms	59,000

Investment properties	Location	Description	Approximate total GFA (sq.m.)
Hainan			
Doubletree Resort by Hilton, Haikou - Chengmai	R&F Mangrove Bay	5-star hotel 300 rooms	38,000
Xian			
R&F Holiday Inn Xian	Xian R&F City	4-star hotel 380 rooms	50,000

* Completed
\# Joint Venture Project

Outlook

A new round of regulatory measures was announced in February 2013; at this moment, the likely impact of these is hard to gauge. Despite uncertainties about what may follow, the Group's tested strategies have proved effective in navigating the Group through good and difficult business environments alike, and helping it achieve sustainable healthy growth. For 2013, the Group's overall business plan includes an expectation of more significant growth; its contracted sales target for 2013 is RMB42 billion, approximately 23% more than its 2012 contracted sales and a proposed growth rate higher than in any of the past three years. This contracted sales target is being supported by well-planned marketing, and coordinated efforts to enlarge the GFA under construction to build up a sufficient project pipeline. The target figure will be achieved from sales of 42 projects in 15 cities. Delivery of properties will be 2.84 million sq.m. with details set out below:

Location	To be completed in 1st half of 2013		To be completed in 2nd half of 2013	
	Approximate total GFA (sq.m.)	Approximate total saleable area (sq.m.)	Approximate total GFA (sq.m.)	Approximate total saleable area (sq.m.)
Guangzhou	216,000	169,000	464,000	360,000
Huizhou	168,000	135,000	34,000	34,000
Hainan	-	-	122,000	120,000
Chongqing	184,000	182,000	267,000	202,000
Chengdu	-	-	125,000	88,000
Beijing and vicinity	116,000	59,000	403,000	361,000
Tianjin	134,000	113,000	325,000	229,000
Taiyuan	87,000	81,000	338,000	262,000
Xian	89,000	81,000	110,000	100,000
Shenyang	-	-	10,000	10,000
Shanghai and vicinity	31,000	31,000	53,000	49,000
Datong	-	-	24,000	23,000
Nanjing	137,000	98,000	64,000	49,000
Total	**1,162,000**	**949,000**	**2,339,000**	**1,887,000**

FINANCIAL REVIEW

The Group's net profit for the year increased by 17.1% to RMB5.659 billion, from RMB4.835 billion the previous year. Of the results by the main business segment of the Group, net profit of the core business of property development rose by RMB821 million on a 10.5% increase in turnover from sale of properties and was the primary factor behind the better overall Group results. The four mature hotels of the Group continued to performed well but the expensing of the pre-operating expenditures of the two new hotels opened in the year resulted in the hotel operation recording an operating loss of RMB29.4 million as compared to an operating profit of RMB33.5 million in the prior year. Results from the Group's property investment segment included changes in the fair value of its investment properties. The same investment property portfolio came up with fair value gains for the year amounted to RMB660 million as compared to RMB436 million the previous year, and net profit from the segment increased to RMB743 million from RMB452 million accordingly. However, if the effect of fair value gains is excluded, net profit from the segment increased by RMB123 million, mainly as a result of steady growth in the Group's rental income. The Group's other business segments (including property management services, construction services and the soccer team) recorded a net loss of RMB240 million.

The Group carries out its core business of property development in 12 cities. The following comments, with the exception of #7 (on financing costs) and #9 (on net profits), relate only to the results from sales of properties:

1. Turnover increased by 10.5% to RMB28.06 billion, from RMB25.39 billion in the previous year. This turnover was based on delivery of 2.152 million sq.m. of sale properties in the year, approximately 2.6% less than the 2.209 million sq.m. delivered the previous year reflecting 13% increase in overall average selling price to RMB13,040 per sq.m. from RMB11,500 per sq.m. Overall average selling price reflected both the price levels and the sale mix. Price level was generally higher as seen from the selling price of main continuing projects with comparable selling prices from the previous year; out of 22 such projects, the majority had price increases to various extents. The effect of sale mix was also quite apparent with high-end residential properties, R&F City No.10 in Beijing and R&F Junhu Palace in Guangzhou, and commercial properties in Guangzhou's CBD, R&F Yingsheng Plaza and R&F Yingzun Plaza, forming a significant portion of the total turnover. These four projects here mentioned made up approximately 27% of turnover and had project average selling price ranging from RMB27,840 to RMB43,010 per sq.m. which were well over the overall average. For turnover by city, Guangzhou again was highest followed by Beijing and Tianjin accounting for 26%, 20% and 18% (2011: 28%, 27% and 13%) of total turnover respectively. Guangzhou's turnover increased 3% to RMB7.419 billion (2011: RMB7.213 billion). Six main projects, made up of four residential projects and two commercial projects, contributed 98% of this turnover. Turnover from the residential projects included the first delivery of R&F Tangning Garden of RMB1.341 billion and significant delivery from R&F Junhu Palace of RMB2.178 billion. Together with turnover from R&F Jin Gang City and R&F Hot Spring Village, turnover from residential projects exceeded that from commercial projects in the year reversing the position in the prior year. The two commercial projects located in Pearl River New Town, R&F Yingsheng Plaza and R&F Yingzun Plaza, together had a turnover amounted to RMB2.384 billion. The average selling price in Guangzhou rose by 20% to RMB18,230 per sq.m. cause partially by the higher price of R&F Yingsheng Plaza at RMB39,120 per sq.m. and that of R&F Junhu Palace's at RMB27,840 per sq.m. Turnover in Beijing decreased to RMB5.654 billion (2011: RMB6.941 billion). R&F Festival City which had been a main project contributing to turnover for several years was nearing completion except for its office building portion and delivery in the year fell significantly to RMB427 million (2011: RMB2.788 billion). Delivery of the high-end residential project R&F City No.10 which

generated RMB3.154 billion in turnover boosted turnover in Beijing but not sufficiently to avert a decrease in total for the city. Average selling price, however, increased 30% to RMB20,440 per sq.m. from RMB15,690 per sq.m. mainly as R&F City No.10, accounting for 56% of Beijing's total turnover, carried an average selling price of RMB43,010 per sq.m. Turnover from three projects in Tianjin together produced a record high turnover for the city at RMB4.925 billion. The flagship project, R&F Jinmen Lake, alone delivered a massive 258,500 sq.m. (2011: 57,500 sq.m.) at average selling price of RMB16,090 per sq.m. (2011: RMB14,890 per sq.m.) generating RMB4.159 billion (2011: RMB856 million). Aside from the three cities mentioned above, five other cities had turnover exceeding RMB1 billion viz. Chongqing and Taiyuan which also exceeded RMB1 billion last year and new-comer Xian, Shanghai and Chengdu. Shanghai's turnover substantially increased from previous year to RMB2.458 billion and ranked 4th among all cities. The turnover came from the same two continuing projects, R&F Peach Garden and R&F Bay Shore, but saleable area delivered increased approximately 268% to 201,400 sq.m. Turnover from Chongqing and Xian were derived from one flagship project, R&F City in the respective city, both generating turnover in the RMB1.4 billion range. For Taiyuan and Chengdu each with delivery of properties in two projects, turnover approximating RMB1.7 billion in each city.

2. Cost of goods sold despite variation in the sale mix, each of its four main components: land cost, construction costs, business tax and capitalized interest, as a proportion of the total cost of goods sold, had remained reasonably stable from year to year. In the year under review, land and construction costs accounted for 86% (2011: 85%), business tax 11% (2011: 10%) and capitalized interest 3% (2011: 5%). In terms of amount, overall per sq. m. costs of land and construction for the year amounted to RMB6,480, increased approximately 15% from the RMB5,620 of the previous year. A part of this increase can be attributed to the higher costs of certain projects including: 1) RMB19,560 per sq.m. for R&F No. 10 project which was a luxury residential development and located in the Beijing's city center; 2) RMB11,130 per sq.m. for commercial projects R&F Yingsheng Plaza and R&F Yingzun Plaza in CBD of Guangzhou and 3) RMB11,640 per sq.m. for R&F Junhu Palace in Guangzhou. Other than the aforementioned projects, land and construction costs in the year ranged from highs of RMB9,360 per sq.m. to lows of RMB3,480 per sq.m. Capitalized interest included in the cost of sales and also as a percentage of turnover from sale of properties further decreased to RMB558 million and 2.0% from 2011's RMB688 million and 2.7% respectively as a result of the trend of capitalizing proportionally fewer financing costs to inventory in the last couple of years. The cost of goods sold also included RMB1.713 billion (2011: RMB1.480 billion) in business tax.

3. Overall gross margin for the year at 42.2% was stable relative to the previous year. Gross margin of different project varies and the overall gross margin was determined by the mix of projects which sales was recognized in the year. For the projects ongoing from last year, those improved their gross margin well exceeded those with gross margin decrease in term of turnover. The projects in the first category included commercial project R&F Yingsheng Plaza in Guangzhou Pearl River New Town, R&F City in Chongqing and Xian and Shanghai's R&F Peach Garden, all with turnover over RMB1 billion in the year. R&F Yingsheng Plaza in particular significantly improved its gross margin to over 60%, highest among all projects, and with a turnover of RMB1.87 billion, had much impact on the overall gross margin. As to the second category of projects with decrease in gross margin, their turnover was relatively minor and hence effect on overall gross margin and including mainly the projects in Hainan and Taiyuan projects. Beijing's R&F Festival City also saw slight decrease in gross margin to approximately 52% from 60%; with turnover of the project significantly reduced to RMB427 million from RMB2.788 billion, its decreased gross margin impact less on overall gross margin than the effect of reduced turnover with above average gross margin. However, any

negative effect would have been offset by the higher than average gross margin of projects newly delivered in the year such as R&F Tangning Garden in Guangzhou and R&F Center in Chengdu.

4. Other gains mainly arose from interest income.

5. Selling and administrative expenses as a percentage of turnover decreased to 6.0% from 6.7% in the previous year due to selling and administration expenses for the year of RMB1.696 billion stayed practically at last year's level of RMB1.689 billion while turnover increased 10.5%. Broken down into its two components, selling expenses decreased by RMB16.2 million to RMB404 million and administrative expenses increased by RMB23.2 million to RMB1.292 billion. The effectiveness of the Group's cost controlling effort were reflected in these numbers which were achieved through efficient use of resources without compromising on investment in key competitive factors such as manpower and advertising.

6. The share of result of associated companies was mainly derived from the Group's 20% share in the Guangzhou Asian Games City project. The share of result of jointly controlled entities was mainly derived from the Group's 33.34% interest in the Guangzhou Liedecun project and 25% in Tianjin Jinnan project. These three projects had a combined turnover of RMB5.5 billion in the year.

7. Finance costs increased by 32% to RMB1.502 billion (2011: RMB1.139 billion). As these costs include interest expenses incurred in the year after deduction of amounts capitalized to development costs, finance costs were affected by the total amount of debt, the interest rate, and the amount of interest being capitalized. With outstanding loans of approximately RMB35.6 billion (2011: RMB28.4 billion) and an average interest rate of 8.1%, total interest expenses for the year amounted to RMB2.772 billion. This was 45% more than the interest expenses for 2011, mainly as a result of higher average debts and interest rate. Although interest capitalized increased by RMB500 million, finance costs increased as a result. Capitalized interest released to cost of goods sold amounted to RMB558 million, as compared to RMB688 million for the previous year. Aggregate interest costs included in this year's results amounted to RMB2.060 billion (2011: RMB1.827 billion).

8. Land appreciation tax (LAT) of RMB2.136 billion (2011: RMB2.430 billion) and Enterprise Income Tax of RMB2.062 billion brought the Group's total income tax expenses for the year to RMB4.198 billion. As a percentage of turnover, LAT decreased to 7.6% from 9.6% in 2011. This decrease was due to the fact that gross profit margins of project in the year were more even such that there were few projects with especially high gross margin and attracted LAT at high tax rate. The effective enterprise income tax rate stood at 27.9% (2011: 28.5%), deviating from the standard rate by 2.9% because of permanent differences limiting the tax deductible amount.

9. Overall the Group's net profit margin for the year was 18.6%, as compared to 17.7% in the previous year. If fair value gains from investment properties are excluded, this year's net profit margin would be 17.0%, 0.5% higher than the 16.5% of 2011. The main reason for this increase was reduced LAT as a percentage of turnover and contribution from jointly controlled entities.

Financial resources, liquidity and liabilities

At 31 December 2012, the Group's cash amounted to RMB12.86 billion and with a total borrowing at RMB35.63 billion which included 1) RMB5.5 billion domestic bonds issued in October 2009, 2) offshore RMB2.612 billion 7.00% senior notes due 2014 issued in April 2011 and 3) offshore USD388 million 10.875% senior notes due 2016 issued in April 2011 and August 2012. Net debt to equity ratio was stable at 86% as previous year. The Group has secured from various relationship banks uncommitted credit facilities of which approximately RMB23.2 billion (2011: RMB20.6 billion) was unutilised. Such credit facilities indicate that the banks are prepared to lend to the Group up to the limit of the facilities when certain conditions are met such as the production of suitable projects and specified documents e.g. construction permits.

Debt Profile

The maturity profile of the Group's total borrowings was well balanced between short, medium and long term debt. Debts due within 1 year accounted for 20% of total debts. This dropped significantly when compare to 36% of the previous year because the entire amount of a RMB5.5 billion domestic corporate bond which carries a put option exercisable by the bond holders in October 2012 was extended for a further two years. Bank loans repaid in the year amounted to RMB7.31 billion while new bank loans of RMB8.10 billion was procured at interest rates ranging from 5.58% to 8.20%. The effective interest rate of the total bank loan portfolio at 31 December 2012 was 6.45% (2011: 5.97%). Exchange rate exposure was minimal as non-RMB borrowings accounted to only approximately 7.1% of total borrowings. As for interest rate, RMB bank loans were at normally stable floating interest rates benchmarked to rates published by the People's Bank of China. The fixed rate offshore and onshore bonds further reduced interest rate exposure and therefore no interest rate hedging arrangements had been put in place.

OTHER INFORMATION

Employee and Emolument Policies

As of 31 December 2012, the Group has approximately 18,302 employees (31 December 2011: 16,416). The Company's emolument policy is to ensure that the remuneration offered to employees including executive directors and senior management is based on skill, knowledge, responsibilities and involvement in the Company's business affair. The remuneration of executive directors is also link with business performance and profitability of the Company and the market conditions. Individual director and senior management would not be involved in deciding their own remuneration.

Annual General Meeting, Final Dividend and Closure of Register of Members

The 2012 annual general meeting ("AGM") of the Company will be held on Wednesday, 29 May 2013 and the notice of annual general meeting will be published and dispatched in the manner as required by the Listing Rules.

The Board has proposed a final dividend for 2012 at RMB0.5 per share. The proposed final dividend, if approved by the shareholders at the AGM on 29 May 2013, will be paid to shareholders (including domestic shares and H shares), whose names appear on the register of members on 14 June 2013. The proposed final dividend has not been reflected in the financial statements as at 31 December 2012.

According to the Articles of Association of the Company, dividend payable to shareholders shall be calculated and declared in RMB. Dividends payable to holders of the Company's domestic shares shall be paid in RMB, whereas dividends payable to holders of the Company's H shares shall be in Hong Kong Dollars. The exchange rate to be adopted shall be the average closing rate of the five business days preceding the date of declaration of dividend as announced by the People's Bank of China. Dividends on H shares are also subject to withholding of PRC Enterprise Income Tax.

For the purpose of determining shareholders who are entitled to attend and vote at the AGM to be held on Wednesday, 29 May 2013, the register of members of the Company will be closed from Monday, 29 April 2013 to Wednesday, 29 May 2013, both days inclusive. In order for the shareholders to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 26 April 2013.

Upon obtaining approval of the shareholders at the AGM, the final dividends will be payable to shareholders whose names appear on the H Share register of members of the Company as at the close of business on Friday, 14 June 2013. The payment date of the final dividend will be further announced. The H Share register of members of the Company will be closed from Friday, 7 June 2013 to Friday, 14 June 2013, both days inclusive, during which period no transfer of H shares will be registered. In order for H shareholders to qualify for the proposed final dividends, all the share transfer documents must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 6 June 2013.

Purchase, redemption or sales of listed securities of the Company

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries nor its jointly controlled entity purchased, redeemed or sold any of the Company's listed securities.

Compliance with Model Code

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules as the code of conduct for directors in their dealing in the Company's securities. The Company made specific enquires with each director and each of them confirmed that he or she had complied with the Model Code during the financial year ended 31 December 2012.

Compliance with the Code on Corporate Governance Practices

The Company is committed to good corporate governance practices and procedures including a quality board, sound internal control, transparency and accountability to its shareholders. It has also complied with the Code on Corporate Governance Practices as stated in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited throughout the 12 months ended 31 December 2012.

Audit Committee

The audit committee of the Company has been set up with terms of reference in accordance with Appendix 14 of the Listing Rules. The audit committee is delegated by the Board to assess matters related to the financial statements and to provide recommendations and advices including review of relationship with external auditors, the Company's financial reporting, the internal control and risk management system. There were no disagreements from the audit committee or the external auditors on the accounting policies adopted by the Company.

The audit committee comprises Mr. Lai Ming, Joseph (Chairman of the audit committee) and Mr. Dai Feng who are independent non-executive directors of the Company and Ms. Helen Li who is a non-executive director of the Company. The Audit Committee has reviewed the annual results for the year ended 31 December 2012.

Li Sze Lim
Chairman

20 March 2013

As at the date of this announcement, the executive directors of the Company are Mr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing; the non-executive directors are Ms. Zhang Lin and Ms. Li Helen; and the independent non-executive directors are Mr. Huang Kaiwen, Mr. Dai Feng and Mr. Lai Ming, Joseph.

* *For identification purpose only*