天譽置業（控股）有限公司*

SKYFAME REALTY (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)
(Stock Code: 00059)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Skyfame Realty (Holdings) Limited (the "Company") announces the consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011, together with comparative figures for the corresponding year of 2010. The consolidated final results have been reviewed by the audit committee of the Company.

During the year ended 31 December 2011, the Group changed the presentation currency of its financial statements from Hong Kong dollars ("HK$") to Renminbi ("RMB").

* *For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000 (Restated) (Note 4)
Revenue	6	**32,951**	366,493
Cost of sales and services		**(17,157)**	(306,817)
Gross profit		**15,794**	59,676
Other income and gains, net		**17,343**	31,316
Sales and marketing expenses		**(10,994)**	(9,118)
Administrative and other expenses		**(112,908)**	(55,748)
Fair value changes in investment properties		**15,000**	113,000
Fair value changes in financial derivative liabilities		**(1,510)**	–
Gain on debt extinguishment		**–**	934,206
Share of loss of associate, net of tax		**–**	(7,463)
Finance costs	7	**(8,746)**	(142,666)
Finance income	7	**16,592**	3,746
(Loss) profit before income tax	8	**(69,429)**	926,949
Income tax credit (expense)	9	**7,600**	(45,798)
(LOSS) PROFIT FOR THE YEAR		**(61,829)**	881,151
Other comprehensive income:			
Exchange differences arising on foreign operations		**(26)**	(173)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(61,855)**	880,978
(Loss) profit for the year attributable to:			
– Owners of the Company		**(51,861)**	871,435
– Non-controlling interests		**(9,968)**	9,716
		(61,829)	881,151
Total comprehensive income for the year attributable to:			
– Owners of the Company		**(51,887)**	871,262
– Non-controlling interests		**(9,968)**	9,716
		(61,855)	880,978
(Loss) earnings per share	10		
– Basic		**(RMB0.035)**	RMB0.590
– Diluted		**(RMB0.035)**	RMB0.590

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Notes	As at 31 December **2011** *RMB'000*	As at 31 December 2010 *RMB'000* *(Restated)* *(Note 4)*	As at 1 January 2010 *RMB'000* *(Restated)* *(Note 4)*
Non-current assets				
Property, plant and equipment		**6,531**	2,399	978
Investment properties		**495,000**	480,000	367,000
Properties held for development		**765,059**	1,921,152	1,381,314
Goodwill		**13,554**	13,554	13,554
Interest in an associate		**–**	–	555,798
Consideration receivable – non-current portion	12	**81,290**	71,569	–
		1,361,434	2,488,674	2,318,644
Current assets				
Properties under development		**1,917,289**	306,145	287,259
Properties held for sale		**106,717**	112,460	–
Consideration receivable – current portion	12	**111,809**	552,223	1,067,709
Loan to non-controlling shareholder of a subsidiary		**5,100**	–	–
Trade and other receivables	13	**158,488**	16,307	28,128
Restricted and pledged deposits		**556,213**	532,404	33,929
Cash and cash equivalents		**200,211**	24,347	100,976
		3,055,827	1,543,886	1,518,001
Current liabilities				
Trade and other payables	14	**602,710**	218,344	367,986
Bank and other borrowings – current portion		**567,480**	679,801	244,367
Financial derivative liabilities		**4,355**	–	–
Convertible notes		**–**	–	1,810,858
Loans from non-controlling shareholders of a subsidiary – current portion		**168,420**	40,549	–
Income tax payable		**83,087**	110,616	105,670
		1,426,052	1,049,310	2,528,881
Net current assets (liabilities)		**1,629,775**	494,576	(1,010,880)
Total assets less current liabilities		**2,991,209**	2,983,250	1,307,764

		As at 31 December		As at 1 January
		2011	2010	2010
	Notes	***RMB'000***	*RMB'000*	*RMB'000*
			(Restated)	*(Restated)*
			(Note 4)	*(Note 4)*
Non-current liabilities				
Bank and other borrowings – non-current portion		**218,080**	73,500	210,500
Loan from non-controlling shareholder of a subsidiary – non-current portion		**–**	146,341	206,574
Deferred income	15	**977,431**	950,125	–
Deferred tax liabilities		**170,548**	166,798	138,548
		1,366,059	1,336,764	555,622
Net assets		**1,625,150**	1,646,486	752,142
Capital and reserves				
Share capital		**15,040**	15,040	15,040
Reserves		**1,549,672**	1,600,040	721,427
Equity attributable to owners of the Company		**1,564,712**	1,615,080	736,467
Non-controlling interests		**60,438**	31,406	15,675
Total equity		**1,625,150**	1,646,486	752,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company continues to be investment holding. The principal activities of its subsidiaries are property development, property investment, hotel operation and the provision of related ancillary services.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised standards and interpretations has no material impact on the Group's financial statements.

HKFRS 7 (Amendments) – Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amount of the Group's trade receivables represents the Group's maximum exposure to credit risk in respect of these financial assets as at 31 December 2011 and 2010. The prior year financial statements included a positive statement to this effect which is removed in the 2011 financial statements following the amendments. The adoption of the amendments has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition. The revised definitions have no impact on related party disclosures in the current and prior periods. The adoption of HKAS 24 (Revised) also has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

Other than these, adoption of the other new or revised HKFRSs has had no material effects on the Group's consolidated financial statements nor resulted in substantial changes to the Group's accounting policies.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[4]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[5]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]

[1] *Effective for annual periods beginning on or after 1 July 2011*

[2] *Effective for annual periods beginning on or after 1 January 2013*

[3] *Effective for annual periods beginning on or after 1 January 2012*

[4] *Effective for annual periods beginning on or after 1 January 2014*

[5] *Effective for annual periods beginning on or after 1 July 2012*

[6] *Effective for annual periods beginning on or after 1 January 2015*

Amendments to HKFRS 7 – Disclosures – Transfers of Financial Assets

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Amendments to HKFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments improve the disclosure requirements that are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position.

Amendments to HKAS 12 – Deferred Tax – Recovery of Underlying Assets

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the requirements for offsetting financial instruments. The amendments address inconsistencies in current practice when applying the offsetting criteria and clarify: (1) the meaning of "currently has a legally enforceable right of set-off" and; (2) that some gross settlement systems may be considered equivalent to net settlement.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Amendments to HKFRS 9 Financial Instruments defer its mandatory effective date from 1 January 2013 to 1 January 2015. The deferral will make it possible for all phases of the project to have the same mandatory effective date. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying HKFRS 9. This relief was originally only available to companies that chose to apply HKFRS 9 prior to 2012. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of HKFRS 9 has on the classification and measurement of financial instruments. Early application of HKFRS 9 is still permitted.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 11 – Joint Arrangements

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the Directors are not yet in a position to quantify the effects on the Group's financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis, except that the investment properties and financial derivative liabilities are stated at their fair values.

4. CHANGE IN BASIS OF PREPARATION

During the year ended 31 December 2011, the Group changed its presentation currency for the preparation of its financial statements from HK$ to RMB. The Board considers the change will result in a more appropriate presentation of the Group's transactions and financial status in the financial statements. The comparative figures in the consolidated financial statements are re-presented in RMB.

5. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally for the purposes of resource allocation and performance assessment, the Group is currently organised into three operating divisions – property development, property investment and hotel operation and related ancillary services ("hotel operation"). As management of the Group considers that all consolidated revenue are attributable to the markets in the PRC and consolidated non-current assets are substantially located in the People's Republic of China (the "PRC"), no geographical information is presented. The Group's reportable segments are as follows:

Property development	– Property development and sale of properties
Property investment	– Property leasing
Hotel operation	– Hotel operation and provision of related ancillary services

The Group's senior executive management monitors the results attributable to each reportable segment on the basis that revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments, the expenses directly incurred by those segments and the depreciation charges of assets attributable to those segments. Corporate income and expenses, finance costs and income, results of associate and any non-operating items which cannot be directly associated with the reportable segments are not allocated to the respective segments.

The measure used for reporting segment results is operating (loss) earning before interest (finance costs and income), income tax, depreciation and amortisation ("adjusted EBITDA"). In addition to information concerning adjusted EBITDA, management also provides other segment information concerning depreciation and fair value changes in investment properties.

Segment assets/liabilities include all assets/liabilities attributable to those segments with the exception of cash and bank balances, unallocated bank and other borrowings, financial derivative liabilities, convertible notes and taxes. Investment properties and interest in an associate are included in segment assets but the related fair value changes in investment properties and share of loss of associate, net of tax are excluded from segment results because the Group's senior executive management considers that they are not generated from operating activities.

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance in the consolidated financial statements is set out below:

(a) **Segment results, assets and liabilities**

	Property development *RMB'000*	Property investment *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Year ended 31 December 2011				
Reportable segment revenue				
– external, and consolidated revenue	**15,588**	**17,363**	**–**	**32,951**
Operating results	**(96,010)**	**5,417**	**–**	**(90,593)**
Add: Depreciation	**219**	**467**	**–**	**686**
Reportable segment results before interest, income tax, depreciation and amortisation (adjusted EBITDA)	**(95,791)**	**5,884**	**–**	**(89,907)**
Fair value changes in investment properties	**–**	**15,000**	**–**	**15,000**
Impairment loss on trade and other receivables	**–**	**(215)**	**–**	**(215)**
Bad debts recovered	**–**	**54**	**–**	**54**
Additions to properties held for/under development	**414,842**	**–**	**–**	**414,842**
Capital expenditure	**498**	**–**	**–**	**498**
As at 31 December 2011				
Assets				
Reportable segment assets	**3,158,481**	**501,494**	**–**	**3,659,975**
Liabilities				
Reportable segment liabilities	**1,731,561**	**12,160**	**–**	**1,743,721**
Year ended 31 December 2010 (Restated) (Note 4)				
Reportable segment revenue				
– external, and consolidated revenue	351,044	15,449	–	366,493
Operating results	13,094	6,967	(1,133)	18,928
Add: Depreciation	209	39	–	248
Reportable segment results before interest, income tax, depreciation and amortisation (adjusted EBITDA)	13,303	7,006	(1,133)	19,176
Fair value changes in investment properties	–	113,000	–	113,000
Bad debts recovered	–	36	–	36
Share of loss of associate, net of tax	(7,463)	–	–	(7,463)
Additions to properties held for/under development	290,586	–	–	290,586
Capital expenditure	112	–	–	112

	Property development RMB'000	Property investment RMB'000	Hotel operation RMB'000	Total RMB'000
As at 31 December 2010 (Restated) (Note 4)				
Assets				
Reportable segment assets	2,967,638	482,446	24,918	3,475,002
Liabilities				
Reportable segment liabilities	1,292,482	12,235	39,063	1,343,780
As at 1 January 2010 (Restated) (Note 4)				
Assets				
Reportable segment assets	2,727,771	367,876	605,071	3,700,718
Liabilities				
Reportable segment liabilities	640,724	16,470	36,023	693,217

(b) Reconciliations of reportable segment results, assets and liabilities

	2011 ***RMB'000***	2010 *RMB'000* *(Restated)* *(Note 4)*
Results		
Reportable segment results before interest, income tax, depreciation and amortisation (adjusted EBITDA)	**(89,907)**	19,176
Unallocated corporate (expenses) income before depreciation	**(162)**	7,361
	(90,069)	26,537
Depreciation and amortisation		
– Reportable segment	**(686)**	(248)
– Unallocated	**(10)**	(163)
	(90,765)	26,126
Fair value changes in investment properties	**15,000**	113,000
Fair value changes in financial derivative liabilities	**(1,510)**	–
Gain on debt extinguishment	**–**	934,206
Share of loss of associate, net of tax	**–**	(7,463)
Finance costs	**(8,746)**	(142,666)
Finance income	**16,592**	3,746
Consolidated (loss) profit before income tax	**(69,429)**	926,949
Capital expenditure incurred during the year		
– Reportable segment	**498**	112
– Unallocated	**4,705**	1,772
	5,203	1,884

	As at 31 December		As at 1 January
	2011	2010	2010
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*
		(Note 4)	*(Note 4)*
Assets			
Reportable segment assets	**3,659,975**	3,475,002	3,700,718
Restricted and pledged deposits	**556,213**	532,404	33,929
Cash and cash equivalents	**200,211**	24,347	100,976
Unallocated corporate assets	**862**	807	1,022
Consolidated total assets	**4,417,261**	4,032,560	3,836,645
Liabilities			
Reportable segment liabilities	**1,743,721**	1,343,780	629,651
Income tax payable	**83,087**	110,616	105,670
Deferred tax liabilities	**170,548**	166,798	138,548
Financial derivative liabilities	**4,355**	–	–
Convertible notes	**–**	–	1,810,858
Unallocated bank and other borrowings	**785,560**	753,301	324,867
Unallocated corporate liabilities	**4,840**	11,579	74,909
Consolidated total liabilities	**2,792,111**	2,386,074	3,084,503

6. REVENUE

Revenue represents the net invoiced amounts received and receivable from property development and property investment. The amounts of each significant category of revenue recognised during the year are as follows:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
		(Note 4)
Sale of properties	**13,702**	350,421
Rental income	**19,249**	16,072
	32,951	366,493

7. FINANCE COSTS AND INCOME

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
		(Note 4)
Finance costs:		
Interest on convertible notes wholly repayable within five years		
– amortisation for the year	**–**	103,393
– interest surcharges	**–**	3,600
Interest on bank and other borrowings		
– wholly repayable within five years	**40,180**	37,506
– wholly repayable after five years	**4,514**	4,393
– interest surcharges	**–**	534
Interest on short-term loan from a director	**–**	25
Imputed interest on loan from non-controlling shareholder of a subsidiary	**8,911**	–
	53,605	149,451
Less: Amount capitalised as properties under development		
Interest on bank and other borrowings	**(37,846)**	(7,118)
Imputed interest on loan from non-controlling shareholder of a subsidiary	**(8,911)**	–
	(46,757)	(7,118)
	6,848	142,333
Other borrowing costs	**1,898**	333
Finance costs charged to profit or loss	**8,746**	142,666
Finance income:		
Bank interest income	**11,941**	3,746
Other interest income	**4,651**	–
	16,592	3,746

8. (LOSS) PROFIT BEFORE INCOME TAX

(Loss) profit before income tax for the year has been arrived at after charging (crediting):

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
		(Note 4)
Cost of properties sold	**12,347**	284,270
Staff costs, including directors' emoluments	**34,106**	16,723
Auditors' remuneration		
– current year	**854**	711
– over-provision for prior year	**–**	(32)
– non-audit services	**227**	999
Depreciation of property, plant and equipment	**751**	462
Less: Amount capitalised as properties under development	**(55)**	(51)
Total depreciation charged to profit or loss	**696**	411
Gain on disposal of property, plant and equipment	**(10)**	–
Exchange gain, net	**(16,682)**	(30,518)
Impairment loss on trade and other receivables	**215**	–
Bad debts recovered	**(54)**	(36)

9. INCOME TAX CREDIT (EXPENSE)

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
		(Note 4)
Current tax		
PRC corporate tax		
– current year	**(4,953)**	(14,044)
– under-provision in respect of prior years	**(1,580)**	–
PRC land appreciation tax ("LAT")		
– current year	**(137)**	(3,504)
– over-provision in respect of prior years	**20,995**	–
– under-provision in respect of prior years	**(2,975)**	–
	11,350	(17,548)
Deferred tax		
– current year	**(3,750)**	(28,250)
Total income tax credit (expense)	**7,600**	(45,798)

No provision for Hong Kong profits tax has been made for the year ended 31 December 2011 (2010: Nil) as the Group has no estimated assessable profits in respect of operation in Hong Kong. The applicable Hong Kong profits tax rate is 16.5% (2010: 16.5%) for the year.

Enterprise income tax arising from other regions of the PRC is calculated at 25% (2010: 25%) of the estimated assessable profits.

The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided, as appropriate, at ranges of progressive rates from 30% to 60% on the appreciation value, with certain allowable deductions including land costs, borrowing costs and the relevant property development expenditure.

10. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share is based on the (loss) profit attributable to ordinary shareholders of the Company and the following data:

	2011	2010
	RMB'000	*RMB'000*
		(Restated)
		(Note 4)
(Loss) profit attributable to ordinary shareholders of the Company for the purposes of basic and diluted (loss) earnings per share	**(51,861)**	871,435

	Number of shares	
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**1,477,687**	1,477,687

For the years ended 31 December 2011 and 2010, basic (loss) earnings per share are same as diluted (loss) earnings per share as any effect from the Company's options and warrants is anti-dilutive.

11. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2011 (2010: Nil).

12. CONSIDERATION RECEIVABLE

		As at 31 December		As at 1 January
		2011	2010	2010
	Notes	***RMB'000***	*RMB'000*	*RMB'000*
			(Restated)	*(Restated)*
			(Note 4)	*(Note 4)*
Disposal of Westin Project	(a)	**–**	43,970	1,067,709
Disposal of Huan Cheng	(b)	**206,028**	579,822	–
		206,028	623,792	1,067,709
Less: Impairment loss recognised in overdue consideration receivable		**(12,929)**	–	–
		193,099	623,792	1,067,709
Amounts due within one year included in current assets		**(111,809)**	(552,223)	(1,067,709)
Amount due after one year – Huan Cheng		**81,290**	71,569	–

Notes:

(a) The balance relates to the interest-free receivable for the disposal of the Westin Project that was fully received in January 2011.

(b) The balance relates to the outstanding instalments receivable for the disposal of 廣州寰城實業發展有限公司 (Guangzhou Huan Cheng Real Estate Development Company Limited) ("Huan Cheng") that is unsecured and interest-free. Netting the design and finance costs to be incurred in the development of the Tianhe Project of approximately RMB49,596,000 and accrued relocation cost of the fire station of RMB5,400,000 that the Group has agreed to bear, the principal amount of the receivable is approximately RMB215,142,000 (2010: RMB593,494,000) and is carried on the statement of financial position at amortised cost of approximately RMB206,028,000 (2010: RMB579,822,000) as at 31 December 2011. A sum of approximately RMB378,352,000 had been received during the current year but an outstanding amount of approximately RMB130,138,000 was due in April 2011 and remained unsettled. Based on the supplemental agreement entered into on 1 July 2011 with, amongst the others, 海航酒店控股集團有限公司 (HNA Hotel Holdings Group Co. Limited) ("HNA Hotel"), the purchaser of the interest in Huan Cheng, HNA Hotel agrees to transfer the property interests of part of the 32nd and 33rd floors of HNA Tower owned by HNA Hotel, which are being leased by the Group as the head office in Guangzhou, to the Group as full and final settlement of the outstanding consideration payable by HNA Hotel of approximately RMB124,738,000 (net of relocation costs). The Directors have assessed the financial position of HNA Hotel for its ability to execute the provisions set out on the supplemental agreement and considered that the remaining balance of the second instalment will be recoverable within one year.

The Directors also believed that HNA Hotel is taking appropriate steps to complete the transfer of ownership and have made a provision for impairment loss of RMB12,929,000 based on the estimated discounted cash flows from the as-if disposal of the properties to be transferred from HNA Hotel.

The final instalment of approximately RMB81,290,000 is receivable when the construction of the properties are completed, which is expected to occur in more than twelve months from the end of reporting period.

13. TRADE AND OTHER RECEIVABLES

	As at 31 December		As at 1 January
	2011	2010	2010
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*
		(Note 4)	*(Note 4)*
Current or less than 1 month	**171**	64	97
1 to 3 months	**159**	–	–
More than 3 months but less than 12 months	**374**	–	–
Trade receivables, net of impairment	**704**	64	97
Refundable earnest money in development project	**10,000**	–	–
Tender deposit in development project	**6,000**	–	–
Prepaid construction costs	**98,202**	6,180	4,511
Business taxes and surcharges paid for pre-sold properties	**28,386**	3,189	18,658
Interest receivable on bank deposits	**5,993**	2,426	–
Deposits, prepayments and other receivables	**9,203**	4,448	4,862
	158,488	16,307	28,128

The Group has a policy of allowing an average credit period of 8 to 30 days to its trade customers. The Group's formal credit policy in place is to monitor the Group's exposure to credit risk through regular reviews of receivables and follow-up enquires on overdue accounts. Credit evaluations are performed on all customers requiring credit over a certain amount.

14. TRADE AND OTHER PAYABLES

	As at 31 December		As at 1 January
	2011	2010	2010
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*
		(Note 4)	*(Note 4)*
Current or less than 1 month	**385**	296	660
1 to 3 months	**2,502**	–	62
More than 3 months but less than 12 months	**709**	–	474
More than 12 months	**3,063**	3,144	3,009
Total trade payables	**6,659**	3,440	4,205
Construction costs payable	**71,408**	67,364	15,381
Advanced payments received			
– Pre-sale deposits received from buyers	**476,955**	59,182	216,695
– Receipts in advance, rental and other deposits from buyers, customers and/or tenants	**12,449**	10,336	1,743
Accrued transaction costs in relation to disposal of subsidiaries	**1,489**	39,489	63,565
Interest payable on bank and other borrowings	**2,538**	9,082	32,639
Other accrued expenses and other payables	**31,212**	29,451	33,758
	602,710	218,344	367,986

15. DEFERRED INCOME

On 26 July 2010, a framework agreement ("Agreement") for the transfer of the entire equity interest in Huan Cheng, the project company for the development of the Tianhe Project, was entered into between the Company, Yaubond Limited (holding company of Huan Cheng) and a third party, HNA Hotel for a gross sale consideration ("Consideration") of RMB1,090,000,000, before certain adjustments. Details of the adjustment mechanism to the Consideration and timing of the payment of the Consideration was set out in the Company's circular dated 19 August 2010 which is supplemented by a memorandum of understanding signed on 8 September 2010 by the contracting parties in relation to a reduction of the finance cost to be borne by the Group.

As at 31 December 2011, deferred income (having the Consideration been increased by approximately RMB38,273,000 representing adjustment of net assets transferred to HNA Hotel and reduced by future development costs and finance costs to be borne by the Group, which are estimated to be RMB20,000,000 and RMB35,000,000 respectively) was estimated to be approximately RMB977,431,000.

Since the disposal of Huan Cheng, total proceeds amounting to approximately RMB858,131,000, being the first instalment and partial payment of second instalment, have been received from HNA Hotel. The remaining balance receivable before impairment loss as at 31 December 2011 of approximately RMB215,142,000 (2010: RMB593,494,000) is detailed in note 12(b).

The Directors consider that the Agreement constitutes an agreement for the sale of goods/services and the criteria for recognition of revenue set out in paragraph 14 of HKAS 18 "Revenue" apply. At the end of reporting period, the Directors are uncertain about the due performance of certain obligations under the Agreement in particular, the costs to be deducted from the Consideration under the prevailing agreement caused by overruns in construction costs not due to the change in design plan proposed by HNA Hotel and the delay in construction of the project beyond 32 months from the date of the first instalment payment. Accordingly, the Directors are of the view that the revenue recognition criteria set out in HKAS 18 have not been fully satisfied and therefore the disposal of the assets and liabilities of the Tianhe Project is not recognised until when substantial part of the revenue can be ascertained reliably. The revenue and associated costs of the Tianhe Project are deferred until the construction is completed to a substantial progress where the revenue can be reliably measured. Therefore, the net sale consideration is recorded as deferred income as at 31 December 2010 and 2011. The costs of the Tianhe Project are not derecognised, but instead included in properties held for development in the consolidated statement of financial position.

16. COMMITMENTS

	As at 31 December		As at 1 January
	2011	2010	2010
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	*(Restated)*
		(Note 4)	*(Note 4)*
Expenditure contracted but not provided for in respect of			
– Property construction and development costs	**507,271**	1,036,016	986,015
Expenditure authorised but not contracted for in respect of			
– Property construction and development costs	**2,253,484**	–	–
– Acquisition of land use rights	**1,031,648**	–	–
	3,285,132	–	–

17. CONTINGENT LIABILITIES

The Group provides guarantees to the extent of approximately RMB382,691,000 as at 31 December 2011 (2010: RMB184,466,000 (Restated) (Note 4)) in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 6 January 2012, the Company won a tender for the development of certain lands in the core district of Wuxiang New Zone (五象新區), Liangqing District, Nanning, Guangxi Province, the PRC and paid a sum of RMB6,000,000 to the 南寧市良慶區人民政府 (the People's Government of Liangqing District, Nanning) (the "Liangqing Government") as tender deposit. The total gross floor area of the whole development project is approximately 1,000,000 square meters of which properties with a floor area of approximately 300,000 square meters will be built for the resettlement of original occupants that will be repurchased by the resettlement residents at prices to be agreed and the remaining area of approximately 700,000 square meters is to be developed in phases for residential properties for sale. No legally binding contract has been entered into yet though a framework agreement has been in negotiation between the Company and Liangqing Government.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Business review

For the year, the Group's total turnover was RMB33 million, representing a drop of 91% when compared with last year. The drop in revenue was attributable to the fact that revenue for the year consists only of sales of the remaining property units in Guiyang Project phase 1 whilst contracted sales of units in phase 2 that will be delivered in 2012 are not accounted for as revenue for the year. Other than the sale of properties developed, the Group maintains leasing income of RMB19 million for the year mainly from the commercial floors at the Tianyu Garden Phase II and rented retail shops and carparks in the development of Guiyang Project.

Overall operating expenses (selling and marketing expenses plus administrative and other expenses) for the year were increased by 91% to RMB124 million. The increase was reflected in the increased staff costs, a major overhead content representing 28% of total operating expenses, as a result of the rise in headcount and pay levels, and non-recurring payments of mainly commission of RMB38 million to agent for the sale of the stake interest in Huan Cheng. In addition, to boost the pre-sales performance of the Guiyang Project, marketing expenses rose to RMB11 million from RMB9 million.

The post-tax loss for the year was RMB62 million (2010: post-tax profit of RMB881 million), having included a gain on revaluation of investment properties of RMB15 million (2010: RMB113 million) and finance cost of RMB9 million (2010: RMB143 million). The Group's low borrowing level explains the substantial decrease in finance costs. The profit for the previous year was mainly resulted from the reduction in debts as an outcome of a compromise with the holders of convertible notes and creditors of a term loan leading to a gain of RMB934 million.

Properties development

Yongzhou Project

To expand the Group's land bank for future development, the Company entered into an agreement with the City Government of Yongzhou, Hunan province empowering certain subsidiaries in which the Group holds a 70% equity stake interest to develop a composite property development project in Yongzhou. The project, offers a total site area of 1,000 mu on which a GFA of about 1.6 million sq.m., will be developed into residential, commercial complex and retail shops. The first phase of the development will be built on a land of 106 mu which land title was obtained in late 2011 for the development of residential properties consisting of villas, apartments and retail shops in a total GFA of 212,000 sq.m. As a condition to the development, the project company is obligated to manage the remodelling works of certain scenic spots in the city surrounding the development sites. The entire project has a development period of 6 years.

In addition to the new Yongzhou Project, the Group also holds development rights in two other development projects and a sold project for which obligations in construction of the project are yet to complete. The status of these projects is as follows:

Guiyang Project

The development, which the Group holds a 55% stake, consists of high-end residential apartments of a total GFA of approximately 460,000 sq.m. for residential apartments and GFA of approximately 132,000 sq.m. for commercial complex, community facilities and carparking spaces. Out of the first phase of the development with GFA totaling 134,000 sq.m. that was completed in 2010, about 98% had been sold since the completion of construction in 2010. Sale revenue of those remaining units sold during the year was recorded as revenue for the year. Completion of phase two of the project is being finalised and is expected to take place in late 2012. Up to the date of this announcement, the pre-sale of phase two reached 72% of the total available saleable area which were contracted at an average price of RMB4,500 per sq.m. generating a total pre-sale revenue RMB525 million that will be recognised in the year 2012. The third phase of the project, consisting of five residential buildings with common facilities and carparking spaces of GFA of 245,000 sq.m., is under construction and is expected to be completed in 2014.

Zhoutouzui Project

The project is held by a sino-foreign cooperative joint venture enterprise which is jointly controlled by the Group and two other independent third parties, namely 廣州越秀企業(集團) 公司 (Guangzhou Yuexiu Enterprise (Group) Company Limited) and 廣州港集團有限公司 (Guangzhou Port Group Co., Limited), the former being the original land use right holder with no vested interest in the project and the latter being an original user of the land who is entitled to share 28% in GFA of the completed properties pursuant to a joint venture agreement entered into in 2001 which stipulates that the Group has to finance all construction costs of the entire development.

The development on the site of 43,609 sq.m. consists of 7 towers of residential apartments, offices, hotel, service apartments, underground car parking facilities and a commercial complex in a total GFA of approximately 320,000 sq.m.. The site, opposite to the renounced White Swan Hotel, offers a full waterfront view of the Pearl River. The project company has obtained the land use right certificate for the site and construction permit for phase one of a GFA of 97,000 sq.m. where preliminary construction works have commenced. The construction permits for the remaining approximately GFA of 223,000 sq.m. are expected to be received in the second quarter of 2012 when construction of the entire development will be commenced in full force.

Tianhe Project

The equity interest in the project company, Huan Cheng, was sold to a third party in late 2010 at a gross consideration of RMB1.09 billion before deduction of finance and other costs which are yet to be ascertained. Payments totalling RMB858 million have been received from the purchaser so far. As the Group is obliged to bear overruns of construction costs and indemnify the timely completion of the construction of the properties within the agreed timeline, the criteria for recognition of revenue set out in HKFRSs have not been met. The revenue cannot be ascertained at the moment and is not recognised in the current year and deferred to a time when substantial part of such revenue can be ascertained reliably. The construction of the Project was started in 2011 and the foundation works are close to completion. Given the current progress of the construction of properties, the directors expect that the construction will be completed in 2014 when the sale transaction can be recorded and the revenue and associated cost recognised.

As at 31 December 2011, the Group's projects on hand renders a land reserve for property development of a total GFA of approximately 1.1 million sq.m., all of which will be put under construction during the year 2012 of which approximately 213,000 sq.m. will be completed during the year 2012.

The Group also holds an investment property with details as follows:

Investment property

A 20,000 sq.m. commercial podium at Tianyu Garden Phase II in Tianhe District, Guangzhou. The property is now 86% occupied, tenanted with renowned corporations and a US consulate.

Outlook

In the past year, the European sovereign debt crisis and the stringent austerity measures taken by the central government of the PRC imposed on the real estate developers has left the field players tightened financial resources and a depressed demand for mainland properties. Nonetheless, thanks to the reduced leverage, the Group has been able to contest the threats by obtaining additional financing to help in the development of its projects. With the comparative advantage of low leverage, the Group is in a better position to sustain a stable growth in its business.

In the recent months, the global markets are becoming stable while the debt crisis in Greece has been temporarily settled. We are in solid belief that the market outlook will become clearer when the central government will adopt a more lenient approach in its control measures towards developers. Having said, however, the Directors will not overlook the market risks and remain prudent in its business strategies, but at the same time, will continue to seek suitable and affordable opportunities to sustain a steady growth in the Group's future business. Apart from the newly acquired Yongzhou

Project, during the year under review, the Group won a bid for the right to develop a project in a new town in Nanning, Guangxi province for a residential development with a GFA of approximately 1,000,000 sq.m.. Binding agreement will be entered into subject to successful negotiations with the district government of Nanning about the detailed terms of the development later in the year 2012. The investment, if crystalised, will further enhance the cash flow and earnings of the Group in the coming few years.

LIQUIDITY AND FINANCIAL RESOURCES

Capital structure and liquidity

As at 31 December 2011, the Group is indebted to a commercial bank for a working capital and construction costs totaling RMB129 million, two money market loans totaling US$67.7 million (equivalent to RMB425 million) secured by two short-term bank deposits totaling RMB488 million, secured bonds in the principal value of HK$200 million (equivalent to RMB152 million) with warrants (carrying amount of RMB4 million) issued to the holder of the bonds, other unsecured borrowing due to a third party of RMB80 million and advances from non-controlling shareholders of a subsidiary totaling RMB168 million. These indebtedness, exclusive of the money market loans, totaling RMB533 million represents a mild increase of RMB37 million when compared with the corresponding balance in last year.

The indebtedness excludes deferred income of RMB977 million which is represented by the estimated net consideration received and receivable from the disposal of Tianhe Project for which the related revenue will be recognised at the time when the revenue relating to the performance of the obligations of the Group can be ascertained.

The gearing ratio of the Group was 14.7% (2010: 21.3%), based on the net debt of RMB271 million (represented by total indebtedness of RMB958 million comprising bank and other borrowings, money market loans, bonds, loans from non-controlling shareholders, net of cash and bank balances and bank deposits securing for the money market loans) to the equity attributable to ordinary shareholders of the Company plus net debt as at 31 December 2011. The ratio dropped as a reflection of the higher free cash level maintained by the Group as at the year-end date.

During the year, construction works of all projects, other than Tianhe Project, the construction of which is managed by the Group as a project manager, have commenced and hence related development costs incurred in these projects were reclassified as current assets. Current assets, totaling RMB3,056 million as at 31 December 2011, show a marked increase of RMB1,512 million from last year. Apart from the properties under development amounting to RMB1,917 million, the current assets at the current year-end date comprise mainly completed properties for sale of RMB107 million, consideration receivable arising from the disposal of Huan Cheng of RMB112 million, restricted and pledged deposits of RMB556 million of which RMB488 million are restricted deposits of used to secure for the money market loan facilities and RMB68 million pre-sale proceeds received from buyers restricted for payment of construction costs incurred in the Guiyang Project, and deposits made to contractor of Zhoutouzui project and other deposits totaling RMB123 million.

Total current liabilities amounted to RMB1,426 million which showed an increase of RMB377 million. The current liabilities at the current year-end date comprise, other than the indebtedness of secured money market loans, the current portion of loans for working capital and construction costs financing due to commercial banks, advances from non-controlling shareholders of a subsidiary and unsecured loan due to a third party as mentioned above, also consisted of advanced payments received from buyers of presold properties of RMB477 million, miscellaneous items in trade payables, other payables and accruals totaling RMB126 million and income tax payable of RMB83 million.

As the effect on the surge in current assets, the current ratio shows marked improvement which is 2.14 times at the current year-end (2010: 1.47 times).

Borrowings and pledge of assets

As at 31 December 2011, to secure for banking facilities granted to operating subsidiaries to finance for working capital and construction costs by a commercial bank in mainland China, mortgages of property interests in Tianyu Garden Phase II and works in progress and the land of the Guiyang Project were mortgaged in favour of the lending bank. Besides, to secure for the completion of construction of the Guiyang Project, bank deposits of money received from property buyers of approximately RMB68 million were restricted to the paying of construction costs of properties under construction. To secure the back-to-back guarantees given by two local banks in mainland China to a Hong Kong-based bank for money market loan facilities of US$67.7 million, bank deposits of approximately RMB488 million were placed in bank accounts in mainland China. The bonds in the principal value of HK$200 million issued during the year were secured by the 963,776,271 shares of the Company, constituting 65.2% of the total issued shares of the Company held indirectly by Mr. YU Pan, the controlling shareholder of the Company, and a personal guarantee of Mr. YU.

Foreign Currency Management

The Group is principally engaged in property development activities which are all conducted in the PRC and denominated in RMB, the functional currency of the Company's principal subsidiaries. At the same time, certain financing activities of the Group are denominated in other currencies, such as the money market loans and the guaranteed bonds which are in US dollars and Hong Kong dollars respectively.

Due to the steady appreciation of RMB against HK and US dollars during the year, a foreign exchange gain arises on consolidation of the assets and liabilities of the Hong Kong subsidiaries, resulting an exchange reserve of RMB0.3 million as at 31 December 2011 that is added to the equity of the Company. Since the US and HK dollars are pegged whilst RMB moves in gradual and upward trend against the US and HK dollars, the Group foresees no significant possible foreign currency adverse exposure in the foreseeable future but appreciations in the exchange rates of RMB against HK and US dollars. Such fluctuations will not have unfavourable effect on the financial position of the Group. For these reasons, the Group does not hedge against its foreign currency risk. However, any permanent or significant changes in the exchange rates in RMB for HK and US dollars and in the peg system of US dollars with HK dollars may have possible impact on the Group's results and financial position.

Contingent Liabilities

The Group provides guarantees to the extent of RMB383 million as at 31 December 2011 (2010: RMB184 million) in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees shall terminate upon issuance of the relevant property ownership certificates.

CORPORATE GOVERNANCE

None of the Directors is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the 2011 financial statements, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules except for code provision A2.1, where the roles of chairman and chief executive officer of the Company is not separated as required but is currently performed by the same individual.

Due to the small size of the management team, both the roles of the Chairman and Chief Executive Officer of the Company are currently played by Mr. YU Pan. The Board considers the current simple but efficient management team serves sufficiently enough the need of the Group. The Board will, nonetheless, continue to review the business growth of the Group and, when considered essential, will set out a clear division of responsibilities at the board level and the management team to ensure a proper balance of power and authority within the Company.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

During the year, the Company has adopted stringent procedures governing Directors' securities transactions in compliance with the Model Code as set out in Appendix 10 of the Listing Rules. Specific confirmation has been obtained from all Directors to confirm compliance with the Model Code throughout the year ended 31 December 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2011.

AUDIT COMMITTEE

The principal duties of the Audit Committee include the review of the Company's financial reporting procedures, internal controls and results of the Group. The financial statements have been reviewed by the Audit Committee.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Company (www.sfr59.com) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the aforesaid websites in due course.

OTHER

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. YU Pan (Chairman), Mr. SIU Shawn and Mr. WONG Lok; and three Independent Non-executive Directors, namely Mr. CHOY Shu Kwan, Mr. CHENG Wing Keung, Raymond and Ms. CHUNG Lai Fong.

By order of the Board
Skyfame Realty (Holdings) Limited
YU Pan
Chairman

Hong Kong, 23 March 2012