NEW TOWN

China New Town Development Company Limited
中國新城鎮發展有限公司

Hong Kong Stock Code: 1278
Singapore Stock Code: D4N.si

Annual Report 2013

整合優勢 再攀新高

推進新型城鎮化建設

Corporate Profile

China New Town Development Company Limited (Stock code: D4N.si or 1278.hk) (referred to as "CNTD" or the "Company") is dual-listed on the main board of Singapore Exchange Securities Trading Limited ("SGX") and The Stock Exchange of Hong Kong Limited ("HKEx") since 14 November 2007 and 22 October 2010 respectively.

We are pioneer in new town development in China. We have established industry leadership through over ten years of solid track record since 2002, and are among the very first non state-owned players to engage to primary land development. We have a distinctive business model that, through joint venture partnership with local government entities, we turn bare land into valuable land resources and receive a significant portion of land sale proceeds from the relevant People's Republic of China ("PRC") land authorities once the land plots are sold to third party property developers through public auction, tender or listing. In the new town development process, we have exclusive development and management rights and are not only responsible for master town planning, land preparation, infrastructure construction, but also nurturing long term town value through building high quality facilities, introducing premium brands and leading real estate developers. We currently have three new town projects, located in Shanghai, Wuxi and Shenyang respectively, with total site area of approximately 36 sq.km..

Goal

Our Goal is to be the best new town developer in China achieving long-term sustainable growth whilst we continue to strive for short to medium term profitability in order to deliver the greatest value to our shareholders.

Mission

Our Mission is to build a conscience corporation embracing the value of social ethics, environment and people.

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Our Business & Cycle

OUR BUSINESS

Introduction

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

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

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

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

Our business cycle

Phases
Bare Land Site selection & master planning, relocation and resettlement of residents
Land Preparation Formation of infrastructure and public amenities development
Developed Land Parcels Ready for sale through public auction, tender or listing

LAND DEVELOPMENT PROJECTS

Shanghai Luodian New Town

- Total site area of 6.80 sq. km.
- Located at Baoshan District, connected to downtown Shanghai by metroline #7 (with two stops at Luodian), around 30 minutes ride to downtown Shanghai
- Selected as permanent site to co-host the National Urbanization Forum with the National Development and Reform Commission of the PRC
- Also features a Five-star Crowne Plaza Hotel, two 18-holes PGA standard golf courses (the site of Lake Malaren BMW Masters Tournament), an European-styled retail street with over 72,000 sq.m. of rental space, an international convention centre, and Lake Malaren Maternity Hospital (provisional name)
- Substantially completed (96% completion)
- Approximately 589,566 sq.m. of remaining land available for sale representing 30% of total, available for sale up to year 2016

Wuxi Hongshan New Town

- Total site area of 8.68 sq. km.
- Located in Wuxi New District and adjacent to the high-tech industrial park (over 70 of Fortune 500 businesses operating there), close proximity to the Wuxi city centre and Wuxi Airport
- Features a five-star hot spring hotel, retail Street and the Wuxi branch Shanghai Ruijin Hospital.
- Approximately 67% completed of development
- Approximately 3.11 million sq.m. of remaining land inventory available for sale representing 81% of total, available for sale up to year 2020

Shenyang Lixiang New Town

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

Note: CNTD's holding interests in Luodian, Wuxi and Shenyang joint-venture companies are 72.63%, 90% and 90% respectively.

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

Luodian

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

Wuxi

- A five-star hot spring hotel
- Retail street
- Wuxi branch of Shanghai Ruijin Hospital

REAL ESTATE DEVELOPMENT PROJECTS

Lake Malaren UHO Project[1]

Type:	Commercial
Location:	Within Luodian New Town, adjacent to the Metroline #7, Lake Malaren Station
Site area:	17,969 sq.m.
Total GFA:	41,100 sq.m.
Descriptions:	Located right on the top of the Luodian metro Transportation Hub, the Lake Malaren UHO Project is to be developed into commercial use property. It benefits from convenient location, at the junction where the metroline #7 connects the new town with downtown Shanghai, as well as a shopping mall.
Expected timing:	Pre-sale started in 2011, delivery through 2013 to 2014

Note 1: CNTD has 72.63% effective interest in these projects.

Lake Malaren Silicon Valley project[1]

Type:	Commercial
Location:	Adjacent to the Crowne Plaza Lake Malaren Hotel and Lake Malaren Golf Course (two 18-holes PGA standard golf courses to co-host an international golf tournament with the BMW ("BMW") in 2012-2014. BMW has the right to extend the cooperation agreement for a further period of four years (i.e. 2015-2018).
Site area:	242,500 sq.m.
Total GFA:	97,000 sq.m.
Descriptions:	To be developed into low-density commercial office units and sold for use as corporate headquarters, enjoying full view of the Lake Malaren Golf Courses. The Project will have approximately 240 units, with a standard unit ranging from 360 sq.m. to 460 sq.m.
Expected timing:	Pre-sale started in 2011, delivery through 2012-2015

Jiangnan Richgate II (formerly known as Wuxi Hongqing Project)[2]

Type:	Residential
Location:	Within Wuxi Hongshan New Town
Site area:	69,212 sq.m.
Total GFA:	83,055 sq.m.
Descriptions:	To be developed into residential property.
Expected timing:	Pre-sale to start in 2014, delivery through 2015-2016

Chengdu Albany Oasis Garden (formerly known as Chengdu project in Pi county)[1]

Type:	Residential
Location:	Sanguan Village, Hongguang Town in the Pi county of Chengdu
Site area:	90,982 sq.m.
Total GFA:	215,202 sq.m.
Descriptions:	Located in one of the six major city ancillary blocks of Chengdu with good location, convenient transportations and excellent development prospects. This project represents the first ever CNTD real estate project outside its own new towns.
Expected timing:	Pre-sale started in 2012, delivery through 2013-2015

Note 1: CNTD has 72.63% effective interest in these projects.
Note 2: CNTD has 90% effective interest in the project.

Our Strengths & Strategies

Our competitive strengths:

- Strong reputation and proven track record as a quality and pioneering new town developer in PRC
- Distinctive business model
- Close and successful cooperation with local governments
- Substantial saleable land with high potential for value appreciation
- Proactive marketing and promotion through well-established platforms, for example, the annual National Urbanization Forum with the National Development and Reform Commission of the PRC
- Experienced management team

Our business strategies:

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

BOARD OF DIRECTORS

Executives

Mr Shi Jian *(Chairman)*
Mr Li Yao Min
(Co-Chairman, Chief Executive Officer)
Mr Shi Janson Bing
(Co-Chief Executive Officer)
Ms Gu Biya *(Chief Operating Officer)*
Mr Mao Yiping *(Vice President)*
Mr Qian Yifeng *(Executive Director)*

Non-Independent Non-Executive

Mr Yue Wai Leung Stan *(Vice Chairman)*

Non-Executives

Mr Henry Tan Song Kok
(Lead Independent Director)
Mr Zhang Hao *(Independent Director)*
Mr Kong Siu Chee *(Independent Director)*
Mr E Hock Yap *(Independent Director)*

AUDIT COMMITTEE

Mr Henry Tan Song Kok *(Chairman)*
Mr Zhang Hao
Mr E Hock Yap

NOMINATING COMMITTEE

Mr E Hock Yap *(Chairman)*
Mr Henry Tan Song Kok
Mr Kong Siu Chee

REMUNERATION COMMITTEE

Mr Kong Siu Chee *(Chairman)*
Mr Henry Tan Song Kok
Mr E Hock Yap

INVESTMENT COMMITTEE

Mr Kong Siu Chee *(Chairman)*
Mr Henry Tan Song Kok
Mr Zhang Hao

COMPANY SECRETARIES

Ms Low Siew Tian
Ms Chan Sau Ling

COMPANY SECRETARIAL CONTACT

Mr Li Yao Min *(Co-Chairman)*
Ms Chen Rong *(Assistant Company Secretary)*

BUSINESS ADDRESS

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18 Harbour Road
Wan Chai, Hong Kong SAR
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Facsimile: (852) 3965 9111
Website: www.china-newtown.com

REGISTERED OFFICE

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P.O. Box 3340
Road Town, Tortola
British Virgin Islands

BVI PRINCIPAL SHARE REGISTRAR

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

SINGAPORE SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services
80 Robinson Road
#02-00, Singapore 068898

HONG KONG BRANCH SHARE REGISTRAR

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

LEGAL ADVISOR

WongPartnership LLP
Woo, Kwan, Lee & Lo
Jingtian & Gongcheng

AUDITOR

Ernst & Young
22/F, CITIC Tower, 1 Tim Mei Avenue, Central,
Hong Kong SAR
Auditor's Date of Appointment: 20 November 2007
Partner-in-charge: Mr Terence Ho Siu Fung
Partner-in-charge Since: 9 November 2011

STOCK EXCHANGE LISTED

ISIN Code: VGG2156N1006

Singapore Exchange Securities Trading Limited
Stock Name: ChinaNTown
Stock Code: D4N.si

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

PRINCIPAL BANKERS

CITIC Bank International Limited
The Agricultural Bank of China
United Overseas Bank Limited

* The address will be changed to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014

Chairman's Statement

Dear Shareholders

On behalf of the board of directors, I would like to present the annual report for the results of China New Town Development Company Limited ("CNTD" or "the Company") for the year ended 31 December 2013.

The year 2013 represented a critical year of junction in the macro development of China. Following the election of the new country leaders at the Eighteenth National Congress of the Communist Party of China held in 2012, the Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China was held in 2013 to determine the future direction of deepening the country's reforms. Post the plenary session, the Central Government announced "The Decisions on Major Issues Concerning Comprehensively Deepening Reforms" ("the Decisions"), clearly mapping out the directions for the country's future developments in important areas such as economy, politics, society and welfare. The Decisions emphasized the importance of striking a balance in the relationship between the government and the market, so that the market plays a decisive role in resource allocation and price determination. In addition, stepping up from the Eighteenth National Congress in which urbanization was lifted to the level of national strategy, the Decisions further emphasized the importance of staying the course with a Chinese-styled new model of urbanization. Several principles in relation to urbanization were advocated, namely, to center urbanization around people's welfare, to promote a coordinated and harmonized development between large, medium and small cities and towns as well as to integrate industrial development and township development. In terms of land policies, the Decisions proposed to establish an integrated market for both urban and rural construction land parcels, and eventually aligning rural collectively-owned land with urban state-owned land in terms of market entrance mechanism as well as rights and values. We firmly believe, the future trend of China's new model of urbanization would focus on creating quality environment for people's living and employment. Trending towards market-driven dynamics, the involvement of social and market capital would steadily increase. In the process of China's long-term urbanization with urbanization rate of the country increasing by over 1 percent each year, a new town development industry evolving towards market driven mechanism is full of exciting business opportunities. As a pioneer in new town development in China with over ten years of market-oriented execution experience in land development projects and established professional team, we are confident about seizing such opportunities.

During 2013, China has overall maintained a tightening policy approach on the property sector, especially at the beginning of the year when the "State's Five Measures" were introduced to the market, causing shocks to market confidence. However, differing from previous policies, the latest tightening policies on property sector are no longer generalized. Instead, they are tailored to each region based on the prevailing industry dynamics. With region-specific curbing policies being introduced, the goals of supporting household welfare and housing affordability from central government have become gradually clear. The tightening policies on property sector are no longer targeting specific prices, but rather to focus on government-subsidized housing programs such as affordable housing and shanty areas etc. to ensure that basic housing needs of people are met. Driven by the strong demand, commodity housing market has continued to pick up nationwide, especially in the first-tier cities. With the vibrant property market, the national land transactions have also quickly recovered. According to the National Bureau of Statistics, the national land transaction volume amounted to RMB991.8 billion in 2013, increasing by 33.9% as compared to last year, and the area of land transactions rose by 8.8% year on year while average transaction price rose by 23%, both representing significantly faster growth as compared to 2012.

Since the fourth quarter of 2013, a series of local curbing policies led by the "Beijing's Seven Measures", the "Shanghai's Seven Measures" and the "Shenzhen's Eight Measures" was introduced. It did not only demonstrate the government's determination to continue curbing the property market, but also stabilized market expectations as a result. Looking forward into the new year, with the increasingly harsher restrictions on purchase and mortgage as well as steadily increasing supply of government-subsidized housing and land to balance housing supply and demand, the price of commodity housing nationwide is expected to stabilize. Consequently, the land market can be expected to consolidate in a stable industry environment and shape for a more rational and healthier long-term development. Data from the National Bureau of Statistics' shows that China's urbanization rate was at 53.7% at the end of 2013, representing an increase of nearly 1.2% against 2012 and showing that the country has maintained a high pace of urbanization. We are confident that the value of the substantial amount of quality land bank would materialize in the near future.

On the company development side, we are pleased by our remarkable breakthroughs in the year. After extensive discussions and negotiations, definitive agreement has been reached by the Company and China Development Bank Capital Corporation Limited ("CDB Capital"), a wholly-owned subsidiary of China Development Bank Corporation ("CDB"). Legally-binding agreements were signed by the parties on 10 October 2013, pursuant to which China Development Bank International Holdings Limited ("CDBIH"), a wholly-owned subsidiary of CDB Capital registered in Hong Kong, has agreed to subscribe for newly issued shares of the Company and become the controlling shareholder with 54.32% interest in the enlarged share capital of the Company. Meanwhile, SRE Investment Holding Limited ("SREI"), the incumbent controlling shareholder of the Company, will hold 14.91% of the enlarged shares, continuing to be a substantial shareholder of the Company. Upon completion of share subscription, both CDBIH and SREI will undertake a three-year lock-up period for each of their shares in the Company, with a long-term commitment to investing in the Company's prospect.

CDB and CDB Capital have outstanding achievements and unique resources in China's urbanization. As the leading bank in the process of China's urbanization, CDB's support to China's urbanization has been long and devoted, and has yielded distinctive results. Since 1998, CDB has issued loans totaling approximately RMB7 trillion to urbanization-related projects throughout the country, playing a key role in propelling nationwide municipal infrastructure development, enhancing integrated township capacities and fuelling township industrial and technological growth. It has made remarkable contributions to township development and employment creation of the country. Under the series of national strategic initiatives on the new model of urbanization of China, CDB commits at least 60% of its loans to the developments to urbanization. CDB Capital is the equity investment platform of CDB. With nearly RMB50 billion of registered capital and the unique background of CDB, CDB Capital has solid business foundation and is well-positioned in the field of urbanization. In recent years, CDB Capital has invested plenty of quality new town projects. On the other hand, CDB Capital also highly recognizes the management team and the experience of executing new town projects that the Company accumulated over the years.

As our principal business of new town development is capital intensive and requires significant initial capital expenditure, the Company in its current state has experienced severe bottlenecks due to its consistently high gearing and lumpy cashflow generated from infrequent land sales from a limited number of projects. It might be therefore constrained in capturing the exciting business opportunities with China's urbanization trend. The Company believes that to capture the opportunities brought by China's national strategy of urbanization, and to allow the Company to compete at the next level, the Company needs to introduce a strategic shareholder with strong background and long-term vision in the business. Therefore, the introduction of CDB Capital as our strategic shareholder marks an important milestone in our development. Upon completion, we will become a strategic subsidiary of CDB Capital. We believe this shall improve the capital structure of the Company and create substantial synergies for our core business. The Company will constitute a key component of the CDB Capital's national strategy on China's urbanization. CDB Capital's profound brand equity, excellent financing capabilities, strong connections with various levels of government, and nation-wide investment business network and partners in the new town development field, are also expected to enhance the Company's business scale, financial performance, industry presence and competitiveness.

We believe that CDB Capital's strategic subscription of the Company's shares is an innovative implementation of joint ownership structure under the leadership of state-owned capital, a principle upheld by the recent Third Plenary Session of the Eighteenth People's Congress of the Chinese Communist Party. This allows the brand and core competence of a state-owned institution to seamlessly integrate with the operational edge of social capital, allowing us to contribute as a pioneer and core player in the implementation of China's national strategy of urbanization.

As part of the transaction, the Company and SREI have also entered into a disposal master agreement pursuant to which SREI has agreed to purchase a basket of assets ("Disposal Assets") from the Company and arrange for the repayment of loans associated with these assets. The Disposal Assets mainly consist of non-land assets which are not related to our core business after the CDBIH share subscription. These assets have generated operating losses in the previous three years and are not expected to be key revenue driver of the Group going forward. The Group's profits would benefit from disposing these assets. The total consideration for the Disposal Assets is approximately RMB2.07 billion, payable in installments within 24 months from the completion date of the share subscription agreement. The Company believes that the disposal and the subscription are complementary, improving the Company's financial position, reducing its gearing ratio, and improving its profitability. We expect to realize substantial cash proceeds from the Disposal Assets, which shall significantly improve the Company's liquidity, and reduce the indebtedness owing to these assets. At the same time, these transactions help simplify the business model while their proceeds can be redeployed to the Group's core business of new town development, allowing us to focus our management resources on land development business, as well as improving profitability and seeking expansion opportunities in the future.

All resolutions pertaining to the transaction have been duly approved by the Company's independent shareholders by vote in the Extraordinary General Meeting held on 30 December 2013. The parties are working closely to fulfill the series of conditions precedent to the transaction, aiming to close the transaction in the first quarter of 2014. Upon closing the share subscription and under the leadership of CDB Capital, we expect the Company to open a new chapter and become the leader in the field of new town development. Our entire staff force is feeling extremely excited about this.

In closing, on behalf of the board of directors (the "Board"), I would like to express sincere gratitude to all shareholders, investors, financial institutions, government bureaus and all related partners for their support in the past year. At the same time, I would like to extend my appreciation to the Board, the management and all staff members of CNTD for their devotion and contribution. We will stay committed to creating long-term value for our shareholders.

Shi Jian
Chairman

17 March 2014

CEO Statement

Dear Shareholders,

2013 has been a very special year for China New Town Development Company Limited, a company with unique business model. Facing rather tough industry environment with uncertain prospects in the property market and steadily tightening credits, we focused on strengthening our business fundamentals and enhancing the core competitiveness of our existing projects while we actively sought for breakthrough opportunities in corporate development. In the financial year ended 31 December 2013, driven by effort to accelerate de-inventory of property development projects, total revenue of CNTD grew by 30% year-on-year to RMB1.216 billion. Regrettably, due to relatively sluggish recovery in property markets of second-tiered cities in China, our Albany Oasis Garden project in Chengdu was battling against tough operating conditions. Moreover, finance costs of the Group continued to climb, further dragging down the Group's financial performance. As a result, the Group recorded a loss attributable to shareholders of RMB212 million for the year. Reviewing the path that CNTD has walked through for the past ten years and more together with the lessons we have learned, we are conscious of the major bottleneck facing the Group, as we need to overcome enormous barriers to pipeline expansion, increasingly heavy operating burden associated with the non-land business as well as soaring costs of capital. Change is our only way to get through.

Therefore, in the past year, the introduction of CDB Capital, a wholly-owned subsidiary of CDB, as a strategic investor, and the ensuing series of non-core asset disposals, represented key strategic breakthroughs of the Group in enhancing core competence and better adapting to the macro environment. We firmly believe that, under the leadership and strong support from our prospective controlling shareholder CDB Capital together with our expertise in new town development through 13 years of experience, we shall embrace the opportunities and challenges presented by the urbanization development in China with a brand new CNTD. We are well positioned to turn abundant strategic resources into our core competitive advantages and evolve to be the leader in the field of new town development.

In the past financial year, we have been committed to advancing the development of our projects and nurturing long-term land value under strategic principles of stringent control on cost and cashflow, and have achieved steady development in all our projects.

LUODIAN

In 2013, land sale remained the top priority of Luodian New Town project, as it remained the key contributor to revenue of the Group. At the beginning of the year, a land parcel with a total site area of 110,022 sq.m. (approximately 165 mu) at the most eastern part of the Luodian project was sold to Fujian Zhengrong Group Co. Ltd. for a total price of RMB1.35 billion. Despite the fact that this land parcel was relatively distant from town centre, it turned out to be a heated auction through our proactive promotion to property developers, closing at a desirable 40% premium to reserve price after 78 rounds of competitive bidding.

In addition, as an integral part of new town development process, we remained fully dedicated to enhancing the influence and reputation of Luodian New Town through a series of promotion activities targeting market image and popularity of the town. Among them, near the end of first quarter, we held the "National Urbanization Forum 2013", a two-day forum at the Lake Malaren Convention Centre. Luodian showcased as a national role model in new town development to over a hundred forum participants ranging from governments officials at various levels across China, renowned entrepreneurs to international experts and scholars. The BMW Masters Tournament, the annual PGA Golf Tournament sponsored by BMW, was successfully held. It invited the top players around the world to compete at our golf course, attracting attention globally. Furthermore, after two years of dedicated attempts, we have secured the status of national "4A Standard" tourism spot for Lake Malaren within our project, becoming a key spot promoted by the municipal tourism bureau alongside with other prominent attractions in Shanghai such as Xu Jiahui and the People's Square. After considerable time in preparation, the Lake Malaren International Maternity Hospital also commenced operations in October 2013, a step further in improving the standard of healthcare facilities within the new town. We believe these initiatives helped raise the profile of Luodian project and enhance land value, as well as establishing an excellent brand image for the Company. Going forward, our main strategy with Luodian project is to achieve the complete sales of the remaining land inventory with a total site area of 589,566 sq.m. as soon as possible. In the meantime, we will explore with local government on the possibility of expanding the project scope in the region, so that we can materialize the value of this flagship project for our shareholders for the years of extensive investment and cultivation.

WUXI

CNTD Wuxi Hongshan project, being the second largest project of CNTD, is in the proximity of the economically vibrant Wuxi High-tech Industrial Park and located along the intercity railway and Shanghai-Ningbo high-speed railway. The project has a total site area of 8.68 sq.km. with good potential for future development. It is strategically the next profit driver after CNTD's maturing Luodian project. Currently, the relocation of residents, which accounts for the major cost of project development, is near completion, therefore the total cost of project development is well under control. However, due to the fact that Wuxi project is at its early stage with tight funding and the development of public service, business culture, and population size etc. are not in shape, it has not been able to generate stable land revenue. In the year of 2013, we have been actively pushing the development of the project accommodating these objective conditions. In addition to orderly advancing project's infrastructure work such as road construction and land clearing, we have devoted to promote the construction of public and living facilities, including the completion of master planning for the Wuxi branch of Shanghai Ruijin Hospital within the project, several rounds of negotiation on the introduction of education brand to Hongshan New Town, and the promotion of cultural high street and introduction of new business conforming to the needs of surrounding real estate projects.

Looking into the new year, with the breakthrough of CDBIH's share subscription, we will strive to push for the project finance of Wuxi to ensure that the development and construction of projects can be accelerated with sufficient funding. In addition, apart from the construction of municipal facilities and roadworks, we target to launch the construction of central lake area and a series of greenery projects. The lakeside landscape and an excellent natural environment will become the highlight to promote land sales. We will continue to strengthen sales and marketing efforts for the project, and strive to achieve land sales in the new year, making a solid start for Hongshan New Town's subsequent and sustainable development.

SHENYANG

Located at the Hunnan District of Shenyang, the Lixiang New Town has a total site area of 20.55 sq.km., being the largest project of CNTD. In the year of 2013, the property market of Shenyang was in an overall gradual upward trend. Thanks to the National Game and robust inelastic user demand, overall turnover was notably up from the previous year. This is a positive development for domestic property market with a substantial overhang inventory. The Hunnan District we operate in, where the National Game was held, fully enjoyed the benefits from this major national sports event. With the leap in regional investment and development activities in terms of both quality and quantity, the district is on track to developing into Shenyang's central district. Although our Lixiang project is at an initial stage and is set to grow relatively slowly, we expect the development pace to pick up as the domestic property market continues to recover. On a self-sustaining basis, we seek to advance the basic development of the new town project and foster our cooperation and communication with the local government, so as to resume land sales as early as possible.

PROPERTY DEVELOPMENT PROJECTS

In addition to primary land development, we also actively pushed for property sales at several property development projects in order to speed up cash cycle and smoothen the cashflow associated with land development. In 2013, our property projects, namely the Lake Malaren UHO project in Luodian and the Albany Oasis Garden located in Chengdu entered completion, with delivered units amounting to 21,718 and 34,375 sq.m. respectively. However, the pre-sale of these properties happened at a time with toughest macro curbing measures, as a result, the sales profit booked into our accounts during 2013 was unsatisfactory. As the Chairman stated in his report, such property development projects will cease to be the core business of the Group upon share subscription of CDBIH as our new controlling shareholder, they will be disposed from the Group through the course of the next 24 months. Therefore we expect the current weak performance of these property projects shall not constitute a continued drag on the Group's future financial performance.

OUTLOOK AND CONCLUSION

Looking into 2014, we will focus on the following objectives:

i. Full steam ahead on the development of our existing projects and achieve steadier financial performance through securing land sales from these projects;

ii. Leveraging help from new controlling shareholder CDBIH, proactively procure new projects with good development potentials, so as to expand our project footprint and the scale of our business;

iii. Implement the series of disposals of non-core assets in accordance with agreed timeline so as to optimize the asset allocation of the Group. We seek to not only realize the cash value from these assets and re-deploy cash into core business of land development in our existing and future projects, but also to systematically improve the financial performance of the Group in the future through disposing assets with unsatisfactory profitability and high gearing ratios;

iv. Achieve and maintain a healthy and prudent gearing level, and secure sufficient funding for project development while controlling costs of capital through proactively exploring multiple financing channels.

With the completion of the CDBIH share subscription, CDBIH will become our controlling shareholder and lead the Company's long-term development. Leveraging CDB Capital's brand equity and capabilities, the Company shall march towards the objective of becoming the leading enterprise in China's urbanization. We deeply feel the gravity of this mission. We shall fully integrate ourselves into China's national strategic deployment on urbanization as well as the development strategies of CDB. In this important transition period, we shall devote to smoothening the strategic adjustment of the Company and the assets disposal process, so that the Company is in a better shape to embrace future opportunities. We will lead the team to maximize shareholders value with our professionalism and a strong focus on steady results delivery.

Li Yao Min
Co-Chairman and Chief Executive Officer

Shi Janson Bing
Co-Chief Executive Officer

17 March 2014

Five-Year Financial Summary

A summary of the consolidated results and assets and liabilities of the Company and its subsidiaries (the "Group") of the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

RMB'000	Year ended 31 December 2013	2012	2011	2010	2009
Revenue	**1,216,303**	934,954	640,532	1,479,889	1,087,355
Cost of sales	**(940,740)**	(568,052)	(303,665)	(567,278)	(435,048)
Gross profit	**275,563**	366,902	336,867	912,611	652,307
Other income	**34,850**	15,216	26,355	13,130	8,419
Selling and distribution costs	**(172,332)**	(117,839)	(161,369)	(65,223)	(119,669)
Administrative expenses	**(162,716)**	(131,562)	(136,055)	(178,224)	(133,523)
Other expenses	**(20,555)**	(31,219)	(222,544)	(44,544)	(1,720)
(Loss)/gain on the repurchase of Senior Notes	**–**	–	–	(4,177)	24,744
Impairment loss of property, plant and equipment	**–**	–	–	–	(8,810)
Fair value gain/(loss) on completed investment properties	**(1,362)**	61,606	(24,107)	16,168	(14,163)
Fair value gain/(loss) on investment properties under construction	**600**	161	(9,264)	(1,723)	39,036
Operating profit/(loss)	**(45,952)**	163,265	(190,117)	648,018	446,621
Finance costs	**(219,425)**	(81,155)	(48,648)	(97,861)	(104,352)
Share of profit/(loss) from jointly-controlled entities	**(47)**	280	(891)	–	–
Profit/(loss) before tax	**(265,424)**	82,390	(239,656)	550,157	342,269
Income tax	**6,161**	(36,657)	6,476	(188,575)	(98,809)
Profit/(loss) for the year	**(259,263)**	45,733	(233,180)	361,582	243,460
Non-controlling interests	**(46,271)**	31,292	(32,453)	(114,788)	(76,830)
Profit/(loss) attributable to owners of the parent	**(212,992)**	14,441	(200,727)	246,794	166,630
Assets and liabilities					
Total assets	**11,563,384**	11,761,087	10,616,030	8,931,850	8,620,425
Total liabilities	**8,584,100**	8,520,540	(7,590,384)	(5,634,324)	(5,811,268)
Total equity	**2,979,284**	3,240,547	3,025,646	3,297,526	2,809,157
Equity attributable to owners of the parent	**2,457,188**	2,670,180	2,488,571	2,746,007	2,372,926
Non-controlling interests	**522,096**	570,367	537,075	551,519	436,231
Total Equity	**2,979,284**	3,240,547	3,025,646	3,297,526	2,809,157

Financial Review

OPERATING RESULTS

Our results of operations are primarily driven by the frequency and achieved selling prices of public auction of land use rights. The frequency and selling prices of public auction, likely to be affected by all kinds of variables, are not completely within the control of the Group. During the financial year ended 31 December 2013 (the "Financial Year"), only one saleable land parcel was successfully auctioned and sold in our Shanghai Luodian project, therefore, the land development revenue of the Group have decreased by 12% compared with the 2012.

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

Plot Code	Project	Site area (sq.m.)	Plot ratio	Month	Gross floor area	Contract price (RMB'mil)	Average price by gross floor area (RMB per sq.m.)
F1-1	Luodian, Shanghai	110,021.90	1.01	March	111,122.12	1,350	12,149

In relation to the land sale Proceeds Percentage that Shanghai Luodian is entitled to on the land sale proceeds listed above, the local government decided to decrease the Percentage that Shanghai Luodian Project is entitled to on the land sale proceeds back to 48% in the year of 2013. The favourable rate granted by the local government in the year of 2012 has been cancelled.

On the cost side, the unit cost for land development in Wuxi Hongshan and Shenyang Lixiang projects (allocated based on budgeted cost of services over relevant area) of 2013 were kept unchanged compared with 2012.

In December 2013, the Group increased the budget of relocation cost in relation to the Shanghai Luodian project by RMB260 million. The unit cost for land development (estimated based on budgeted cost of services over relevant area) was increased from RMB2,848 per square metre to RMB3,216 per square metre (increased by 13%). As a result, the cost of sales in 2013 increased by approximately RMB40 million, land development for sale balance increased by RMB221 million and trade payable balance increased by RMB260 million.

Our secondary property development has entered into a phase of completion and delivered to customers. In 2013, 21,718 square meters of our Lake Malaren UHO Project and 34,375 square meters of our Chengdu Albany Oasis Garden Project were completed and delivered to customers. Thus, revenue of RMB481 million and cost of RMB496 million were recorded accordingly during this financial year. The negative margin resulted from part of sale contracts of Chengdu Albany Oasis Garden Projects, whose pre-sale price was set at a relatively low level at a time where continued macroeconomic curbing policy on real estate. In terms of unsold property units, no further provision is needed except for the contracts signed below unit cost which impairment of RMB14.7 million were made, because of the average pre-sale price per square meter increased by approximately 10% in our Chengdu Albany Oasis Garden Project and Lake Malaren UHO Project since 2013 as compared with that in 2012 financial year as real estate market slowly recovers.

Due to the successful hosting of 2012 BMW Masters Golf tournament ("the Tournament") in Lake Malaren of our Shanghai Luodian project, the golf operations recorded revenue of RMB98 million during the financial year compared with RMB86 million in 2012, as an increase of 13%, and the investment property leasing operations recorded revenue of RMB15 million during the financial year compared with RMB11 million in 2012, an increase of 35%.

Due to the renovation of the executive floor, the hotel operations recorded revenue of RMB56 million during the financial year compared with RMB65 million in 2012. The renovation was completed towards the end of 2013.

Other income increased by RMB20 million compared with 2012, mainly because the interest income increased from RMB6 million to RMB23 million and foreign exchange gain of RMB6 million in this financial year. The increase of interest income was primarily resulted from the interest income of time deposit amounting to RMB15 million, while the increase of foreign exchange gain was primarily resulted from the fluctuation of exchange rate.

OPERATING EXPENSES

Selling and distribution costs

During the Financial Year, selling and distribution costs increased by RMB54 million compared with 2012 mainly due to the expenditure of RMB60 million incurred in the application for National 4A Tourist Attraction District for Shanghai Luodian, pursuant to an agreement entered between the Group and the government of Luodian Town.

Administrative expenses

Administrative expenses incurred during the Financial Year increased by RMB31 million compared with 2012, mainly due to the transaction cost of the disposal of assets not relating to the Group's main principal business of RMB11 million and the start-up expense at Lake Malaren Maternity Hospital of RMB9 million incurred in 2013, while no such expense incurred in 2012. The transaction cost includes legal fee, financial advisory fee, reporting accountant fee and valuation fee.

Other expenses

In 2013, other expense decreased by RMB11 million compared with the 2012, resulted mainly from the foreign exchange loss of RMB5 million and loss on disposal of a joint venture of RMB2 million recorded in 2012, no such circumstance incurred in this Financial Year.

Non-operating activities

A fair value loss of RMB1.36 million was recorded for completed investment properties in 2013, and the depreciation in value was due to the valuation of shopping mall and Scandinavia Retail Street within our Shanghai Luodian project. In 2012, the fair value of investment properties had increased by RMB61 million compared with the book value of such properties at the end of 2011 (appreciation in value of 8%), and the appreciation in value arose from valuation of the retail street and the transportation hub within our Shanghai Luodian project.

Finance costs

During the Financial Year, we have recorded total net finance costs of RMB219 million, which comprised of RMB247 million interest expenses, partially offset by interests capitalized of RMB27 million. This compares with net finance costs of RMB81 million for 2012. The increase is primarily attributable to a decrease of interest capitalized in relation to three of our property development projects, Lake Malaren Silicon Valley Project, Lake Malaren UHO Project, both of which had entered into phase of completion and being delivered to customers by December in 2012 and January in 2013, respectively.

Taxation

The Company recorded the income tax benefit of RMB6 million during the Financial Year as a result of loss before tax of RMB265 million.

FINANCIAL POSITION

Property, plant and equipment

The balance as at 31 December 2013 increased by RMB114 million as compared with the balance at the end of 2012. The increase was attributable to progress in the construction of the hospital project within our Shanghai Luodian project.

Completed investment properties and investment properties under construction

The balance as at 31 December 2013 was in line with last year.

Land development for sale

Land development for sale represents cost of land development within our new town development projects. During the Financial Year, the land development for sale decreased by RMB47 million. The net effect of the account was attributable to a decrease of RMB349 million which was recorded as cost of sales when the land parcel was sold during the first quarter of 2013, partially offset by RMB302 million that was incurred along with the progress of land development.

Prepaid land lease payment

The balance of this account represented the book value of land use rights of property development projects. The balance as at 31 December 2013 decreased by RMB141 million as compared with the balance at the end of 2012, as a result of the completion and delivery of the Lake Malaren UHO Project and Chengdu Albany Oasis Garden Project during 2013.

Prepayment

The balance as at 31 December 2013 decreased by RMB86 million as compared with the balance at the end of 2012, which was resulted from RMB90 million of the construction prepayment in our Wuxi Hongshan project has been collected.

Other receivables

The balance as at 31 December 2013 decreased by RMB217 million compared with that by the end of 2012, which was primarily derived from the amount of RMB223 million in relation to Wuxi Xinrui hospital, Wuxi hotel and Shenyang golf court project had been collected during the first quarter of 2013.

Trade receivables

The balance as at 31 December 2013 increased by RMB299 million as compared with the balance as at the end of 2012, which was mainly due to i) the receivables of RMB674 million for the land sold in the first quarter of 2013; and reduced by ii) RMB340 million for land sale and RMB26 million for property sale receivables which were collected in 2013.

Property under development for sale

The balance as at 31 December 2013 mainly represented the cost of construction of Lake Malaren Silicon Valley project, Lake Malaren UHO project, Chengdu project and Wuxi Hongqing project of RMB1,117 million, RMB147 million, RMB260 million and RMB45 million, respectively. The decrease of RMB36 million was mainly due to the completion and delivery of our Lake Malaren UHO Project of RMB236 million, Chengdu Albany Oasis Garden Project of RMB116 million, Silicon Valley Project of RMB3.6 million in 2013, and the impairment of Lake Malaren UHO Project amounting to RMB6.07 million and Chengdu Albany Oasis Garden Project amounting to RMB8.63 million in 2013 described previously, which were recorded as cost of sales. On the other hand, the progress in the construction contributed an increase of RMB334 million in aggregate.

Interest-bearing bank and other borrowings

The balance of current interest-bearing bank and other borrowings increased by RMB103 million and the balance of non-current interest-bearing bank and other borrowings decreased by RMB151 million compared with the end of 2012.

Trade payable

The balance as at 31 December 2013 decreased by RMB72 million. The decrease was mainly due to the payment of RMB170 million after the completion of secondary property development and payment of RBM170 million of primary land development cost in 2013, partially offset by the increase of relocation expenditure payable of RMB260 million. For detailed information of the relocation expenditure, please refer to the above note for the cost of sales.

Other payables and accruals

The balance as at 31 December 2013 increased by RMB177 million compared with the balance as at the end of 2012. The increase was primarily due to i) the accrued National 4A Tourist Attraction District expense of 40 million; ii) the accrued business tax for land sale of RMB33 million; iii) the accrual of tournament expenditures including RMB22 million resulted from 2013 BMW Masters Golf tournament; iv) a total of RMB25 million construction deposit from suppliers; and v) the accrual of transaction cost of RMB12 million.

Advances from customers

The balance as at 31 December 2013 mainly represented the collection of property development presale proceeds, which primarily included RMB156 million from the pre-sale of Chengdu Albany Oasis Garden, RMB53 million from the pre-sale of UHO and RMB119 million from the pre-sale of the Lake Malaren Silicon Valley.

Deferred income arising from land developments

The balance as at 31 December 2013 increased by RMB24 million compared with the balance as at the end of 2012. The increase primarily arose from sale of the land parcel in the first quarter of this year and the deferred income was recorded for the uncompleted part of construction based on the completion percentage of the Luodian project at 96.17%.

Liquidity

The Group has been granted the following facilities which had been announced.

a> For development of Lake Malaren Silicon Valley Project in our Shanghai Luodian New Town Project:
- Principal: RMB600 million
- Total facility withdrawn as at the end of 2013: RMB519.7 million

b> For development of Chengdu Albany Oasis Garden Project:
- Principal: RMB200 million
- Total facility withdrawn as at the end of 2013: RMB165.7 million

c> For development of Hospital Project in our Shanghai Luodian New Town Project:
- Principal: RMB450 million
- Total facility withdrawn as at the end of 2013: RMB447.9 million

Overall, cash and bank balance (excluding restricted deposits) has decreased RMB92 million over the year with a balance of RMB136.8 million as at the end of 2013, which is mainly attributable to an inflow of RMB164 million from operating activities and an inflow of RMB16 million from investing activities, offset by an outflow of RMB273 million from finance activities.

Gearing ratio (as measured by net debt/total equity holders' capital and net debt) increased from 46% to 48% in the Financial Year.

Profiles of Directors and Senior Management

BOARD OF DIRECTORS

CHAIRMAN
Mr. Shi Jian

CO-CHAIRMAN and CHIEF EXECUTIVE OFFICER
Mr. Li Yao Min

CO-CHIEF EXECUTIVE OFFICER
Mr. Shi Janson Bing

CHIEF OPERATING OFFICER
Ms. Gu Biya

VICE PRESIDENT
Mr. Mao Yiping

EXECUTIVE DIRECTOR
Mr. Qian Yifeng

VICE CHAIRMAN and NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. Yue Wai Leung Stan

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. Henry Tan Song Kok

INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. E Hock Yap

INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. Kong Siu Chee

INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. Zhang Hao

DIRECTORS

Executive Directors

Mr. Shi Jian,

aged 60, is the founder of our Company. He was appointed to our Board on 11 January 2007 and has been the Executive Chairman of our Company since 1 April 2007. Mr. Shi is responsible for the development of our corporate strategies. He is involved in assessing the businesses in which our Company is involved and reassesses each strategy regularly to determine whether it has succeeded or needs replacement by a new strategy to meet changed circumstances. He also provides guidance to the Chief Executive Officer of our Company in developing plans to achieve each strategy. In addition, Mr. Shi is responsible for developing and maintaining good working relationships with government authorities and joint venture partners.

Mr. Shi served in the People's Liberation Army from 1970 to 1986, the highest rank attained being colonel. From 1993 to 1995, he was the General Manager of the Universal Mansion project in Shanghai from which he obtained substantial experience in the development of commercial property. He has more than 23 years' experience in business management and the property development industry, including over 11 years' experience in new town development in the PRC. Mr. Shi is also a founder and is concurrently the Executive Chairman of SRE Group Limited ("SRE", 1207.hk). He is the father of Mr. Shi Janson Bing, the Co-Chief Executive Officer and Executive Director of the Company. Mr. Shi is also the father-in-law of Ms. Zuo Xin, the Assistant President of the Company.

Mr. Li Yao Min,

aged 63, was appointed to our Board on 11 January 2007 and has been the Executive Vice Chairman of our Company since 1 April 2007. Mr. Li was previously appointed as Co-Vice Chairman on 1 December 2008 and has subsequently been re-designated as Chief Executive Officer and Co-Vice Chairman since 7 January 2010 and as Chief Executive Officer and Co-Chairman on 1 July 2011. Mr. Li is responsible for identifying investment opportunities to meet our strategies. He is also responsible for making high-level initial assessments of the investment opportunities and their potential returns and developing working relationships with government authorities and joint venture partners. He also sits on the boards of various companies within our Group. From 1992 to 1993, he was attached to Shanghai Golden World Commercial Building Co., Ltd. as a General Manager, responsible for the overall management and development of commercial property. He has over 19 years of experience in business management and the property development industry, including over 11 years' experience in new town development in PRC. Mr. Li is one of the founders and is concurrently the Executive Director and co-chairman of SRE.

Mr. Shi Janson Bing,

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

Ms. Gu Biya,

aged 55, joined our Group in November 2006 and was previously appointed to our Board on 30 November 2006. She was responsible for overseeing the development of the Wuxi Project. On 1 June 2009, Ms. Gu resigned from our Board as she had a surgical operation but was re-appointed as Executive Director and Chief Operating Officer on 7 January 2010 upon recovery. She is now responsible for enhancing the operational effectiveness and efficiency of our Company. She also sits on the boards of various companies within our Group.

Ms. Gu obtained a bachelor's degree in economics and management from the Central Party School in June 1992 and obtained an International Real Estate Advanced Leadership Program Certificate upon completion of a course relating to the financing and management of a real estate company jointly organized by the Harvard University's Graduate School of Design, the graduate school of design of the Harvard University, and the Tsinghua University for real estate professionals in China in March 2005. She was a member of the Shanghai City, Baoshan District Chinese People's Political Consultative Conference National Committee from October 2004 until the change of office bearers of the committee in 2008. She was awarded the 2005 China Construction Industry Top 100 Managers Award in October 2005 from China Management Science Research Institute, China Architectural Culture Center and China Construction Newspaper. Based on the records from Shanghai Changning District Human Resources Service Center, Ms. Gu has over 22 years of management experience in the real estate industry. She has joined the SRE group since 1997. In 2002, she was re-designated as a director and the General Manager of Shanghai Golden Luodian Development Company Limited ("SGLD") and was responsible for the operations of the company until February 2007.

Mr. Mao Yiping,

aged 45, joined SRE in 1993. He subsequently joined our Group in November 2006 and was appointed as an Executive Director on 30 November 2006 and was appointed as Vice President on 22 November 2007. He has been the General Manager for the new town project located in Shenyang Lixiang District ("Shenyang Project") since 1 April 2007 and is responsible for overseeing the development of the Shenyang Project. He also sits on the boards of various companies within our Group. Mr. Mao obtained a bachelor's degree in mechanical engineering from the Shanghai Jiao Tong University in July 1991 and a master's degree in business administration from the City University of Hong Kong in November 2003.

Mr. Qian Yifeng,

aged 36, was appointed as Executive Director on 20 October 2011. He is responsible for overseeing the development of the Wuxi Project. Mr. Qian was a Vice General Manager of CNTD Wuxi Hongshan New Town Development Co., Ltd ("CNTD Wuxi") from 2007 to 2009 and became the General Manager of CNTD Wuxi since June 2009. Mr. Qian was appointed as Assistant President, Deputy Director of the Company with effect from 30 November 2010. Previously, he worked in Orient International (Holding) Shanghai FEB Real Estate Co. Ltd. as a project manager in the Department of Development and Market Analysis. Mr. Qian holds a master degree in environment and energy management from the University of Twente, the Netherlands and a bachelor degree in civil engineering from the Harbin Engineering University, China.

Non-independent Non-executive Director

Mr. Yue Wai Leung Stan,

aged 53, joined our Group as an Executive Director on 30 September 2006 and served as Chief Executive Officer from April 2007 to November 2008. Mr. Yue was re-designated as Co-Vice Chairman on 1 December 2008 and Non-Independent Non-executive Director on 3 June 2009, was re-designated as Vice Chairman and Executive Director with effect from 1 July 2011 and has been re-designed as Vice Chairman and Non-independent Non-executive Director with effect from 13 August 2013. Mr. Yue is responsible for assisting the Chairman in formulating corporate strategies and providing advisory to our Company in the implementation of corporate strategies and business management. He also sits on the boards of various companies within our Group.

Mr. Yue obtained a bachelor's degree in administration studies from the York University in Toronto, Canada. He is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Yue has over 23 years of experience in the finance and administration sectors in both private and public companies in Hong Kong and the PRC. From May 2004 to April 2007, he held the position of Chief Financial Officer at SRE. He has been appointed as Co-Chief Executive Officer and Executive Director of SRE from 3 June 2009 to 1 July 2011 and was responsible for the corporate finance function.

Independent Non-executive Directors

Mr. Henry Tan Song Kok,

aged 49, was appointed to our Board on 25 September 2007. He is the Lead Independent Non-Executive Director and the Chairman of the Audit Committee of the Company and a member of the Nominating, Remuneration and Investment Committees of our Company.

Mr. Tan obtained a bachelor's degree in accountancy with first class honours from the National University of Singapore. He is a fellow of the Institute of Singapore Chartered Accountants, a fellow of the Institute of Chartered Accountants in Australia, a fellow of CPA Australia, the Institute of Internal Auditors Inc (Singapore Chapter) and the Singapore Institute of Directors. Mr. Tan is currently the Managing Director of Nexia TS Public Accounting Corporation and the Chairman of Nexia China. His previous roles include Asia Pacific Chairman and Board member of Nexia International. He also sits on the board of Ascendas Fund Management (S) Limited, which is the Manager of Ascendas REIT, a fund listed on the SGX-ST. He served as President of Spirit of Enterprise from October 2006 to October 2008, a charity organization. Mr. Tan sits on the boards of Chosen Holdings Limited, Raffles Education Corporation Limited and YHI International Limited, all being companies listed on the SGX-ST.

Mr. Kong Siu Chee,

aged 67, was appointed to our Board on 30 November 2006. He is also the Chairman of the Remuneration and Investment Committees and a member of the Nominating Committee. Mr. Kong obtained a bachelor's degree in arts from the University of Hong Kong ("HKU") in November 1969 and a master degree in business administration from the Chinese University of Hong Kong in December 1980. He is an associate of The Chartered Institute of Bankers in the United Kingdom. Mr. Kong began his career in 1969 with Standard Chartered Bank, where he served in various managerial positions for 24 years. In 1993, he pursued his new business interest in the telecommunications sector and was a director of Champion Technology Holdings Limited from 1993 to 1994 and a director of Kantone U.K. Ltd. from 1994 to 1996. Between 1999 and 2005, he served as a director, Executive Vice President and Alternate Chief Executive Officer of CITIC Ka Wah Bank Limited (renamed as CITIC Bank International Limited in May 2010), and was also a director and the Managing Director of CITIC International Financial Holdings Limited from 2002 to 2005. Mr. Kong has been appointed as an independent non-executive director of Harbin Bank Co. Ltd since October 2013.

Mr. Zhang Hao,

aged 54, was appointed to our Board on 13 February 2012. He is a member of the Audit and Investment Committees. He is currently the vice director and part-time professor of the Yangtze River Basin Development Institute of the East China Normal University. Mr. Zhang graduated from the Department of Economics of the Nanjing University in August 1990. He then obtained a master degree in business administration from the Shanghai Jiaotong University in March 2005. He had previously served in various departments of the provincial government of the People's Republic of China for over 29 years. From August 1981 to August 1996, he worked first as the senior staff member in the Planning Commission of Chongming County and then as the superintendent of the Seawall Project Management of Chongming County. From August 1996 to December 2010, he held various positions including as a senior staff member of the Cooperation Office of the Shanghai Municipal Government, a cadre of the department of district and county economy of the Shanghai Municipal Development Planning Commission and a senior staff member for the department of district and county economy of the Shanghai Municipal Development and Reform Commission.

Mr. E Hock Yap,

aged 58, was appointed to our Board on 29 May 2012. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He obtained a bachelor's degree in Chemical Engineering at the University of Sheffield, United Kingdom in 1978. He is also a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He started his career with the London office of KPMG as an auditor specializing in insolvency from August 1978 to May 1983. From May 1983 to January 1987, he worked at Chase Manhattan Bank as an investment banker and in various investment banks in the region. He later took up management roles in several financial services companies in the Asia Pacific Region. He served as the Chief Executive Officer and as the Managing Director of Prime Credit Limited during the period from August 1999 to December 2007. He currently runs an investment company which invests in emerging markets. Mr. Yap had also served as an independent non-executive director of SRE Group Limited during the period from 28 September 2004 to 29 May 2012.

SENIOR MANAGEMENT

Ms. Liu Suyin,

aged 57, joined our Group in 2007. She is currently a Vice-President of our Company as well as the Chairman of SGLD and is responsible for overseeing the Luodian Project. Ms. Liu obtained a master's degree in business administration from Asia International Open University (Macau) in November 2006. She joined the SRE in 2002 and was a member of the senior management of various subsidiaries of SRE principally responsible for overseeing property development projects and hotel management until she joined our Group in 2007. She was appointed as a committee member of the 6th Baoshan District Political Consultative Committee on 30 December 2009.

Ms. Zuo Xin,

aged 30, has been re-designated from General Manager to Assistant President of the Company with effect from 30 November 2010. Ms. Zuo has been the General Manager of New Town (China) Trading Co. Ltd. since June 2010. Prior to that, she had 3 years of experience in auditing, as senior auditor at Ernst & Young Shanghai. Previously, she also worked in premier banking at HSBC-Shanghai and public relations at PORTS China Shanghai Office. Ms. Zuo holds master degree in fashion business from Polimoda in Italy and bachelor degree of accounting and finance in University of Sydney. She is the spouse of Mr. Shi Janson Bing and the daughter-in-law of Mr. Shi Jian.

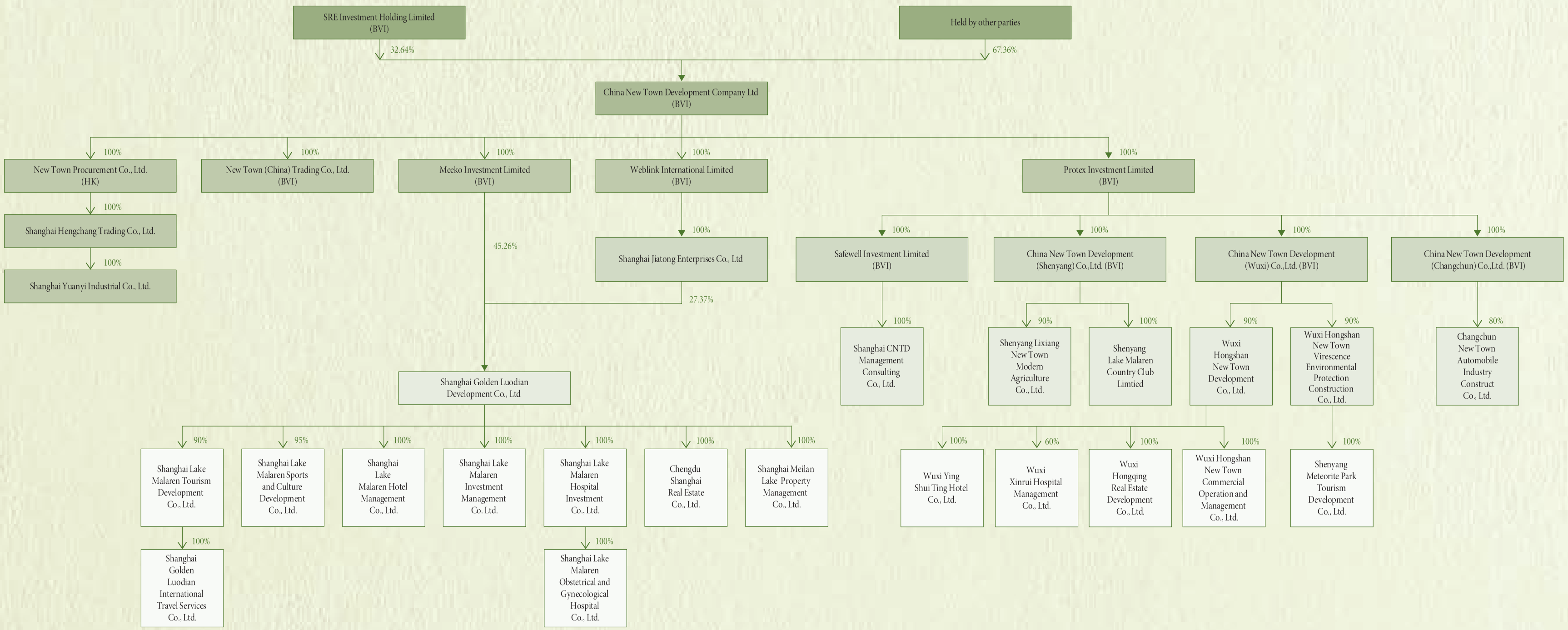
Mr. Yu Songmin,

aged 31, has been re-designated from Vice General Manager to Assistant President, Deputy Director of the Company with effect from 30 November 2010. He has been appointed as General Manager of SGLD since October 2011. Mr. Yu joined the Group in 2009 and has been a Vice General Manager of SGLD since October 2009. Prior to that, he was a property analyst of Ellenton Capital from 2006 to 2008. Mr. Yu holds master degree in finance from Imperial College London, UK and bachelor degree in finance from Lancaster University, UK.

Mr. Yang Yonggang,

aged 60, joined our Group as a Vice President since April 2007 and was appointed as Executive Director on 3 June 2009. He was re-designated from Executive Director to Vice President and Head of Legal Affairs Department of the Company since 1 June 2013. He is responsible for overseeing the legal affairs of our Group. He also sits on the boards of various companies within our Group. Between November 1969 and August 1978, Mr. Yang worked at the Yunnan Province of Meng La Farm. He graduated with a bachelor's degree in philosophy from the Southwest Jiaotong University in China in July 1982, and subsequently taught in the Shanghai Tiedao University in China in the same year. In 1993, Mr. Yang obtained the qualifications of the assistant professor. He joined Shanghai Tongji University in China and served as an assistant professor in January 2000. He later joined SRE in January 2001 as head of administration and was responsible for investment and legal matters.

Group Structure



1 Except as otherwise expressly stated, all companies within the group are incorporated in the People's Republic of China.

2 Except as otherwise expressly stated, all companies in this corporate structure are wholly-owned by their respective holding companies.

3 Name of accounting firm of the significant subsidiaries as defined in Rule 717 of Listing Manual.

Name of significant subsidiaries	Name of accounting firms
Shanghai CNTD Management Consulting Co., Ltd.	**Shanghai Grandeur Certified Public Accountants**
Shanghai Jiatong Enterprises Co., Ltd.	**Shanghai Jiangnan Certified Public Accountants**
Shanghai Golden Luodian Development Co., Ltd.	**Shanghai Shenzhou Datong Certified Public Accountants**
Shanghai Lake Malaren Golf Club Co., Ltd.	**Shanghai Zhengze Certified Public Accountants**
Shenyang Lake Malaren Country Club Ltd.	**Shen Yang Zheng De Certified Public Accountants**
Shenyang Lixiang New Town Modern Agriculture Co., Ltd.	**Shen Yang Zheng De Certified Public Accountants**
Shenyang Meteorite Park Tourism Development Co., Ltd.	**Shen Yang Zheng De Certified Public Accountants**
Wuxi Hongshan New Town Commercial Operation and Management Co., Ltd.	**Wuxi Fanzheng Certified Public Accountants**
Wuxi Hongshan New Town Development Co., Ltd.	**Wuxi Fanzheng Certified Public Accountants**
Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.	**Wuxi Fanzheng Certified Public Accountants**
Changchun New Town Automobile Industry Construct Co., Ltd.	**Jiling Wanxin Certified Public Accountants**

Note: Local accounting firms are engaged to carry out audits, in accordance with PRC accounting and reporting standards for annual PRC statutory audit. These audits are mainly for annual business registration and tax reporting purposes.

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

The Board has reviewed its corporate governance practices and confirmed that the Company has complied with all principles and guidelines as set out in the Code of Corporate Governance 2012 (the "Singapore Code") and the code provisions of the Corporate Governance Code and Corporate Governance Report (the "HK Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx") (the "Listing Rules") (the HK Code together with the Singapore Code are collectively referred to as the "Codes") throughout the financial year ended 31 December 2013 (the "Financial Year") except for Guideline 10.3 of the Singapore Code and Code Provision C.1.2 of the HK Code regarding monthly performance updates to directors of the Company (the "Directors") for the reasons that, after careful consideration, the management considered that quarterly updates by way of detailed financial results announcement is sufficient for Directors to understand and well note the business performance of the Company. Furthermore, the Company has a unique business model with major revenue arise from land sales. Such sales are expected to be executed in relatively long spans of time given the application of land auctions is required to be in line with the government's land grant quota and schedule. Details of each land sale together with its implication on the Company's performance would be timely communicated to the Directors at early stage and announcements in relation to land auctions will be published immediately after listing and completion of sale of land use rights.

BOARD MATTERS

The Board

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

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

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

The attendance records of the Directors at the meetings of the Board, the Board Committees and the Annual General Meeting ("AGM") for the Financial Year are set out below:

	Attendance/Number of Meetings (during director's tenure)					
Name	**Board Meeting**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**	**Investment Committee**	**AGM**
Executive Directors						
Shi Jian	5/6	–	–	–	–	1/1
Li Yao Min	5/6	–	–	–	–	1/1
Shi Janson Bing	6/6	–	–	–	–	1/1
Gu Biya	5/6	–	–	–	–	1/1
Song Yiqing[1]	3/3	–	–	–	–	1/1
Mao Yiping	5/6	–	–	–	–	1/1
Yang Yonggang[2]	3/3	–	–	–	–	1/1
Qian Yifeng	6/6	–	–	–	–	1/1
Non-independent Non-executive Director						
Yue Wai Leung Stan[4]	4/6	–	–	–	–	1/1
Independent Non-executive Directors						
Henry Tan Song Kok (Lead)	6/6	5/5	1/1	3/3	1/1	1/1
Kong Siu Chee	6/6	–	3/3	3/3	1/1	1/1
Zhang Hao	6/6	5/5	–	–	1/1	1/1
E Hock Yap	5/6	2/2	3/3	3/3	–	1/1
Lam Bing Lun Philip[3]	3/3	3/3	2/2	2/2	1/1	1/1

1 *Ms. Song Yiqing ceased to be Executive Director on 1 June 2013.*

2 *Mr Yang Yonggang ceased to be Executive Director and continue his office as Vice President and Head of Legal Affairs Department on 1 June 2013.*

3 *Mr Lam Bing Lun Philip ceased to be Independent Non-executive Director ("INED"), Chairman of the Investment Committee and member of the Audit, Nominating and Remuneration Committees on 1 June 2013.*

4 *Mr Yue Wai Leung Stan, the Vice Chairman and Executive Director of the Company, was re-designated as Vice Chairman and Non-independent Non-executive director ("NINED") on 13 August 2013.*

Apart from regular Board meetings, the Chairman also held a meeting with INED without the presence of Executive Directors during the Financial Year.

Delegation by the Board

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

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

Corporate Governance Functions

The Board is responsible for performing the functions set out in Code Provision D.3.1 of the HK Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules and written guidelines for securities transactions by employees of the Company, and the Company's compliance with the Codes and disclosure in this Corporate Governance Report.

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

Mr. Shi Jian is the Executive Chairman of the Board and responsible for formulating, developing and reassessing the Group's strategies and policies and ensuring the effectiveness of Board matters while Mr. Li Yao Min is the Co-Chairman of the Board and Chief Executive Officer ("CEO") and responsible for the duties in absence of the Chairman of the Board and the execution of the Group's business strategies and plans. In addition, Mr. Shi Janson Bing is the Co-Chief Executive Officer and responsible for overseeing the progress of each new town projects, all commercial operations and management of human resources. Mr. Shi Janson Bing is the son of Mr. Shi Jian. All major decisions made by the Chairman, Co-Chairman and the CEO are reviewed by the Board. Mr. Yue Wai Leung Stan is the Vice Chairman of the Board and responsible for assisting the Chairman and the Co-Chairman of the Board in the project management and performing specific duties as designated by them.

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

Board Composition and Balance

As at 31 December 2013, the Board comprised eleven (11) members: six (6) Executive Directors, one (1) NINED and four (4) INEDs. The Board is able to exercise independent judgment on corporate affairs and provide management with a diverse and objective perspective on issues and no individual or small group should be allowed to dominate the Board's decision making. There is no alternate director appointed in the Board.

The list of Directors and positions held by each Director is set out in the Report of the Directors on pages 46 to 47 of this Annual Report. The INEDs are expressly identified in all corporate communications pursuant to the Listing Rules.

During the Financial Year, the Board met the requirements of having at least four INEDs with at least two INEDs possessing appropriate professional qualifications or accounting or related financial management expertise being appointed under the Codes.

The criterion of independence is based on the definition given in the Codes and Rule 3.13 of the Listing Rules. The Board considers an "independent" director as one who has no relationship with the Company, its related companies, its 10% shareholders or its officers who can interfere, or be reasonably perceived to interfere, with the exercise of independent judgment of the conduct of the Group's affairs by director.

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

- the Board should comprise a sufficient number of Directors to fulfill its responsibilities and act as a group to provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge (The number of Directors may be increased where it is considered that additional expertise is required in specific areas, or when an outstanding candidate is identified); and

- the Board should have enough Directors to serve on various committees of the Board without over-burdening the Directors or making them difficult to fully discharge their duties.

The INEDs exercise no management functions in the Company or any of its subsidiaries. Although every Director has equal responsibility for the performance of the Group, the role of the INEDs is particularly important in reviewing and monitoring the performance of executive management in meeting the Group's agreed goals and objectives and ensuring that the strategies proposed by the executive management are fully discussed and rigorously examined taking into account the long-term interests, not only of the shareholders but also of the employees, customers, suppliers and many communities in which the Group conducts businesses. The INED also meet regularly without management present. The Board considers its INEDs to be of sufficient caliber and number and their views to be of sufficient weight that no individual or small group can dominate the Board's decision-making processes. The INEDs have no financial or contractual interests in the Group other than by way of their fees and shareholdings as set out in the Report of the Directors.

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

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

Profiles of the Directors and other relevant information are set out on pages 22 to 27 of this Annual Report.

Induction and Training of Directors

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

The Directors confirmed that they have complied with the Code Provision A.6.5 of the HK Code on Directors' training. During the Financial Year, all current Directors have participated in continuous professional development by attending seminars, in-house briefing or reading materials on the following topics to develop and refresh their knowledge and skills and provided their records of training to the Company.

Name of Director	Topics of training covered Note
Shi Jian	1,2,4
Li Yao Min	1,2,4
Shi Janson Bing	1,2,4
Gu Biya	1,2,4
Mao Yiping	1,2,4
Qian Yifeng	1,2,4
Yue Wai Leung Stan	1,2,4
Henry Tan Song Kok	1,2,3
Kong Siu Chee	1,2,3,4
Zhang Hao	1,2,3,4
E Hock Yap	1,2,3

Note: 1 Corporate governance
2 Regulatory updates
3 Finance and accounting
4 Industry updates

NOMINATION MATTERS

Board Membership and Nominating Committee

As at 31 December 2013, the Nominating Committee ("NC") comprises three members, all of whom including the Chairman are INEDs. The chairman and members of the NC during the Financial Year were as follows:

Mr. E Hock Yap – Chairman
Mr. Lam Bing Lun Philip – Member (Resigned on 1 June 2013)
Mr. Kong Siu Chee – Member
Mr. Henry Tan Song Kok – Member (Appointed on 1 June 2013)

The NC adopted its terms of reference on 13 November 2013 and its principle functions are to:

1. review the structure, size and composition (including skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

2. identify, review and assess individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

3. assess the independence of Directors, in particular INEDs, on an annual basis;

4. make recommendations to the Board having regard to the Director's contribution and performance (for instance, attendance, preparedness, participation and candour) on relevant matters relating to the appointment or re-appointment of Directors (including INEDs) in accordance with the Company's Article of Association and succession planning for Directors in particular the chairman of the Board and the CEO;

5. review the Board Diversity Policy on a regular basis and recommend revisions, if any, to the Board for consideration and approval; and

6. assess whether or not a director is able to and has been adequately carry out his duties as a director.

The Company has received written annual confirmation from each Director and reviewed the independence of each INED pursuant to the definition provided by the Codes and the Listing Rules and was of the view that Messrs Henry Tan Song Kok, Kong Siu Chee, E Hock Yap and Zhang Hao are independent. None of the INEDs served on the Board for more than nine years from the dates of their first appointment.

The NC has reviewed the training and professional development programs participated by the Directors and Company Secretaries. The NC has also reviewed each Director's time of involvement in the Company and considered that it is appropriate taking into consideration of the Directors' board representations held in other listed companies and other major appointments or principal commitments. The NC has reviewed and recommended the Board diversity policy ("Board Diversity Policy") to be adopted by the Board and the Board, in the Board meeting held on 13 August 2013, adopted such policy to assess the Board composition. The NC would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The NC would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the NC would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. The Board, in the Board meeting held on 27 February 2014 accepted recommendation by the NC that the maximum number of listed company board representations which any Director of the Company may hold is eight and all Directors have complied.

Appointment, Re-election and Removal of Directors

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

During the Financial Year, Mr. Lam Bing Lun Philip ceased to be an INED, Chairman of the Investment Committee and a member of the Audit, Nominating and Remuneration Committees of the Company with effect from 1 June 2013. Consequently, Mr. Kong Siu Chee has been appointed as the Chairman of the Investment Committee, Mr. E Hock Yap and Mr. Henry Tan Song Kok have been appointed as a member of the Audit Committee and the Nominating Committee with effect from 1 June 2013, in place of Mr. Lam Bing Lun Philip. Ms. Song Yiqing and Mr. Yang Yonggang ceased to be Executive Directors of the Company with effect from 1 June 2013. On 13 August 2013, Mr. Yue Wai Leung Stan, the Executive Director of the Company, has been re-designated as a NINED of the Company, and remains to be the Vice Chairman.

The dates of initial appointment, last re-election/re-appointment and other board representations of each of the Directors of the current Board members are set out below:

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/ chairmanship both present and those held over the preceding three years in other listed company
Shi Jian	11 January 2007	30 April 2013	Executive Chairman	None	Chairman of SRE
Li Yao Min	11 January 2007	30 April 2013	Executive Co-Chairman/ CEO	None	Executive Director and co-chairman of SRE
Yue Wai Leung Stan	30 September 2006	29 April 2011	Non-Independent Non-Executive Director	None	Executive Director of SRE from 3 June 2009 to 1 July 2011
Shi Janson Bing	12 December 2007	29 April 2011	Executive Director/ Co-Chief Executive Officer	None	–
Gu Biya	7 January 2010	30 April 2013	Executive Director/ Chief Operating Officer	None	–
Mao Yiping	30 November 2006	30 April 2012	Executive Director/ Vice President	None	–

Name of Directors	Date of first appointment	Date of last re-election	Nature of Appointment	Membership of Board Committee	Directorship/ chairmanship both present and those held over the preceding three years in other listed company
Qian Yifeng	20 October 2011	30 April 2012	Executive Director	None	–
Henry Tan Song Kok	25 September 2007	29 April 2011	Lead Independent Non-executive Director	Chairman of Audit Committee, a member of Nominating Committee, Remuneration Committee and Investment Committee	INED of Ascendas Funds Management Limited, Chosen Holdings Limited, Raffles Education Corporation Limited, and YHI International Limited INED of Pertama Holdings Limited until 10 January 2014
Kong Siu Chee	30 November 2006	30 April 2012	Independent Non-executive Director	Chairman of Remuneration Committee and Investment Committee and a member of Nominating Committee	–
Zhang Hao	13 February 2012	30 April 2012	Independent Non-executive Director	A member of Audit Committee and Investment Committee	–
E Hock Yap	29 May 2012	30 April 2013	Independent Non-executive Director	Chairman of Nominating Committee, a member of Audit Committee and Remuneration Committee	INED of SRE from 28 September 2004 to 29 May 2012

Each of the NINED and INEDs is appointed for a specific term, subject to retirement by rotation once every three years. Appointment letters were issued to each of the NINED and INEDs respectively and its terms are set out in the Report of the Directors.

Pursuant to Article 86 of the Articles of Association, Mr. Shi Janson Bing, Mr. Mao Yiping and Mr. Henry Tan Song Kok shall retire from office by rotation and, being eligible, shall offer themselves for re-election at the forthcoming AGM. The NC recommends re-election of the retiring Directors after assessing their contribution and performance.

Pursuant to Article 86 of the Articles of Association, Mr. Yue Wai Leung Stan will retire from office by rotation at the forthcoming AGM and will not stand for re-election. Consequently, Mr. Yue will cease to be Vice Chairman.

Board Performance

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

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

The NC has an annual Board performance evaluation to assess the effectiveness of the Board as a whole and the contribution of individual Directors to the effectiveness of the Board by having the Directors complete a questionnaire. The processes identify weaker areas where improvements can be made. The Board and individual Directors can thus direct more effort in those areas to further enhance the effectiveness of the Board.

Access to Information

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

Notice of routine Board meetings is served to all Directors at least 14 days before the meetings. For ad-hoc Board and committee meetings, reasonable notice period is provided.

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

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

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

The appointment and the removal of the Company Secretory is a matter for the Board as a whole.

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

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

As at 31 December 2013, the Remuneration Committee ("RC") comprises three members, all of whom including the Chairman are INEDs. The chairman and members of the RC during the Financial Year were as follows:

Mr. Kong Siu Chee – Chairman
Mr. Lam Bing Lun Philip – Member (resigned on 1 June 2013)
Mr. Henry Tan Song Kok – Member
Mr. E Hock Yap – Member

The RC adopted its terms of reference on 13 November 2013 and its principle functions are to:

1. implement and administer any performance incentive schemes of the Company;

2. make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and

3. review and determine the specific remuneration packages for all Executive Directors and senior management.

In carrying out their duties, the RC may obtain independent external legal and other professional advise as mentioned above, as it deems necessary, relating to the remuneration policy and in determining the level and mix of remuneration for Directors and key management personnel. The expenses of such advice shall be borne by the Company.

Level and Mix of Remuneration

The RC makes recommendations to the Board on remuneration packages of the Executive Directors and senior management taking into account the performance of the Group, as well as the pay and employment conditions in the same industry and comparable companies, while aligning the Executive Directors' interests with those of shareholders and linking rewards to corporate and individual performance.

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

The remuneration of the Executive Directors and the key senior executives comprises a basic salary component and a variable component. The variable component comprises a variable bonus linking to the Company's and individual performance and other variable components including the grant of share options. Details of the remuneration of Directors are set out in the Report of the Directors.

The annual review of the remuneration packages of the Directors is carried out by the RC and recommendation if any is made to the Board with an aim to ensure the remuneration of the Executive Directors and senior management is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. No Director should involve in deciding his/her own remuneration.

During the Financial Year, the RC met to review and recommend the remuneration of the Executive Directors and fees payable to INEDs.

Disclosure on Remuneration

Details of the Directors' and top 5 key executives' remuneration paid or payable for the Financial Year are set out below:

Directors	Total(S$)	Fixed Salaries	Bonus	Directors' Fees	Other Allowances	Band Notes
Executive Directors						
Shi Jian	252	100%				Band B
Li Yao Min	290	100%				Band B
Yue Wai Leung Stan (re-designated as Non-independent Non-executive Director on 13 August 2013)	289	95%			5%	Band B
Shi Janson Bing	181	95%			5%	Band A
Gu Biya	282	100%				Band B
Mao Yiping	292	97%			3%	Band B
Yang Yonggang[4]	191	100%				Band A
Song Yiqing[4]	90	96%			4%	Band A
Qian Yifeng	106	100%				Band A
Independent Non-executive Directors						
Henry Tan Song Kok	82			100%		Band A
Lam Bing Lun Philip[4]	37			100%		Band A
Kong Siu Chee	73			100%		Band A
Zhang Hao	42			100%		Band A
E Hock Yap	53			100%		Band A
	2,258					

The exchange rate is calculated on monthly average basis.

Top 5 Key Executives	Fixed Salaries	Bonus	Other Allowances	Band Notes
Cai Lijun *(Chief Financial Officer) (Resigned on 20 January 2014)*[4]	100%			Band A
Kao Sianhong *(Assistant President, General Manager)*	100%			Band A
Shi Pinren *(Vice President)*	100%			Band A
Yi Yanning *(Vice President)*	100%			Band A
Yu Ka *(Vice President)*	100%			Band A

The exchange rate is calculated on monthly average basis.

Notes:

1. Remuneration band

   Band A: Below S$250,000
   Band B: S$250,000 or more

2. All share options under the Management Grant were granted on 27 November 2012 and disclosed on Annual Report 2012.

3. Details of the remuneration of the Directors are set out in the financial statements for the Financial Year on page 110 of this Annual Report.

4. Directors and key executive's remuneration paid on pro-rated basis. The aggregate amount of the total remuneration paid to the top 5 key executives (who are not also directors or the CEO is S$862,693.25).

Other than the father and son relationship between Mr. Shi Jian and Mr. Shi Janson Bing whose remuneration have been disclosed in directors' remuneration above, the remuneration of Ms. Zuo Xin, the spouse of Mr. Shi Janson Bing and the daughter-in-law of Mr. Shi Jian, for the Financial Year was between the band of S$50,000 and S$100,000.

ACCOUNTABILITY AND AUDIT

Accountability

The Board aims to ensure that the quarterly and annual financial statements and results announcements are presented in a manner which provides a balanced and understandable assessment of the Group's performance, position and prospect. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Financial Year.

The financial statements for the Financial Year have been prepared in accordance with the International Financial Reporting Standards and give a true and fair view of the state of affairs including operations and finances of the Group and of the Company and effective risk management and sound internal control systems are in place. The Board has received assurance confirming the same from CEO and Financial Controller. It seeks to present a balanced and informed assessment of the Company's performance, position and prospects.

Risk Management

The Board engaged EY to perform an exercise to facilitate its review of the Company's existing risk management processes, including processes for identification and assessment of business risks and the appropriate measures to be taken to mitigate these risks. The Enterprise Risk Assessment has been completed and the results of the exercise as well as the key principles and structures of the potential ERM framework of the Company have brought to the attention of the AC and Directors.

The Management regularly reviews the Group's business and operational activities to identify areas of potential business risk as well as appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures and will highlight any significant potential matters to the Board and the AC.

Internal Control

The Board recognizes the importance of sound internal controls and risk management practices to good corporate governance. The Board is responsible for the overall internal controls system and risk management of the Group, and for reviewing the adequacy and integrity of those systems on an annual basis.

The AC reviews the Group's system of internal controls, including financial, operational, compliance, information technology controls, and risk management policies and systems established by the Management. This ensures that such systems are sound and adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding shareholders' investments and the Company's assets.

The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities. The Board believes that further improvements can be performed in the current internal control systems and the Company is continuously working towards enhancing the Group's internal control systems. The Board oversees that Management maintains a sound system of risk management and internal controls to safeguard shareholder's interest and Company's assets.

Based on the internal control systems and ERM framework established and maintained by the Group, work performed by the internal auditors and reviews performed by the Management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control systems and with management systems addressing financial, operational, compliance and information technology risks were adequate as at 31 December 2013. The Board received assurance in writing from CEO and financial controller that financial records have been properly maintained and financial statements of the Company give a true and fair view of the Company's operations and finance. The assurance from CEO and financial controller also includes effectiveness of the Company's risk management and internal control systems.

Audit Committee

As at 31 December 2013, the Audit Committee ("AC") comprises three members, all of whom including the Chairman are INEDs. The chairman and members of the AC during the Financial Year were as follows:

Mr. Henry Tan Song Kok – Chairman
Mr. Lam Bing Lun Philip – Member (resigned on 1 June 2013)
Mr. Zhang Hao – Member
Mr. E Hock Yap – Member (appointed on 1 June 2013)

Mr. Henry Tan Song Kok possesses accounting and related financial management expertise and experience. The Board considers that Mr. Zhang Hao has sufficient financial knowledge and experience to discharge his responsibilities as a member of the AC.

The AC adopted its terms of reference on 13 November 2013 and its principal functions are to:

(a) review the financial reporting process, management of financial risks and the audit process;

(b) review the audit plans and results of the external auditors' examination and evaluation of the Group's systems of internal accounting control and any matters which the external auditors wish to discuss (in the absence of management where necessary);

(c) review the scope and results of the internal audit procedures;

(d) review the financial statements of the Company and the consolidated financial statements of the Group before their submission to the Board and the external auditors' report on those financial statements;

(e) review the quarterly, interim and annual announcements on the results and financial position of the Company and of the Group;

(f) review the co-operation and assistance given by the management to the Group's external auditors;

(g) evaluate the cost effectiveness, independence and objectivity of the external auditors and the nature and extent of the non-audit services provided by them;

(h) make recommendation to the Board on the appointment, re-appointment and remuneration of the external auditor of the Company;

(i) evaluate the adequacy and adherence of the internal control systems including administrative, operating and internal accounting control of the Group; and

(j) review interested person transactions and connected transactions to ensure that they are on normal commercial terms and not prejudicial to the interests of the Company or its shareholders.

The AC is authorised to investigate any matter within its terms of reference, and has full access to the management and resources which are necessary to enable it to discharge its functions properly. It also has full discretion to invite any Director or executive management to attend its meetings. The AC meets with the internal auditors and the external auditors separately, at least once a year, without the presence of management, to discuss the reasonableness of the financial reporting process, to monitor and review the adequacy of audit arrangements with particular emphasis on the observatories and recommendations of the external auditors.

During the Financial Year, the AC has reviewed the scope and quality of audit by the Company's external auditor, Ernst & Young ("EY") and the independence and objectivity of EY as well as the cost effectiveness. The AC also reviewed the service fee to EY. During the Financial Year, the Company engaged EY for other services relating to the transaction with CDBIH for the potential share subscription and the disposal of Disposal Assets. In financial year 2012, the other services fee is relating to services provided by EY in reviewing the Company's Enterprise Risk Management ("ERM"). The details of audit service fee and non-audit services fee to EY for the financial years ended 31 December 2012 and 2013 are set out below:

RMB'000	2013	2012
Audit service fee	3,650	3,650
Non-audit services fee	1,060	189
Total	4,710	3,839

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

The Company's annual results for the Financial Year have been reviewed by the AC.

EY's audit opinion on the consolidated financial statements of the Group for the Financial Year is set out in the "Independent Auditors' Report" on page 54 of this Annual Report.

The AC is satisfied that the Company's external auditor, EY is able to meet the audit obligations of the Company and recommends to the Board the re-appointment of EY as the Company's external auditor subject to the approval of the shareholders at the forthcoming AGM of the Company.

The Group has appointed different external auditors for its subsidiaries in PRC in order to meet its local statutory regulations. The Board and AC are satisfied that the appointment does not compromise the standard and effectiveness of the audit of the Company. The Company confirms that it is in compliance with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited. The AC members takes measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at training and update on recent developments to accounting standards provided by professionals.

Whistle Blowing Policy

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

Throughout the Financial Year, there was no whistle blowing report received.

Internal Audit

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the AC has also appointed an internal audit function team to enhance our internal controls. The internal audit function team' reports to the Chairman of the AC on any material weakness and risks identified in the course of the audit are also communicated to the management. The management will accordingly update the AC the status of the remedial action plans.

The AC reviews and approves the annual internal audit plans and reviews the scope and the results of the internal audit according to the procedures issued by the internal audit function team.

INVESTMENT MATTERS

As at 31 December 2013, the Investment Committee ("IC") comprises three members, all of whom including the Chairman are INEDs. The chairman and members of the IC during the Financial Year were as follows:

Mr. Lam Bing Lun Philip – Chairman (resigned on 1 June 2013)
Mr. Kong Siu Chee – Chairman (appointed as Chairman on 1 June 2013)
Mr. Henry Tan Song Kok – Member
Mr. Zhang Hao – Member

The IC performs the following main functions:

1. review the management's recommended investment opportunities, objectives, strategies, policies and guidelines that direct the investment of the portfolio;

2. review the management's recommended portfolio financial goals and requirements, including asset allocation, risk tolerance, investment time horizon and capital adequacy;

3. review and evaluate the performance of the investment portfolio regularly to assure adherence to policy guidelines and monitor progress toward achieving investment objectives; and

4. review the shares purchase, redemption or other share acquisition activities to be conducted by the Company.

COMPANY SECRETARIES

Ms. Low Siew Tian and Ms. Chan Sau Ling who was appointed on 8 February 2013 of Tricor WP Corporate Services Pte Ltd and Tricor Services Limited respectively, the external service providers, have been engaged by the Company as Joint Company Secretaries during the Financial Year. Their primary contact person at the Company during the Financial Year was Mr. Li Yao Min, the Co-chairman of the Board and the CEO of the Company.

Ms. Kwok Yu Ching resigned as the Joint Company Secretary and Ms. Chan Sau Ling was appointed by the Board as the Joint Company Secretary in replacement of Ms. Kwok Yu Ching on 8 February 2013. Details of the said change of Joint Company Secretary were set out in the Company's announcement dated 7 February 2013.

COMMUNICATION WITH SHAREHOLDERS

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

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

The Company's Articles of Association allows a member entitled to attend and vote at the meeting of the Company to appoint one or more proxies to attend and vote on behalf of him/her and also provides that a proxy need not be a member of the Company. Voting in absentia by facsimile or email is not currently permitted to ensure proper authentication of the identity of shareholders and their voting intentions. The Company's Memorandum and Articles of Association was amended on 30 December 2013. A consolidated version not formally adopted by shareholders at a general meeting has been published on the websites of the HKEx and the Company.

The share capital clause of the Company's Memorandum and Articles of Association have the following changes during the year ended 31 December 2013:

By an ordinary resolution passed on 30 December 2013 and upon the confirmation of the Registrar of Corporate Affairs of the British Virgin Islands, (1) the maximum number of shares which the Company is authorized to issue be increased from 10,000,000,000 shares to 20,000,000,000 shares; (2) the existing memorandum of association of the Company be and is hereby amended by deleting the words "TEN BILLION (10,000,000,000)" in paragraph 5.1 and substituting therefore with the words "TWENTY BILLION (20,000,000,000)"; and (3) the existing articles of association of the Company be and is hereby amended by deleting the figure "10,000,000,000" in Article 3 and substituting therefore with the figure "20,000,000,000".

The Chairmen of the AC, RC, NC and IC are usually available at the Company's AGM to answer any questions from the shareholders relating to the work of these Committees. The Company's external auditor is invited to attend the Company's AGM and will assist the Directors in addressing queries from shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

During the Financial Year, notice of at least 20 clear business days was given to the shareholders for the 2013 AGM held on 30 April 2013. Sufficient notice was given in accordance with the Company's Articles of Association, the laws of British Virgin Islands, the SGX Listing Manual and the HK Code.

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantial issue at shareholders' meetings, including the election of individual Director. All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company, SGX-ST and HKEx after each shareholder's meeting.

No dividends are paid or payable for the financial year ended 31 December 2013 as the Company made a loss of RMB225 million in 2013.

The Company organises briefings and meetings with analysts and fund managers to provide them a better understanding of the businesses. In addition, the Company also appointed Aries Consulting Limited as its investor relations consultant to promote investor awareness for the Company.

Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of meeting and responses from the Board and Management. These minutes would be available to shareholders upon their request.

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

Shareholders and potential investors are welcome to communicate with the Company or put forward enquiries to the Board by any of the following ways:

Email	:	ir@china-newtown.com
Contact Number	:	+852 3965 9000
Fax	:	+852 3965 9111
Address	:	Suite 4006, 40/F, Central Plaza 18 Harbour Road, Wanchai, Hong Kong

SHAREHOLDERS' RIGHT TO CONVENE AND PUT FORWARD PROPOSALS AT EXTRAORDINARY GENERAL MEETING

Pursuant to the Company's Articles of Association, extraordinary general meetings may be convened by the Board on requisition of shareholders in writing holding not less than one-twentieth of the total voting rights of the matter for which the meeting is being requested. The written requisition shall be made to the Board or the company secretaries of the Company at the business address or registered office address which are set out in Corporate Information of this Annual Report, to request an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

COMPLIANCE WITH MODEL CODE AND SECURITIES TRADING

The Company has adopted the Model Code and Rule 1207(19) of the SGX Listing Manual as the code of conduct regarding securities transactions by Directors. The Directors have confirmed, following specific enquiries by the Company that they have complied with the required standard set out in the Model Code and SGX Listing Manual throughout the Financial Year.

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

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

MATERIAL CONTRACTS

Save as the service agreements between the Directors and the Company, there were no material contracts entered by the Company or its subsidiaries involving the interests of the CEO, any Director or controlling shareholders subsisting at the end of the Financial Year.

CONCLUSION

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

The directors of the Company (the "Directors") are pleased to present the Annual Report together with the audited consolidated financial statements for the financial year ended 31 December 2013 (the "Financial Year").

PRINCIPAL ACTIVITIES

The Group is mainly engaged in large-scale new town planning and development in PRC. The principal activities of its principal subsidiaries are set out in note 3 to the audited consolidated financial statements on pages 81 to 85 of this Annual Report.

RESULTS AND APPROPRIATIONS

The Group's results for the Financial Year are set out in the consolidated statement of comprehensive income on page 55 of this Annual Report.

The Directors resolved not to recommend any payment of final dividend for the Financial Year.

RESERVES

Movements in the reserves of the Group and the Company during the Financial Year are set out in note 22 to the audited consolidated financial statements on page 105 of this Annual Report.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Financial Year are set out in note 21 to the audited consolidated financial statements on page 104 of this Annual Report.

PRE-EMPTIVE RIGHTS

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

TAXATION IN THE BRITISH VIRGIN ISLANDS ("BVI")

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

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

DONATIONS

During the Financial Year, one of the Group namely Chengdu Shanghai Real Estate Co., Ltd., made a donation of RMB1 million to Charity Federation of Sichuan Province for the earthquake happened in Ya An.

FIXED ASSETS

Details of the movements of the Group during the Financial Year for:

– Investment properties are set out in note 14 to the audited consolidated financial statements on pages 98 to 99 of this Annual Report

– Property, plant and equipment are set out in note 13 to the audited consolidated financial statements on pages 96 to 97 of this Annual Report

GROUP FINANCIAL SUMMARY

A summary of the results of the Group for the Financial Year is set out from page 17 to page 21 of this Annual Report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

MOVEMENT IN SECURITIES

During the Financial Year, there were no new ordinary Shares placing, granting or excising.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this Annual Report, the Company has maintained a sufficient public float as required under the Listing Rules during the Financial Year. The details are set out in the Analysis of Shareholdings on page 120 of this Annual Report.

DIRECTORS

The Directors of the Company in office during the Financial Year were:

Executive Directors

Shi Jian
Li Yao Min
Shi Janson Bing
Gu Biya
Mao Yiping
Qian Yifeng
Song Yiqing *(resigned on 1 June 2013)*
Yang Yonggang *(resigned on 1 June 2013)*

Non-independent Non-executive Directors

Yue Wai Leung Stan *(re-designated from Executive Director to Non-independent Non-executive Director on 13 August 2013)*

Independent Non-executive Directors

Henry Tan Song Kok
Kong Siu Chee
Zhang Hao
E Hock Yap
Lam Bing Lun Philip *(resigned on 1 June 2013)*

Mr. Shi Janson Bing, Mr. Mao Yiping, Mr. Yue Wai Leung Stan and Mr. Henry Tan Song Kok will be retiring by rotation pursuant to Article 86 of the Company's Articles of Association at the forthcoming Annual General Meeting ("AGM"). The retiring Directors are eligible for re-election at the AGM except Mr. Yue, who has given notice in writing to the Company that he does not wish to be re-elected, and will not stand for re-election. Therefore, the Nominating Committee recommends re-election of Mr. Shi Janson Bing, Mr. Mao Yiping and Mr. Henry Tan Song Kok, after assessing their contribution and performance.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of Directors and senior management are set out from page 22 to page 27 of this Annual Report.

MANAGEMENT CONTRACTS

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

DIRECTOR'S INTEREST IN COMPETING BUSINESS

From the beginning of the year of 2013 to the date of this Annual Report, none of the Directors is considered to have an interest in the businesses, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Rules Governing the Listing of Securities on the HKEx (the "HK Listing Rules").

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

Save as disclosed above and under the section headed "Interested Person Transactions" and "Continuing Connected Transactions" of this Annual Report, none of the Directors, chief executives (direct or indirectly), subsidiaries of the Company or controlling shareholder of the Company and its subsidiaries has entered into any significant contract with the Group during the Financial Year.

MAJOR CUSTOMERS AND SUPPLIERS

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

During the Financial Year, purchases from our single largest supplier accounted for approximately 33% of our total purchases, while purchases from our five largest suppliers accounted for approximately 58% of our total purchases. The Directors were not aware of any interests of any Directors, their associates or any substantial shareholders (including any Director who held more than 5% of the Company's issued share capital) in the 5 largest suppliers or customers.

PENSION SCHEMES

In Hong Kong, we operate a defined contribution retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for all of our employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to our profit and loss account as they become payable. Our contributions as employer vest fully with the employees when we contribute to the scheme. We contribute 5% of the relevant monthly salary to such scheme and our employees contribute the lower of HK$1,250 or 5% of their monthly salary to such scheme as employee mandatory contributions.

In the PRC, we participate in the relevant social insurance contribution plans organized by the relevant local governmental bodies. In accordance with relevant PRC laws, members of our Group operating in the PRC are required to pay a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance, occupational injury insurance and maternity (where applicable) for their relevant employees. We are also required by the relevant PRC regulations to register with a competent housing provident fund management center and make contributions to the respective housing provident funds for our employees.

Details of the employer's pension cost for the Financial Year are set out in note 28 of the audited consolidated financial statements from page 109 to page 111 of this Annual Report.

CORPORATE GOVERNANCE

The Corporate Governance Report for the Financial Year is set out from page 29 to page 44 of this Annual Report.

INTERESTED PERSON TRANSACTIONS

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

In accordance with the Listing Manual of the SGX-ST, there is no interested person transactions ("IPT") by the Group during the Financial Year.

CONNECTED TRANSACTIONS

The Company did not enter into any transaction within the meaning of Connected Transaction under Chapter 14A of the HK Listing Rules during the Financial Year.

CONTINUING CONNECTED TRANSACTIONS

There were no continuing connected transactions between the Group and its connected persons (as defined under the HK Listing Rules) which are subject to the reporting, announcement and the independent shareholders' approval requirement under the HK Listing Rules for the year ended 31 December 2013.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the Financial Year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

SECURITIES INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 31 December 2013, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the HK Listing Rules were as follows:

Long Position in shares of the Company

	Number of Ordinary Shares				Approximate Percentage of the Issued
Name of Director	Personal Interests	Family Interests	Corporate Interests	Total	Share Capital
Shi Jian	6,104,938	1,090[(1)]	6,816,277,933[(2)]	6,822,383,961	151.67%
Li Yao Min	8,352,672	–	–	8,352,672	0.19%
Yue Wai Leung Stan	5,332,500	–	–	5,332,500	0.12%
Gu Biya	3,000,000	–	–	3,000,000	0.07%
Mao Yiping	2,475,000	–	–	2,475,000	0.06%
Henry Tan Song Kok	100,000	–	–	100,000	0.002%

(1) These 1,090 Shares were held by Ms. Si Xiao Dong, the spouse of Mr. Shi Jian.

(2) Mr. Shi Jian is deemed interested in these 6,816,277,933 Shares for the following reasons: (i) Mr. Shi Jian is deemed interested in 1,468,356,862 Shares held by SREI by virtue of the fact that Mr. Shi Jian and his spouse, Ms. Si Xiao Dong together beneficially own 63% of the issued share capital of SREI; and (ii) as both SREI and China Development Bank International Holdings Limited ("CDBIH") are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the CDBIH Subscription Agreement, SREI is deemed under section 317 of the SFO to be interested in the 5,347,921,071 Shares deemed to have been acquired by CDBIH under the SFO, and Mr. Shi is accordingly also deemed interested in such Shares which SREI is deemed interested.

Save as disclosed above, as at 31 December 2013, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have been taken under such provisions of the SFO) or the Model Code or which were required to be entered in the register required to be kept under Section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

Save as disclosed below, the Directors are not aware of any other person (other than a Director or chief executive of the Company or his/her respective associate(s)) who, as at 31 December 2013, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Section 336 of the SFO:

Long Position in the shares of the Company

Name of Substantial Shareholder	Number of Ordinary Shares Personal Interest	Corporate Interest	Other interests	Total	Approximate percentage of shareholding
SREI	1,468,356,862	–	5,347,921,071 [1]	6,816,277,933	151.53%
CDBIH [2]	5,347,921,071	–	1,468,356,862	6,816,277,933	151.53%
CDB Capital [2]	–	6,816,277,933	–	6,816,277,933	151.53%
CDB [2]	–	6,816,277,933	–	6,816,277,933	151.53%

Notes:

1. As both SREI and CDBIH are subject to a three-year-lock up under the CDBIH Subscription Agreement, SREI is deemed under section 317 of the SFO to be interested in the 5,347,921,071 Shares deemed to have been acquired by CDBIH under the SFO.

2. CDBIH is deemed under the SFO to have acquired 5,347,921,071 Shares by virtue of its entering into of the CDBIH Subscription Agreement. CDBIH is a wholly owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are therefore deemed to be interested in the Shares held by CDBIH. Also, as both SREI and CDBIH are subject to a three-year-lock up under the CDBIH Subscription Agreement, CDBIH is deemed to be interested in 1,468,356,862 Shares held by SREI pursuant to section 317 of the SFO.

CNTD SHARE OPTION SCHEME (THE "SCHEME")

(a) Purpose of the Scheme

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

(b) Participants and Eligibility

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

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

(c) Maximum Number of Shares Available for Subscription

The Company shall not grant share options in aggregate exceed 449,819,867 shares of the Company, representing 10.0% of the total number of shares in issue as at the date of this Annual Report, unless the Company obtains an approval from its shareholders.

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

(d) Maximum Entitlement of Shares of Each Participant

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

(e) Period for Taking up an Option

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

(f) Minimum Period for Holding an Option before Exercise

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

(g) Amount Payable on Acceptance of the Option

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

(h) Exercise Price

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

– The closing price of the Shares as stated in the daily quotations sheet of the HKEx or the SGX-ST on the offer date (whichever is higher); and

– A price being the average of the closing prices of the Shares as stated in the daily quotations sheet of the HKEx or the SGX-ST for the 5 business days immediately preceding the offer date (whichever is higher).

(i) Duration of the Scheme

The Scheme shall be valid and effective for a period of 10 years commenced since the adoption date of 3 September 2010. During the Financial Year, no option of the Company or any corporation in the Group was granted under the Scheme.

DIRECTORS RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

Name of Director	Date of service agreement(s)/ appointment letter(s)	Term	Fixed annual remuneration	Termination notice period/ payment in lieu of notice
Executive Directors				
Shi Jian(1)	18 November 2013	22 October 2013 to 21 October 2014	HKD2 million	6 months
Li Yao Min(1)	18 November 2013	22 October 2013 to 21 October 2014	HKD2 million	6 months
Yue Wai Leung Stan(2)	24 June 2011	1 July 2011 to 13 August 2013	HKD3 million	6 months
Shi Janson Bing(1)	20 November 2013	22 October 2013 to 21 October 2014	HKD1.6 million	6 months
Gu Biya(1)	25 November 2013	22 October 2013 to 21 October 2014	HKD2 million	6 months
Mao Yiping(1)	25 November 2013	22 October 2013 to 21 October 2014	HKD2 million	6 months
Qian Yifeng(1)	20 October 2011	20 October 2011 to 19 October 2014	HKD800,000	6 months
Yang Yonggang(3)	7 October 2010	22 October 2010 to 1 June 2013	HKD800,000 plus RMB130,000	6 months
Song Yiqing(4)	7 October 2010	22 October 2010 to 1 June 2013	HKD1.56 million with housing allowance of HKD300,000 plus RMB650,000	6 months
Non-independent Non-executive Director				
Yue Wai Leung Stan(2)	13 August 2013	13 August 2013 to 2014 AGM	HKD240,000	1 month
Independent Non-executive Directors				
Henry Tan Song Kok	20 November 2013	22 October 2013 to 21 October 2014	SGD80,000 plus a meeting allowance of SGD2,800	1 month
Kong Siu Chee	20 November 2013	22 October 2013 to 21 October 2014	SGD70,000 plus a meeting allowance of SGD2,800	1 month
Zhang Hao	20 November 2013	22 October 2013 to 21 October 2014	HKD260,000	1 month
E Hock Yap	20 November 2013	22 October 2013 to 21 October 2014	HKD330,000	1 month
Lam Bing Lun Philip(5)	7 October 2010	22 October 2010 to 1 June 2013	SGD70,000 plus a meeting allowance of SGD2,800	1 month

(1) *On 1 May 2013, the remuneration of Mr. Shi Jian has been increased from HKD1 million to HKD2 million per annum; the remuneration of Mr. Li Yao Min has been increased from HKD1.5 million to HKD2 million per annum; the remuneration of Ms. Gu Biya has been increased from HKD1.35 million plus RMB234,000 to HKD2 million per annum; the remuneration of Mr. Shi Janson Bing has been increased from HKD0.9 million plus RMB234,000 to HKD1.6 million per annum; the remuneration of Mr. Qian Yifeng has been increased from HKD0.54 million to HKD0.8 million per annum; and the remuneration of Mr. Mao Yiping has been increased from HKD1.35 million plus RMB234,000 to HKD2 million per annum.*

(2) *Mr. Yue Wai Leung Stan was re-designated from Executive Director to Non-independent Non-executive Director with effect from 13 August 2013. His remuneration has been adjusted from HKD3 million per annum to HKD240,000 per annum.*

(3) *Mr. Yang Yonggang resigned as Executive Director with effect from 1 June 2013 and has continued his office as Vice President and Head of Legal Affairs Department of the Company.*

(4) *Ms. Song Yiqing resigned as Executive Director with effect from 1 June 2013.*

(5) *Mr. Lam Bing Lun Philip resigned as Independent Non-executive Director with effect from 1 June 2013.*

AUDIT COMMITTEE

The Audit Committee (the "AC") comprises the following members:

Henry Tan Song Kok	*(Lead Independent Non-executive Director and Chairman of the AC)*
Zhang Hao	*(Independent Non-executive Director)*
E Hock Yap	*(Independent Non-executive Director) (Appointed on 1 June 2013)*
Lam Bing Lun Philip	*(Independent Non-executive Director) (Resigned on 1 June 2013)*

The AC has recommended to the Board the nomination of Ernst and Young ("EY") for re-appointment as the Company's external auditor at the forthcoming AGM of the Company.

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

AUDITORS

The consolidated financial statements for the Financial Year have been audited by EY who will retire and, being eligible, offer themselves for re-appointment at the 2014 AGM. A resolution to re-appoint EY as the external auditor of the Company and to authorise the Directors to fix their remuneration will be proposed at the 2014 AGM.

On behalf of the Board

Shi Jian
Executive Chairman

Li Yao Min
Co-Chairman & Chief Executive Officer

17 March 2014

Independent Auditors' Report

To the shareholders of China New Town Development Company Limited
(Incorporated in the British Virgin Islands with limited liability)

We have audited the accompanying consolidated financial statements of China New Town Development Company Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as at 31 December 2013, and the Group's performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.1(a) in the consolidated financial statements that indicates that the Group's ability to continue as a going concern depends on the completion of the subscription of the Company's new shares and its ability to generate cash to meet the payments of liabilities when they fall due. These conditions, along with other matters set forth in Note 2.1(a), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Ernst & Young
Certified Public Accountants
Hong Kong
17 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2013

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

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
Revenue	6	**1,216,303**	934,954
Cost of sales	7	**(940,740)**	(568,052)
Gross profit		**275,563**	366,902
Other income	6	**34,850**	15,216
Selling and distribution costs	7	**(172,332)**	(117,839)
Administrative expenses	7	**(162,716)**	(131,562)
Other expenses	6	**(20,555)**	(31,219)
Fair value gain/(loss) on completed investment properties	14	**(1,362)**	61,606
Fair value gain/(loss) on investment properties under construction	14	**600**	161
Operating (loss)/profit		**(45,952)**	163,265
Finance costs	8	**(219,425)**	(81,155)
Share of (loss)/profit of associate and joint venture	4(b)	**(47)**	280
(Loss)/profit before tax		**(265,424)**	82,390
Income tax	9	**6,161**	(36,657)
(Loss)/profit after tax		**(259,263)**	45,733
Other comprehensive income, net of tax		**–**	–
Total comprehensive income, net of tax		**(259,263)**	45,733
(Loss)/Profit attributable to:			
Owners of the parent		**(212,992)**	14,441
Non-controlling interests		**(46,271)**	31,292
		(259,263)	45,733
Total comprehensive income attributable to:			
Owners of the parent		**(212,992)**	14,441
Non-controlling interests		**(46,271)**	31,292
		(259,263)	45,733
(Loss)/earnings per share attributable to ordinary equity holders of the parent (RMB per share):	12		
Basic (loss)/earnings per share		**(0.0474)**	0.0035
Diluted (loss)/earnings per share		**(0.0474)**	0.0034

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

Statements of Financial Position

As at 31 December 2013

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

	Notes	Group		Company	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
Assets					
Non-current assets					
Investments in subsidiaries	3	**–**	–	**2,591,259**	2,591,259
Investment in an associate	4(a)	**200**	200	**–**	–
Investment in a joint venture	4(b)	**55,656**	49,703	**–**	–
Property, plant and equipment	13	**1,631,967**	1,518,089	**62**	78
Completed investment properties	14	**740,000**	739,900	**–**	–
Investment properties under construction	14	**106,000**	105,400	**–**	–
Prepaid land lease payments	15	**244,586**	251,479	**–**	–
Non-current trade receivables	19	**48,626**	56,683	**–**	–
Deferred tax assets	9	**132,625**	117,622	**–**	–
Other assets		**47,727**	46,473	**2,794**	–
Total non-current assets		**3,007,387**	2,885,549	**2,594,115**	2,591,337
Current assets					
Land development for sale	16	**5,130,517**	5,177,168	**–**	–
Properties under development for sale	17	**1,568,991**	1,605,279	**–**	–
Prepaid land lease payments	15	**642,312**	782,990	**–**	–
Inventories		**5,878**	5,610	**–**	–
Amounts due from subsidiaries		**–**	–	**506,805**	502,036
Prepayments	18	**93,382**	179,469	**–**	–
Other receivables	18	**21,832**	239,058	**6**	–
Trade receivables	19	**743,272**	444,547	**1**	66
Prepaid income tax	9	**17,480**	7,150	**–**	–
Cash and bank balances	20	**332,333**	434,267	**1,853**	23,404
Total current assets		**8,555,997**	8,875,538	**508,665**	525,506
Total assets		**11,563,384**	11,761,087	**3,102,780**	3,116,843
Equity and liabilities					
Equity					
Owners of the parent:					
Share capital	21	**2,980,809**	2,980,809	**2,980,809**	2,980,809
Other reserves	22	**579,270**	579,270	**1,912,683**	1,912,683
Accumulated losses		**(1,102,891)**	(889,899)	**(2,002,889)**	(1,972,078)
		2,457,188	2,670,180	**2,890,603**	2,921,414
Non-controlling interests		**522,096**	570,367	**–**	–
Total equity		**2,979,284**	3,240,547	**2,890,603**	2,921,414

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

		Group		Company	
	Notes	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Non-current liabilities					
Interest-bearing bank and other borrowings	23	**1,797,870**	1,948,458	**–**	–
Deferred income from sale of golf club membership	24	**486,208**	503,388	**–**	–
Deferred tax liabilities	9	**32,195**	25,816	**–**	–
Total non-current liabilities		**2,316,273**	2,477,662	**–**	–
Current liabilities					
Interest-bearing bank and other borrowings	23	**1,338,992**	1,235,627	**198,312**	192,127
Trade payables	25	**2,557,878**	2,629,615	**–**	–
Other payables and accruals	25	**872,498**	695,231	**13,865**	3,302
Amounts due to related parties	26	**3,500**	1,369	**–**	–
Advances from customers	27	**336,482**	348,732	**–**	–
Deferred income arising from land development	24	**620,221**	595,783	**–**	–
Current income tax liabilities		**538,256**	536,521	**–**	–
Total current liabilities		**6,267,827**	6,042,878	**212,177**	195,429
Total liabilities		**8,584,100**	8,520,540	**212,177**	195,429
Total equity and liabilities		**11,563,384**	11,761,087	**3,102,780**	3,116,843
Net current assets		**2,288,170**	2,832,660	**296,488**	330,077
Total assets less current liabilities		**5,295,557**	5,718,209	**2,890,603**	2,921,414

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

Statements of Changes in Equity

For the financial year ended 31 December 2013

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

Group

		Equity attributable to equity holders of the parent					
	Notes	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total equity
As at 1 January 2012	21/22	2,801,180	591,731	(904,340)	2,488,571	537,075	3,025,646
Total comprehensive income		–	–	14,441	14,441	31,292	45,733
Equity-settled share options to management	22/28	–	2,423	–	2,423	–	2,423
Shares issued upon exercise of management share options granted under Management Stock Option Plan ("Management Grant")	21/22	14,885	(14,884)	–	1	–	1
Capital contribution from non-controlling shareholders of subsidiaries		–	–	–	–	2,000	2,000
Placing of 585,000,000 new shares		164,744	–	–	164,744	–	164,744
Dividends	10	–	–	–	–	–	–
As at 31 December 2012	21/22	2,980,809	579,270	(889,899)	2,670,180	570,367	3,240,547
Total comprehensive income		–	–	(212,992)	(212,992)	(46,271)	(259,263)
Change in non-controlling interests due to dissolution of a subsidiary		–	–	–	–	(2,000)	(2,000)
Dividends	10	–	–	–	–	–	–
As at 31 December 2013	21/22	2,980,809	579,270	(1,102,891)	2,457,188	522,096	2,979,284

Company

	Notes	Share capital	Other reserves	Accumulated losses	Total
As at 1 January 2012	21/22	2,801,180	1,925,144	(1,937,702)	2,788,622
Total comprehensive income	11	–	–	(34,376)	(34,376)
Equity-settled share options to management	22/28	–	2,423	–	2,423
Shares issued upon exercise of management share options granted under Management Grant	21/22	14,885	(14,884)	–	1
Placing of 585,000,000 new shares		164,744	–	–	164,744
Dividends	10	–	–	–	–
As at 31 December 2012	21/22	2,980,809	1,912,683	(1,972,078)	2,921,414
Total comprehensive income	11	–	–	(30,811)	(30,811)
As at 31 December 2013	21/22	2,980,809	1,912,683	(2,002,889)	2,890,603

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2013

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

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
Cash flows from operating activities			
Profit/(loss) before tax		**(265,424)**	82,390
Adjustments for:			
Depreciation of property, plant and equipment	13	**66,073**	55,139
Amortisation of prepaid land lease payments	15	**6,663**	7,463
Loss on disposal of property, plant and equipment		**78**	235
Loss on disposal of an associate and a joint venture		**–**	2,066
Fair value (gain)/loss on completed investment properties	14	**1,362**	(61,606)
Fair value (gain)/loss on investment properties under construction	14	**(600)**	(161)
Share of (profit)/loss from an associate and a joint venture	4(b)	**47**	(280)
Expenses incurred for the transaction cost of the Disposal		**11,156**	–
Impairment loss of property, plant and equipment		**–**	15,990
Management share option expense	22	**–**	2,423
Interest income	6	**(22,817)**	(6,047)
Interest expense	8	**219,425**	81,155
Exchange loss/(gain)		**(5,910)**	5,411
		10,053	184,178
Decrease/(increase) in land development for sale		**46,651**	(104,021)
Decrease/(increase) in properties under development for sale		**45,609**	(509,505)
Increase in prepaid land lease payments		**140,678**	–
Decrease/(increase) in inventories		**(268)**	(688)
Decrease/(increase) in prepayments		**86,087**	133,226
Decrease/(increase) in other receivables and assets		**(3,776)**	(205,461)
Decrease/(increase) in trade receivables		**(290,668)**	(365,895)
Decrease/(increase) in prepaid income tax		**(10,330)**	(7,150)
Increase/(decrease) in deferred income from sale of golf club membership		**(17,180)**	(18,497)
Increase/(decrease) in deferred income arising from land development		**24,438**	815
Increase/(decrease) in advances from customers		**(12,250)**	301,826
Increase/(decrease) in trade and other payables		**143,150**	567,595
Increase/(decrease) in amounts due to related parties		**2,131**	(869)
Net cash inflow/(outflow) from operating activities		**164,325**	(24,446)

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2013

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

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
Cash flows from investing activities			
Purchases/construction of property, plant and equipment		**(216,486)**	(168,707)
Refund of prepayments for property, plant and equipment		**222,542**	235,974
Proceeds from disposal of property, plant and equipment		**155**	315
Payments for land use rights		**–**	(13,973)
Payments for investment properties		**(4,999)**	(7,555)
Disposal of an associate and a joint venture		**–**	5,000
Investments in associate and joint venture		**(6,000)**	(19,500)
Interest received		**22,817**	6,047
Payments of expenses incurred for the transaction cost of the Disposal		**(1,644)**	–
Net cash inflow/(outflow) from investing activities		**16,385**	37,601
Cash flows from financing activities			
Capital contribution from non-controlling shareholders of subsidiaries		**–**	2,000
Cash proceeds from placing of new shares of the Company		**–**	164,744
Proceeds from bank and other borrowings		**1,406,756**	703,541
Repayment of bank borrowings		**(1,449,070)**	(660,899)
Repayment of borrowing from a related party		**–**	(56,721)
Cash (placed as)/released from restricted deposits in relation to interest payments for bank borrowings		**9,500**	(15,000)
Interest paid		**(240,330)**	(268,940)
Net cash (outflow)/inflow from financing activities		**(273,144)**	(131,275)
Net decrease in cash and cash equivalents		**(92,434)**	(118,120)
Cash and cash equivalents at beginning of year		**229,267**	347,387
Cash and cash equivalents at end of year	20	**136,833**	229,267

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

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

1. CORPORATE INFORMATION

Corporate information

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

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

The Company used to be a subsidiary of SRE Group Limited ("SRE"), a company listed on the HKEx since September 2009. During 2012, SRE disposed its entire holding of shares in the Company to SRE's own shareholders via a special dividend in the form of a distribution in species. Upon completion of that distribution, in October 2012, SRE no longer holds any shares in the Company and ceased to be the parent of the Company. As a result of that distribution, SRE Investment Holding Limited ("SREI"), the parent of SRE, became the largest shareholder of the Company.

In the opinion of the Directors, as at 31 December 2013, the Company's ultimate holding company is SREI. It held 32.64% of the issued share capital of the Company as at 31 December 2013. SRE (also as a subsidiary of SREI) became a fellow subsidiary since October 2012.

On 10 October 2013, the Company, China Development Bank International Holdings Limited ("CDBIH") and SREI entered into a share subscription agreement ("Subscription Agreement") pursuant to which CDBIH has agreed to subscribe for 5,347,921,071 new shares of the Company subject to the terms and conditions contained therein (the "Subscription"). The Subscription is subject to fulfillment of some conditions and hence has not yet been completed as at the end of financial year.

As an appendix of the Subscription Agreement, there was a disposal master agreement (the "Disposal Agreement") between the Company and SREI, pursuant to which the Company has conditionally agreed to sell and SREI has conditionally agreed to purchase, within 24 months upon completion of the Subscription, specified assets and liabilities not relating to the Group's main principal business of planning and development of new town projects in the mainland China (the "Disposal Assets"), for a total consideration of RMB2,069,832,594 in the form of cash payment in installments subject to the terms and conditions contained therein (the "Disposal"). The Disposal is conditional on completion of the Subscription and hence has not yet been completed as at the end of financial year.

Subsidiaries

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

2.1 BASIS OF PREPARATION

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

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

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

2.1 BASIS OF PREPARATION (continued)

(a) Going Concern Basis

As of 31 December 2013, the Group had cash and bank balances and trade receivables in total of approximately RMB1,076 million and current liabilities, net of deferred income arising from construction of ancillary public facilities and advances from customers, of approximately RMB5,311 million. Although the Group's total current assets amounted to RMB8,556 million, the timing and amount of cash inflows from the realisation of approximately RMB5,131 million of land development for sale (which accounts for approximately 60 percent of the current assets as of 31 December 2013) depends upon the local governments' land sale plans, selling prices and overall market demand of the land developed by the Group. Although the Company has entered into the Subscription and the Disposal (see Note 1), which may generate significant cash inflows, the Subscription is subject to the fulfillment of certain conditions and the Disposal is conditional upon the completion of the Subscription, hence, the cash inflows that might be generated from the Subscription and the Disposal are still uncertain. These circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The executive directors of the Company confirm as at the date of approval of these financial statements that based on the progress of discussions with CDBIH as at the date of approval of these financial statements, they expect the successful completion of the Subscription and the execution of the Disposal.

The executive directors of the Company will continue to actively seek local government's support for realisation of land development for sale, as well as marketing the properties under development for sale and the associated prepaid land lease payments. If cash inflows are insufficient to meet the liabilities when they fall due, the Group will seek alternative fund raising opportunities, such as the disposal of non-current assets, or requesting some of its significant creditors for an extension of payment terms.

After taking into account the likelihood of completion of the Subscription and the execution of the Disposal as well as the above measures, in spite of the material uncertainty, the board of directors of the Company believe that it is appropriate to prepare the consolidated financial statement on a going concern basis, and therefore, these consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty should the Group be unable to continue as a going concern.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if it results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(c) Operating cycle

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

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

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements. Though in certain cases, giving rise to new or revised accounting policies, the adoption of these new and revised IFRSs currently has had no significant impact on these financial statements.

IAS 1 Amendments	Presentation of Financial Statements
IAS 19 (revised)	Employee Benefits
IAS 28 (revised)	Investments in Associates and Joint Ventures
IFRS 1 Amendments	First-time Adoption of IFRS:Government Loans
IFRS 7 Amendments	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
IFRS 10	Consolidated Financial Statements
IAS 27 (revised)	Separate Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRIC 20	Stripping Costs in the Production of a Surface Mine
Improvement to IFRSs:	2009-2011 Cycle

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Judgements

Classification between investment properties and owner-occupied properties

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

Estimates and assumptions

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

(i) Estimate of fair value of investment properties

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

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

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

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

Investment properties under construction are also carried at fair value as determined by independent professional qualified valuers, except if such values cannot be reliably determined. In the exceptional cases when a fair value cannot be reliably determined, such properties are recorded at cost.

For details of change in fair values of investment properties and investment properties under construction in 2013, please see Note 14.

(ii) Carrying amount of land development for sale and properties under development for sale

The Group's land development for sale and properties under development for sale are stated at the lower of cost and net realisable value.

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

The costs of properties under development for sale comprise specifically identified cost, including acquisition costs, development expenditures and borrowing costs and other related expenditure directly attributable to the development of such properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

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

In December 2013, pursuant to negotiations and an agreement reached between Shanghai Golden Luodian Development Co., Ltd. ("SGLD") and the People's Government of Shanghai Baoshan District Luodian Town, the Group needed to pay an additional relocation compensation costs of RMB260 million in Luodian New Town effective from 2013 onwards due to unanticipated changes in government policies on relocation compensation costs to incumbent residents.

As a result, the unit cost for land development (estimated based on budgeted cost of services per area of land developed) in Luodian New Town was increased from RMB2,845 to RMB3,216 per square metre prospectively for land sold in 2013 and onwards.

The change in accounting estimate resulted in the following pre-tax impact on the consolidated statements of profit or loss and other comprehensive income of the Group for the year ended 31 December 2013:

	For the year ended 2013
Increase in cost of sales for the year	**40,377**

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

2.3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

(iii) Deferred tax assets and liabilities

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

For details of deferred tax assets and liabilities, please see Note 9.

(iv) Impairment of receivables

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

For details of the estimated impairment of receivables, please see Note 18 and 19.

(v) Useful lives and impairment of property, plant and equipment

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

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

For details of the estimated balance of impairment of property, plant and equipment, please see Note 13.

(vi) Measurement of revenue from land development

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

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

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss and other comprehensive income to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with IFRS 5 are stated at cost less any impairment losses.

Investment in an associate and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date less any impairment losses. Goodwill, if any, relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, where there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the investment in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in an associate and joint ventures (continued)

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss and other comprehensive income.

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

Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at the end of each reporting period. Also, the fair values of financial instruments measured at amortised cost are disclosed in Note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Group has not designated any financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and the losses arising from impairment are recognised in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other receivables. For more information on receivables, refer to Notes 19 and 18.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (continued)

(c) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss and other comprehensive income. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

(d) Available-for-sale (AFS) financial investments

AFS financial investments include equity and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised as OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss and other comprehensive income in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold these assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows or from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred since the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(a) *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

(b) *Available-for-sale (AFS) financial investments*

For AFS financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss and other comprehensive income. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss and other comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss and other comprehensive income.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade payables, amounts due to related parties and interest-bearing loans and borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within "finance costs" in profit or loss.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress ("CIP"), are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Such cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value (10% of the cost) over its estimated useful life. The estimated useful lives for this purpose are as follows:

Hotel properties	Building 30 years, equipment 10 years, fixtures and fittings 5 years
Golf operational assets	Golf course between 40 and 50 years, club buildings 30 years, club equipment 10 years, club fixtures and fittings 5 years
Other buildings	20 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5 years

When parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted prospectively if appropriate, at the end of each reporting period.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the fair value less cost to sell and the carrying amount of the relevant asset.

CIP represents buildings under construction and is stated at cost less any impairment in value, and is not depreciated. Cost mainly comprises the direct costs during the period of construction and capitalised interest. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment property comprises completed property and property under construction or re-development held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met and it is accounted for as a finance lease.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the statement of profit or loss and other comprehensive income in the year in which they arise.

Investment properties under construction are stated at fair value with changes in fair values recognised in profit or loss.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in profit or loss in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Land development for sale

Development cost of land development for sale comprises the aggregate cost of development, materials and supplies, capitalised borrowing costs on related borrowing funds during the period of construction and other costs directly attributable to such land development for sale.

Land development for sale is stated at the lower of cost and net realisable value. Net realisable value takes into account the Group's share of proceeds derived from the sale of land development for sale by government authorities, less costs to completion and the costs to be incurred in realising the revenue derived from the sale of land development for sale based on prevailing market conditions.

Properties under development for sale

Properties under development for sale are included in current assets at the lower of cost and net realisable value.

The costs of properties under development for sale comprise specifically identified cost, including acquisition costs, development expenditures and borrowing costs and other related expenditure directly attributable to the development of such properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than land development for sale, inventories, deferred tax assets, financial assets, investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost. The subsequent measurement of prepaid land lease payments is as follows:

i) Prepaid land lease payments incurred for properties other than investment properties and investment properties under construction (after the adoption of IAS 40 revised), they are amortised over the lease terms on the straight-line basis. The amortisation during the period of construction of the properties is capitalised as the cost of properties under development. The amortisation during the period before the commencement and after the completion of the construction of the properties is expensed in profit or loss.

ii) Prepaid land lease payments included in investment properties and investment properties under construction (after the adoption of IAS 40 revised) are not amortised as they are stated at fair value.

Inventories

Inventories, which mainly refer to supplies and low-value consumables used in hotel and golf course operations, are accounted for at cost when purchased. Cost of supplies is determined using the first-in, first-out method. Low-value consumables relating to golf course and hotel operations are expensed in full when issued for use.

Inventories are valued at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is the estimated selling price in the ordinary course of business, less estimated expenses and related taxes necessary to make the sales. The net realisable value is determined based on contract prices or market prices.

Any excess of cost over the net realisable value of individual items of inventories is recognised as an allowance.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the statements of financial position, cash and bank balances comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

Revenue from land development for sale

The Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities (owned by the local governments) within the districts where the Group runs its businesses. When the parcels of land are sold by the local governments to land buyers through public auction, tender or listing, the Group is entitled to receive from the local governments a proportion of the proceeds from land sales (including related public utilities fees, if any). As ancillary public facilities are separately identifiable from land infrastructure, such proceeds to be received by the Group are allocated between land infrastructure and ancillary public facilities based on their relative fair values.

Revenue from land development for sale is recognised upon the transfer of risks and rewards in connection with the land development for sale and when the amount of revenue can be measured reliably, which occurs upon the completion of related construction works as well as the sale of land. Accordingly, at the time of the sale of land, proceeds allocated to the completed land infrastructure and completed ancillary public facilities are recognised as revenue, and proceeds allocated to uncompleted construction works are deferred and recognised as revenue when the related construction works are completed.

Sale of development properties

Revenue from the sale of properties is recognised upon completion of a sale agreement, which refers to the time when properties are completed and delivered to the buyers. Deposits and instalments received on properties sold prior to the completion of the respective sale agreements are included as advances received from the pre-sale of properties under development.

Hotel operations revenue

Hotel operations revenue represents the income from hotel and convention center rooms and conference facilities, and the sale of related food and beverages, which is recognised when the services are rendered or the goods are sold.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Golf course operations revenue

Golf course operations revenue represents the income from annual fees, the usage of golf courses and ancillary equipment, the provision of golf services, and the provision of golf equipment, food and beverages, etc., which is recognised when the services are rendered or the goods are sold.

Golf club membership revenue

Golf club membership entitles the members to golf operations related services provided during the membership period or to purchase goods or services at prices lower than those charged to non-members. Golf club membership revenue is recognised on the straight-line basis which reflects the expected period when the benefits are provided.

Operating lease income

Operating lease income from investment properties is recognised on the straight-line basis over the lease term, which is the non-cancellable period for which the lessee has contracted to lease the properties together with any further terms for which the lessee has the option to continue to lease the properties, with or without further payments, when at the inception of the lease, it is reasonably certain that the lessee will exercise the option.

Property management revenue

Property management revenue is recognised in the periods when the services are rendered.

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial instrument.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment has been established, which is generally when the shareholders approve the dividend.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Other borrowing costs are recognised as expenses when incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of fund. The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a set of properties acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate the same taxable entity and the same taxation authority.

Dividends

When dividends have been approved by the directors and shareholders and declared, they are recognised as a liability.

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee retirement benefits

Pursuant to the relevant regulations of the PRC government, the companies comprising the Group operating in Mainland China (the "PRC group companies") have participated in a local municipal government retirement benefit scheme (the "Scheme"), whereby the PRC group companies are required to contribute a certain percentage of the salaries of their employees to the Scheme to fund their retirement benefits. The only obligation of the Group with respect to the Scheme is to pay the ongoing contributions under the Scheme. Contributions under the Scheme are charged to profit or loss as incurred.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value is determined by the Company with assistance from the valuer using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share, where appropriate.

Foreign currency translation

These financial statements are presented in RMB which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating to those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised on the statement of financial position of the Group.

Government grants

Government grants (including non-monetary grants) are recognised at their fair value where there is reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, the grant is deducted from the relevant asset before arriving at the carrying amount of the asset. The grant is recognised in the statement of profit or loss and other comprehensive income over the time of asset realisation by way of a reduced cost of assets' charge. Grants received in connection with the Group's role in planning and constructing the ancillary public facilities are deducted from the development cost of the ancillary public facilities and would be recognised indirectly in the form of an increased profit margin over the course of recognising revenue in connection with the ancillary public facility services.

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

IFRS 9 was issued in 2009. The standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. In 2010, the IASB issued additions to IFRS 9 to address financial liabilities (the "Additions"). The changes resulting from the Additions only affect the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income ("OCI"). The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other requirements in IAS 39 in respect of liabilities are carried forward into IFRS 9.

In November 2013, IASB added to IFRS 9 the requirements related to hedge accounting and made some related changes to IAS 39 and IFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to IFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to IFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in 2010 without applying the other IFRS 9 requirements at the same time. The previous mandatory effective date of IFRS 9 was removed by the IASB and a mandatory effective date will be determined after the entire replacement of IAS 39 is completed. However, the standard is available for application now. The Group has not decided to early adopt IFRS 9. The Group is in the process of making an assessment of the impact of the new standard.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after 1 January 2014 and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. Consequential amendments were made to IFRS 12 and IAS 27. The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. Currently, the Group expects that these amendments will not have significant impact on the Group's financial statements.

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

2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. Currently, it is expected that the amendments would have no significant impact on the Group's financial statements.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. Currently, the Group does not expect that IFRIC 21 will have significant impact on the Group's financial statements.

Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

The amendments remove the unintended disclosure requirement made by IFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014. Currently, it is expected that the amendments would have no significant impact on the Group's financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. Currently, it is expected that the amendments would have no significant impact on the Group's financial statements.

Amendment to IAS 19 Employee benefits

The IASB has issued an amendment to IAS 19 Employee benefits relating to employee contributions to a defined benefit plan. IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit.

The amendments apply for annual periods beginning on or after 1 July 2014 and should be applied retrospectively. Early adoption is permitted. Currently, it is expected that the amendments would have no significant impact on the Group's financial statements.

IFRS 14 Regulatory Deferral Accounts

The IASB has issued IFRS 14 Regulatory Deferral Accounts to provide first-time adopters of IFRS with relief from derecognizing rate-regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB. This interim standard is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with entities that already apply IFRS, but do not recognize regulatory deferral accounts.

This interim standard is effective from 1 January 2016, with early application permitted.Currently, it is expected that the amendments would have no significant impact on the Group's financial statements.

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

3. INVESTMENTS IN SUBSIDIARIES

Company

	Notes	31 December 2013	31 December 2012
Unlisted shares, at cost		**2,024,561**	2,024,561
Less: Allowance for impairment	(a)	**(787,000)**	(787,000)
Advances to subsidiaries, net	(c)	**1,353,698**	1,353,698
		2,591,259	2,591,259

(a) As at 31 December 2013 and 2012, the Company reassessed the impairment on the investment in SGLD and determined that the carrying amount (net of allowance for impairment) was close to the recoverable amount (the value in use based on estimated future cash flows discounted at a rate of 13% per annum (2012: 13% per annum)). As a result, the Company neither further provided for nor reversed the impairment loss in the Company's separate financial statements for the years ended 31 December 2013 and 2012.

The allowance for impairment on the investment in SGLD, as reported in the Company's separate financial statements, did not affect the consolidated financial statements, as the investment in SGLD has been fully eliminated upon consolidation and all operating results of SGLD were included in the consolidated financial statements.

(b) As at 31 December 2013 and 2012, the Group's direct or indirect interests in all subsidiaries are set out below:

Directly held by the Company

Name	Place and date of incorporation	Cost of investment	Proportion of ownership interest (%) 2013	Proportion of ownership interest (%) 2012	Principal activities
Meeko Investment Limited ("Meeko")	British Virgin Islands 19 August 2005	1,230,300	100	100	Investment holding
Weblink International Limited	British Virgin Islands 17 November 2005	794,261	100	100	Investment holding
Protex Investment Limited	British Virgin Islands 18 October 2006	–	100	100	Investment holding
New Town (China) Trading Co., Ltd.	British Virgin Islands 31 July 2007	–	100	100	Investment holding
New Town Procurement Co., Ltd.	Hong Kong Special Administrative Region 27 January 2011	–	100	100	Investment holding
		2,024,561			

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

3. INVESTMENTS IN SUBSIDIARIES (continued)

(b) As at 31 December 2013 and 2012, the Group's direct or indirect interests in all subsidiaries are set out below: (continued)

Indirectly held by the Company

Ultimately held through	Name	Place and date of incorporation /establishment and issued capital	Proportion of ownership interest (%)		Effective equity interest (%)		Principal activities
			2013	2012	2013	2012	
Meeko Investment Limited and Weblink International Limited	SGLD[1]	PRC 26 September 2002 RMB548,100,000	72.63	72.63	72.63	72.63	Land development
	Shanghai Lake Malaren Sports and Culture Co., Ltd.	PRC 6 July 2004 RMB5,000,000	95	95	69	69	Golf club management
	Shanghai Lake Malaren Investment Management Co., Ltd.	PRC 28 July 2005 RMB1,680,000	100	100	72.63	72.63	Investment management
	Shanghai Lake Malaren Hotel Management Co., Ltd.	PRC 25 April 2006 RMB5,000,000	100	100	72.63	72.63	Hotel management
	Shanghai Lake Malaren Hospital Investment Co., Ltd.	PRC 16 March 2009 RMB200,000,000	100	100	72.63	72.63	Hospital investment and health consultation
	Shanghai Lake Malaren Tourism Development Co., Ltd.	PRC 29 December 2009 RMB3,000,000	90	90	65.37	65.37	Travelling information and wedding etiquette service
	Shanghai Golden Luodian International Travel Services Co., Ltd.	PRC 18 June 2010 RMB1,000,000	100	100	65.37	65.37	Travel service
	Chengdu Shanghai Real Estate Co., Ltd.	PRC 20 December 2010 RMB20,000,000	100	100	72.63	72.63	Real estate development
	Shanghai Meilan Lake Property Management Co., Ltd.	PRC 27 June 2013 RMB3,000,000	100	–	72.63	–	Property management
	Shanghai Lake Malaren Obstetrical and Gynecological Hospital Co., Ltd.	PRC 17 October 2013 RMB10,000,000	100	–	72.63	–	Gynaecology and obstetrics

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

3. INVESTMENTS IN SUBSIDIARIES (continued)

(b) As at 31 December 2013 and 2012, the Group's direct or indirect interests in all subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation /establishment and issued capital	Proportion of ownership interest (%) 2013	Proportion of ownership interest (%) 2012	Effective equity interest (%) 2013	Effective equity interest (%) 2012	Principal activities
Weblink International Limited	Shanghai Jia Tong Enterprises Co., Ltd. ("Shanghai Jiatong")	PRC 12 April 2006 RMB1,000,000	100	100	100	100	Consultation services
Protex Investment Limited	China New Town Development (Changchun) Company Limited	British Virgin Islands 7 September 2006	100	100	100	100	Investment holding
	China New Town Development (Wuxi) Company Limited	British Virgin Islands 18 October 2006	100	100	100	100	Investment holding
	China New Town Development (Shenyang) Company Limited	British Virgin Islands 18 October 2006	100	100	100	100	Investment holding
	Safewell Investment Limited	British Virgin Islands 14 February 2007	100	100	100	100	Investment holding
	Wuxi Hongshan New Town Development Co., Ltd. ("Wuxi Hongshan")	PRC 6 March 2007 RMB355,271,457	90	90	90	90	Land development
	Shenyang Lixiang New Town Modern Agriculture Co., Ltd.	PRC 6 March 2007 RMB747,667,000	90	90	90	90	Land development
	Shanghai CNTD Management Consulting Co., Ltd.	PRC 21 June 2007 RMB1,513,000	100	100	100	100	Enterprise investment consultation
	Wuxi Hongshan New Town Virescence Environmental Protection Construction Co., Ltd.	PRC 17 August 2007 RMB372,204,000	90	90	90	90	Planting, maintenance and management of scenic spots in the Wuxi Project

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

3. INVESTMENTS IN SUBSIDIARIES (continued)

(b) As at 31 December 2013 and 2012, the Group's direct or indirect interests in all subsidiaries are set out below: (continued)

Indirectly held by the Company (continued)

Ultimately held through	Name	Place and date of incorporation /establishment and issued capital	Proportion of ownership interest (%) 2013	Proportion of ownership interest (%) 2012	Effective equity interest (%) 2013	Effective equity interest (%) 2012	Principal activities
	Wuxi Hongqing Real Estate Development Co., Ltd. ("Wuxi Hongqing")[2]	PRC 27 April 2010 RMB9,000,000	100	100	90	90	Real estate development
	Changchun New Town Automobile Industry Construct Co., Ltd.	PRC 15 November 2007 RMB220,267,000	80	80	80	80	Land development
	Shenyang Lake Malaren Country Club Co., Ltd.	PRC 6 March 2008 RMB17,704,000	100	100	100	100	Sports management
Protex Investment Limited	Shenyang Meteorite Park Tourism Development Co., Ltd.	PRC 13 March 2008 RMB340,050,000	100	100	90	90	Landscaping, and plant maintenance and management of scenic spots
	Wuxi Hongshan New Town Commercial Operation and Management Co., Ltd.	PRC 18 March 2008 RMB1,000,000	100	100	90	90	Business management
	Wuxi Ying Shui Ting Hotel Co., Ltd.	PRC 24 August 2012 RMB100,000	100	100	90	90	Hotel management
New Town Procurement Co., Ltd.	Shanghai Hengchang Trading Co., Ltd.	PRC 9 May 2011 USD500,000	100	100	100	100	Procurement management
	Shanghai Yuanyi Industrial Co., Ltd.	PRC 2 August 2011 RMB3,000,000	100	100	100	100	Procurement management

1 In 2011, the Group's equity interest in SGLD was placed as collateral for an other borrowing of RMB631,400 thousand from a third party trust fund. In addition, the trust fund is entitled to certain economic benefits (e.g., right to dividends, if any) in the equity interest in SGLD before the loan is repaid. The Group has the right, at any time prior to expiry of the term of the loan, to repay the loan (the outstanding balance of principal and interest thereon) in full. SGLD continues to be a subsidiary of the Group and the loan from the third party trust is, in substance, a secured borrowing. In 2013, the remaining unsettled balance for aforesaid borrowing of a total amount of RMB431,400 thousand (Note 23) has been due and fully repaid, and all collaterals have been released accordingly.

2 In 2013, the Group's equity interest in Wuxi Hongqing was placed as collateral for an other borrowing of RMB450,000 thousand (Note 23) from a third party trust fund. In addition, the trust fund is entitled to certain economic benefits (e.g., right to dividends, if any) in the equity interest in Wuxi Hongqing before the loan is repaid. The Group has the right, at any time prior to expiry of the term of the loan, to repay the loan (the outstanding balance of principal and interest thereon) in full. Wuxi Hongqing continues to be a subsidiary of the Group and the loan from the third party trust is, in substance, a secured borrowing.

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

3. INVESTMENTS IN SUBSIDIARIES (continued)

(c) The advances to subsidiaries are advances to intermediate holding companies, and they are unsecured, non-interest-bearing, with no fixed repayment terms and are expected to be settled in cash (other than the amount mentioned in (d) below). The intermediate holding companies used these advances to finance their investment holdings of equity interests in the Group's indirect subsidiaries, details of which are as follows:

	Note	31 December 2013	31 December 2012
Amounts due from:			
China New Town Development (Shenyang) Co., Ltd.		**690,897**	690,897
China New Town Development (Wuxi) Co., Ltd.		**658,053**	658,053
China New Town Development (Changchun) Co., Ltd.		**176,320**	176,320
New Town Procurement Co., Ltd.		**3,235**	3,235
Safewell Investment Limited		**1,513**	1,513
Less: Impairment	(d)	**(176,320)**	(176,320)
		1,353,698	1,353,698

(d) Since Changchun New Town Automobile Industry Co., Ltd ("CCJV"), a subsidiary, made a full provision of RMB191 million against the outstanding balance of receivables arose from the terminated land development in Changchun, as mentioned in Note 18(b), CCJV incurred a significant loss and it was unable to repay the advances made to it by the Company. As a result, the Company, after performing an impairment assessment on the advances to CCJV recognised, made a full impairment allowance amounting to RMB176 million in its own separate financial statements for the year ended 31 December 2011. Such allowance for impairment, as reported in the Company's separate financial statements, did not affect the consolidated financial statements, as the advances to subsidiaries have been fully eliminated upon consolidation and all operating results of CCJV were included in the consolidated financial statements.

4. INVESTMENT IN AN ASSOCIATE AND INVESTMENT IN A JOINT VENTURE

(a) Investment in an associate

Group	31 December 2013	31 December 2012
Share of net assets:		
Balance at beginning and end of the year	**200**	200

Details of the associate are as follows:

Name	Place and date of establishment	Proportion of ownership interest attributable to the Group (%) 31 December 2013	Proportion of ownership interest attributable to the Group (%) 31 December 2012	Effective equity interest attributable to the Group (%) 31 December 2013	Effective equity interest attributable to the Group (%) 31 December 2012	Issued and paid-up capital	Authorised share capital	Principal activity
Shanghai Malaren Lake Artwork Exhibition Co., Ltd.	PRC 25 April 2006	**20**	20	**14.53**	14.53	RMB1 million	RMB1 million	Artwork exhibition

The assets and operating results of the associate are not material to the Group.

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

4. INVESTMENT IN AN ASSOCIATE AND INVESTMENT IN A JOINT VENTURE (continued)

(b) Investment in a joint venture

The Group entered into a 60% interest in Wuxi New District Xinrui Hospital Management Co., Ltd. in 2011, a jointly-controlled entity engaged in medical operation.

Summarised financial information of the joint venture, based on its IFRS financial statements, and the reconciliation to the carrying amount of the investment in consolidated financial statements are set out below:

	31 December 2013	31 December 2012
Current assets	**15,317**	5,421
Non-current assets	**77,443**	77,417
Current liabilities	**–**	–
Non-current liabilities	**–**	–
Equity	**92,760**	82,838
Proportion of the Group's ownership	**60%**	60%
Carrying amount of the investment	**55,656**	49,703

Summarised statement of profit or loss of the joint venture:

	Year ended 31 December 2013	Year ended 31 December 2012
Revenue	**–**	–
Cost of sales	**–**	–
Selling expenses	**–**	–
Administrative expenses	**(85)**	(82)
Finance costs	**–**	–
Other income	**7**	549
(Loss)/profit before tax	**(78)**	467
Income tax expense	**–**	–
Net (loss)/profit for the year	**(78)**	467
Group's share of (loss)/profit for the year	**(47)**	280

The joint venture had no significant contingent liabilities or capital commitments as at 31 December 2013 and 2012. Wuxi New District Xinrui Hospital Management Co., Ltd. cannot distribute its profits until it obtains the consent from the two venture partners.

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

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has the following operating segments. The Group's operational assets and operations are located in Mainland China.

- Land development segment, which provides land infrastructure development and construction of ancillary public facilities;
- Property development segment, which develops and sells residential and commercial properties;
- Property leasing segment, which provides investment property leasing services;
- Hotel operations segment, which provides room, restaurant and conference hall services;
- Golf operations segment, which provides golf course management services; and
- Others segment, which includes investment and provision of other services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit and loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to the operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the prevailing market prices.

Land development revenue from the Group's share of proceeds from land sales (including related public utility fees, if any) by local authorities accounted for 50% in Shanghai (2012: 76% in Shanghai) of the revenue in the year ended 31 December 2013.

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

5. OPERATING SEGMENT INFORMATION (continued)

An analysis by operating segment is as follows:

	Year ended 31 December 2013							
	Land development	Property development	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	Total
Segment results								
External sales	608,265	454,149	14,366	53,418	83,703	2,402	–	1,216,303
Inter-segment sales	–	–	–	849	–	883	(1,732)[1]	–
Total segment sales	608,265	454,149	14,366	54,267	83,703	3,285	(1,732)	1,216,303
Results								
Depreciation	(7,555)	(532)	–	(27,349)	(27,997)	(2,640)	–	(66,073)
Amortisation	(447)	–	–	(5,460)	(756)	–	–	(6,663)
Impairment of property, plant and equipment	–	–	–	–	–	–	–	–
Fair value gain on completed investment properties	–	–	(1,362)	–	–	–	–	(1,362)
Fair value gain on investment properties under construction	600	–	–	–	–	–	–	600
Segment profit/(loss)	121,392	(64,272)	13,604	(54,855)	(30,180)	(31,688)	(219,425)[2]	(265,424)[6]
Segment assets	6,771,808	1,095,663	846,000	568,208	723,969	1,369,255	188,481 [3]	11,563,384
Segment liabilities	3,386,028	638,571	38,375	104,843	652,416	53,054	3,710,813 [4]	8,584,100
Other disclosures								
Capital expenditure[5]	377	18	1,462	3,298	21,924	154,570	–	181,649

1 Inter-segment sales are eliminated on consolidation.

2 Profit for each operating segment does not include finance costs (RMB219,425 thousand).

3 Assets in segments do not include investments in an associate and a joint venture (RMB55,856 thousand), and deferred tax assets (RMB132,625 thousand) as these assets are managed on a group basis.

4 Liabilities in segments do not include current income tax payables (RMB538,256 thousand), interest-bearing bank and other borrowings (RMB3,136,862 thousand), amounts due to related parties (RMB3,500 thousand) and deferred tax liabilities (RMB32,195 thousand) as these liabilities are managed on a group basis.

5 Capital expenditure consists of additions to prepaid land lease payments (non-current portion) (RMB3 thousand), property, plant and equipment (RMB180,184 thousand), and completed investment properties and investment properties under construction (RMB1,462 thousand).

6 For the year ended 31 December 2013, the loss before tax attributable to the Disposal Assets (see Note 1) is RMB276 million and the profit before tax attributable to the remaining assets and liabilities (i.e. assets and liabilities of the Group other than the Disposal Assets) is RMB11 million.

Such loss before tax attributable to the Disposal Assets was estimated based on the following bases:

(a) For those part of Disposal Assets for which separate books and records are maintained – e.g. Chengdu Shanghai Real Estate Co., Ltd, all the pre-tax results in that separate books and records are attributable to the Disposal Assets.

(b) For those part of Disposal Assets for which no separate books and records are maintained, the Group allocated pre-tax results to the Disposal Assets on the following bases:

– if income and expenses that can be identified as or directly relate to the Disposal Assets, they are allocated to the Disposal Assets

– if income and expenses that can be identified as related to those assets and liabilities which were not mentioned in the Disposal Agreement to be part of Disposal Assets, but in the opinions of the directors of the Company, that the income and expenses are indirectly related to the Disposal Assets (e.g. Disposal Agreement only identified assets and liabilities that existed as of 30 June 2013, and there were assets/liabilities existed before 30 June 2013 but were related to the business of Disposal Assets), they are allocated to income and expenses of the Disposal Assets.

The Disposal is conditional upon the completion of the Subscription, and the Subscription has not yet been completed at the date of these financial statements.

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

5. OPERATING SEGMENT INFORMATION (continued)

An analysis by operating segment is as follows: (continued)

	Year ended 31 December 2012							
	Land development	Property development	Property leasing	Hotel operations	Golf operations	Others	Adjustments and eliminations	Total
Segment results								
External sales	690,022	97,705	10,621	60,993	73,515	2,098	–	934,954
Inter-segment sales	–	–	–	846	–	750	(1,596)[1]	–
Total segment sales	690,022	97,705	10,621	61,839	73,515	2,848	(1,596)	934,954
Results								
Depreciation	(8,690)	(510)	–	(23,579)	(22,250)	(110)	–	(55,139)
Amortisation	(377)	(3,305)	–	(3,028)	(753)	–	–	(7,463)
Impairment of property, plant and equipment	–	–	–	(15,990)	–	–	–	(15,990)
Fair value gain on completed investment properties	–	–	61,606	–	–	–	–	61,606
Fair value gain on investment properties under construction	–	–	161	–	–	–	–	161
Segment profit/(loss)	138,348	16,725	72,356	(43,991)	1,283	(21,176)	(81,155)[2]	82,390
Segment assets	6,475,395	1,563,467	845,300	603,820	853,567	1,252,013	167,525[3]	11,761,087
Segment liabilities	3,241,829	750,610	33,703	38,637	600,309	107,661	3,747,791[4]	8,520,540
Other disclosures								
Capital expenditure[5]	502	321	23,533	5,809	58,131	195,059	–	283,355

1 Inter-segment sales are eliminated on consolidation.

2 Profit for each operating segment does not include finance costs (RMB81,155 thousand).

3 Assets in segments do not include investments in an associate and a joint venture (RMB49,903 thousand), and deferred tax assets (RMB117,622 thousand) as these assets are managed on a group basis.

4 Liabilities in segments do not include current income tax payables (RMB536,521 thousand), interest-bearing bank and other borrowings (RMB3,184,085 thousand), amounts due to related parties (RMB1,369 thousand) and deferred tax liabilities (RMB25,816 thousand) as these liabilities are managed on a group basis.

5 Capital expenditure consists of additions to prepaid land lease payments (non-current portion) (RMB18,988 thousand), property, plant and equipment (RMB240,835 thousand), and completed investment properties and investment properties under construction (RMB23,533 thousand).

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

6. REVENUE, OTHER INCOME AND OTHER EXPENSES

Revenue

	Year ended 31 December 2013	Year ended 31 December 2012
Land development	**643,336**	729,498
Property development	**480,755**	103,659
Hotel operations	**56,496**	64,500
Golf operations	**97,964**	86,381
Investment property leasing	**15,116**	11,193
Others	**2,489**	2,159
Less: Business tax and surcharges	**(79,853)**	(62,436)
	1,216,303	934,954

Other income

	Year ended 31 December 2013	Year ended 31 December 2012
Foreign exchange gain, net	**6,470**	–
Interest income	**22,817**	6,047
Government subsidies	**1,233**	705
Reversal of bad debt provision – other receivables (Note 18)	**3,414**	8,120
Others	**916**	344
	34,850	15,216

Other expenses

	Year ended 31 December 2013	Year ended 31 December 2012
Foreign exchange loss, net	–	5,139
Bank charges	**2,877**	3,712
Donation	**1,100**	2,070
Loss on disposal of a joint venture	–	2,066
Bad debt provision – trade receivables (Note 19)	**16,247**	–
Impairment loss of property, plant and equipment	–	15,990
Others	**331**	2,242
	20,555	31,219

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

7. EXPENSES BY NATURE

	Year ended 31 December 2013	Year ended 31 December 2012
Cost of land development	**349,487**	430,764
Cost of property development	**495,619**	42,698
Depreciation of property, plant and equipment	**66,074**	55,139
Amortisation of prepaid land lease payments	**6,663**	7,463
Audit fees and non-audit fees	**5,508**	4,089
Audit fees		
– Auditor of the Company	**3,650**	3,650
– Other auditors	**356**	185
Non-audit fees		
– Auditor of the Company	**1,060**	189
– Other auditors	**442**	65
Employee benefits	**111,699**	86,653
Cost of inventories	**22,064**	27,974
Utility expenses	**16,708**	16,881
Property tax, stamp duty and land use tax	**14,674**	11,169
Expense incurred for international golf tournament	**29,318**	38,171
Advertising	**32,722**	37,550
Expenses incurred for the transaction cost of the Disposal	**10,096**	–
Expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	**60,000**	–
Others	**55,156**	58,902
Total cost of sales, selling and distribution costs and administrative expenses	**1,275,788**	817,453

8. FINANCE COSTS

	Year ended 31 December 2013	Year ended 31 December 2012
Interest on bank loans and other borrowings wholly repayable within five years	**182,451**	203,027
Interest on bank loans and other borrowings not wholly repayable within five years	**64,136**	67,013
Less: Interest capitalised	**(27,162)**	(188,885)
	219,425	81,155

The borrowing costs have been capitalised at the weighted average rates of 8.14% and 8.23% per annum for the years ended 31 December 2013 and 2012, respectively.

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

9. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate.

The Company is a tax-exempted company incorporated in the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year.

The principal operating subsidiaries of the Company were subject to income tax at the rate of 25% on their taxable income according to the Income Tax Law of the PRC.

Mainland China land appreciation tax ("LAT")

LAT is incurred upon transfer of property and land ownership and is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures.

For the pre-sale of properties under development, the tax authorities may impose LAT ahead of the completion of transactions and revenue recognition, generally based on 1% to 2% (2012: 1% to 2%) on proceeds of the sale and pre-sale of properties. Prepaid LAT had been recorded in "prepaid income tax" with an amount of approximately RMB17.5 million as at 31 December 2013 (2012: RMB7 million).

Mainland China Withholding Tax

Pursuant to the PRC Corporate Income Tax, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed and remitted out of PRC by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the resolution of board of directors of the Company, part of PRC subsidiaries' profit generated since its establishment will be retained by PRC subsidiaries for use in future operations or investments. In the opinion of the directors, it is probable that the temporary differences relating to the profits that are not expected to be distributed will not reverse in the foreseeable future. The aggregate amount of unrecognised deferred tax liabilities (i.e. withholding taxes relating to such temporary differences) was approximately 9,709 thousand (2012: RMB13,093 thousand).

The major components of income tax are:

	Year ended 31 December 2013	**Year ended 31 December 2012**
Income tax charge/(credit):		
Current income tax	**2,463**	17,791
Deferred tax/(credit)	**(15,003)**	14,201
Deferred LAT	**6,379**	4,665
Deferred withholding tax	**–**	–
Income tax charge/(credit) as reported in profit or loss	**(6,161)**	36,657

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

9. INCOME TAX (continued)

A reconciliation between tax charge/(credit) and the product of accounting profit/(loss) multiplied by the Group's applicable income tax rate is as follows:

Year ended 31 December 2013

	CNTD and BVI companies		Mainland China		Total	
Loss before tax	**(31,139)**		**(234,285)**		**(265,424)**	
Tax at the statutory tax rate	**–**	**–**	**(58,571)**	**25.0%**	**(58,571)**	**22.1%**
Tax losses not recognised	**–**	**–**	**39,714**	**-17.0%**	**39,714**	**-15.0%**
Non-deductible expenses for tax purposes	**–**	**–**	**6,317**	**-2.7%**	**6,317**	**-2.4%**
Effect of deferred LAT	**–**	**–**	**6,379**	**-2.7%**	**6,379**	**-2.4%**
Income tax as reported in the statement of profit or loss and other comprehensive income	**–**	**–**	**(6,161)**	**2.6%**	**(6,161)**	**2.3%**

Year ended 31 December 2012

	CNTD and BVI companies		Mainland China		Total	
Profit/(loss) before tax	(20,353)		102,743		82,390	
Tax at the statutory tax rate	–	–	25,686	25.0%	25,686	31.2%
Tax losses not recognised	–	–	4,627	4.5%	4,627	5.6%
Non-deductible expenses for tax purposes	–	–	1,679	1.7%	1,679	2.0%
Effect of deferred LAT	–	–	4,665	4.5%	4,665	5.7%
Income tax as reported in the statement of profit or loss and other comprehensive income	–	–	36,657	35.7%	36,657	44.5%

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

9. INCOME TAX (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities when the deferred tax assets and liabilities relate to income taxes, if any, levied by the same tax authority and the same taxable entity.

Deferred income tax relates to the following:

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	31 December 2013	31 December 2012	Year ended 31 December 2013	Year ended 31 December 2012
Deferred tax liabilities/(assets)				
Net difference between net carrying amount of prepaid land lease payments and land infrastructure under development and their tax base	**60,276**	56,499	**3,777**	4,549
Net difference between net carrying amount of property, plant and equipment and their tax base	**(30,038)**	(31,801)	**1,763**	(845)
Net difference between net carrying amount of investment properties and their tax base	**28,283**	24,309	**3,974**	22,072
Pre-operation expense	**(2,821)**	–	**(2,821)**	–
Losses available for offsetting against future taxable income	**(65,910)**	(42,206)	**(23,704)**	(7,445)
Difference in accounting and tax bases arising from the accounting for golf club revenue and the related costs	**(107,885)**	(111,431)	**3,546**	4,036
Provision for impairment of receivables	**(6,068)**	(4,628)	**(1,440)**	–
Effect of withholding tax at 10% on the distributable profits of the Group's subsidiaries in Mainland China	**21,151**	21,151	**–**	–
Effect of deferred LAT	**11,044**	4,665	**6,379**	4,665
Others	**(8,462)**	(8,364)	**(98)**	(8,166)
Net deferred tax assets	**(100,430)**	(91,806)		
Deferred income tax (credit)/charge			**(8,624)**	18,866
Deferred tax assets	**(132,625)**	(117,622)		
Deferred tax liabilities	**32,195**	25,816		

10. DIVIDENDS

No final dividend to the shareholders has been proposed by the Company in respect of the year ended 31 December 2013 (2012: Nil).

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

11. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the parent for the years ended 31 December 2013 and 2012 includes losses of RMB30,811 thousand and RMB34,376 thousand, respectively, which have been dealt with in the financial statements of the Company.

12. (LOSS)/EARNINGS PER SHARE

The calculations of the basic (loss)/earnings per share amounts are based on the (loss)/profit attributable to ordinary equity holders of the parent for the years ended 31 December 2013 and 2012.

The following reflects the (loss)/profit and share data used in the basic and diluted (loss)/earnings per share calculations:

	Year ended 31 December 2013	Year ended 31 December 2012
(Loss)/profit attributable to ordinary equity holders of the parent used to calculate the basic and diluted (loss)/earnings per share	**(212,992)**	14,441
Weighted average number of ordinary shares outstanding	**4,498,198,676**	4,180,595,099
Add: Net effect of dilutive potential ordinary shares of Management Grant	–	6,672,144
Number of ordinary shares used to calculate the diluted (loss)/earnings per share	**4,498,198,676**	4,187,267,243
Basic (loss)/earnings per share (RMB)	**(0.0474)**	0.0035
Diluted (loss)/earnings per share (RMB)	**(0.0474)**	0.0034

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of approval and authorisation of these financial statements.

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

13. PROPERTY, PLANT AND EQUIPMENT

Group	Hotel properties	Golf operational assets	Other buildings	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
Original cost							
At 1 January 2012	727,570	649,171	75,138	66,287	51,805	289,193	1,859,164
Transfers	–	53,191	–	–	–	(53,191)	–
Transfers from investment properties	24,000	–	–	–	–	–	24,000
Additions	2,120	34,770	428	9,264	1,149	193,104	240,835
Disposals	–	–	–	(5,433)	(2,202)	–	(7,635)
At 31 December 2012	753,690	737,132	75,566	70,118	50,752	429,106	2,116,364
Transfers	–	19,448	465,158	–	–	(484,606)	–
Additions	–	–	–	26,760	929	152,495	180,184
Disposals	–	–	–	(370)	(3,992)	–	(4,362)
At 31 December 2013	753,690	756,580	540,724	96,508	47,689	96,995	2,292,186
Accumulated depreciation							
At 1 January 2012	183,920	108,090	16,822	47,667	32,149	–	388,648
Provided during the year	25,168	17,659	3,792	2,158	6,362	–	55,139
Disposals	–	–	–	(5,014)	(2,071)	–	(7,085)
At 31 December 2012	209,088	125,749	20,614	44,811	36,440	–	436,702
Provided during the year	25,223	21,691	6,331	7,675	5,153	–	66,073
Disposals	–	–	–	(347)	(3,782)	–	(4,129)
At 31 December 2013	234,311	147,440	26,945	52,139	37,811	–	498,646
Impairment							
At 1 January 2012	145,583	–	–	–	–	–	145,583
Recognised during the year	–	–	–	–	–	15,990	15,990
Reversals	–	–	–	–	–	–	–
At 31 December 2012	145,583	–	–	–	–	15,990	161,573
Recognised during the year	–	–	–	–	–	–	–
Reversals	–	–	–	–	–	–	–
At 31 December 2013	145,583	–	–	–	–	15,990	161,573
Net carrying amount							
At 1 January 2012	398,067	541,081	58,316	18,620	19,656	289,193	1,324,933
At 31 December 2012	399,019	611,383	54,952	25,307	14,312	413,116	1,518,089
At 31 December 2013	373,796	609,140	513,779	44,369	9,878	81,005	1,631,967

Certain of the Group's properties have been pledged for interest-bearing bank and other borrowings granted to the Group (see Note 23).

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

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment of property, plant and equipment

During the year ended 31 December 2013, the Group reassessed the impairment on the property, plant and equipment used in the hotel operations and conference centre in Shanghai, and determined that the net carrying amounts were close to the recoverable amounts. As a result, the Group neither further recognised nor reversed the impairment loss in the Group's financial statements for the year ended 31 December 2013 for those properties. The recoverable amounts were determined based on value in use and at the estimated future cash flow discounted at rates of 11% to 11.5% per annum.

During the year ended 31 December 2012, considering the suspension of construction and uncertainty of operations of the hotel under construction in Shenyang project, an impairment loss of RMB16 million was provided against the entire balance of the related construction in progress as at 31 December 2012.

14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION

Group

Completed investment properties	**Year ended 31 December 2013**	**Year ended 31 December 2012**
At beginning of year	**739,900**	684,000
Add: Transfer from investment properties under construction	**1,462**	18,294
Add: Gain/(loss) from increase/(decrease) in fair value	**(1,362)**	61,606
Less: Transfer to property, plant and equipment	**–**	(24,000)
At end of year	**740,000**	739,900

Investment properties under construction	**Year ended 31 December 2013**	**Year ended 31 December 2012**
At beginning of year	**105,400**	100,000
Add: Construction costs	**1,462**	23,533
Less: Transfer to completed investment properties	**(1,462)**	(18,294)
Add: Gain/(loss) from fair value	**600**	161
At end of year	**106,000**	105,400

The investment properties owned by the Group consist of few commercial properties, and comprise both completed investment properties and investment properties under construction. The fair values were valued by DTZ Debenham Tie Leung Limited ("DTZ"), an independent professionally qualified valuer.

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

14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION (continued)

The following amounts relating to the completed investment properties and investment properties under construction have been recognised in profit or loss:

	Year ended 31 December 2013	Year ended 31 December 2012
Completed investment properties:		
Rental income	**15,116**	11,193
Gain/(loss) from increase/(decrease) in fair value	**(1,362)**	61,606
Other direct operating expenses	**–**	(31)
Investment properties under construction:		
Gain/(loss) from increase/(decrease) in fair value	**600**	161

Certain investment properties are pledged for interest-bearing bank and other borrowings (see Note 23).

Fair value hierarchy disclosures for investment properties have been provided in Note 33.

Changes in fair values of investment properties are recognised in profit or loss. The Group's interests in completed investment properties at their net book values are analysed as follows:

Description and location	Existing use	Tenure	Unexpired lease term	31 December 2013	31 December 2012
Scandinavia Street Shanghai, PRC	Retail street	Leasehold	41.8 years	**479,000**	478,900
Shopping mall Shanghai, PRC	Supermarket	Leasehold	36.0 years	**210,000**	210,000
Retail Street in Wuxi Project Wuxi, PRC	Retail street	Leasehold	33.9 years	**51,000**	51,000
				740,000	739,900

The Group's investment properties of Scandinavia Street in Shanghai are held under long-term (not less than 50 years) lease, investment properties of shopping mall in Shanghai and Retail Street in Wuxi are held under medium-term (less than 50 years but not less than 10 years) leases, and are all situated in Mainland China.

Description of valuation techniques used and key inputs to valuation on investment properties:

For completed investment properties, as there is no active market and absence of similar properties in the same location and condition, the valuations were performed based on the income approach. The following main inputs have been used.

Completed investment properties	31 December 2013	31 December 2012
Yield		
Scandinavia Street, Shanghai	**5.5 – 6%**	6 – 6.5%
Shopping mall, Shanghai	**4 – 5%**	4 – 5%
Retail Street in Wuxi Project	**4 – 5%**	4 – 5%

A significant increase (decrease) in the yield rate would result in a significant decrease (increase) in the fair value of the investment properties.

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

14. COMPLETED INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES UNDER CONSTRUCTION (continued)

For investment properties under construction, in arriving at fair value, reference is made to the comparable sales evidence available in the relevant market, after taking into account the construction costs and the costs that will be expended to complete the development.

15. PREPAID LAND LEASE PAYMENTS

The Group's prepaid land lease payments represent prepaid operating lease payments and their movements are analysed below:

Group	31 December 2013	31 December 2012
In Mainland China, held on:		
– Leases of between 10 and 50 years	**424,783**	491,238
– Leases of over 50 years	**462,115**	543,231
	886,898	1,034,469

Group	Year ended 31 December 2013	Year ended 31 December 2012
At the beginning of the year	**1,034,469**	1,036,445
Additions	**3**	23,595
Amortisation charged to profit or loss	**(135,230)**	(7,463)
Amortisation into properties under development for sale and construction in progress	**(12,344)**	(18,108)
At end of year	**886,898**	1,034,469

As at 31 December 2013, the above prepaid land lease payments included a balance of RMB642,312 thousand (2012: RMB782,990 thousand) of prepaid land lease payments held for development into properties for sale, hence they are classified as current assets.

The net carrying amounts of prepaid land lease payments, which were pledged for interest-bearing bank and other borrowings (see Note 23), were as follows at the end of each reporting period:

	31 December 2013	31 December 2012
Land use rights for convention facilities	**65,965**	67,545
Land use rights for golf club house and hotel	**64,995**	67,198
Land use rights for Lake Malaren UHO Project	**–**	98,630
Land use rights for Lake Malaren Silicon Valley Project	**131,686**	135,661
Land use rights for Chengdu Albany Oasis Garden	**186,858**	226,217
Land use rights for Wuxi Jiangnan Richgate II	**87,873**	–
	537,377	595,251

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

16. LAND DEVELOPMENT FOR SALE

Group	31 December 2013	31 December 2012
At cost:		
Mainland China	**5,130,517**	5,177,168

Land development for sale represents the cost of land development within the districts of the new town development projects. Though the Group does not have ownership title or land use rights to such land, the Group is given the right to carry out construction and preparation works in respect of land infrastructure and ancillary public facilities in those new town development projects. When the land plots are sold by the local governments, the Group is entitled to receive from the local authorities a proportion of the proceeds from land sales (including related public utility fees, if any).

Land development for sale is expected to be realised in the normal operating cycle, which is longer than twelve months.

As mentioned in Note 2.4 accounting policy of revenue recognition on land development for sale, revenue is recognised depending on the timing of sales of related parcel of land by authorities, which is uncertain and out of the control of the Group. Upon the sales of related land plots by authorities, the amounts of land development for sale were recognised and recorded as cost of sales (see Note 7).

17. PROPERTIES UNDER DEVELOPMENT FOR SALE

Group	31 December 2013	31 December 2012
At cost:		
In Shanghai City, PRC	**1,270,713**	1,294,862
In Wuxi City, PRC	**44,808**	43,469
In Chengdu City, PRC	**268,177**	266,948
	1,583,698	1,605,279
Provision for the excess of cost over net realisable value:	**(14,707)**	–
	1,568,991	1,605,279

	31 December 2013	31 December 2012
Properties under development expected to be recovered:		
Within one year	**1,144,267**	1,294,862
After one year	**424,724**	310,417
	1,568,991	1,605,279

As at 31 December 2013, the Group's properties under development for sale of RMB1,294 million (2012: RMB1,480 million) were pledged as collateral for the Group's bank loans.

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

18. PREPAYMENTS AND OTHER RECEIVABLES

Group	Notes	31 December 2013	31 December 2012
Prepayments	(a)	**93,382**	179,469
Other receivables, gross	(b)	**249,397**	470,037
Less: Impairment	(b)/(c)	**(227,565)**	(230,979)
Other receivables, net		**21,832**	239,058

An aged analysis of the other receivables is as follows:

	31 December 2013		
	Other receivables	Less: allowance for impairment	Other receivables, net
Within 6 months	**5,605**	–	**5,605**
6 months to 1 year	**8,706**	–	**8,706**
1 year to 2 years	**1,815**	–	**1,815**
2 years to 3 years	**5,257**	–	**5,257**
Over 3 years	**228,014**	**(227,565)**	**449**
	249,397	**(227,565)**	**21,832**

	31 December 2012		
	Other receivables	Less: allowance for impairment	Other receivables, net
Within 6 months	222,967	–	222,967
6 months to 1 year	3,706	–	3,706
1 year to 2 years	11,250	–	11,250
2 years to 3 years	21,841	(21,000)	841
Over 3 years	210,273	(209,979)	294
	470,037	(230,979)	239,058

The Group does not hold any collateral or other credit enhancements over these balances.

Except for the above impaired receivables, none of the balances is either past due or impaired.

(a) The prepayments as at 31 December 2013 mainly included a prepayment of RMB37 million (31 December 2012: RMB127 million) for the construction of Wuxi Ecological Park.

In 2011, according to a contract signed between the Group and a third-party constructor, the Group prepaid RMB180 million to the constructor of Wuxi Ecological Park. On the subsequent request of the Group (in order to reduce construction cost), the constructor agreed to reduce the construction scale. As a result, the work was completed in 2012 at a cost of RMB53 million. According to a supplemental agreement signed in February 2013, the contractor agreed to repay the unused balance of the prepayment of RMB127 million to the Group. During the year 2013, RMB90 million was collected and the remaining balance of RMB37 million was subsequently settled in January 2014 after the end of the financial year.

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

18. PREPAYMENTS AND OTHER RECEIVABLES (continued)

(b) In December 2009, the Group entered into an agreement ("the 2009 Agreement") with the Changchun Auto Industry Development Zone Administrative Committee ("the Changchun Committee") to cease the land development by the Group in Changchun. Pursuant to the 2009 Agreement, although no detailed repayment schedule had been set out in the 2009 Agreement, the Changchun Committee agreed to fully repay the Group within a year from the date of the 2009 Agreement (i) the cost of construction, which shall be determined by independent qualified professional parties after conducting construction audits, and, (ii) the cost of relocation that has been incurred by the Group in accordance with the relevant relocation agreement, and compensate the Group for finance costs (including certain related miscellaneous expenditure) at an interest rate of 10% per annum based on the time elapsed since the actual date when such finance costs were incurred by the Group. In December 2010, due to the delay in construction audits and other necessary procedures, the Changchun Committee issued a letter requesting to extend the repayment of the remaining balances from the end of 2010 to no later than the end of 2011. However, up to 31 December 2011, the total repayment from the Changchun Committee were only approximately RMB61 million. In year 2011, the Group agreed with the Changchun Committee to offset part of the receivable with its payable of relocation cost to the Committee of RMB74 million. The remaining balance of approximately RMB199 million was still outstanding as at 31 December 2011. Since the balance was already aged for more than two years as at 31 December 2011 and the Changchun Committee had failed to honour the extended repayment term and ceased to co-operate with the Group in spite of all the efforts of the Group to collect the receivable, though the Group would continue to chase payments, the Group has made a full provision of RMB199 million against the outstanding balance after considering the situation. In the year 2013, the Group received RMB3 million (2012: RMB8 million) from the Changchun Committee and the provision was reduced by the same amount (2012: RMB8 million). Considering the amounts received in 2013 and 2012 were only small portions of the receivable, and there was no evidence that the Changchun Committee would continue to repay, full provision has been made against the RMB188 million outstanding balance as at 31 December 2013.

(c) The other receivable balances at 31 December 2013 also included a receivable of an amount of RMB21 million due from a third-party constructor. In December 2008, due to illegal occupation of agricultural land for the purpose of constructing a golf course, the Liaoning Department of Land and Resources established that as a case for investigation, and issued the Administrative Penalty Decision Notice regarding the case in 2010. Although the Group had instructed the third-party constructor to terminate the construction of the golf course on the agricultural land, the constructor still continued such construction and therefore the constructor agreed to compensate the Group by RMB24 million in 2010. During the year ended 31 December 2013, no amount has been collected by the Group from the constructor (2012: Nil, 2011: Nil, 2010: RMB3 million). For the outstanding receivable from the constructor of an amount of RMB21 million, considering the fact that it is overdue for more than two year and no amount was further collected from the constructor, though the Group would continue to chase payments, a full provision of RMB21 million was already made in 2011.

19. TRADE RECEIVABLES

Group	31 December 2013	31 December 2012
Receivables from land development for sale	**800,761**	465,886
Receivables from the sale of properties	**1,530**	27,500
Receivables from the sale of golf club membership	**2,178**	2,928
Others	**3,676**	4,916
Trade receivables, gross	**808,145**	501,230
Less: Impairment for receivables from land development for sale	**(16,247)**	–
Trade receivables, net	**791,898**	501,230

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

19. TRADE RECEIVABLES (continued)

An aged analysis of the trade receivables is as follows:

	31 December 2013		
	Trade receivables	Less: allowance for impairment	Trade receivables, net
Within 6 months	**1,959**	**–**	**1,959**
6 months to 1 year	**670,584**	**–**	**670,584**
1 year to 2 years	**24,969**	**–**	**24,969**
2 years to 3 years	**6,233**	**–**	**6,233**
Over 3 years	**104,400**	**(16,247)**	**88,153**
	808,145	**(16,247)**	**791,898**

	31 December 2012		
	Trade receivables	Less: allowance for impairment	Trade receivables, net
Within 6 months	375,372	–	375,372
6 months to 1 year	110	–	110
1 year to 2 years	6,752	–	6,752
2 years to 3 years	43,531	–	43,531
Over 3 years	75,465	–	75,465
	501,230	–	501,230

The above balances are unsecured and interest-free.

The movements in provision for impairment of trade receivables are as follows:

Group	31 December 2013	31 December 2012
At the beginning of the year	**–**	–
Impairment losses recognised	**16,247**	–
At the end of the year	**16,247**	–

As at 31 December 2013, included in the above provision for impairment of trade receivables is a full provision for an individually impaired trade receivable of RMB16,247 thousand (2012: Nil). The fair values of remaining trade receivables at the end of each reporting period approximate to their carrying amounts.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	31 December 2013	31 December 2012
Neither past due nor impaired	**789,720**	498,302
Past due but not impaired:		
Within 30 days	**–**	–
30 to 60 days	**–**	–
61 to 90 days	**–**	–
91 to 120 days	**–**	–
Over 120 days	**2,178**	2,928
	791,898	501,230

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

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

20. CASH AND BANK BALANCES

	Group		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Cash on hand	**738**	918	**2**	4
Cash at banks	**136,095**	228,349	**1,851**	23,400
Cash and cash equivalents	**136,833**	229,267	**1,853**	23,404
Restricted bank deposits	**195,500**	205,000	**–**	–
	332,333	434,267	**1,853**	23,404

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Included in restricted bank deposits as at 31 December 2013 are mainly amounts of RMB180.3 million (2012: RMB185 million) as collateral for the HK$200,140 thousand and US$4,750 thousand bank loans, and RMB15 million (2012: RMB20 million) relating to the interest.

The carrying amounts of the cash and deposits which are denominated in the following currencies are set out below:

RMB equivalent of the following currencies:	Group		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
SG$	**142**	295	**142**	295
RMB	**330,430**	410,811	**–**	–
HK$	**1,526**	23,064	**1,526**	23,064
US$	**235**	97	**185**	45
	332,333	434,267	**1,853**	23,404

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

21. SHARE CAPITAL

Group and Company

	Year ended 31 December 2013		Year ended 31 December 2012	
	Number of shares (Thousand)	Amount*	Number of shares (Thousand)	Amount*
Ordinary shares authorised	**10,000,000**		10,000,000	
Ordinary shares issued and fully paid:				
Share capital at the beginning of the year	**4,498,199**	**2,980,809**	3,905,841	2,801,180
Increases during the year:				
Shares issued upon exercise of management share options granted under Management Grant	–	–	7,358	14,885
Placing of new shares	–	–	585,000	164,744
Share capital at the end of the year	**4,498,199**	**2,980,809**	4,498,199	2,980,809

* There is no par value for the shares of the Company. In 2007, there was a share split whereby one existing share split into 75,000 shares.

The holders of ordinary shares, except treasury shares, are entitled to receive dividends as and when they are declared by the Board of Directors and approved by the shareholders. Each ordinary share carries one vote per share without restrictions.

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

22. OTHER RESERVES

Group

	Imputed equity contribution upon reorganisation	Employee equity benefit reserve	Capital contribution received upon the repurchase of CB2	Other reserves	Total
At 1 January 2012	224,032	12,461	163,433	191,805	591,731
Equity-settled share options to management	–	2,423	–	–	2,423
Shares issued upon exercise of management share options granted under Management Grant	–	(14,884)	–	–	(14,884)
At 31 December 2012	224,032	–	163,433	191,805	579,270
Changes of current year	–	–	–	–	–
At 31 December 2013	224,032	–	163,433	191,805	579,270

Company

	Imputed equity contribution upon reorganisation	Employee equity benefit reserve	Capital contribution received upon the repurchase of CB2	Other reserves	Total
At 1 January 2012	1,557,445	12,461	163,433	191,805	1,925,144
Equity-settled share options to management	–	2,423	–	–	2,423
Shares issued upon exercise of management share options granted under Management Grant	–	(14,884)	–	–	(14,884)
At 31 December 2012	1,557,445	–	163,433	191,805	1,912,683
Changes of current year	–	–	–	–	–
At 31 December 2013	1,557,445	–	163,433	191,805	1,912,683

Nature and purpose of other reserves

Imputed equity contribution upon reorganisation

The Company applied the pooling of interest method to account for the business combination under common control which occurred on 20 December 2006. This therefore represents the difference between the Company's share of net assets of the Group and the sum of share capital and retained earnings that should be recorded as a result of applying the pooling of interest method.

Employee equity benefit reserve

Employee equity benefit reserve represents the equity-settled share options granted to management (see Note 28). The reserve represents the cumulative value of services received from management recorded since the grant date of equity-settled share options, and would be reduced by the exercise of the share options.

Capital contribution received upon the repurchase of CB2

This represents the capital contribution from SRE Investment Holding Limited in connection with the Company's repurchase of CB2.

Other reserves

This represents the fair value change of the equity component of CB2 upon the repurchase of CB2.

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

23. INTEREST-BEARING BANK AND OTHER BORROWINGS

The interest-bearing bank and other borrowings which were all denominated in RMB (except a HK$200,140 thousand loan, a US$4,750 thousand loan and a US$1,984 thousand loan) are as follows:

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Bank and other borrowings – secured	**2,398,862**	3,164,085	**198,312**	192,127
Bank and other borrowings – unsecured	**738,000**	20,000	**–**	–
	3,136,862	3,184,085	**198,312**	192,127

The interest-bearing bank and other borrowings are repayable as follows:

	Group		Company	
	31 December 2013	**31 December 2012**	**31 December 2013**	**31 December 2012**
Within 6 months	**510,452**	469,227	**198,312**	192,127
6 months to 9 months	**32,270**	35,000	**–**	–
9 months to 12 months	**796,270**	731,400	**–**	–
1 year to 2 years	**1,003,580**	600,991	**–**	–
2 years to 5 years	**507,360**	895,231	**–**	–
Over 5 years	**286,930**	452,236	**–**	–
	3,136,862	3,184,085	**198,312**	192,127

The Group's interest-bearing bank borrowings in RMB bore interest at floating rates ranging from 5.9% to 7.86% and 6.12% to 8.61% per annum for the years ended 31 December 2013 and 2012, respectively. Bank borrowings in HK$ and US$ bore interest at floating rates ranging from 2.07% to 3.78% per annum for the year ended 31 December 2013 (2012:1.8% to 3.95%).

In 2013, the Group's other borrowing from a third party trust of RMB450,000 thousand bore interest at a fixed rate of 14.6% per annum.

Long-term and short-term bank borrowings – secured

As at 31 December 2013, bank borrowings of RMB1,948,862 thousand (2012: RMB2,732,685 thousand) were pledged by the Group's certain properties, completed investment properties and investment properties under construction, properties under development for sale, prepaid land lease payments as well as bank deposits, whose net carrying amounts at 31 December 2013 were RMB429,424 thousand (2012: RMB458,759 thousand), RMB606,096 thousand (2012: RMB631,956 thousand), RMB1,248,998 thousand (2012: RMB1,480,234 thousand), RMB449,503 thousand (2012: RMB595,251 thousand) and RMB195,300 thousand (2012: RMB185,000 thousand), respectively. Also, as at 31 December 2013, a long-term bank loan with principal of RMB98 million (2012: RMB100 million) was guaranteed by Mr. Shi Jian, the Executive Chairman of the Company.

As at 31 December 2013, bank borrowings of RMB472 million (2012: RMB661 million) were also secured by part of the future property pre-sale proceeds. For each unit of the Silicon Valley project sold, an amount of RMB8,000 thousand (2012: RMB8,000 thousand) of the pre-sale proceeds will be transferred to restricted bank accounts, until the balance of such restricted bank accounts reached the outstanding balance of such loans.

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

23. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Other borrowing – secured

As at 31 December 2013, the other borrowing of RMB450,000 thousand is a loan from a third party trust fund which is secured by pledge of the Group's 90% equity interest in Wuxi Hongqing, and entitlement to certain economic benefits (e.g., right to dividends, if any) in the equity interest of Wuxi Hongqing (see Note 3), use rights of two pieces of land and the title to the properties thereon (whose total net carrying amount at 31 December 2013 was RMB326,557 thousand). The loan is also guaranteed by SREI and Mr. Shi Jian, the Executive Chairman of the Company. The Group has the right to repay the loan (the outstanding balance of principal and interest thereon) in full, at any time prior to expiry of the term of the loan.

As at 31 December 2012, the other borrowing of RMB431,400 thousand is a loan from a third party trust fund which is secured by pledge of the Group's 72.63% equity interest in SGLD, and entitlement to certain economic benefits (right to dividends, if any, etc.) in the equity interest of SGLD (see Note 3), use rights of one piece of land and the titles to the properties thereon (whose net carrying amount at 31 December 2012 was RMB198,793 thousand). The loan is also guaranteed by Mr. Shi Jian, the Executive Chairman of the Company. The Group has the right to repay the loan (the outstanding balance of principal and interest thereon) in full, at any time prior to expiry of the term of the loan. This borrowing was due and fully repaid during the year of 2013.

The Group had undrawn credit facilities of RMB116.7 million as at 31 December 2013 (2012: RMB308.3 million).

24. DEFERRED INCOME

Group	Notes	31 December 2013	31 December 2012
Deferred revenue arising from:			
Sale of golf club membership	(i)	**486,208**	503,388
Land development for sale	(ii)	**620,221**	595,783
		1,106,429	1,099,171

Notes:

(i) The revenue arising from the sale of golf club membership is deferred and recognised on the straight-line basis over the expected period when the related benefits would be provided.

(ii) The deferred revenue arising from land development for sale represents the portion of amounts received/receivable from the land authorities as a result of the sales of parcels of land developed by the Group that are not yet recognised as revenue, because the developments of the ancillary public facilities of land sold are still in progress. The amounts received/receivable are non-refundable unless the Group fails to complete the development work. The deferred income is classified as a current liability as the remaining development work is expected to be provided within the normal operating cycle.

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

25. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Group	31 December 2013	31 December 2012
Trade payables	**2,557,878**	2,629,615
Accruals for commission of golf club membership	**25,059**	25,110
Payroll and welfare	**2,234**	2,896
Other taxes payable:		
Business tax payable	**334,581**	307,915
Property tax payable	**46,464**	41,034
Land use tax payable	**14,901**	14,829
Other miscellaneous tax	**28,445**	19,266
Estimated payables to constructors for the Changchun project	**9,818**	11,018
Receipts in excess of the Group's estimated share of land sales proceeds	**28,405**	28,405
Obligation to construct a food market in Chengdu	**13,723**	13,723
Payables in relation to international golf tournament	**21,578**	–
Advance of public facility fee from local government	**160,200**	160,200
Other advance from local government	**14,000**	14,000
Construction deposit	**24,500**	–
Sponsorship of National Ballet	**10,000**	–
Payable for transaction cost of the Disposal	**12,306**	–
Payable for expense incurred in application for National AAAA Tourist Attraction (Luodian New Town)	**40,730**	–
Other payables	**85,554**	56,835
	3,430,376	3,324,846

Terms and conditions of the above liabilities:

- Trade payables are non-interest-bearing and are normally settled within one year, among which trade payables of approximately RMB1,969 million (2012: approximately RMB1,872 million) are contracted with no specified due date.

- Accruals for the commission of golf club membership to agents are settled in the period in which the related golf club membership fees are received.

- Payroll and welfare are normally settled within the next month.

- Other payables and other tax payables are non-interest-bearing and are normally settled when they are due or within one year.

An aged analysis of the Group's trade payables as at the reporting dates is as follows:

	31 December 2013	31 December 2012
Within 1 year	**601,623**	958,024
1 to 2 years	**435,602**	1,381,915
Over 2 years	**1,520,653**	289,676
	2,557,878	2,629,615

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

26. AMOUNTS DUE TO RELATED PARTIES

Group	Note	31 December 2013	31 December 2012
Amounts due to related parties:			
Wuxi Xinrui Hospital Management Co., Ltd.	29(a)(iii)	**3,000**	–
Shanghai Lake Malaren Property Management Co., Ltd.	29(a)(i)	**500**	1,369
		3,500	1,369

27. ADVANCES FROM CUSTOMERS

Group

Advances from customers mainly represented the pre-sale income of properties when they are still under development. As contracted with customers, advances amounting to a substantial portion of the sales consideration are paid to the Group shortly from the signing of the pre-sale contracts. Such amounts held by the Group are non-interest-bearing. Business tax, generally calculated at a rate of 5% on the advances received, is imposed by the tax authorities.

28. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION

Employee benefits (including directors) (Group)

	Year ended 31 December 2013	Year ended 31 December 2012
Included in cost of sales:		
Wages and salaries	**18,466**	12,435
Social welfare other than pensions	**1,001**	731
Pension – defined contribution plan	**1,001**	731
Staff welfare and bonuses	**1,629**	1,437
Share-based payments (Management Grant)	**–**	–
Included in selling and distribution costs:		
Wages and salaries	**16,688**	13,435
Social welfare other than pensions	**2,944**	1,698
Pension – defined contribution plan	**2,303**	1,924
Staff welfare and bonuses	**2,547**	2,541
Share-based payments (Management Grant)	**–**	–
Included in administrative expenses:		
Wages and salaries	**48,265**	36,716
Social welfare other than pensions	**4,897**	3,294
Pension – defined contribution plan	**3,907**	3,382
Staff welfare and bonuses	**8,051**	5,906
Share-based payments (Management Grant)	**–**	2,423
	111,699	86,653

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

28. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (continued)

Directors' remuneration

Details of the directors' remuneration are as follows:

	Year ended 31 December 2013	Year ended 31 December 2012
Fees	1,381	1,616
Other emoluments:		
Salaries, allowances and benefits in kind	9,337	11,387
Equity-settled share option expense	–	2,217
Pension scheme contributions	165	202
	10,883	15,422

The names of the directors and their remuneration for the year are set out below:

Year ended 31 December 2013	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expenses	Pension scheme contributions	Total
Shi Jian	–	1,214	–	–	1,214
Li Yao Min	–	1,396	–	–	1,396
Gu Biya	–	1,358	–	–	1,358
Mao Yiping	–	1,363	–	43	1,406
Yang Yonggang*	–	921	–	–	921
Shi Janson Bing	–	830	–	42	872
Song Yi Qing*	–	415	–	17	432
Qian Yifeng	–	509	–	–	509
Yue Wai Leung Stan	–	1,331	–	63	1,394
Henry Tan Song Kok	395	–	–	–	395
Lam Bing Lun Philip*	176	–	–	–	176
Kong Siu Chee	350	–	–	–	350
Zhang Hao	203	–	–	–	203
E Hock Yap	257	–	–	–	257
	1,381	9,337	–	165	10,883

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

28. EMPLOYEE BENEFITS AND DIRECTORS' REMUNERATION (continued)

Directors' remuneration (continued)

Year ended 31 December 2012	Fees	Salaries, allowances and benefits in kind	Equity-settled share option expenses	Pension scheme contributions	Total
Shi Jian	–	811	–	–	811
Li Yao Min	–	1,622	586	–	2,208
Gu Biya	–	1,320	296	–	1,616
Mao Yiping	–	1,095	245	–	1,340
Yang Yonggang	–	704	504	–	1,208
Shi Janson Bing	–	990	–	36	1,026
Song Yi Qing	–	2,002	–	57	2,059
Qian Yifeng	–	418	–	–	418
Yue Wai Leung Stan	–	2,425	586	109	3,120
Henry Tan Song Kok	417	–	–	–	417
Loh Weng Whye	121	–	–	–	121
Lam Bing Lun Philip	367	–	–	–	367
Kong Siu Chee	367	–	–	–	367
Zhang Hao	186	–	–	–	186
E Hock Yap	158	–	–	–	158
	1,616	11,387	2,217	202	15,422

The directors have not waived any remuneration as listed above.

* Resigned as director in year 2013.

Five highest paid employees

The five highest paid employees were all directors for the years ended 31 December 2013 and 2012, details of whose remuneration are set out in the directors' remuneration above.

29. RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

29. RELATED PARTY TRANSACTIONS (continued)

As mentioned in Note 1, in the opinion of the Directors, as of 31 December 2013 (and as at 31 December 2012), the Company's ultimate holding company is SRE Investment Holding Limited ("SREI"). The Company used to be a subsidiary of SRE Group Limited (the former parent) and SRE Group Limited (also as a subsidiary of SREI) became a fellow subsidiary since October 2012.

(a) In addition to the transactions detailed in Notes 23, 26 and 28, the Group had the following material transactions with related parties during the years ended 31 December 2013 and 2012:

	Notes	Year ended 31 December 2013	Year ended 31 December 2012
Transactions with the former parent, fellow subsidiaries, the parties significantly influenced by or whose significant voting power resides with, directly or indirectly, some members of key management personnel of the Company:			
Property management service expense	(i)	–	10,428
Loan obtained from SRE Group Limited and one of its subsidiaries	(ii)	–	9,728
Loan repaid to SRE Group Limited and its subsidiaries	(ii)	–	66,449
Loan obtained from jointly-controlled company	(iii)	**3,000**	–
Land development revenue	(iv)	–	68,050

Notes:

(i) Shanghai Lake Malaren Property Management Co., Ltd. (a fellow subsidiary) provides property management services to SGLD in respect of the Luodian New Town.

In July 2010, SGLD and Shanghai Lake Malaren Property Management Co., Ltd. entered into an agreement pursuant to which Shanghai Lake Malaren Property Management Co., Ltd. agreed to continue to provide property management services to SGLD for a term from 1 July 2010 to 31 December 2012 for a fixed management fee of RMB869,000 per month, out of which Shanghai Lake Malaren Property Management shall be responsible for the payment of the wages of management staff and their social insurance and statutory benefits, and other management expenses including those for daily operations and maintenance of and insurance for the common areas and shared facilities of the Luodian New Town, cleaning and sanitation, maintenance of greenery and social order of the new town, administration and relevant taxes. The management fee was determined with reference to the costs to be incurred by Shanghai Lake Malaren Property Management for managing the Luodian New Town.

During the year ended 31 December 2013, as the property management service agreement has been expired, a new subsidiary with Group was set up to take over the property management affairs, therefore no such related party transaction existed in 2013.

(ii) During the year ended 31 December 2012, the Group obtained an interest-free loan of HKD12 million from SRE Group Limited, and paid RMB66.45 million in total to repay all the outstanding loan balances from SRE Group Limited and its subsidiaries.

(iii) During the year ended 31 December 2013, Wuxi Hongshan New Town Development Co., Ltd., a subsidiary of the Group obtained an interest-free loan of RMB3 million from Wuxi Xinrui Hospital Management Co., Ltd., a joint venture company.

(iv) The amount in 2012 was the Group's share of the sales proceeds from land (developed by the Group and sold by authorities, through public auction, tender or listing) purchased by Wuxi New District Xinrui Hospital Management Co., Ltd., a joint venture of the Group. RMB45,302 thousand was recognised as revenue and RMB22,748 thousand was recognised as deferred income arising from the construction of ancillary public facilities for the year ended 31 December 2012.

(v) On 5 March 2012, in order to ensure the Group has necessary financial resources to support its operations and meet its liabilities when they fall due, SRE Group Limited (the former parent) confirmed in writing to the Company that, during the period of twelve months from 8 March 2012, upon receipt of request from the management of the Company, SRE Group Limited or its designated companies would unconditionally make payment in cash up to a total of RMB600 million to the Group as financial support. However, no request for financial support was raised by the Company to SRE Group Limited during the twelve months from 8 March 2012, and the financial support expired on 8 March 2013.

The related party transaction in respect of item (i) constitutes a continuing connected transaction entered into in 2012, as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

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

29. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel of the Group:

	Year ended 31 December 2013	Year ended 31 December 2012
Wages and salaries	**15,670**	17,185
Share-based payments (Management Grant)	**–**	2,423
Social security costs	**–**	–
Pension – defined contribution plan	**197**	202
Staff welfare and bonuses	**–**	–
	15,867	19,810

Further details of directors' remuneration are included in Note 28.

30. COMMITMENTS AND CONTINGENCIES

At the end of each reporting period, the Group had capital commitments and commitments in respect of land development or properties under development for sale as follows:

Group	31 December 2013	31 December 2012
Commitments in respect of land development for sale:		
Contracted but not provided for	**828,753**	866,204
Authorised but not contracted for	**4,558,827**	4,600,897
Properties under development for sale:		
Contracted but not provided for	**58,838**	99,769
Authorised but not contracted for	**–**	–
Investment properties under construction:		
Contracted but not provided for	**2,376**	2,576
Authorised but not contracted for	**153,578**	153,578
Property, plant and equipment and leasehold land:		
Contracted but not provided for	**369,356**	448,787
Authorised but not contracted for	**2,440,239**	2,500,415
Total	**8,411,967**	8,672,226

The Group had significant commitments as it had entered into three township development projects in Shanghai, Wuxi and Shenyang and such commitments are quantified based on contracts, feasibility studies and detailed plans for the respective projects. As a result, the Group prepares cash flow budgets for major project companies annually and updates the cash flow budgets regularly.

As at 31 December 2013, among the commitments that were contracted but not provided for, an amount of RMB533 million was with no specified due date for payments (2012: RMB533 million).

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

30. COMMITMENTS AND CONTINGENCIES (continued)

The Group provided guarantees in respect of the mortgage facilities granted by certain banks to the certain purchasers of the Group's properties. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks. The Group's guarantee periods commence from the dates of grant of the relevant mortgage loans and end when the purchasers pledge related property certificates as securities to the banks for the mortgage loans granted by the banks. The Group entered into guarantee contracts of principal amounts totalling approximately RMB215 million (2012: Nil).

The Group did not incur any material losses during the period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's properties. The Directors consider that the probability of default of purchasers is remote and even in case of default on payments, the net realisable value of the related properties is expected to be sufficient to cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, because the mortgage principals were normally below 70% of sales price of the properties at date of sales agreement, and therefore no provision has been made in connection with the guarantees.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank borrowings, trade and other payables, other borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arose directly from its operations. The main risks faced by the Group are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group does not hold or issue derivative financial instruments either for hedging or for trading purposes. The Board of Directors reviews and agrees policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to its interest-bearing bank loans and other borrowings. The Group does not use derivative financial instruments to manage its interest rate risk. The interest rates and terms of repayments of the borrowings are disclosed in Note 23.

The following table demonstrates the sensitivity to reasonably possible changes in interest rate, with all other variables held constant, of the Group's profit before tax (mainly the impact on floating rate borrowings). The Group's equity is not affected, other than the consequential effect on the accumulated losses (a component of the Group's equity) of the changes in the profit before tax as disclosed below.

	Year ended 31 December 2013	Year ended 31 December 2012
Increase/(decrease) in interest rates (basis points)	**100/(100)**	100/(100)
(Decrease)/increase in profit before tax	**(19,619)/19,619**	(27,590)/27,590

Foreign currency risk

All the Group's operating entities operate in Mainland China with most of the transactions denominated in Renminbi. The Group is exposed to foreign exchange risk arising from golf membership fees received in United States dollars. In addition, the Group has raised a certain amount of funds in Hong Kong dollars and US dollars via bank borrowings. The Group has not hedged its foreign exchange rate risk.

The RMB is not a freely convertible currency, the conversion of the RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government.

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table demonstrates the sensitivity to reasonably possible changes in the US$ and HK$ exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the carrying amount of monetary assets and liabilities). The Group's equity is not affected, other than the consequential effect on the accumulated losses (a component of the Group's equity) of the changes in the profit before tax as disclosed below.

	Year ended 31 December 2013	Year ended 31 December 2012
Increase/(decrease) in the US$ exchange rate	**10%/(10%)**	10%/(10%)
Increase/(decrease) in profit before tax	**(6,084)/6,084**	(3,528)/3,528
Increase/(decrease) in the HK$ exchange rate	**10%/(10%)**	10%/(10%)
Increase/(decrease) in profit before tax	**(15,583)/15,583**	(13,922)/13,922

Credit risk

Credit risk arises from cash and bank balances, trade receivables and other receivables, the balances of which represent the maximum credit risk exposure of the Group. As at 31 December 2013 and 2012, a large portion of the net receivables were from the revenue derived from land development for sale, and there was a significant other receivable as mentioned in Note 18, therefore there was a concentration of risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and other receivables are disclosed in notes 19 and 18.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents or to have available funding through the use of bank loans, debentures and other borrowings to meet its commitments over the foreseeable future in accordance with its strategic plan.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

The Group

31 December 2013	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Contractual due date not specified	Total
Interest-bearing loans and other borrowings	**199,891**	**148,106**	**1,168,678**	**1,683,642**	**345,809**	**–**	**3,546,126**
Trade payables	**588,776**	**–**	**–**	**–**	**–**	**1,969,102**	**2,557,878**
Other liabilities	**448,771**	**–**	**–**	**–**	**–**	**–**	**448,771**
	1,237,438	**148,106**	**1,168,678**	**1,683,642**	**345,809**	**1,969,102**	**6,552,775**

31 December 2012	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Contractual due date not specified	Total
Interest-bearing loans and other borrowings	193,856	100,204	1,283,420	1,941,168	542,787	–	4,061,435
Trade payables	757,905	–	–	–	–	1,871,710	2,629,615
Other liabilities	309,622	–	–	–	–	–	309,622
	1,261,383	100,204	1,283,420	1,941,168	542,787	1,871,710	7,000,672

The Company

All of the Company's financial liabilities as at 31 December 2013 were repayable on demand as at each of the reporting dates.

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

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objective of the Group's capital management is to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue bonds, convertible bonds or new shares.

As the Group is engaged in land and property development, it needs a substantial amount of funds. The Group manages capital by closely monitoring its gearing ratio (which is defined by management as net debt divided by capital plus net debt).

Net debt includes interest-bearing bank and other borrowings and excludes trade and other payables. Equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratios are calculated as follows:

	31 December 2013	31 December 2012
Interest-bearing bank and other borrowings	**3,136,862**	3,184,085
Less: Cash and bank balances	**(332,333)**	(434,267)
Net debt	**2,804,529**	2,749,818
Capital:		
Total equity	**2,979,284**	3,240,547
Capital and net debt	**5,783,813**	5,990,365
Gearing ratio	**48.49%**	45.90%

Collateral held

The Group did not hold any collateral as at 31 December 2013 and 2012.

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

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Group

Financial assets	31 December 2013	31 December 2012
Loans and receivables		
– Other receivables	**21,832**	239,058
– Trade receivables	**791,898**	501,230
– Cash and bank balances	**332,333**	434,267
	1,146,063	1,174,555

Financial liabilities	31 December 2013	31 December 2012
Financial liabilities at amortised cost		
– Interest-bearing bank and other borrowings	**3,136,862**	3,184,085
– Trade payables	**2,557,878**	2,629,615
– Others	**451,607**	313,556
	6,146,347	6,127,256

Company

Financial assets	31 December 2013	31 December 2012
Loans and receivables		
– Other receivables	**6**	–
– Cash and bank balances	**1,853**	23,404
	1,859	23,404

Financial liabilities	31 December 2013	31 December 2012
Financial liabilities at amortised cost		
– Interest-bearing bank and other borrowings	**198,312**	192,127
– Trade payables and others	**13,866**	3,302
	212,178	195,429

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

33. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values of financial assets and liabilities

Fair value estimates are made at a specific point in time based on relevant market information and information about the various financial instruments. When an active market exists, such as an authorised securities exchange, the market value is the best reflection of the fair value of financial instrument. For financial instruments where there is no active market or when current market prices are not available, their fair values are determined using valuation techniques (Note 2.4).

The Group's financial assets mainly include cash and bank balances and receivables. The Group's financial liabilities mainly include interest-bearing bank and other borrowings, and payables. The fair values of the Group's and the Company's financial instruments are not materially different from their carrying amounts.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

The following table shows the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of assets measured at fair value as at 31 December 2013:

			Fair value measurement using		
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment properties (Note 14):					
Scandinavia Street, Shanghai	31 December 2013	479,000	–	–	479,000
Shopping mall, Shanghai	31 December 2013	210,000	–	–	210,000
Retail Street in Wuxi Project	31 December 2013	51,000	–	–	51,000
Investment properties under construction (Note 14):					
Retail Street (Phase II) in Wuxi Project	31 December 2013	106,000	–	–	106,000

There have been no transfers between Level 1 and Level 2 during the year ended 31 December 2013.

The Group did not have any financial liability measured at fair value as at 31 December 2013.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 17 March 2014.

ISSUED AND FULLY PAID-UP CAPITAL

Issued and Fully Paid-up Capital	:	RMB2,980,809,000
Total number of Issued shares excluding treasury shares	:	4,498,198,676
Total number of treasury shares	:	0
Class of shares	:	Ordinary shares of no par value
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 7 MARCH 2014

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	428	5.70	24,651.00	0.00
1,000 - 10,000	3,623	48.26	14,487,374.00	0.32
10,001 - 1,000,000	3,385	45.09	299,074,176.00	6.65
1,000,001 AND ABOVE	71	0.95	4,184,612,475.00	93.03
	7,507	100.00	4,498,198,676.00	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 7 MARCH 2014

	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	HKSCC NOMINEES LIMITED	3,706,480,175.00	82.40
2	PRIMEMODERN LIMITED	125,887,500.00	2.80
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	32,186,000.00	0.72
4	CIMB SECURITIES (SINGAPORE) PTE LTD	28,904,000.00	0.64
5	OCBC SECURITIES PRIVATE LTD	19,089,000.00	0.42
6	UOB KAY HIAN PTE LTD	18,419,250.00	0.41
7	LEE CHOONG ONN	15,402,000.00	0.34
8	PHILLIP SECURITIES PTE LTD	13,740,000.00	0.31
9	MAYBANK KIM ENG SECURITIES PTE LTD	13,686,000.00	0.30
10	DBS NOMINEES PTE LTD	13,184,948.00	0.29
11	RAFFLES NOMINEES (PTE) LTD	13,171,065.00	0.29
12	CITIBANK NOMINEES SINGAPORE PTE LTD	12,841,537.00	0.29
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	12,410,000.00	0.28
14	HSBC (SINGAPORE) NOMINEES PTE LTD	9,429,000.00	0.21
15	SHIE YONG FAH	8,218,000.00	0.18
16	TAN SIN MUI	6,728,000.00	0.15
17	BANK OF SINGAPORE NOMINEES PTE LTD	6,055,000.00	0.13
18	YAP KHEK HENG	6,000,000.00	0.13
19	SHAN LIHUA	5,444,000.00	0.12
20	LIM & TAN SECURITIES PTE LTD	5,173,000.00	0.12
	TOTAL:	**4,072,448,475.00**	**90.53**

Note:

%: Based on 4,498,198,676 shares (excluding shares held as treasury shares) as at 7 March 2014.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 7 March 2014.

	Direct Interest		Deemed Interest pursuant to the SFA		Deemed Interest pursuant to the SFO	
	No. of Shares	Approx. %(1)	No. of Shares	Approx. %(1)	No. of Shares	Approx. %(1)
CDBIH(2) (3)	–	–	5,347,921,071	118.89	6,816,277,933	151.53
CDB Capital(2) (3)	–	–	5,347,921,071	118.89	6,816,277,933	151.53
CDB(2) (3)	–	–	5,347,921,071	118.89	6,816,277,933	151.53
SRE Investment(4)	1,468,356,862	32.64	–	–	5,347,921,071	118.89
Shi Jian(5) (6)	6,104,938	0.14	1,468,357,952	32.64	6,816,279,023	151.53

Notes:

(1) The percentage interests are calculated based on the total number of Shares in issue as at 7 March 2014, being 4,498,198,676 Shares.

(2) The Company has received Form 3 (Notification Form for Substantial Shareholder(s)/Unitholder(s) in respect of Interests in Securities) giving notification that pursuant to the SFA, CDBIH is deemed interested in 5,347,921,071 Shares by virtue of its entering into of the CDBIH Subscription Agreement. CDBIH is a wholly owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are therefore deemed to be interested in the 5,347,921,071 Shares in which CDBIH is deemed interested.

(3) Pursuant to the SFO, CDBIH is deemed to have acquired 5,347,921,071 Shares by virtue of its entering into of the CDBIH Subscription Agreement. Also, as both SRE Investment and CDBIH are subject to a three-year lock-up under the CDBIH Subscription Agreement, CDBIH is deemed to be interested in 1,468,356,862 Shares held by SRE Investment pursuant to section 317 of the SFO. CDBIH is a wholly owned subsidiary of CDB Capital and CDB Capital, in turn, is wholly owned by CDB. Both CDB and CDB Capital are therefore deemed under Part XV of the SFO to be interested in the 6,816,277,933 Shares in which CDBIH is deemed interested.

(4) As both SRE Investment and CDBIH are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the CDBIH Subscription Agreement, SRE Investment is deemed under section 317 of the SFO to be interested in the 5,347,921,071 Shares deemed to have been acquired by CDBIH under the SFO.

(5) Pursuant to Section 4 of the SFA, Mr Shi Jian is deemed interested in a total of 1,468,357,952 Shares for the following reasons: (i) Mr Shi Jian is deemed interested in 1,468,356,862 Shares held by SRE Investment by virtue of the fact that he is a controlling shareholder of SRE Investment; and (ii) Mr Shi Jian is deemed interested in 1,090 Shares held by Ms Si Xiao Dong by virtue of the fact that she is his spouse.

(6) Pursuant to Part XV of the SFO, Mr Shi Jian is deemed interested in a total of 6,816,279,023 Shares for the following reasons: (i) Mr Shi Jian is deemed interested in 1,468,356,862 Shares held by SRE Investment by virtue of the fact that he is a controlling shareholder of SRE Investment; (ii) as both SRE Investment and CDBIH are subject to a three-year lock-up with respect to the Shares held by them respectively pursuant to the CDBIH Subscription Agreement, SRE Investment is deemed under section 317 of the SFO to be interested in the 5,347,921,071 Shares deemed to have been acquired by CDBIH under the SFO, and Mr Shi Jian is accordingly also deemed interested in such Shares which SRE Investment is deemed interested; and (iii) Mr Shi Jian is deemed interested in 1,090 Shares held by Ms Si Xiao Dong by virtue of the fact that she is his spouse.

FREE FLOAT

As at 7 March 2014, approximately 66.79% of the total number of issued shares of the Company was held in the hands of the public (on the basis of information available to the Company). The Company has no outstanding treasury shares, preference shares or convertible equity securities in issue.

Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited and Rule 8.08 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

NEW TOWN

China New Town Development Company Limited
中國新城鎮發展有限公司