金輪天地控股有限公司

GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1232

ANNUAL REPORT 2013

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Yam Yin *(Chairman)*
Mr. Wong Kam Fai *(Vice Chairman, Chief Executive Officer)*
Mr. Wong Kam Keung, Barry *(Vice President)*
Mr. Tjie Tjin Fung *(Vice Chairman)*
Mr. Janata David

Non-executive Directors

Mr. Suwita Janata *(Vice Chairman)*
Mr. Gunawan Kiky

Independent Non-executive Directors

Mr. Hui Yan Moon
Mr. Wong Ying Loi
Ms. Howe Sau Man
Mr. Lie Tak Sen

COMPANY SECRETARY

Ms. Ng Yee Man, Fiona

AUTHORISED REPRESENTATIVES

Mr. Wong Kam Fai
Ms. Ng Yee Man, Fiona

AUDIT COMMITTEE

Ms. Howe Sau Man *(Chairman)*
Mr. Hui Yan Moon
Mr. Lie Tak Sen

REMUNERATION COMMITTEE

Mr. Hui Yan Moon *(Chairman)*
Mr. Wong Kam Fai
Mr. Lie Tak Sen

NOMINATION COMMITTEE

Mr. Wong Yam Yin *(Chairman)*
Mr. Wong Ying Loi
Ms. Howe Sau Man

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

33/F, Golden Wheel International Plaza
No. 8, Hanzhong Road
Nanjing
PRC

PLACE OF BUSINESS IN HONG KONG

Unit A, 18 Floor, @Convoy
169 Electric Road
Fortress Hill
Hong Kong

PRINCIPAL BANKERS

Bank of China International Limited
Hong Kong and Shanghai Bank Corporation Limited

LEGAL ADVISORS

Chen & Associates
(in association with Wilson Sonsini Goodrich & Rosati, P.C.)
Unit 1001, 10/F Henley Building
5 Queen's Road Central
Hong Kong

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Cayman Islands

COMPLIANCE ADVISOR

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

INVESTOR AND PUBLIC RELATIONS CONSULTANT

Porda Havas International Finance Communications Group
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Hong Kong

STOCK CODE

1232

WEBSITE

www.gwtd.com.hk

Chairman's Statement

Chairman, Mr. Wong Yam Yin

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Golden Wheel Tiandi Holdings Company Limited ("Golden Wheel" or "Company") and its subsidiaries (together, the "Group"), I am pleased to present the annual results of Golden Wheel for the year ended 31 December 2013 (the "Year") to our shareholders.

In 2013, the economy in China maintained steady growth. With the implementation of a number of policies including the "Five Measures"（國五條）, the government continued to adhere to the overall fundamental policy on regulation of the real estate market. Invigorated by rigid demand, the real estate market sustained stable growth momentum. Thanks to the unparalleled market positioning, well-balanced business model and splendid financial management, the Group was successfully listed on the Main Board of the Hong Kong Stock Exchange on 16 January 2013, raising total gross proceeds of HK$756,000,000. Capitalizing on its more than eighteen years of solid business expertise and unwavering hard work of all our staff, Golden Wheel reached new milestones. This marked that we reached a higher horizon in the international capital market, and built up greater momentum and confidence for the long-term development of our business in the future.

During the year, the Group adhered to a prudent-yet-progressive development and financial management strategy. With our time-to-market capabilities, we were well-prepared for consolidating our foundation and yielding the maximum returns for our shareholders. In April 2013, to capture the opportunity in the market, we made a success in the issue of senior notes of RMB600,000,000 in Hong Kong. This success was attributable to the Group's financial soundness and excellent development strategy. We were granted a Grade B/B2 rank by the top three international rating institutions including Moody's, Standard & Poor's and Fitch.

In the third quarter of 2013, the Group was further granted a fixed term loan in an aggregate sum of US$130,000,000, which including an amount of RMB284 million borrowed in China, offering us access to a greater pool of funds to finance our long-term business development in the future.

Financial Review

2013 was a challenging and encouraging year for us. The Group achieved stable business growth by completing and delivering two property projects. Total turnover was RMB871.3 million. Net profit went up by 11% to RMB316.1 million over the same period last year. During the year, changes in the fair value of the Group's investment properties increased by RMB246.8 million. As at 31 December 2013, the total value of investment properties amounted to approximately RMB3,699.9 million, a significant increase of 14.5% over last year. The gradual commission of the new investment properties is expected to bring long-term stable income for the Group in the future. Meanwhile, net gearing ratio of the Group was 10.0% (2012: 10.1%) as at 31 December 2013, which was still far below the average debt level of our counterparts. This was a reflection that the Group has maintained a very sound financial position, which is conducive to the steady development of its operations in the future.

Business Review

During the Year, under the macro-environment of deepening reforms, the real estate industry was blessed with a wider array of market-oriented opportunities and challenges. Market supply and demand were kept at stable levels, paving a solid path for the long-term positive development of the industry. During the Year, the Group made steady progress in two property projects mainly related to commodity housing for real homebuyers, namely Nanjing Jade Garden and Golden Wheel New Metro. This was in line with the People's Republic of China (the "PRC") government's policy on encouraging the development of small and medium real estate. During the Year, taking advantage of an abundant supply of land in the market and in view of a general situation where real estate developers are in face of credit crunch, the Group also actively sought for high-quality plots. We thus successfully acquired 6 blocks of prime land in a couple of cities including Nanjing, Yangzhou, Zhuzhou and Changsha, extending the geographic reach of our business and tapping into new cities with potential growth. As at 31 December 2013, the Group's land bank was about 972,000 sq.m. of unsold completed properties, properties under development and investment properties, backing up the needs of its sustainable business development in the coming two to three years. This bode well for us to further enhance our overall competitiveness and profitability as well.

During 2013, construction works of the Group's life-style shopping malls namely Golden Wheel New Metro was duly completed, increasing floor area by over 18,000 sq.m.. As of 31 December 2013, the Group commanded a gross floor area of more than 96,700 sq.m. under its shopping mall projects, which includes plaza projects like Golden Wheel International Plaza, Golden Wheel Waltz, Golden Wheel Building, Golden Wheel New Metro, Golden Wheel Green Garden and Golden Wheel Time Square. Meanwhile, benefitting from prime geographical locations of the shopping malls and a quality tenant mix, our shopping malls almost achieved an occupancy rate of 95% and maintained a steady year-on-year growth in terms of rental income, and create favorable conditions for the Company's long-term profit gains.

Building on our success essence and seasoned experience in commercial property management projects at Nanjing metro station, during the year, the Group secured commercial property leasing and operational management contracts of 12 metro stations of three cities including Suzhou, Wuxi, Changsha. As at 31 December 2013, the Group's total space under its operation and management at metro stations increased from about 2,000 sq.m. at the beginning of the year to about 70,000 sq.m.. This reinforced our confidence in fuelling the continued development of the relevant business, while giving new impetus to the sustained growth of the overall business.

Recent Development

In January 2014, by way of open tenders, the Group was granted the land use rights of a prime site located in Wuxi, Jiangsu Province, China with a total area of approximately 82,080 sq.m., which expanded the Group's land bank to over 1,000,000 sq.m.. Moreover, the Group joined force with a listed property group, Powerlong Real Estate Holdings Limited ("Powerlong Real Estate", Hong Kong Stock Exchange stock code: 01238), in March 2014 to set up a joint venture company to be engaged in joint development of a piece of land in Yangzhou. Through this partnership, we believe we can create a synergy effect with Powerlong Real Estate to better develop the high-quality integrated residential and commercial property project. Leveraging on each party's extensive real estate development experience, we will strengthen the cooperation and complementary advantages to further drive the long-term development of our business.

Future Outlook

At the National People's Congress held in March 2014, the PRC government pledged to spend efforts on reinforcing social reforms. With these efforts, the economy in China, being one of the largest economic entities in the world, will remain on the track of more stable growth, as reflected by

Chairman's Statement

an expected gross domestic product ("GDP") growth of 7.5% in 2014 on an annual basis. Under the backdrop of continued regulation by the PRC government, the real estate market in China is expected to develop in a more stable and healthy manner. Furthermore, there is a policy of allowing a couple to have two children as long as both the wife and the husband are the only child in their respective families. This policy, coupled with increasing urbanization will add fresh stimulus to the continued steady growth of China's real estate market in the coming years.

According to market statistics, there are more than 30 cities in China which have existing metro networks or are currently constructing metro networks. The Group envisages huge room for expanding for other metro leasing business. The Group will continue to actively participate in the tender of projects in the target cities in the future, in order to further expand the market share of the Group in metro station commercial property leasing and operational management business. The Group endeavors to become a leading operator in the industry. The Group will continue to enhance the operational efficiency of the commercial property projects at Nanjing metro station. The Group will endeavor to repeat this successful model to other cities efficiently, so as to capitalize on the immense opportunities emerging from the development of urban rail transport network and the increased urbanization in China.

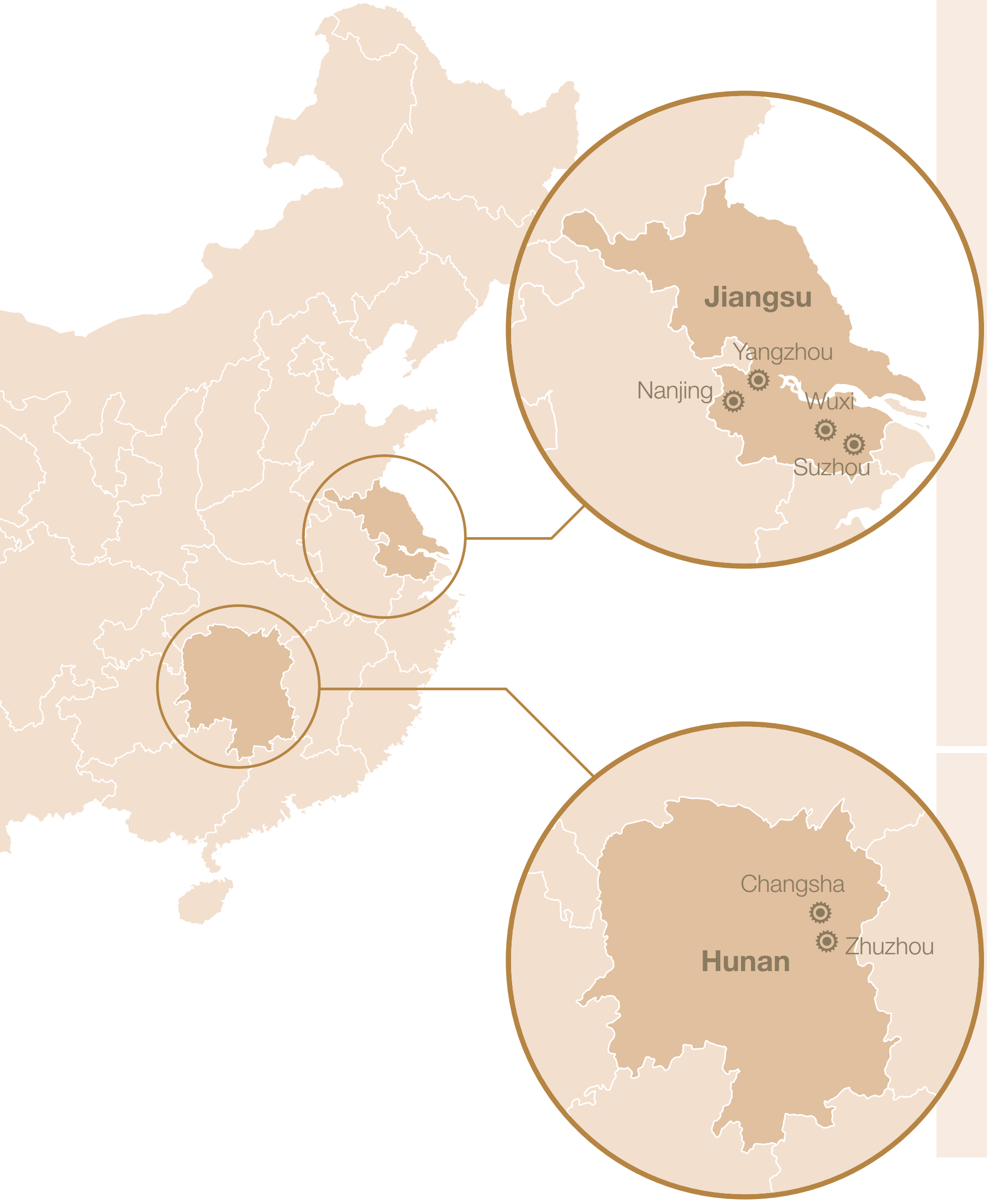
With a mature, stable and professional management team, a well-established business model, strong financial management and extensive experience in the investment and development of urban rail transit-linked integrated commercial and residential property projects, the Group will remain focused on expansion into cities of promising potential growth in the future. The Group is committed to expand urban rail transit-linked integrated commercial and residential property projects, in order to stay on the top spot by becoming a leading developer focused on urban rail transit-linked integrated properties. The Group will endeavor to foster the long-term stable development of our business, and create the greatest return for shareholders.

On behalf of the Board of Directors, I would like to take this opportunity to express heartfelt appreciation to shareholders and partners for their trust in and long-lasting support to the Group. I would also like to thank the management team, the Board of Directors and all the staff for their diligence, dedication and contribution over the past year. In 2014, we will strive for taking us to a higher level of business performance, and rewarding our shareholders with more prominent returns.

Wong Yam Yin
Chairman

28 March 2014

Golden Wheel New Metro (Nanjing)



Nanjing

Completed properties

- *Golden Wheel International Plaza*
- *Golden Wheel Waltz*
- *Golden Wheel Building*
- *Golden Wheel Green Garden*
- *Nanjing Jade Garden*
- *Golden Wheel New Metro*

Properties under development

- *Golden Wheel Star Plaza*
- *Golden Wheel Cambridge Huafu*
- *Golden Wheel Star-cube*
- *Golden Wheel Binary Star Plaza*

Metro Leasing

- *1 Metro Station*

Yangzhou

Completed properties

- *Golden Wheel Star City (Phase I & II)*

Properties under development

- *Golden Wheel Star City (Phase III)*
- *Golden Wheel Yangzhou Project*

Suzhou

Metro Leasing

- *7 Metro Stations*

Wuxi

Metro Leasing

- *4 Metro Stations*

Changsha

Properties under development

- *Changsha Golden Wheel Star Plaza*

Metro Leasing

- *1 Metro Station*

Zhuzhou

Completed properties

- *Golden Wheel Time Square*

Properties under development

- *Zhuzhou Golden Wheel Jade Garden*

Golden Wheel International Plaza

BUSINESS REVIEW

Overview

Projects completed during 2013

Two projects have been completed during 2013, namely Nanjing Jade Garden and Golden Wheel New Metro with a total of saleable gross floor area ("**GFA**") of 70,232 sq.m.. As at 31 December 2013, 39,696 sq.m. have been sold and the shopping mall of Golden Wheel New Metro with a total leaseable GFA of 18,437 sq.m. was retained by the Group for leasing purpose. The average selling price of Nanjing Jade Garden was approximately RMB18,200 per sq.m. with gross profit margin of 35%. The average selling price of Golden Wheel New Metro was approximately RMB13,900 per sq.m. with gross profit margin of 32%.

Projects in progress and scheduled for completion in 2014

Golden Wheel Star Plaza and Phase III of Golden Wheel Star City were scheduled to be completed in 2014. These two projects have a total saleable GFA of 83,173 sq.m.. The expected average selling prices for Golden Wheel Star Plaza and Phase III of Golden Wheel Star City are RMB12,000 per sq.m. and RMB9,500 per sq.m. respectively. As at 31 December 2013, 46% of these two projects were pre-sold.

New land acquired during 2013 and land bank of the Group

After successful listing in Hong Kong in January 2013, the Group was actively acquiring good quality of lands for future development. As at 31 December 2013, the Group has 6 pieces of lands yet to be developed. These lands are located in Nanjing city, Yangzhou city, Zhuzhou city and Changsha city. These reserves of lands can ensure the Group has enough sale revenue for at least the next 2 to 3 years.

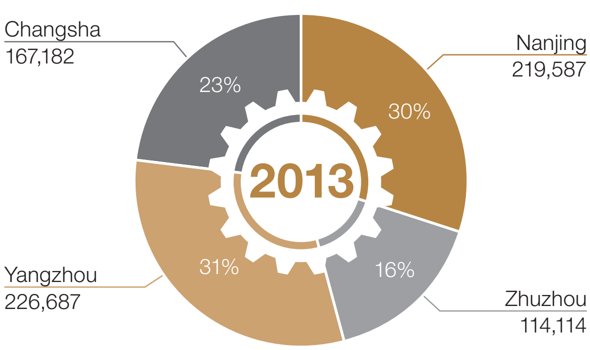
The following table sets forth an overview of the Group's property projects as at 31 December 2013:

Project	City	Site area	Actual/ estimated construction commencement date	Actual/ estimated construction completion date	Percentage of completion	Total unsold GFA/ Total GFA	GFA held for Company's own use	Investment properties GFA
		sq.m.	month/year	month/year		sq.m.	sq.m.	sq.m.
Completed properties								
Golden Wheel International Plaza	Nanjing	11,341	Jul-04	Jan-09	100%	6,223	1,973	29,559
Golden Wheel Waltz	Nanjing	2,046	Jan-08	Feb-10	100%	–	–	2,444
Golden Wheel Building	Nanjing	4,918	May-01	Feb-03	100%	–	–	1,454
Golden Wheel Green Garden	Nanjing	10,334	Aug-01	Sep-02	100%	–	–	1,021
Golden Wheel Star City (Phase I)	Yangzhou	42,803	Aug-08	Mar-12	100%	6,203	–	–
Golden Wheel Star City (Phase II)	Yangzhou	27,423	Oct-09	Aug-12	100%	12,086	–	–
Golden Wheel Time Square	Zhuzhou	13,501	May-09	Apr-12	100%	5,892	–	43,871
Nanjing Jade Garden	Nanjing	7,212	Jan-11	Dec-13	100%	7,242	–	–
Golden Wheel New Metro	Nanjing	9,218	Aug-11	Dec-13	100%	4,856	–	18,437
Subtotal		**128,796**				**42,502**	**1,973**	**96,786**
Properties under development								
Golden Wheel Star Plaza	Nanjing	29,540	Nov-11	Jun-14	90%	70,396	–	–
Golden Wheel Star City (Phase III)	Yangzhou	11,389	Jun-10	Mar-14	99%	33,084	–	–
Golden Wheel Cambridge Huafu	Nanjing	46,228	Jun-14	Dec-15	Note	108,094	–	–
Golden Wheel Star-cube	Nanjing	18,300	Dec-14	Jun-16	Note	47,685	–	–
Golden Wheel Binary Star Plaza	Nanjing	9,588	Jun-14	Mar-16	Note	8,054	–	55,754
Golden Wheel Yangzhou Project	Yangzhou	61,275	Dec-14	Dec-16	Note	103,684	–	123,003
Zhuzhou Golden Wheel Jade Garden	Zhuzhou	45,645	Dec-14	Dec-16	Note	114,114	–	–
Changsha Golden Wheel Star Plaza	Changsha	37,152	Dec-14	Dec-17	Note	167,182	–	–
Subtotal		**259,117**				**652,293**	**–**	**178,757**
Total		**387,913**				**694,795**	**1,973**	**275,543**

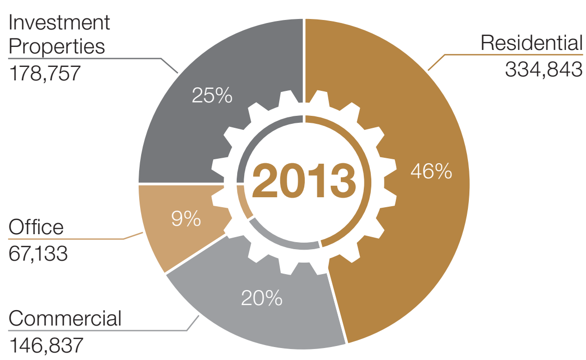
Note: As at 31 December 2013, these projects were still on their planning stage and no major construction work has been started.

As at 31 December 2013, the Group has land bank of 728,000 sq.m. yet to be developed. Among these lands, approximately 335,000 sq.m., 147,000 sq.m., 67,000 sq.m. and 179,000 sq.m. are for residential, commercial, office and investment properties purpose respectively. An analysis of newly acquired projects by location and types are set out below:

Land Bank by Location (sq.m.)



Land Bank by Property Type (sq.m.)



Management Discussion and Analysis

Metro Leasing Business

Leveraging on the experience in Nanjing Metro shopping malls over the past 3 years, strong professional operation team and extensive client base, the Group has won more leasing and operational management contracts in 3 cities, namely Suzhou city, Wuxi city and Changsha city, during the year. Including the metro station in Nanjing, the Group has a total leaseable GFA of over 70,000 sq.m. as at 31 December 2013. It is expected that these metro leasing business will substantially increase the Group's recurring leasing rental income in a few years time.

Investments

In addition to placing surplus funds as time deposits in banks with strong credit ratings, the Group also invested in corporate high yield bonds with good credit rating. As at 31 December 2013, the Group has bonds investments amounted to RMB47.7 million. These bonds bear coupon rates ranging from 4.75% to 10.63%. This helps to preserve the Group's liquidity and enhance interest yields.

Golden Wheel Cambridge Huafu (Nanjing)

Golden Wheel Binary Star Plaza (Nanjing)

FINANCIAL REVIEW

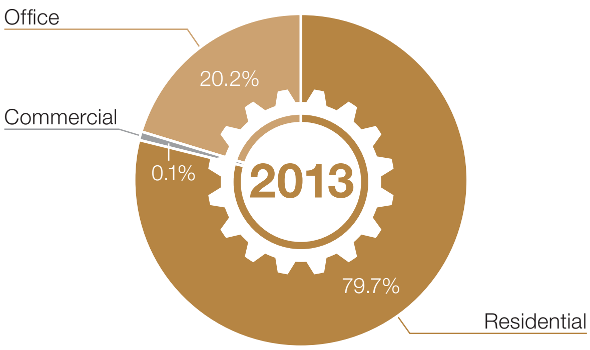
Results of Operations

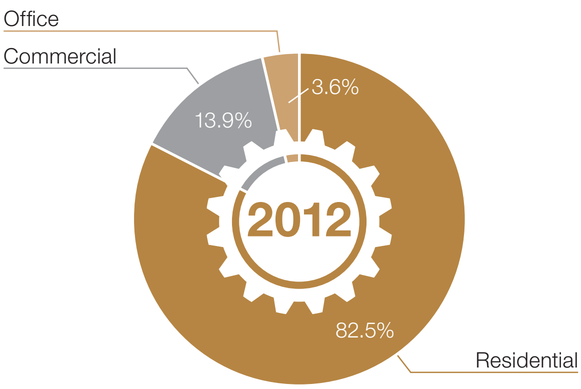
Revenue

The Group's revenue consists of revenue derived from (i) sale of the Group's developed properties; and (ii) rental income from property leasing. The following table sets forth a breakdown of the Group's revenue and the percentage of total revenue for the years indicated:

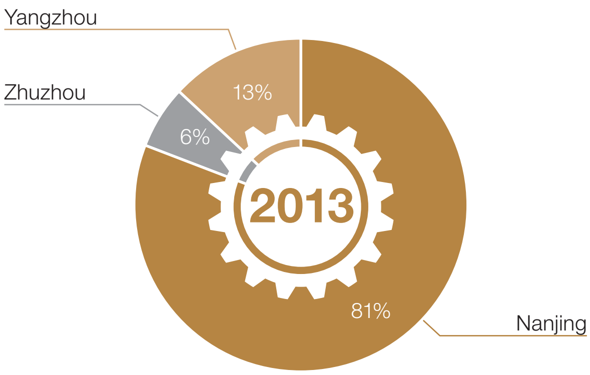
	For the year ended 31 December			
	2013		2012	
	RMB'000	**%**	RMB'000	%
Property development	**761,851**	**87.4**	863,428	89.6
Property leasing	**109,424**	**12.6**	100,289	10.4
Total	**871,275**	**100.0**	963,717	100.0

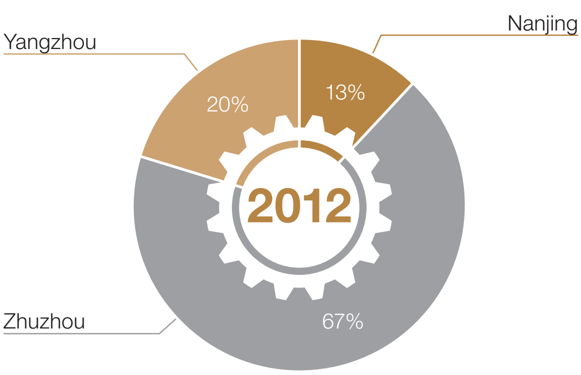
Property Sales in terms of Property Type





Property Sales in terms of Location





Revenue decreased by 9.6% from RMB963.7 million in 2012 to RMB871.3 million in 2013, primarily due to a decrease in revenue derived from the property development business.

- *Property development*
  Revenue derived from property development decreased from RMB863.4 million in 2012 to RMB761.9 million in 2013. One of the projects completed and delivered during the year included a shopping mall of 18,437 sq.m. which the Group did not sell and hold for long term investment purpose. This shopping mall was valued at RMB407 million as at 31 December 2013. Due to that reason, the Group had less salesable GFA for the year.

- *Property leasing*
  Revenue derived from property leasing business increased from RMB100.3 million in 2012 to RMB109.4 million in 2013. This increase was primarily due to increased average rental rates per sq.m. of the Group's commercial properties.

Cost of sales

The following table sets forth a breakdown of the Group's cost of sales for the years indicated:

	For the year ended 31 December			
	2013		2012	
	RMB'000	**%**	RMB'000 (Restated)	%
Property development				
Land acquisition costs	**138,971**	**24.4**	93,083	19.8
Construction costs	**260,927**	**45.8**	299,030	63.5
Capitalized finance costs	**40,959**	**7.2**	12,369	2.6
Tax expenses	**42,650**	**7.5**	47,508	10.1
Fair value adjustment on the Acquisition Note 1	**66,078**	**11.6**	–	–
Subtotal	**549,585**	**96.5**	451,990	96.0
Property leasing and operational management	**19,605** Note 2	**3.5**	19,200 Note 2	4.0
Total	**569,190**	**100.0**	471,190	100.0

Notes:

1. On 18 June 2012, the Group acquired the assets and assumed the liabilities of a property project, Golden Wheel New Metro, through the acquisition of 100% equity interest in Golden Wheel International Corporation Limited, which holds 100% equity interest in Nanjing Golden Wheel Real Estate Development Co., Ltd. from the then shareholders (the "Acquisition"). This transaction had been accounted for as purchase of assets and assumption of liabilities and all identifiable assets and liabilities were stated at their respective fair value at the date of acquisition, under this Acquisition, the properties for sale held by Golden Wheel New Metro were stated at fair value with an approximately RMB73 million fair value upward adjustment. During the year, part of these properties for sale was completed and sold, and accordingly the related fair value adjustment of RMB66 million was also included as its cost of sales and charged to profit or loss.

2. Amount included rental expense of RMB5.8 million for the Xinjiekou Metro Mall for the year ended 31 December 2013 and 2012, respectively.

The Group's cost of sales increased from RMB471.2 million in 2012 to RMB569.2 million in 2013. This increase was primarily due to the increase in land costs, construction costs and the fair value adjustment arising on the Acquisition.

For the years ended 31 December 2013 and 2012, the Group's percentage of average land acquisition costs over average selling price increased from 10.8% to 18.2% in 2013.

Gross profit and gross profit margin

Gross profit decreased from RMB492.5 million in 2012 to RMB302.1 million in 2013. Gross profit margin decreased from 51.1% in 2012 to 34.7% in 2013, primarily due to the decrease in the gross profit margin for property development business.

The gross profit margin for property development business decreased was mainly due to the increase of land costs and construction costs of the Nanjing projects, where the living cost is higher in Nanjing, and the fair value adjustment arising on the Acquisition.

Other income, expenses, gains and losses

The Group had a net gain of RMB19.3 million for other income, expenses, gains and losses in 2013, while the Group had a net loss of RMB0.6 million in 2012. The net gain was mainly due to the fair value gain of RMB24.4 million of cross currency rate swap contracts.

Selling and marketing, and administrative expenses

Selling and marketing expenses primarily include advertising and promotional expenses, office expenses and others.

Administrative expenses primarily include staff salaries and benefits, depreciation and amortization, office expenses, traveling expenses, professional fees, utilities and property tax, land use tax and stamp duty.

Selling and marketing, and administrative expenses for the year ended 31 December 2013 amounted to approximately RMB103.18 million (2012: RMB69.98 million), representing an increase of about 47.4%.

This increase was primarily due to the expansion of business, an increase in staff salaries and benefits in connection with the continued growth of the Group's property development business.

Finance costs

Finance costs consist primarily of interest expenses on borrowings net of capitalized finance costs. Finance costs substantially increased from RMB4.2 million in 2012 to RMB43.8 million in 2013 primarily due to the issue of bond of RMB600 million in April 2013 and the increase of bank borrowings. As at 31 December 2013, the Group has a total borrowings of RMB1,823.6 million, while in 2012 the Group's total borrowings was RMB501.9 million. The increase of borrowings was mainly to fund the acquisition of lands during the year.

Golden Wheel Star-cube (Nanjing)

Golden Wheel Star Plaza (Nanjing)

Share of loss of an associate

The Group's share of loss in an associate increased from RMB1.29 million in 2012 to RMB1.31 million in 2013. Share of loss in an associate represented its share of loss in Nanjing Pocui Jiudian Guanli Co., Ltd（南京珀翠酒店管理有限公司）, in which the Group acquired a 30% equity interest in 2011.

Changes in fair value of investment properties

For the year ended 31 December 2013, the Group recorded a fair value gain on investment properties of RMB246.8 million, representing of an increase of 2.01 times as compared to 2012. The increase was mainly due to the completion of a new shopping mall with total GFA of 18,437 sq.m., and the acquisition of a piece of land at the early of 2013 which was intended for investment purpose.

Profit for the year

For the foregoing reasons, profit for the year increased from RMB284.8 million in 2012 to RMB316.1 million in 2013, representing an increase of 11.0%.

Financial guarantees

The face value of the financial guarantees issued by the Group is analysed as below:

	2013 **RMB'000**	2012 RMB'000
Mortgage loan guarantees provided by the Group to banks in favour of its customers	**371,627**	241,111

In the opinion of the Directors, the fair value of the financial guarantee contracts at initial recognition is not significant as the default rate is low.

Taxation

Income tax comprises current tax and movements in deferred tax assets and liabilities. Current tax includes PRC enterprise income tax and LAT payable by the PRC subsidiaries of the Company.

All appreciation arising from the sale or transfer of land use right, and buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as determined in accordance with the relevant tax laws. Certain exemptions are available for the sales of ordinary residential properties if the appreciation value does not exceed 20% of the total deductible items, but this exemption does not extend to sales of commercial properties. Under PRC tax laws and regulations, the properties of the Group in the PRC are subject to LAT on the appraised value of the land and the improvements on the land upon the sales of such properties. The Group is required to pay 1% to 4% of our sales and pre-sales proceeds as prepaid LAT. Tax expense decreased from RMB213.6 million in 2012 to RMB103.7 million in 2013. This change was primarily due to an increase in deferred tax from RMB5.1 million in 2012 to RMB89.5 million in 2013 mainly as a result of an increase in fair value gains of investment properties, partially offset by a decrease in LAT from RMB105.5 million in 2012 to RMB28.0 million in 2013, a decrease of reversing the over provision of LAT amounting RMB67.3 million and a decrease in enterprise income tax of RMB45.9 million. The Group's effective tax rate decreased from 42.9% in the year ended 31 December 2012 to 24.7%, in the year ended 31 December 2013, primarily due to the decrease of LAT.

LIQUIDITY AND CAPITAL RESOURCES

Cash Position and Cash Flows

The Group had bank deposits and cash of approximately RMB1,472.3 million (2012: RMB227.3 million) which included restricted cash of RMB466.6 million (2012: RMB128.7 million) and structured bank deposits of RMB215 million (2012: Nil) as of 31 December 2013.

Bank and other borrowings

The Group had outstanding bank and other borrowings (including the issue of senior notes of RMB600 million in April 2013) of approximately RMB1,823.6 million as at 31 December 2013 (2012: RMB501.9 million).

Cost of Borrowings

The Group's average cost of borrowings (calculated by dividing total interest expenses paid and payable by the average total bank and other borrowings during the relevant year) was 8.2% in 2013, versus 6.8% in 2012.

The following table sets forth the net cash flow of the Group for the years indicated:

	For the year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Net cash (used in)/from operating activities	**(252,354)**	66,871
Net cash used in investing activities	**(791,298)**	(116,121)
Net cash from/(used in) financing activities	**1,735,608**	(48,712)
Net increase/(decrease) in cash and cash equivalents	**691,956**	(97,962)

Cash Flows (used in)/from Operating Activities

Cash generated from operating activities resulted primarily from pre-sales and sales of developed properties, rental income, and investment properties; while cash used in operating activities resulted from our cash costs for the development of properties, costs of land purchases and costs of operating completed properties held for sale and taxes paid.

For the year ended 31 December 2013, net cash outflow from operating activities was RMB252.4 million, which was mainly attributable to (i) an increase in deposits and prepayments received from pre-sale of properties of RMB174.5 million; (ii) a decrease of properties under development for sale of RMB205.3 million offset by (i) an increase in prepayment for acquisition of leasehold land held for development for sale of RMB375.1 million; and (ii) an increase in leasehold land held for development for sale of RMB348.5 million.

For the year ended 31 December 2012, net cash inflow from operating activities was RMB66.9 million, which was mainly attributable to is a decrease of properties under development for sale of RMB199.8 million offset by (i) a decrease in deposits and prepayments received from pre-sale of properties of RMB421.8 million; (ii) an increase in prepayment for acquisition of leasehold land held for development for sale of RMB90.5 million; and (iii) an increase in completed properties for sale of RMB28.7 million.

Cash Flows used in Investing Activities

Net cash used in investing activities have been primarily driven by additions of property, plant and equipment, investment in investment properties, investments, structured bank deposits and restricted bank deposits.

For the year ended 31 December 2013, net cash used in investing activities was RMB791.3 million, which was primarily attributable to (i) an increase in structured bank deposits of RMB215.0 million, (ii) an increase in investment properties of RMB211.3 million, (iii) purchase of financial investments of RMB47.7 million, (iv) an increase in restricted bank deposits of RMB338.0 million, partially offset by cash inflow of RMB22.6 million resulting form the acquisition of a subsidiary.

For the year ended 31 December 2012, net cash used in investing activities was RMB116.1 million, which was primarily attributable to (i) purchase of property, plant and equipment of RMB9.6 million, and (ii) an increase in investment properties of RMB15.1 million, partially offset by cash inflow of RMB15.2 million results from the acquisition of a subsidiary.

Cash Flows from/(used in) Financing Activities

For the year ended 31 December 2013, net cash from financing activities was RMB1,735.6 million, which was primarily attributable to (i) repayment of bank loans of RMB777.9 million, (ii) interest payment of RMB75.9 million, and (iii) dividends payment of RMB100.0 million partially offset by (i) proceeds from new bank loans of RMB1,537.6 million, (ii) proceeds from issue of shares of RMB615.2 million, and (iii) proceeds from issued senior notes of RMB600 million.

The Group had net cash outflow from financing activities of RMB48.7 million for the year ended 31 December 2012, which was primarily attributable to (i) repayment of bank loans of RMB72.5 million, (ii) repayment of borrowings from shareholders of RMB62.1 million, (iii) payment for interest of 32.3 million and, partially offset by proceeds from new bank loans of RMB120.7 million.

Net current assets

The Group had net current assets of RMB1,491.6 million as of 31 December 2013, and net current assets of RMB360.5 million as of 31 December 2012.

Golden Wheel Star City (Yangzhou)

Gearing Ratio

The Group had outstanding bank and other borrowings of approximately RMB1,823.6 million as of 31 December 2013 (2012: RMB501.9 million).

As of 31 December 2013, the Group's net gearing ratio was 10.0% (2012: 10.1%). The net gearing ratio of the Group is calculated by the interest-bearing liabilities net of bank deposits and cash and divided by total owners' equity.

A portion of its bank deposits are pledged to banks as security for certain banking facilities granted to the Group, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements, or as security for certain mortgage loans granted to our customers, in which case the restricted bank deposits will be released upon receiving the building ownership certificates of the respective properties by the banks from the customers as security for the mortgage loans granted. As of 31 December 2012 and 2013, the Group's restricted bank deposits were RMB128.7 million and RMB466.6 million, respectively.

Working Capital

As of 31 December 2012 and 2013, The Group's cash and cash equivalents, excluding restricted bank deposits, amounted to RMB98.7 million and RMB1,005.6 million respectively. The Group receives cash inflows from pre-sales of its properties and project-specific bank loans. The Group is permitted to pre-sell its properties under development when it obtains the relevant pre-sale permits. In addition to cash inflows from pre-sales, The Group typically obtains project-specific bank loans once it receives the work commencement permits for its projects or project phases, using the relevant land use rights and properties as security. The Company also received gross proceeds of approximately HK$756.0 million from its public offering in January 2013.

Indebtedness

Property developments require substantial capital investment for land acquisition and construction and may take months or years before positive cash flow can be generated. The Group principally funds its property developments from internal funds, borrowings from banks and other parties, proceeds from sales and pre-sale of its developed properties and proceeds from issuance of both debt and equity securities. As of 31 December 2012 and 2013, the Group had the following outstanding bank and other borrowings:

	As of 31 December	
	2013	2012
	RMB'000	RMB'000
Secured bank borrowings		
Within one year	**475,187**	192,283
After one year but within two years	**513,840**	182,800
After two years but within five years	**251,365**	126,815
Total	**1,240,392**	501,898
Senior notes	**583,241**	–
Total	**1,823,633**	501,898

The Group's bank borrowings are denominated in RMB, US$ and HK$. Details of the assets pledged and guarautees for the secured bank borrowings are set out in the notes 15, 16, 20, 21, 26 and 38 of the consolidated financial statements.

Capital Commitments

The following table sets forth the Group's contractual commitments as of the dates indicated:

	As of 31 December	
	2013	2012
	RMB'000	RMB'000
Commitments contracted for but not provided in the audited consolidated financial statements in respect of:		
Construction of properties under development for sale	**20,531**	189,163
Construction of investment properties under development	**–**	22,460
Construction of properties for own use	**1,026**	7,977
Leasehold land held for development for sale	**622,326**	–
Commitments authorized but not contracted in respect of:		
Leasehold land held for development for sale	**60,000**	170,547
	703,883	390,147

The Group's contractual commitments represented its commitments to third party construction companies with respect to the construction of its projects.

Golden Wheel Jade Garden (Zhuzhou)

Golden Wheel Time Square (Zhuzhou)

Golden Wheel International Plaza (Nanjing)

Capital Expenditures

During the years ended 31 December 2012 and 2013, the Group's capital expenditures were primarily related to the acquisition of land use right, the construction of properties, and purchase of property, plant and equipment. The following table sets forth a breakdown of its capital expenditures for the years indicated:

	For the year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Acquisition of land use right	**723,601**	90,453
Construction of properties	**205,293**	199,797
Purchase of property, (including transfer from completed properties held for sale) plant and equipment	**16,225**	9,645
Total	**945,119**	299,895

Off-balance Sheet Commitments and Arrangements

Except as disclosed in this annual report, the Group has not entered into any off-balance sheet guarantees or other commitments to guarantee the payment obligations of any third parties. It does not have any interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to it or engages in leasing or hedging or research and development or other services with it.

Market Risks

The Group is exposed to various types of market risks, including foreign exchange risk, interest rate risk, credit risk, liquidity risk and equity price risk in the normal course of our business. It manages and monitors these exposures on a regular basis to ensure appropriate measures are implemented on a timely and effective manner.

Foreign Exchange Rate Risk

The primary economic environment which most of our principal subsidiaries operate is the PRC and their functional currency is RMB. The Group's exposure to foreign exchange risk is principally due to its US$ and HK$ denominated debts and investments its bank deposits in foreign currencies, mainly US$. As of 31 December 2013, the Group's foreign currency denominated monetary assets and monetary liabilities at each reporting date are as follows:

	2013 **RMB'000**	2012 RMB'000
Assets		
US$	**28,016**	1,574
HK$	**5,865**	–
	33,881	1,574
Liabilities		
US$	**506,043**	30,683
HK$	**121,866**	–
	627,909	30,683

Appreciation of the RMB against the US$ and HK$ generally results in a gain arising from the Group's US$ and HK$ denominated debt and a loss arising from its bank deposits and investments in US$ and HK$. A depreciation of the RMB against the US$ and HK$ would have the opposite effect.

Fluctuations in the foreign exchange rate have had and will continue to have an impact on the business, financial condition and results of operations of the Group. The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

The Group's cash flow interest rate risk relates primarily to the variable rate bank borrowings, structured bank deposit and bank balance of the Group. Its fair value interest rate risk relates primarily to its fixed rate restricted bank deposits, bank borrowings and senior notes. The Group currently does not have a specific policy to manage its interest rate risk, but will closely monitor the interest rate risk exposure in the future.

Credit Risk

The Group's maximum exposure to credit risk which will cause a financial loss to it due to failure to discharge an obligation by the counterparties is arising from:

(a) the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period; and

(b) the amounts of contingent liabilities in relation to financial guarantee issued by the Group.

The Group has no significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers in the PRC.

The Group typically provides guarantees to banks in connection with its customers' mortgage loans to finance their purchase of the properties. If a purchaser defaults on the payment of its mortgage during the term of guarantee, the bank may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and re-sell the property to recover any amounts payable by it as to the bank. In this regard, the Group considers that its credit risk is significantly reduced.

The Group has concentration of credit risk in respect of bank balances. As of 31 December 2012 and 2013, approximately 79% and 68% of its bank balances were deposited at two and three banks respectively, representing deposits at each bank with a balance exceeding 10% of total restricted bank deposits and bank balances. The credit risk of these liquid funds is limited because the counterparties are state-owned banks located in the PRC or banks with high credit ratings assigned by international credit-rating agencies.

Liquidity Risk

The Group has built an appropriate liquidity risk management framework for short-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows.

Equity Price Risk

The Group is exposed to equity price risk through our investment in listed securities in the PRC. The Group disposed of its held for trading investments in equity securities listed in PRC during the year.

For further details, please refer to note 6B to the financial statements.

Please refer to notes 15, 16, 20, 21, 26, 34 and 38 to the consolidated financial statements for details of the pledges on the assets of, and guarantees provided by the Group.

Golden Wheel International Plaza (Nanjing)

Corporate Social Responsibilities

Oversea Chinese Cultural Plaza

Golden Wheel adheres to an ingrained culture of fulfilling its corporate citizen responsibilities by playing an active role in a wide array of activities, and believes in caring about and giving to the community at all-out endeavors.

Golden Wheel has been unwaveringly upholding its philosophy of "the essentiality of the performance of social responsibilities to the achievement of notable business success".

Our history of corporate development is based on both "vision and mission". We remain committed to achieving five strategic goals in respect of our corporate social responsibilities which are related to the horizons of: "the responsibilities for corporate development, the responsibilities for shareholders, the responsibilities for consumers, the responsibilities for charity events in the community, the responsibilities for environmental protection". With a great breadth of pioneering spirit and innovation, we have been striving to create greater value for stakeholders, to capture business opportunities in joint forces with partners and to share the fruits of our development with investors. Efforts are spent by us on promoting the harmony between the nature and the community, giving a much needed boost to the environment of our community. Specifically, we will extend endeavors on the following aspects:

FLOURISHING BUSINESS DEVELOPMENT OF THE COMPANY AND CREATING DEVELOPMENT OPPORTUNITIES FOR THE PLACES IN WHICH OUR OPERATIONS ARE LOCATED

With adherence to its mission of "creating better tomorrows" and its corporate value of "quality, integrity and excellence", Golden Wheel's corporate visions are to establish a pivotal niche in the spectrums of property development and management in the transport hubs of the second and third tier cities for China, to offer the community access to premium products, and to provide customers with service excellence. These visions are the most fundamental social responsibilities and obligations. Along with the sustainable development of the subway systems in the second and third tier cities for China, Golden Wheel helps present a wider flurry of opportunities for the development and operation of metro malls in those cities, making the part of its contribution to the responsibilities and obligations of urbanization construction.

LEADING CAPABILITY

Mr. Wong Yam Yin, the Chairman of Golden Wheel, has a strong determination to repay to the society and contribute to the Overseas Chinese in Hong Kong, while making success and creating wealth with his unique vision and unswerving dedication over the years.

RESPONSIBILITIES FOR SHAREHOLDERS

As a listed company, Golden Wheel is more focused than ever on sticking to a business philosophy that is aimed at fuelling long-term business growth through well-established strategies. Based on a prudent financial management strategy, we take full advantage of the international capital market as a platform for tapping more funds and reinforcing stronger confidence for our long-term corporate development. We are more determined than ever to innovate our business model related to the real estate development and leasing and management. We also spare great efforts on training an internal team of elite management. Strategically, we retain the long-term ownership of shopping malls on a selected basis, in order to generate recurring rental income for us and consolidate our long-term financial strength. Also, through the disposal of development projects, we attain capital growth, while maintaining a reasonable rate of revenue from our real estate development business as well as operational management business by retaining mall assets and operational management, so as to drive long-term corporate growth. Meanwhile, in praise of the enduring support of investors, we endeavour to share the fruitful results of our business development by reaping prominent performance.

RESPONSIBILITIES FOR CONSUMERS

Leveraging on its proven track record in the aspects of commercial and residential real estate development and operation in China, and thanks to its values of quality, integrity and excellence, Golden Wheel focuses on the development and operation of shopping malls and integrated commercial projects in Jiangsu Province and Hunan Province. With the successive development of over a dozen of projects in a number of cities including Nanjing, Yangzhou, Wuxi, Changsha and Zhuzhou, the Company has paved a solid path for its development. With adherence to its concept of social justice, Golden Wheel is well aware of the interdependence between itself and its stakeholders. Thanks to its dedication to the building of high quality properties for consumers, the provision of superb services and the protection of the interests of consumers, consumers have cast a vote of the strongest confidence in the Company.

Celebration of the Completion of “Oversea Chinese Cultural Plaza”

Corporate Social Responsibilities

RESPONSIBILITIES FOR CHARITY EVENTS IN THE COMMUNITY

While fostering steady development, Golden Wheel is committed to repaying the community and taking a vigorous part in love spread charity events. We financed the construction of the "Overseas Chinese Cultural Plaza"（華僑文化廣場）in Nanjing, and made donations for the building of the "Golden Wheel Overseas Chinese Heart Primary School"（金輪僑心小學）in Hunan Province, receiving much praises from the people in the region.

RESPONSIBILITIES FOR ENVIRONMENTAL PROTECTION

Golden Wheel recognizes the importance of both business development and environmental harmony. In view of the increasing urbanization along with the country's modernization process, we endeavour to meet the needs of social development, while gradually exemplifying our green competitiveness. In line with its dedication to the protection of urban environment, Golden Wheel takes concrete actions for environmental protection by participating in the construction of the "Overseas Chinese Cultural Plaza"（華僑文化廣場）in Nanjing and financing the establishment of green belts and sculpture landscape. The plaza has become a preferred place for entertainment as well as morning and evening fitness exercises among the public. Golden Wheel's development goal is to achieve more organic growth. On the basis of the development of green features, we constantly improve people's living quality and standards and accelerate the pace of green construction, in an effort to bolster the prosperity of the society and the beauty of the environment. As such, each of the building becomes a part of the nature, giving a higher touch of harmony between human beings and the nature. With our commitment to the harmony between urban areas and the nature, together with our responsible approach of urban development, we witness the development of urban areas as a city builder.

RESPONSIBILITIES FOR SPREADING LOVE AND CARE AMONG OUR EMPLOYEES

Our employees are the most valuable assets for Golden Wheel, and are the very essence of its business development. Our present success rests in large part on the diligence and dedication of our employees. With Golden Wheel's development and growth, we will provide our employees with better working platforms and greater training and development opportunities. In addition, we value and accept all feasible recommendations from our employees. Through our efforts to create a positive environment and amiable working atmosphere that encourages entrepreneurial spirit among our employees, we achieve win-win benefits among individual employees and team members by joining hands with our employees intensively.

The Company was granted the Third Session Outstanding Corporate Social Responsibilities Award by the Mirror Newspaper.

Certificate of Corporate Social Responsibilities Award by Mirror Newspaper

The Company is committed to maintain a high standard of corporate governance practices to safeguard the interests of the shareholders and enhance the performance of the Group. The board of Directors (the "Board") reviews and improves the corporate governance practices from time to time to ensure that the Company is under the leadership of an effective board to optimize return for the shareholders.

As a responsible business enterprise, the corporate governance standards of the Company are built on the principles of independence, accountability, transparency and honesty.

(A) CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions as set out in the Code of Corporate Governance Practices (the "**Code**") as contained in Appendix 14 to the Listing Rule as its own code to govern its corporate governance practices.

In the opinion of the Directors, the Company, since Listing and up to the date hereof, has adopted, applied and complied most of the Code provisions contained therein. The Board will continue to review and monitor the practices of the Company with an aim to maintain and improve a high standard of corporate governance practices.

(B) DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2013.

(C) BOARD OF DIRECTORS

The Board members for the year ended 31 December 2013 were:

Executive Directors
Mr. Wong Yam Yin *(Chairman),*
Mr. Wong Kam Fai
(Vice Chairman and Chief Executive Officer),
Mr. Wong Kam Keung, Barry *(Vice President),*
Mr. Tjie Tjin Fung *(Vice Chairman),*
Mr. Janata David

Non-executive Directors
Mr. Suwita Janata *(Vice-Chairman),*
Mr. Gunawan Kiky
Mr. Chan Wai Kin (Note)

Independent Non-executive Directors
Mr. Hui Yan Moon,
Mr. Wong Ying Loi,
Ms. Howe Sau Man
Mr. Lie Tak Sen

Note: Mr. Chan resigned as Company Secretary on 26 August 2013, also resigned as Chief Financial Officer and Executive director, and redesignated as Non-executive director on 27 September 2013. Mr. Chan subsequently resigned as Non-executive director on 28 February 2014.

The Board currently comprises a total of 11 Directors, being 5 Executive Directors, 2 Non-executive Directors, and 4 Independent Non-executive Directors. The number of Independent Non-executive Directors represents more than one-third of the Board as required by Rule 3.10A of the Listing Rules. The biographies of the Directors are set out from pages 31 to 36 of this Annual report.

All Directors entered into formal letters of appointment with the Company for a term of two years, subject to retirement by rotation in accordance with the articles of association of the Company (the "Articles of Association").

The Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Also, pursuant to the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board is subject to re-election at the next following general meeting or next following annual general meeting of the Company respectively.

(D) INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has four independent non-executive Directors ("INEDs"), at least one of whom has appropriate financial management expertise in compliance with the Listing Rules.

The Company has received annual confirmation of independence from all the INEDs in accordance with Rule 3.13 of the Listing Rules. The Board is of the view that all the INEDs are independent in accordance with the Listing Rules.

(E) ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is accountable to the shareholders for leading the Company in a responsible and effective manner. It is responsible for formulating strategies and a management policies of the Company, approving the strategic objectives of the Company and ensuring the availability of necessary financial and other resources to meet such objectives. The Board also constantly supervises and reviews the Company's regulations and rules. The Directors perform their duties in a faithful and diligent manner and act in the best interests of the Company and its shareholders as a whole.

Moreover, the Board is also responsible for presenting a clear and balanced assessment of the Company's performance and prospects, preparing accounts that give a true and fair view of the Company's financial position on a going concern basis and disclosing other price-sensitive information.

The management is responsible for implementing the policies and strategies as determined by the Board, and is delegated with the daily management, operations and administration of the Company.

(F) DIRECTOR TRAINING

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statues, laws, rules and regulations. The Company Secretary and our legal advisors also provide the Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirement from time to time.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged in-house trainings for the Directors to update and refresh their relevant knowledge.

(G) DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for liability insurance to indemnify its directors for their liabilities arising out of its.

(H) CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman, Mr. Wong Yam Yin, has executive responsibilities and provides leadership to the Board in terms of establishing policies and business directions. He ensures that the Board works effectively and discharges its responsibilities, and that all key and appropriate issue are discussed by the Board in a timely manner. He also ensures that all Directors are properly briefed on issues to be discussed at Board meetings. Mr. Wong Kam Fai, the Chief Executive Officer, is responsible for overseeing the day-to-day management of the Group's business.

(I) BOARD COMMITTEES

The Company currently has established three committees with respective responsibilities, namely the audit committee (the "**Audit Committee**"), the remuneration committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**"). All Board committees are empowered by the Board under their terms of reference which have been posted on the websites of the Company and the Stock Exchange.

(J) ATTENDANCE AT MEETINGS

Regular Boarding meetings are held at least four times a year. Special meetings of the Board will be convened whenever necessary. The Board convened a total of five meetings for the year ended 31 December 2013.

Details of the directors' attendance at the Board meetings, Board committee meetings and the AGM during the year were as follows:

	Meeting Attended/Held				
Name of Director	**Full Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**AGM 2012**
Executive Directors					
Wong Yam Yin	5/5	N/A	N/A	1/1	1/1
Wong Kam Fai	5/5	N/A	2/2	N/A	1/1
Wong Kam Keung, Barry	5/5	N/A	N/A	N/A	1/1
Tjie Tjin Fung	5/5	N/A	N/A	N/A	1/1
Janata David	5/5	N/A	N/A	N/A	1/1
Non-executive Directors					
Suwita Janata	5/5	N/A	N/A	N/A	1/1
Gunawan Kiky	5/5	N/A	N/A	N/A	1/1
Chan Wai Kin (Note)	5/5	N/A	N/A	N/A	1/1
Independent Non-executive Directors					
Hui Yan Moon	5/5	3/3	2/2	N/A	1/1
Wong Ying Loi	5/5	N/A	N/A	1/1	1/1
Howe Sau Man	5/5	3/3	N/A	1/1	1/1
Lie Tak Sen	5/5	3/3	2/2	N/A	1/1

Note: Mr. Chan resigned as Company Secretary on 26 August 2013, also resigned as Chief Financial Officer and Executive director, and redesignated as Non-executive director on 27 September 2013. Mr. Chan subsequently resigned as Non-executive director on 28 February 2014.

(K) AUDIT COMMITTEE

The Audit Committee of the Company was established on 10 December 2012 with written terms of reference in compliance with the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process, half-yearly and annual results and internal control system and provide advice and comments to the Board. The Audit Committee consists of three Independent Non-executive Directors, namely Ms. Howe Sau Man, Mr. Hui Yan Moon and Mr. Lie Tak Sen. The Chairman of the Audit Committee is Ms. Howe Sau Man, an Independent Non-executive Director.

During the year, the Audit Committee held the meetings to review the interim results and annual results and recommended the Company's internal control system. The Chief Financial Officer and representatives of the external auditor of the Company attended the meetings. Prior to the commencement of 2013 final audit, the Audit Committee held a pre-audit meeting with the external auditor to discuss the nature and scope of the audit, together with its reporting obligation and other audit matters.

(L) REMUNERATION COMMITTEE

The Remuneration Committee of the Company was established on 10 December 2012 with written terms of reference in compliance with the Listing Rules. The primary duties of the Remuneration Committee are to make recommendations to the Directors on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; to assess performance of each Executive Director; to determine the terms of the specific remuneration package of each Executive Director and senior management; and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by Directors from time to time. The Remuneration Committee consists of two Independent Non-executive Directors, namely, Mr. Hui Yan Moon, Mr. Lie Tak Sen and an Executive Director, Mr. Wong Kam Fai. The Chairman of the Remuneration Committee is Mr. Hui Yan Moon.

During the year, the Remuneration Committee held the meetings to review the remuneration terms of executive directors' service contracts and the remuneration policies of the Company, and made its recommendations to the Board.

(M) NOMINATION COMMITTEE

The Nomination Committee of the Company was established on 10 December 2012 with written terms of reference in compliance with the Listing Rules. The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on a regular basis; to make recommendations to the Board regarding any proposed changes; to identify, select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of the Independent Non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors and succession planning for Directors. The Nomination Committee consists of an Executive Director, Mr. Wong Yam Yin, and two Independent Non-executive Directors, namely Mr. Wong Ying Loi and Ms. Howe Sau Man. The Chairman of the Nomination Committee is Mr. Wong Yam Yin.

During the year, the Nomination Committee has assessed the independence of Independent Non-executive Directors and reviewed the re-appointment of Directors at the forthcoming annual general meeting.

The Nomination Committee has adopted a board diversity policy, setting out the approach to diversity on the Board. It is believed that a truly diverse Board will include and make good use of differences in the skills, regional and industrial experience, background, race, gender and other qualities of members of the Board.

(N) AUDITORS' REMUNERATION

The Board is responsible for presenting a balanced and clear assessment of the Group's performance and prospects. The Directors acknowledged that their responsibility for preparing the accounts that give a true and fair view on the Group's financial position on a going-concern basis and other financial disclosures. Management of the Company provides all relevant information to the Board, giving its members sufficient explanation and information that it needs to discharge their responsibilities. A statement by the auditor of the Company in respect of their reporting responsibilities is set out in the Independent Auditors' Report section contained in this annual report.

The fees for audit services provided by Deloitte Touche Tohmatsu, the Company's auditor, for the year ended 31 December 2013 amounted to RMB1,000,000. Non-audit services fees RMB1,216,000 was paid by the Company during the year under review. The Audit Committee considered that the non-audit services will not impair their audit independence or objectivity.

(O) INTERNAL CONTROL SYSTEM

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorized use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication and the compliance of applicable laws, rules and regulations.

During the year, the Company has engaged an external consultancy firm to conduct assessment on the effectiveness of the internal control. The assessment results was positive.

The internal control are reviewed and assessed on an on-going basis by the Executive Directors, and will be further reviewed and assessed at least once each year by the Board.

(P) COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Board and is responsible for advising the Board on governance matters. Ms. Ng Yee Man, Fiona has been appointed as the Company Secretary in August 2013. Ms. Ng has confirmed that for the year under review, she has taken no less than 15 hours of relevant professional training. The biographical details of Ms. Ng is set out on page 35 of this Annual Report.

(Q) SHAREHOLDERS' RIGHT

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, pursuant to the Articles of Association, its provides that:

Procedure for Shareholders to convene an extraordinary general meeting

Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require 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 (2) months after the deposit of such requisition.

If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (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.

Procedure for Shareholders to propose a person for election as a director at a general meeting

If a Shareholder intends to propose a person for election as a Director at any general meeting, he must sign a notice (the "Notice") stating his intention to propose such person for election. The Notice must include the personal information of the proposed person as required by Rule 13.51(2) of the Listing Rules and the proposed person must sign a letter of consent stating his willingness to be elected shall have lodged with the Company's principal place of business in the Hong Kong located at Unit A, 18 Floor, @Convoy, 169 Electric Road, Fortress Hill, HKG; or the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, with at least (7) days notice period is given. If the Notices are submitted after the dispatch of the notice of the general meeting appointed such election, the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(R) INVESTOR RELATIONS

The management of the Company believes that effective and proper investor relations play a vital role in creating Shareholders' value, enhancing the corporate transparency as well as establishing market confidence. As such, the Company has adopted a stringent internal control system to ensure true, accurate, complete and timely disclosure of information in order to ensure all Shareholders as well as the public are equal access to information. The management of the Company has proactively taken and will continue to take the following measures to ensure effective Shareholders' communication and transparency:

- Maintain frequent contacts with Shareholders and investors through various channels such as meetings, telephone and emails;
- Regularly update the Company's news and developments through the investor relations section of the Company's website;
- Arrange on-site visits to the Group's projects for potential investors and research analysts.

Through the above measures, the Company endeavors to communicate with the investment community and provide them with the latest development of the Group and the PRC real estate industry.

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

In addition, shareholders and investors are welcome to write their enquires directly to the Board a) by mail to the Company's principal place of business, b) by fax on (852) 2566 3070 or c) by email at IR@gwtd.com.hk.

Below are biographies of the current Directors and senior management of the Group.

EXECUTIVE DIRECTORS

Mr. Wong Yam Yin (王欽賢), aged 72, is an Executive Director, the Chairman of our Board and Nomination Committee. Mr. Wong is one of the founders of our Group and one of our ultimate Controlling Shareholders. He is responsible for our overall strategy, business and investment planning. Mr. Wong was appointed as a Director on 26 April 2012.

Mr. Wong has 30 years of experience in business management. He established Golden Wheel Trading Company Limited (金輪貿易有限公司) in 1983 in Hong Kong to engage in hardware trading business. He, together with his wife Ms. Hung So Ling and his elder son Mr. Wong Kam Fai, established our Group in 1994 to engage in real estate development business.

Besides his role in our Group, Mr. Wong is involved in various associations, including being:

- a consultant of All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會顧問);
- a standing committee executive of China Oversea Exchange Association (中國海外交流協會常務理事);
- a Life-time Honorary Chairman and Deputy Chairman of the Hong Kong Federation of Overseas Chinese Association (香港僑界社團聯會永遠名譽會長兼副會長);
- a Standing Director of Hong Kong Federation of Fujian Associations (香港福建社團聯會常務會董);
- a Standing Director of Hong Kong Federation of Guangdong Community Organizations (香港廣東社團總會常務會董);
- the Chairman of Electrical Machinery Committee of The Chinese Manufacturers' Association of Hong Kong (香港中華廠商會聯合會機電業委員會主席); and
- the Honorary Principal of Zhuzhou Golden Wheel Qiaoxin School (株洲金輪僑心學校名譽校長).

Mr. Wong received various awards in recognition of his contribution to the society, including the "Chief Executive's Commendation for Community Service (行政長官社區服務獎狀)" by Hong Kong government in 2004, the "Prize for Outstanding Contribution to Beichuan Middle School (援建北川中學特殊貢獻獎)" by All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會), and the "Manufacturer with Honesty and Integrity of 2010 (2010誠信製造商)" by All China Federation of Industry and Commerce, Hardware and Electromechanical Chamber (中華全國工商聯五金機電商會) in 2010.

Mr. Wong received his bachelor's degree in physics from Huaqiao University (華僑大學) in 1967.

Mr. Wong Yam Yin is the husband of Ms. Hung So Ling, the father of Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry, and the brother of Ms. Julia Oscar (the wife of Mr. Suwita Janata, a Non-executive Director).

Mr. Wong Kam Fai (王錦輝), aged 43, is an Executive Director, a Vice Chairman of our Board, the Chief Executive Officer of our Group and a member of our remuneration committee. Mr. Wong is one of the founders of our Group and one of our ultimate Controlling Shareholders. Mr. Wong held several positions within our Group immediately after completion of his bachelor's degree. He has been the General Manager of Nanjing Golden Wheel Real Estate since 1 May 1994, Nanjing Jade Golden Wheel since 1 July 2002, respectively. Mr. Wong is responsible for our overall business operation and management. Mr. Wong was appointed as a Director on 26 April 2012. Mr. Wong has 19 years of experience in the real estate industry.

Mr. Wong is involved in various associations, including being:

- a member of the Chinese People's Political Consultative Committee of Hunan Province（中國人民政治協商會議湖南省委員會委員）;
- a member of All China Federation of Returned Overseas Chinese Association（中華全國歸國華僑聯合會委員）;
- a standing committee member of All China Federation of Industry & Commerce of Jiangsu Province（江蘇省工商業聯合會常委）;
- a Standing Deputy Chairman of All China Federation of Industry & Commerce Real Estate Commission, Jiangsu province（江蘇省工商聯房地產商會常務副會長）;
- a Deputy Chairman of Jiangsu Overseas Exchange Association（江蘇省海外交流協會副會長）; and
- a Standing Deputy Chairman of Nanjing Overseas Chinese Chamber of Commerce（南京市僑商投資企業協會常務副會長）.

Mr. Wong was awarded as an "Outstanding Young Entrepreneur（青春創業風雲人物）" of Jiangsu province and a "Top Ten Outstanding Entrepreneur（十佳優秀企業家）" of Qinhuai, Nanjing, respectively.

Mr. Wong received his bachelor's degree in computer science from The University of New South Wales of Australia（澳洲新南威爾士大學）in June 1994.

Mr. Wong Kam Fai is the elder son of Mr. Wong Yam Yin and Ms. Hung So Ling, and the elder brother of Mr. Wong Kam Keung, Barry.

Mr. Wong Kam Keung, Barry（王錦強）, aged 40, is an Executive Director and the Vice President of our Group. He is also one of our ultimate Controlling Shareholders. He is responsible for administration, human resources management and projects development in Hunan province. Mr. Wong joined our Group in 1996. Mr. Wong has been the General Manager of Zhuzhou Golden Wheel Real Estate Limited since 1 August 2004 and Zhuzhou Golden Wheel Business Management Limited since 1 February 2010, respectively. Mr. Wong was appointed as a Director on 26 April 2012. He has 17 years of experience in the real estate industry.

Mr. Wong is involved in various associations, including being:

- a member of All China Federation of Returned Overseas Chinese Youth Committee（中華全國歸國華僑聯合會青年委員會委員）;
- a standing committee member of the Overseas Chinese Association of Guangdong Province（廣東省歸國華僑聯合會常委）;
- a standing committee member of Returned Overseas Chinese Association of Shenzhen（深圳市歸國華僑聯合會常委）;
- a Deputy Chairman of China Federation of Overseas Chinese Entrepreneurs of Hunan Province（湖南省僑商聯合會副會長）;
- a Director of Hong Kong Overseas Chinese Social Association（香港僑界社團聯會董事）;
- a member of the Hunan Federation of Returned Overseas Chinese（湖南省歸國華僑聯合會委員）;
- a standing committee executive of Changsha Overseas Friendship Association; and
- a standing committee executive of Nanjing Overseas Friendship Association.

Mr. Wong completed the Foundation Studies Certificate Course of Unisearch Limited (now known as NewSouth Innovations Pty Limited, an entity controlled by the University of New South Wales) in 1993.

Mr. Wong Kam Keung, Barry is the younger son of Mr. Wong Yam Yin and Ms. Hung So Ling, and the younger brother of Mr. Wong Kam Fai.

Mr. Tjie Tjin Fung, aged 64, is an Executive Director and a Vice Chairman of our Board. He is also one of our ultimate Controlling Shareholders. Mr. Tjie is responsible for overseeing our operation, and formulating our investment strategies. He joined our Group in 2002. Mr. Tjie was appointed as a Director on 26 April 2012.

Mr. Tjie is an Indonesian Chinese. Being an entrepreneur, he established his own manufacturing business in Indonesia in the 1970s.

Mr. Tjie is involved in various associations, including being:

- a Vice Chairman of Indonesia Kota Bandung Social Welfare Fund（印尼萬隆渤良安福利基金會副主席）;
- a Deputy Chairman of Indonesia Bandung Hakka Chinese Association（印尼萬隆客屬聯誼會副主席）;
- a Charter President of Indonesia Bandung Lions Clubs International（印尼萬隆國際獨立獅子會創會會長）;
- an Honorary Chairman of Guangdong Province Federation of Indonesian Social Institutes（印尼廣東社團聯合總會名譽主席）;
- an Honorary Chairman of Indonesia Hakka Chinese Association（印尼客屬聯誼總會名譽主席）; and
- an Honorary Chairman of Indonesia Mei Zhou Club（印尼梅州會館名譽主席）.

Mr. Janata David, aged 32, is an Executive Director. He is responsible for managing our investors' relationship. He joined our Group in 2005. Mr. Janata was appointed as a Director on 26 April 2012.

Mr. Janata David is an Indonesia Chinese. He also served as a general manager of The Royal Beach Seminyak Bali, a company running a resort hotel in Bali, Indonesia, from 2010 to 2011. He and his family members established PT Golden and Mitra Property in Indonesia in August 2009 to engage in property development business in Indonesia.

Mr. Janata David received his bachelor's degree in business from Monash University in Australia in December 2002 and his master's degree in business systems from the same university in December 2004.

Mr. Janata David is the son of Mr. Suwita Janata and Ms. Julia Oscar who is the sister of Mr. Wong Yam Yin. Therefore, Mr. Janata is also a nephew of Mr. Wong Yam Yin.

NON-EXECUTIVE DIRECTORS

Mr. Suwita Janata, aged 63, is a Non-executive Director and a Vice Chairman of our Board. He joined our Group in 2002. Mr. Suwita was appointed as a Director on 26 April 2012. He is also one of our ultimate Controlling Shareholders.

Mr. Suwita Janata is an Indonesian Chinese. He commenced his career as an entrepreneur by establishing his own trading company in the 1970s. Mr. Suwita Janata and his family members established PT Golden and Mitra Property in Indonesia in August 2009 to engage in property development business in Indonesia.

Mr. Suwita Janata has been involved in various associations, including being:

- the former Executive Chairman of Chinese Committee of Indonesia Chamber of Commerce (West Java)（印尼工商會館中國委員會西爪哇分會前任執行主席）;
- the former head of the Indonesia Chamber of Commerce (West Java), Commerce Division（印尼西爪哇工商會館商業部前主任）; and
- an advisory council member of Indonesia Bandung Yayasan Dana Welfare Foundation（印尼萬隆渤良安福利基金會顧問）; and
- The Vice Chairman of Indonesia Bandung Minnan Gonghui（印尼萬隆閩南公會副會長）.

Mr. Suwita Janata is the father of Mr. Janata David and the husband of Ms. Julia Oscar. Ms. Julia Oscar is the sister of Mr. Wong Yam Yin.

Mr. Gunawan Kiky, aged 66, is a Non-executive Director. He is also one of our ultimate Controlling Shareholders. He joined our Group in 2002. Mr. Gunawan was appointed as a Director on 26 April 2012.

Mr. Gunawan is an Indonesian Chinese. In the 1980s, he established his own trading business.

Mr. Gunawan joined Indonesia Bandung Lions Clubs International（印尼萬隆國際獨立獅子會）in 1989. In 2000, Mr. Gunawan founded Indonesia Bandung Hakka Chinese Association（印尼萬隆客屬聯誼會）and has been a financial supervisor of the association.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hui Yan Moon（許仁滿）, aged 43, is an Independent Non-executive Director appointed on 10 December 2012 and a member of our Audit Committee and the Chairman of our Remuneration Committee. Mr. Hui has over 10 years of experience in finance and management. He has held the position of the Chief Executive Officer of Swing Media Technology Group Ltd., a company listed on Singapore Stock Exchange, since May 2003.

Mr. Hui obtained his bachelor's degree in business administration from Baruch College, the City University of New York in the United States（美國紐約市立大學巴魯克學院）in June 1995 and his EMBA from Tsinghua University（清華大學）in Beijing, China in January 2007.

Mr. Wong Ying Loi（黃英來）, aged 69, is an Independent Non-executive Director appointed on 10 December 2012 and a member of nomination committee. Mr. Wong has over 20 years of experience in business management. He has been operating his own trading and manufacturing business since the 1980s.

Mr. Wong is involved in various associations, including being:

- the Chairman of Chiao Yao Association Limited（香港僑友社會長）;
- a member of the Ninth and Tenth sessions of the Chinese People's Political Consultative Committee of, Hubei province（中國人民政治協商會議湖北省委員會第九、十屆委員）; and
- a member of All China Federation of Returned Overseas Chinese（中華全國歸國華僑聯合會委員）.

Mr. Wong obtained a diploma in English from Huaqiao University（華僑大學）in July 1968.

Ms. Howe Sau Man (何秀雯), aged 42, is an Independent Non-executive Director appointed on 10 December 2012 and the Chairman of our Audit Committee and a member of Nomination Committee.

Ms. Howe obtained her bachelor's degree in commerce from University of Tasmania, Australia (澳洲塔斯曼尼亞大學) in December 1997. She is a practicing member of Hong Kong Institute of Certified Public Accountants since January 2012 and a Certified Practising Accountant of CPA of Australia since July 2003.

Ms. Howe has 10 years of experience in auditing, accounting and taxation. Ms. Howe worked with a number of Hong Kong CPA firms for over 10 years, including Ernst & Young from March 2000 to October 2001.

Mr. Lie Tak Sen (李達生), aged 65, is an Independent Non-executive Director appointed on 10 December 2012 and a member of Audit Committee and Remuneration Committee. Mr. Lie has over 20 years of experience in business management. He has been operating his own trading business since 1990.

Mr. Lie is involved in various associations, including being:

- a member of All China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會委員); and
- a consultant of Beijing Returned Overseas Chinese Federation (北京市歸國華僑聯合會).

SENIOR MANAGEMENT

Mr. Yiu Chi Man (姚智文) is the Chief Financial Officer of the Group. Mr. Yiu is responsible for overseeing the Group's financial management and regulatory compliance. He has approximately 20 years' experience of providing audit and advisory services to listed companies and multinational companies with a focus on properties and financial services industries.

Mr. Yiu joined the Group in 2013. Before joining the Group, Mr. Yiu was a partner of KPMG China.

Mr. Yiu obtained his Bachelor of Arts degree in accountancy from Hong Kong Polytechnic University in 1993. Mr. Yiu is a fellow member of Chartered Association of Certified Public Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants.

Ms. Ng Yee Man, Fiona (吳綺雯) is the Company Secretary of the Group. Ms. Ng is responsible for overseeing corporate governance, regulatory compliance and investor relation. She has approximately more than 20 years' experience in finance, accounting and corporate secretarial functions.

Ms. Ng joined the Group in 2013. Before joining the Group, Ms. Ng was a financial controller and company secretary of a company listed on the Stock Exchange of Hong Kong Limited.

Ms. Ng is a fellow member of Chartered Association of Certified Public Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Secretaries and Administrators, and the Hong Kong Institute of Chartered Secretaries.

Biographical Details of Directors and Senior Management

Mr. Tao Kang（陶康）is the Standing Deputy General Manager of the Group. Mr. Tao is responsible for overseeing our project management. Mr. Tao joined the Group in 2006 and was the Standing Deputy General Manager of Zhuzhou Golden Wheel Real Estate. Before joining the Group, Mr. Tao worked at various companies, including being the Deputy Director of Nanjing Science and Technology Hall（南京科技會堂）.

Mr. Tao obtained his diploma degree in industrial and civil construction from the Southeast University（東南大學）in 1994. Mr. Tao obtained his senior engineer（高級工程師）qualification in 2007 and is a Registered Supervision Engineer（國家註冊監理工程師）and a Certified Constructor（國際一級註冊建造師）.

Mr. Chen Gang（陳鋼）is the Financial Controller of Nanjing Golden Wheel Real Estate and Nanjing Jade Golden Wheel. He is responsible for the financial management. Mr. Chen joined the Group in 2012. Before joining the Group, Mr. Chen worked at various companies, including being the Financial Controller of Jiangsu Joyque Information Industry Co., Ltd（江蘇集群集團）and the financial manager of Intech Group（應泰集團）.

He obtained his diploma degree in economic management from Hohai University（河海大學）in 1999. In 2000, he obtained his middle level accountant qualification.

Mr. Sun Yang（孫揚）is an Assistant General Manager of the Group. Mr. Sun is responsible for overseeing our sales and marketing. Mr. Sun joined the Group in 2008. Before joining the Group, Mr. Sun worked in various companies including being the Sales Supervisor and Vice President of Nanjing Haoliyi Real Property Consultancy Company Limited（南京好利意置業顧問有限公司）.

Mr. Sun holds the Real Estate Sales Qualification（房地產銷售人員）by Training Center of National Real Estate Trade（全國房地產行業培訓中心）.

Mr. Sun obtained his diploma in real estate operation and property management from Yangzhou Polytechnic College（揚州市職業大學）in June 2002.

Ms. Gu Xiaofang（谷曉芳）is the General Manager of Golden Wheel Time Square. Ms. Gu is responsible for overseeing the operation of Golden Wheel Time Square. Ms. Gu joined the Group in 2010. Prior to joining the Group, Ms. Gu worked at various companies, including being the assistant to the general manager and marketing manager of Zhuzhou Dajiang Property Service Management Company Limited（株洲市大江物業管理有限責任公司）and a deputy general manager of Jindi Property Management Company（金帝物業管理公司）.

Ms. Gu is a member of Hunan Province Apparel Industry Association Ladies Apparel Committee（湖南省服裝行業協會女裝專業委員會）.

Ms. Gu obtained her diploma degree in business management from Hubei Radio and TV University（湖北廣播電視大學）in July 1996.

Ms. Jiang Jian（蔣健）is the Standing Deputy General Manager of Golden Wheel Xintiandi Mall. Ms. Jiang is responsible for overseeing the operation of Golden Wheel Xintiandi Mall. Ms. Jiang joined the Group in 2006. She has over 15 years of experience in the management of large scale shopping mall. Before joining the Group, Ms. Jiang worked at various companies, including being the Vice General Manager of Nanjing Shangmao Shopping Center（南京商貿百貨）and the general supervisor of Zhongnan Holdings Group Company Limited (subsidiary commercial company)（中南控股集團有限公司（下屬商業公司））.

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and its subsidiaries established in the PRC are primarily engaged in property development and property leasing. The activities and particulars of the Company's subsidiaries are shown under note 40 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this Annual Report and note 7 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2013 are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 49 of this Annual Report.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB3.55 cents per Share (the "**Proposed Final Dividend**") for the year 2013. Subject to the approval of the Proposed Final Dividend by the Shareholders at the annual general meeting (the "**AGM**") to be held on Friday, 16 May 2014. It is expected and, if approved, that the Proposed Final Dividend will be payable on or before 31 May 2014 to the Shareholders whose names are listed on the register of members of the Company on Friday, 23 May 2014.

CLOSURE OF THE REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the AGM

The register of members of the Company will be closed from Tuesday, 13 May 2014 to Friday, 16 May 2014 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 12 May 2014.

(b) For determining the entitlement to the Proposed Final Dividend

The register of members will be closed from Thursday, 22 May 2014 to Friday, 23 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Proposed Final Dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 21 May 2014.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in notes 30 and 39 to the consolidated financial statements.

ISSUANCE OF SENIOR NOTES

The Company has issued RMB600 million senior notes bearing interest at a rate of 11.25% per annum and due in April 2016.

SET UP AND ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2013, the Company has set up and/or acquired a total of 19 subsidiaries, the details of which are set out in notes 37 and 40 of the Notes to the Consolidated Financial Statements.

RESERVES

As at 31 December 2013, the aggregate amount of the distributable reserves of the Company was RMB1,020.5 million.

Details of the movement in the reserves of the Group and of the Company during the year are set out in Consolidated Statement of Changes in Equity and note 39, respectively to the consolidated financial statements.

BORROWINGS

Details of the borrowings are set out in the section headed "Management Discussion and Analysis" in this annual report and notes 28 and 29 to the consolidated financial statements.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the Listing Date and up to the date hereof.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the law of Cayman Islands being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS

The Directors during the Relevant Period and up to the date of this report are:

Executive Directors

Mr. Wong Yam Yin（王欽賢）*(Chairman)*
Mr. Wong Kam Fai（王錦輝）
(Vice Chairman, Chief Executive Officer)
Mr. Wong Kam Keung, Barry（王錦強）*(Vice President)*
Mr. Tjie Tjin Fung *(Vice Chairman)*
Mr. Janata David

Non-executive Directors

Mr. Suwita Janata *(Vice Chairman)*
Mr. Gunawan Kiky
Mr. Chan Wai Kin（陳偉健）(Note)

Note: Mr. Chan resigned as Company Secretary on 26 August 2013, also resigned as Chief Financial Officer and Executive director, and redesignated as Non-executive director on 27 September 2013. Mr. Chan subsequently resigned as Non-executive director on 28 February 2014.

Independent Non-executive Directors

Mr. Hui Yan Moon（許仁滿）
Mr. Wong Ying Loi（黃英來）
Ms. Howe Sau Man（何秀雯）
Mr. Lie Tak Sen（李達生）

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office by rotation at annual general meeting and be eligible for re-election. Accordingly, Mr. Wong Kam Fai（王錦輝）, Mr. Janata David, Mr. Hui Yan Moon（許仁滿）, and Ms. Howe Sau Man（何秀雯）shall retire from office at the AGM and, being eligible, will offer themselves for re-election at the AGM.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his/her independence confirmation pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of our Executive Directors has entered into a service contract. The principal particulars of these service agreements are (a) for a term of two years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The service agreements may be renewed by agreement between the parties and in accordance with our Articles of Association and the applicable rules.

Each of the Non-executive Directors has signed an appointment letter with our Company. The principal particulars of these appointment letters are (a) for a term of two years commencing from Listing Date and (b) are subject to termination in accordance with their respective terms. The appointment may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, none of the Directors who are proposed for election or re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration (including fees, salaries and other benefits, retirement benefit scheme contribution) paid to our Directors in aggregate for the years ended 31 December 2012 and 2013 were approximately RMB2.3 million and RMB16.3 million, respectively.

The remuneration (including salaries and other benefits, retirement benefit scheme contribution) paid to our Group's five highest paid individuals in aggregate for the years ended 31 December 2012 and 2013 were approximately RMB3.6 million and RMB15.4 million, respectively.

For the year ended 31 December 2013, no emoluments were paid by our Group to any director of the Company or any of the five highest paid individuals as an inducement to join or upon joining our Group or as compensation for loss of office. None of the directors has waived any emoluments for the year ended 31 December 2013.

Except as disclosed above, no other payments have been made or are payable, for the year ended 31 December 2013, by our Group to or on behalf of any of the Directors.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors nor the management shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interest in a business that competed or might compete with the business of the Group. On 10 December 2012, Mr. Wong Yam Yin (王欽賢), Mr. Wong Kam Fai (王錦輝), Mr. Wong Kam Keung, Barry (王錦強), Ms. Hung So Ling (洪素玲), Mr. Sjaifudin Aman, Mr. Tjie Tjin Fung, Mr. Hafandi Lijaya, Mr. Lili Somantry, Mr. Jamin Haryanto, Mr. Kiky Gunawan, Mr. Janata Suwita, Mr. Hadi Gunaman, Mr. Atjen Tanuwidjaja, Mr. Bambang Trisna and Ms. Julia Oscar, all of whom are our ultimate Controlling Shareholders, and the companies through which they hold equity interest in our Company, namely, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever, all being are the Controlling Shareholders of the Company and the Company (for itself and as trustee for each of its subsidiaries) entered into the Non-competition Deed, under which, the Controlling Shareholders have given certain undertakings to the Company. Details of which are set out in the section headed "Relationship with Our Controlling Shareholders – Non-competition Deed" in the Prospectus issued by the Company dated 31 December 2012. Each of the Controlling Shareholders declared that they have complied with the Non-competition Deed. The Independent Non-executive Directors have also reviewed the relevant undertakings and have not noticed any non-compliance incident.

LOAN OR GUARANTEE FOR LOAN GRANTED TO THE DIRECTORS

During the year, the Group had not made any loan or provided any guarantee for any loan, directly or indirectly, to the Directors, senior management, its ultimate Controlling Shareholders or their respective connected persons.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief profiles of the current Directors and senior management of the Group are set out in the section headed "Biographical Details of Directors and Senior Management" of this Annual Report.

SHARE OPTION SCHEME

Pursuant to the Share Option Scheme adopted by the Company on 10 December 2012, the Directors may invite participants to take up options at a price determined by the Board provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an offer is made by the Company to the grantee (which date must be a business day, "**Offer Date**"); (b) a price being the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (c) the nominal value of a share of the Company.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as of the date of this annual report unless the Company obtains a fresh approval from the Shareholders to refresh the limit.

The maximum entitlement for any one participant is that the total number of the Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue unless otherwise approved by the Shareholders at a general meeting of the Company.

The option may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the board of Directors to the grantee at the time of making an offer which shall not expire later than 10 years from the grant date. As of the date of this Annual Report, no options have been granted or agreed to be granted pursuant to the Share Option Scheme.

INTEREST OF DIRECTORS AND CHIEF EXECUTIVE IN SECURITIES

As of 31 December 2013, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which (a) were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code:

Interests in Shares and underlying Shares of the Company

Name of Director	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in the issued share capital of the Company (Note)
Wong Yam Yin	Interest of a controlled corporation	1,351,470,000	74.97%
Wong Kam Fai	Interest of a controlled corporation	1,351,470,000	74.97%
Wong Kam Keung, Barry	Interest of a controlled corporation	1,351,470,000	74.97%
Tjie Tjin Fung	Interest of a controlled corporation	1,351,470,000	74.97%
Suwita Janata	Interest of a controlled corporation	1,351,470,000	74.97%
Gunawan Kiky	Interest of a controlled corporation	1,351,470,000	74.97%

Note:

On 16 January 2012, the ultimate Controlling Shareholders entered into a deed of acting in concert and a deed of reorganization (collectively, the "Voting Agreements"), among other things, confirm their acting-in-concert agreement in relation to the management of the Group. As such, the ultimate Controlling Shareholders together control approximately 74.97% interest in the share capital of the Company through Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever. As a result of the Voting Agreements, each of the ultimate Controlling Shareholders, Golden Wheel Realty, Aman Atlantic, Chun Hung, Kang Fu Ming, Green Paragon, Keita International, Fire Spark, Golden Era Forever, Fa Xing, Tien Shan Di Hai, Propitious Winds and Golden Joy Forever is deemed to be interested in an approximately 74.97% interest in the share capital of the Company.

Save as disclosed above and to the best knowledge of the Directors, as of the date hereof, none of the Directors and the chief executive has any interests and/or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as of the date hereof, the following shareholders had notified the Company of its interests and/or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

Long positions in the Shares and underlying Shares

Name of Shareholder(s)	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in the issued share capital of the Company
Wong Yam Yin(1)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Hung So Ling(1)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Wong Kam Fai(1)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Dai Meng(2)	Interest of spouse	1,351,470,000	74.97%
Wong Kam Keung, Barry(1)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Chan Yuk Kwan, Elisa(3)	Interest of spouse	1,351,470,000	74.97%
Tjie Tjin Fung(4)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Tjoeng Tjie Tjen(5)	Interest of spouse	1,351,470,000	74.97%
Suwita Janata(6)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Oscar Julia(7)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Gunawan Kiky(8)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Tjia Siong Wen(9)	Interest of spouse	1,351,470,000	74.97%
Sjaifudin Aman(10)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Winarti Tety(11)	Interest of spouse	1,351,470,000	74.97%
Lijaya Hafandi(12)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Semiyati(13)	Interest of spouse	1,351,470,000	74.97%
Somantry Lili(14)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Lie She Moy(15)	Interest of spouse	1,351,470,000	74.97%
Haryanto Jamin(16)	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Haryanto Melania(17)	Interest of spouse	1,351,470,000	74.97%

Name of Shareholder(s)	Capacity/Nature of Interest	Aggregate number of Shares or underlying Shares	Approximate percentage of interest in the issued share capital of the Company
Gunaman Hadi[18]	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Liem Ay Hwa[19]	Interest of spouse	1,351,470,000	74.97%
Tanuwidjaja Atjen[20]	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Ismawaty Tetty[21]	Interest of spouse	1,351,470,000	74.97%
Trisna Bambang[22]	Interests held jointly with another person; Interest of a controlled corporation	1,351,470,000	74.97%
Trisna Livia[23]	Interest of spouse	1,351,470,000	74.97%
Golden Wheel Realty Company Limited Golden Wheel Realty[1]	Beneficial owner	1,351,470,000	74.97%
Aman Atlantic Holdings Limited Aman Atlantic[10]	Beneficial owner	1,351,470,000	74.97%
Chun Hung Investments Limited Chun Hung[4]	Beneficial owner	1,351,470,000	74.97%
Kang Fu Ming Investments Limited Kang Fu Ming[12]	Beneficial owner	1,351,470,000	74.97%
Green Paragon Investment Limited Green Paragon[14]	Beneficial owner	1,351,470,000	74.97%
Keita International Limited Keita International[16]	Beneficial owner	1,351,470,000	74.97%
Fire Spark Holdings Limited Fire Spark[8]	Beneficial owner	1,351,470,000	74.97%
Golden Era Forever Holdings Limited Golden Era Forever[6]	Beneficial owner	1,351,470,000	74.97%
Fa Xing Limited Fa Xing[18]	Beneficial owner	1,351,470,000	74.97%
Tien Shan Di Hai Limited Tien Shan Di Hai[20]	Beneficial owner	1,351,470,000	74.97%
Golden Joy Forever Holdings Limited Golden Joy Forever[7]	Beneficial owner	1,351,470,000	74.97%
Propitious Winds Limited Propitious Winds[22]	Beneficial owner	1,351,470,000	74.97%

Notes:

(1) Shares owned by Mr. Wong Yam Yin, Ms. Hung So Ling, Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry consist of (i) 581,259,600 Shares held by Golden Wheel Realty, a company controlled by the Wong Family, and (ii) 770,210,400 Shares which may be deemed beneficially owned by each of them as a result of the Voting Agreements. Mr. Wong Yam Yin and Ms. Hung So Ling are husband and wife. Mr. Wong Kam Fai and Mr. Wong Kam Keung, Barry are sons of Mr. Wong Yam Yin and Ms. Hung So Ling.

(2) Ms. Dai Meng is the spouse of Mr. Wong Kam Fai. Under the SFO, Ms. Dai Meng is deemed to be interested in the same number of Shares in which Mr. Wong Kam Fai is interested.

(3) Ms. Chan Yuk Kwan, Elisa the spouse of Mr. Wong Kam Keung, Barry. Under the SFO, Ms. Chan Yuk Kwan, Elisa is deemed to be interested in the same number of Shares in which Mr. Wong Kam Keung, Barry is interested.

(4) Shares owned by Mr. Tjie Tjin Fung consist of (i) 80,268,950 Shares held by Chun Hung, a company wholly owned by Mr. Tjie Tjin Fung and (ii) 1,271,201,050 Shares in which Mr. Tjie Tjin Fung is deemed to be interested as a result of the Voting Agreements.

(5) Ms. Tjoeng Tjie Tjen is the spouse of Mr. Tjie Tjin Fung. Under the SFO, Ms. Tjoeng Tjie Tjen is deemed to be interested in the same number of Shares in which Mr. Tjie Tjin Fung is interested.

(6) Shares owned by Mr. Suwita Janata consist of (i) 80,268,950 Shares held by Golden Era Forever, a company wholly owned by Mr. Suwita Jananta, and (ii) 1,271,201,050 Shares in which Mr. Suwita Janata is deemed to be interested as a result of the Voting Agreements. Mr. Suwita Janata is the husband of Ms. Julia Oscar and a brother-in-law of Mr. Wong Yam Yin.

(7) Shares owned by Ms. Julia Oscar consist of (i) 48,096,450 Shares held by Golden Joy Forever, a company wholly owned by Ms. Julia Oscar, and (ii) 1,303,373,550 Shares in which may be deemed beneficially owned by Ms. Julia Oscar as a result of the Voting Agreements. Ms. Julia Oscar is the wife of Mr. Suwita Janata and the younger sister of Mr. Wong Yam Yin.

(8) Shares owned by Mr. Gunawan Kiky consist of (i) 80,268,950 Shares held by Fire Spark, a company wholly owned by Mr. Gunawan Kiky, and (ii) 1,271,201,050 Shares in which Mr. Gunawan Kiky is deemed to be interested as a result of the Voting Agreements.

(9) Ms. Tjia Siong Wen is the spouse of Mr. Gunawan Kiky. Under the SFO, Ms. Tjia Siong Wen is deemed to be interested in the same number of Shares in which Mr. Gunawan Kiky is interested.

(10) Shares owned by Mr. Sjaifudin Aman consist of (i) 44,146,300 Shares held by Aman Atlantic, a company wholly owned by Mr. Sjaifudin Aman and (ii) 1,307,323,700 Shares in which Mr. Sjaifudin Aman is deemed to be interested as a result of the Voting Agreements.

(11) Ms. Winarti Tety is the spouse of Mr. Sjaifudin Aman. Under the SFO, Ms. Winarti Tety is deemed to be interested in the same number of Shares in which Mr. Sjaifudin Aman is interested.

(12) Shares beneficially owned by Mr. Lijaya Hafandi consist of (i) 68,227,850 Shares held by Kang Fu Ming, a company wholly owned by Mr. Lijaya Hafandi, and (ii) 1,283,242,050 Shares in which Mr. Lijaya Hafandi is deemed to be interested as a result of the Voting Agreements.

(13) Ms. Semiyati is the spouse of Mr. Lijaya Hafandi. Under the SFO, Ms. Semiyati is deemed to be interested in the same number of Shares in which Mr. Lijaya Hafandi is interested.

(14) Shares owned by Mr. Somantry Lili consist of (i) 80,158,950 Shares held by Green Paragon, a company wholly owned by Mr. Somantry Lili, and (ii) 1,271,311,050 Shares in which Mr. Somantry Lili is deemed to be interested as a result of the Voting Agreements.

(15) Ms. Lie She Moy is the spouse of Mr. Somantry Lili. Under the SFO, Ms. Lie She Moy is deemed to be interested in the same number of Shares in which Mr. Somantry Lili is interested.

(16) Shares owned by Mr. Haryanto Jamin consist of (i) 80,158,950 Shares held by Keita International, a company wholly owned by Mr. Haryanto Jamin, and (ii) 1,271,311,050 Shares in which Mr. Haryanto Jamin is deemed to be interested as a result of the Voting Agreements.

(17) Ms. Haryanto Melania is the spouse of Mr. Haryanto Jamin. Under the SFO, Ms. Haryanto Melania is deemed to be interested in the same number of Shares in which Mr. Haryanto Jamin is interested.

(18) Shares owned by Mr. Gunaman Hadi consist of (i) 80,268,950 Shares held by Fa Xing, a company wholly owned by Mr. Gunaman Hadi, and (ii) 1,271,201,050 Shares in which by Mr. Gunaman Hadi is deemed to be interested as a result of the Voting Agreements.

(19) Ms. Liem Ay Hwa is the spouse of Mr. Gunaman Hadi. Under the SFO, Ms. Liem Ay Hwa is deemed to be interested in the same number of Shares in which Mr. Gunaman Hadi is interested.

(20) Shares owned by Mr. Tanuwidjaja Atjen consist of (i) 64,129,050 Shares held by Tien Shan Di Hai, a company wholly owned by Mr. Tanuwidjaja Atjen, and (ii) 1,287,340,950 Shares in which Mr. Tanuwidjaja Atjen is deemed to be interested as a result of the Voting Agreements.

(21) Ms. Ismawaty Tetty is the spouse of Mr. Tanuwidjaja Atjen. Under the SFO, Ms. Ismawaty Tetty is deemed to be interested in the same number of Shares in which Mr. Tanuwidjaja Atjen is interested.

(22) Shares owned by Mr. Trisna Bambang consist of (i) 64,217,050 Shares held by Propitious Winds, a company wholly owned by Mr. Trisna Bambang, and (ii) 1,287,252,950 Shares in which Mr. Trisna Bambang is deemed to be interested as a result of the Voting Agreements.

(23) Ms. Trisna Livia is the spouse of Mr. Trisna Bambang. Under the SFO, Ms. Trisna Livia is deemed to be interested in the same number of Shares in which Mr. Trisna Bambang is interested.

Save as disclosed above and to the best knowledge of the Directors, as of the date hereof, no person had an interest or a short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of the Part XV of the SFO and no person was, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or of any other company which is a member of the Group, or in any options in respect of such share capital.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the Share Option Scheme as adopted on 10 December 2012, at no time during the year under review was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance (as defined under note 15.2 of Appendix 16 to the Listing Rule) to which the Company, nor any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2013.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, purchases from the Group's single largest supplier accounted for approximately 35.9% of the Group's total purchases, and the percentage of purchases attributable to the Group's five largest suppliers combined was 52% of the Group's total purchases. The percentage of turnover attributable to the Group's five largest customers combined was less than 6% of the Group's total turnover. To the Director's best knowledge and belief, none of the directors nor his connected persons and none of the shareholders possessing over 5% of the interest in the capital of the Company possessed any interest in the above-mentioned suppliers and customers.

EMPLOYEES

As of 31 December 2013, the Group had a total of approximately 300 full-time employees. The Group enters into employment contracts with its employees to cover matters such as position, term of employment, wage, employee benefits and liabilities for breaches and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, bonus and other employee benefits.

The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consisted of basic salary, cash bonus and share-based incentives.

The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence.

The emoluments of the Directors and senior management of the Group are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

CONTINUING CONNECTED TRANSACTION

During the year ended 31 December 2013, none of related party entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements of rule 14A.45 of the Listing Rules.

Save as disclosed under the paragraph headed "RELATED PARTY TRANSACTIONS" stated in note 38 of the Notes to the Consolidated Financial Statements, no contract of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2013.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained the public float as required by the Listing Rules during the Relevant Period.

CORPORATE GOVERNANCE

The Board and management of the Company are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in an transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of shareholders. The Company has adopted the code provisions set out in the Code of Corporate Governance Practices (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its own code to govern its corporate governance practices. The Board will continue to review and monitor the practices of the Company with an aim to maintaining and improving a high standard of corporate governance practices.

AUDITOR

Deloitte Touche Tohmatsu was appointed as auditor of the Company since Listing and will retire at the forthcoming AGM. A resolution will be proposed at the forthcoming AGM to re-appoint Deloitte Touche Tohmatsu as the auditor of the Company.

On behalf of the Board

Wong Yam Yin
Chairman

Hong Kong, 28 March 2014

Deloitte.
德勤

TO THE SHAREHOLDERS OF
GOLDEN WHEEL TIANDI HOLDINGS COMPANY LIMITED
金輪天地控股有限公司
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Golden Wheel Tiandi Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 49 to 133, which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants. 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 auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Independent Auditor's Report

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 March 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2013

	NOTES	2013 RMB'000	2012 RMB'000 (Restated)
Revenue	7	**871,275**	963,717
Cost of sales		**(569,190)**	(471,190)
Gross profit		**302,085**	492,527
Other income, expenses, gains and losses	8	**19,263**	(553)
Selling and marketing expenses		**(17,744)**	(12,888)
Administrative expenses		**(85,437)**	(57,087)
Finance costs	9	**(43,795)**	(4,189)
Share of loss of an associate	17	**(1,307)**	(1,286)
Changes in fair value of investment properties	16	**246,814**	81,908
Profit before tax	10	**419,879**	498,432
Taxation	12	**(103,738)**	(213,639)
Profit and total comprehensive income for the year		**316,141**	284,793
Profit and total comprehensive income attributable to:			
Owners of the Company		**316,141**	276,877
Non-controlling interests		**–**	7,916
		316,141	284,793
EARNINGS PER SHARE			
– Basic (RMB per share)	13	**0.177**	0.205
– Diluted (RMB per share)	13	**0.177**	0.205

Consolidated Statement of Financial Position

At 31 December 2013

	NOTES	2013 RMB'000	2012 RMB'000
Non-current assets			
Property, plant and equipment	15	**125,035**	113,280
Investment properties	16	**3,699,850**	3,230,600
Interest in an associate	17	**–**	1,307
Interest in a joint venture	18	**6,000**	–
Deferred tax assets	19	**12,569**	38,595
Held for trading investments	24, 35	**12,984**	–
Bank deposits:			
– Restricted bank deposits	26(2)	**298,185**	–
		4,154,623	3,383,782
Current assets			
Properties under development for sale	20	**554,862**	738,043
Completed properties for sale	21	**208,944**	181,690
Leasehold land held for development for sale	22	**325,875**	–
Trade and other receivables	23	**92,652**	28,887
Deposit and prepayment		**–**	10,000
Prepayments for leasehold land held for development for sale	22	**487,347**	90,453
Tax prepaid		**28,766**	11,535
Held for trading investments	24, 35	**11,448**	8,221
Available-for-sale investments	25, 35	**47,697**	–
Bank deposits and cash:			
– Structured bank deposits	26(1)	**215,000**	–
– Restricted bank deposits	26(2)	**168,436**	128,653
– Bank balances and cash	26(3)	**790,635**	98,679
		2,931,662	1,296,161
Current liabilities			
Trade and other payables	27	**356,671**	239,448
Rental received in advance		**14,405**	19,797
Deposits and prepayments received from pre-sale of properties		**395,951**	221,431
Land appreciation tax and income tax liabilities		**197,884**	262,744
Bank borrowings – due within one year	28	**475,187**	192,283
		1,440,098	935,703
Net current assets		**1,491,564**	360,458
Total assets less current liabilities		**5,646,187**	3,744,240

	NOTES	2013 RMB'000	2012 RMB'000
Non-current liabilities			
Bank borrowings – due after one year	28	**765,205**	309,615
Rental received in advance		**20,000**	25,650
Senior notes	29, 35	**583,241**	–
Deferred tax liabilities	19	**753,408**	689,897
		2,121,854	1,025,162
Net assets		**3,524,333**	2,719,078
Capital and reserves			
Share capital	30	**113,099**	128
Reserves	31	**3,411,234**	2,718,950
Equity attributable to owners of the Company		**3,524,333**	2,719,078
Total equity		**3,524,333**	2,719,078

The consolidated financial statements on pages 49 to 133 were approved by the Board of Directors on 28 March 2014 and are signed on its behalf by:

DIRECTOR *DIRECTOR*

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Attributable to owners of the Company						Attributable to non-controlling interests	
	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000 (note 31)	Surplus reserve RMB'000 (note 31)	Retained earnings RMB'000	Subtotal RMB'000	RMB'000	Total RMB'000
At 1 January 2012	106,000	–	(25,296)	10,895	1,876,577	1,968,176	109,158	2,077,334
Profit and total comprehensive income for the year	–	–	–	–	276,877	276,877	7,916	284,793
Deemed contribution from the then shareholders	–	–	11,597	–	–	11,597	–	11,597
Dividends (note 14)	–	–	–	–	–	–	(5,884)	(5,884)
Issuance of new shares	64	–	–	–	–	64	–	64
Surplus reserve appropriation	–	–	–	41,784	(41,784)	–	–	–
Deemed contribution from the then shareholders	–	–	67,032	–	–	67,032	–	67,032
Transfer upon the Reorganization as defined in note 1	(105,936)	–	105,936	–	–	–	–	–
Arising on the acquisition of Golden Wheel International Corporation Limited (note 37)	–	–	395,332	–	–	395,332	(111,190)	284,142
At 31 December 2012	128	–	554,601	52,679	2,111,670	2,719,078	–	2,719,078
Profit and total comprehensive income for the period	–	–	–	–	316,141	316,141	–	316,141
Capitalization Issue of shares (note 30)	84,580	(84,580)	–	–	–	–	–	–
Dividends (note 14)	–	–	(100,000)	–	–	(100,000)	–	(100,000)
New issue of shares from the Global Offering (as defined in note 1 to the consolidated financial statements) (note 30)	28,237	583,625	–	–	–	611,862	–	611,862
New issue of shares from partial exercise of over-allotment option (note 30)	154	3,193	–	–	–	3,347	–	3,347
Share issue costs	–	(26,095)	–	–	–	(26,095)	–	(26,095)
Surplus reserve appropriation	–	–	–	15,882	(15,882)	–	–	–
At 31 December 2013	113,099	476,143	454,601	68,561	2,411,929	3,524,333	–	3,524,333

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	2013 RMB'000	2012 RMB'000 (Restated)
OPERATING ACTIVITIES		
Profit before tax	**419,879**	498,432
Adjustments for:		
Depreciation of property, plant and equipment	**5,045**	7,138
Changes in fair value of investment properties	**(246,814)**	(81,908)
Changes in fair value of held for trading investments	**(24,432)**	(2,325)
Interest income from financial instruments	**(3,301)**	–
Loss on disposal of property, plant and equipment	**826**	–
Loss on disposal of held for trading investments	**32**	–
Interest income	**(10,402)**	(7,367)
Finance costs	**43,795**	4,189
Share of loss of an associate	**1,307**	1,286
Operating cash flows before movements in working capital	**185,935**	419,445
Decrease in properties under development for sale	**205,293**	199,797
Increase in completed properties for sale	**(12,130)**	(28,724)
Increase in leasehold land held for development for sale	**(348,522)**	–
(Increase) decrease in trade and other receivables	**(63,765)**	44,867
Decrease (increase) in deposit and prepayment	**4,000**	(10,000)
Increase in prepayment for acquisition of leasehold land held for development for sale	**(375,079)**	(90,453)
Decrease in held for trading investments	**8,189**	2,622
Increase in trade and other payables	**76,539**	17,201
Increase (decrease) in deposits and prepayments received from pre-sale of properties	**174,520**	(421,799)
Decrease in amount due from an associate	**–**	1,060
Decrease in rental received in advance	**(11,042)**	(11,910)
Cash (used in) generated from operations	**(156,062)**	122,106
Income tax and land appreciation tax paid	**(96,292)**	(55,235)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	**(252,354)**	66,871
INVESTING ACTIVITIES		
Interest received	**10,402**	3,343
Purchase of available-for-sale investments	**(47,697)**	–
Interest received from financial instruments	**3,301**	–
Acquisition of subsidiaries (note 37)	**22,647**	15,211
Purchases of property, plant and equipment	**(16,225)**	(9,645)
Increase in investment properties	**(211,266)**	(15,092)
Proceeds from disposed of property, plant and equipment	**504**	–
Advances to a related company	**–**	(5,003)
Repayments from a related company	**–**	8,000
Withdrawal of restricted bank deposits	**841,012**	6,157
Placement of restricted bank deposits	**(1,178,980)**	(119,092)
Redemption of structured bank deposits	**172,000**	–
Investment in structured bank deposits	**(387,000)**	–
NET CASH USED IN INVESTING ACTIVITIES	**(791,298)**	(116,121)

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	2013 RMB'000	2012 RMB'000 (Restated)
FINANCING ACTIVITIES		
Proceeds from issue of shares	**615,209**	64
Payment of expense attributable to issue of new shares	**(26,095)**	–
Proceeds from issue of senior notes	**600,000**	–
Payments of expense attributable to issue of senior notes	**(20,000)**	–
New bank borrowings raised	**1,537,633**	120,683
Payments of expense attributable to bank borrowings	**(17,455)**	–
Repayments of bank borrowings	**(777,872)**	(72,489)
Repayments to shareholders	**–**	(62,066)
Interest paid	**(75,859)**	(32,272)
Dividends paid	**(99,953)**	–
Dividends paid to a non-controlling shareholder of subsidiaries	**–**	(2,632)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**1,735,608**	(48,712)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**691,956**	(97,962)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**98,679**	196,641
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	**790,635**	98,679

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 26 April 2012 and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Cayman Islands and principal place of business of the Company is Unit A, 18th Floor, @Convoy, 169 Electric Road, Fortress Hill, Hong Kong. The principal activity of the Company is investment holding. Its subsidiaries established in the People's Republic of China ("PRC") are primarily engaged in the property development and property leasing.

The Reorganization

In preparation for the listing of the Company's shares on the Hong Kong Stock Exchange, the Company underwent the reorganization which completed on 18 June 2012 (the "Reorganization"). Through the Reorganization, the Company has since 18 June 2012 become the holding company of the group comprising the Company, Golden Wheel Jade Company Limited ("Golden Wheel Jade"), Golden Wheel International Investment Limited ("Golden Wheel International Investment"), which holds equity interests in Nanjing Jade Golden Wheel Realty Co., Ltd. ("Nanjing Jade Golden Wheel"), Yangzhou Golden Wheel Real Estate Development Co., Ltd. ("Yangzhou Golden Wheel Real Estate"), Zhuzhou Golden Wheel Real Estate Development Co., Ltd. ("Zhuzhou Golden Wheel Real Estate") and Zhuzhou Golden Wheel Business Management Co., Ltd. ("Zhuzhou Golden Wheel Business Management").

As details above, the Reorganization involves interspersing shell companies (including the Company and Golden Wheel Jade) between an existing group headed by Golden Wheel International Investment and the then shareholders, which does not represent combination of businesses. Therefore, the Group resulting from the Reorganization is regarded as a continuing entity and the Reorganization is accounted for by applying a principal similar to a reverse acquisition, instead of merger accounting which is applicable for business combination under common control. Accordingly, the consolidated financial statements have been prepared on the basis as if the Company has always been the holding company of the companies now comprising the Group.

The Acquisition

In June 2012, the Company, through its wholly owned subsidiary, Golden Wheel Pearl Company Limited ("Golden Wheel Pearl"), acquired 100% equity interest in Golden Wheel International Corporation Limited ("Golden Wheel International Corporation"), which holds 100% equity interest in Nanjing Golden Wheel Real Estate Development Co., Ltd. ("Nanjing Golden Wheel Real Estate"). The acquisition has been accounted for as purchase of assets and assumption of liabilities, details of which are set out in note 37.

The Listing

The Company issued a prospectus dated 31 December 2012 in relation to its global offering of the Company's shares (the "Global Offering"). The Company's shares were listed on the Hong Kong Stock Exchange on 16 January 2013 (the "Listing Date").

The consolidated financial statements are presented in Renminbi ("RMB"), the currency of the primary economic environment in which the principal subsidiaries of the Company operate (same as the functional currency of the Company).

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) New and revised IFRSs adopted during the year

In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standards Board ("**IASB**") that are mandatorily effective for an accounting period that begins on or after 1 January 2013.

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

The Group has applied the amendments to IFRS 7 *Disclosures-Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, IAS 27 (as revised in 2011) *Separate Financial Statements* and International Accounting Standards ("**IAS**") 28 (as revised in 2011) *Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance. IAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The major impact of the application of these standards is set out below.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

(a) New and revised IFRSs adopted during the year *(continued)*

New and revised Standards on consolidation, joint arrangements, associates and disclosures *(continued)*

Impact of the application of IFRS 10

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC-12 *Consolidation-Special Purpose Entities* issued by the Standing Interpretations Committee. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

Impact of the application of IFRS 11

IFRS 11 replaces IAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, SIC-13 *Jointly Controlled Entities – Non-Monetary Contributions by Ventures* issued by the Standing Interpretation Committee, has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

(a) New and revised IFRSs adopted during the year *(continued)*

New and revised Standards on consolidation, joint arrangements, associates and disclosures *(continued)*

Impact of the application of IFRS 12

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see notes 17 and 18 for details).

IFRS 13 Fair Value Measurement

The Group has applied IFRS 13 *Fair Value Measurement* for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

The Group adopts IFRS 13 from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by IFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of IFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

(a) New and revised IFRSs adopted during the year *(continued)*

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to IAS 1 *Presentation of Items of Other Comprehensive* Income for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to IAS 1, "the statement of comprehensive income" is renamed as "the statement of profit or loss and other comprehensive income" and "the income statement" is renamed as "the statement of profit or loss". The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Except as described above, the application of the other new or revised IFRSs in the current report period has had no material effect on the amounts reported and disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied the following new and revised IFRS, that have been issued but are not yet effective:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities[1]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures[3]
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[2]
IFRS 9	Financial Instruments[3]
IFRS 14	Regulatory Deferral Accounts[5]
IFRIC 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Available for application – the mandatory effective date will be determined when the outstanding phases of IFRS 9 are finalised
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
5 Effective for first annual IFRS financial statements beginning on or after 1 January 2016

The directors of the Company anticipate that the application of these new or revised IFRSs will have no material impact on the consolidated financial statements of the Group in the period of initial application.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(CONTINUED)*

(c) Change in presentation of consolidated statement of profit or loss and other comprehensive income

In the current year, the directors of the Company decided to change the classification of certain line items in the consolidated statement of profit or loss and other comprehensive income by presenting property tax related to property leasing as part of the Group's cost of sales to better reflect the financial information of the Group's activities. Prior year figures have been re-presented to reflect the new presentation. The reclassification has had no net effect on the results of the Group for the year ended 31 December 2012.

The effect of changes in presentation for the prior year by line items presented in the consolidated statement of profit or loss and other comprehensive income is as follows:

	Original stated	**Adjustments**	**Restated**
	RMB'000	RMB'000	RMB'000
Cost of sales	(465,196)	(5,994)	(471,190)
Administrative expenses	(63,081)	5,994	(57,087)
Change in profit for the year 2012		–	

No consolidated statement of financial position as at 1 January 2012 has been presented as the change in accounting policy and re-classifications disclosed above have no effects on the financial position of the Group presented in the consolidated statement of financial position in respect of the end of the previous financial year.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In addition, the consolidated financial statements includes applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Lease*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation *(continued)*

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation *(continued)*

Acquisition of assets

When the Group acquires a subsidiary, a group of assets or net assets that does not constitute a business, the cost of the acquisition is allocated between the individual identifiable assets and liabilities in the group based on their relative fair values at the acquisition date. No goodwill will be recognised for acquisition of a subsidiary that is accounted for as acquisition of assets.

Investments in an associate and a joint venture

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

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Basis of consolidation *(continued)*

Investments in an associate and a joint venture *(continued)*

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition *(continued)*

Sales of properties

Revenue from sales of properties in the ordinary course of business is recognized when the respective properties have been completed and delivered to the buyers. Deposits and prepayments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Interest income

Interest income from a financial asset is recognized when it is probable that economic benefits will flow to Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income

The Group's policy for recognition of revenue from operating leases is described in the accounting policy for leasing.

Leasing

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

The Group as lessor

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognized as an income in the period in which they are incurred.

The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognized as liabilities and as a reduction of rental expense over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Leasing *(continued)*

Leasehold land and buildings

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance lease or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortized over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as land and buildings under property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than that entity’s functional currency (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Retirement benefit costs

Payments to state-managed retirement benefit scheme in the PRC and the Mandatory Provident Fund Scheme in Hong Kong are recognized as expenses when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Taxation *(continued)*

Deferred tax *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model in accordance with IAS 40 *Investment Property*, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in IAS 12 (that is, based on the expected manner as to how the properties will be recovered).

Current and deferred tax of the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Property, plant and equipment

Property, plant and equipment, including land and buildings (classified as finance lease) held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

Leasehold land held for investment property, representing leasehold land located in the PRC for development into investment properties, is stated initially at cost.

Construction costs incurred for investment properties under development and leasehold land held for investment properties are capitalized as part of the carrying amount of the investment properties under development.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Investment properties *(continued)*

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognized.

Leasehold land held for development for sale

Leasehold land held for development for sale, representing leasehold land located in the PRC for development for future sale in the ordinary course of business, are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights and other directly attributable costs. Net realizable value represents the estimated selling price based on prevailing market conditions less estimated costs necessary to make the sale. Leasehold land held for development for sale is transferred to properties under development for sale upon commencement of development.

Properties under development for sale

Properties under development for sale, representing leasehold land and buildings located in the PRC under development for future sale in the ordinary course of business, are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalized and other direct development expenditure. Net realizable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. Properties under development for sale are transferred to completed properties for sale upon completion of development.

Completed properties for sale

Completed properties for sale are stated at the lower of cost and net realizable value. Cost comprises the costs of land use rights, construction costs, borrowing costs capitalized and other direct development expenditure. Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When a completed property for sale is transferred to property, plant and equipment as evidenced by commencement of owner-occupation, the carrying amount of such property is the deemed costs at the date of transfer.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Impairment of tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), loans and receivables and available-for-sale ("AFS") financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(continued)*

Financial assets *(continued)*

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for debt instrument, other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 6.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(continued)*

Financial assets *(continued)*

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Debt securities held by the Group that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below) and interest income calculated using the effective interest method and are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, structured bank deposits, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(continued)*

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial reorganization; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivable and other receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue cost.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis.

Financial liabilities

Financial liabilities (including senior notes, borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial instruments *(continued)*

Financial guarantee contracts *(continued)*

Financial guarantee contracts issued by the Group and not designated as at fair value through profit or loss are recognized initially at their fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the obligation under the contract, as determined in accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets*; and (ii) the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies.

Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognize the asset to the extent of its continuing involvement and recognizes an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

The Group derecognized financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The following are the critical judgments, as well as source of estimate uncertainty thereof, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, the Group recognizes deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognized in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of enterprise income tax and land appreciation tax.

Key sources of estimation uncertainty

The following is the key assumption concerning the future, and other key source 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.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(continued)*

Net realizable value of leasehold land held for development for sale, properties under development for sale and completed properties for sale

Leasehold land held for development for sale, properties under development for sale and completed properties for sale are stated at the lower of the cost and net realizable value. The net realizable value of leasehold land held for development for sale, properties under development for sale is determined by reference to the estimated selling price less estimated selling expenses and estimated cost of completion, which are estimated based on directors' best available information and the prevailing market conditions.

Where there is any decrease in the estimated selling price arising from any changes to the property market conditions, the leasehold land held for development for sale, properties under development for sale and completed properties for sale may be written down. There is no write-down of leasehold land held for development for sale, properties under development for sale or completed properties for sale in current year.

Fair value of investment properties

The Group's investment properties are stated at fair value as at the end of the reporting period based on the valuation performed by an independent firm of professional valuers. For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalization of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development has been arrived at by making reference to market transactions of comparable properties to determine the value the properties as if they were completed as at the dates of valuation, and taking into account the construction and other related costs that would be expended to complete the development, the developer's profit and percentage of completion of the properties.

In determining the fair value of investment properties, the valuers have based on methods of valuation which involves, inter alia, certain estimates including current market transaction prices for comparable properties, appropriate discount rates and expected future market rents. Favorable or unfavorable changes to the assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss recognized in the consolidated statement of profit or loss and other comprehensive income. In relying on the valuation carried out by the valuers, the directors of the Company have exercised their judgment and are satisfied that the methods of valuation are reflective of the current market condition.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Key sources of estimation uncertainty *(continued)*

Land appreciation tax

The Group is subject to land appreciation tax in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalized their land appreciation tax calculations and payments with local tax authorities in the PRC. Accordingly, significant judgment is required in determining the amount of land appreciation tax and its related income tax provisions. The Group recognized the land appreciation tax based on directors' best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax and deferred tax provisions in the periods in which such tax is finalized with local tax authorities.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in current year.

The capital structure of the Group consists of net debts, which includes the borrowings and senior notes as disclosed in note 28 and 29, net of bank deposits and cash, and equity attributable to owners of the Company, comprising issued share capital, reserves and retained earnings.

The directors of the Company review the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through issuance of new shares, the payment of dividends, as well as raising of borrowings and redemption of borrowings.

6. FINANCIAL INSTRUMENTS

6A. Categories of financial instruments

	2013 **RMB'000**	2012 RMB'000
Financial assets		
Loans and receivables (including bank deposits and cash)	**1,539,730**	240,716
Available-for-sale investments	**47,697**	–
Held for trading investments	**24,432**	8,221
	1,611,859	248,937
Financial liabilities		
Amortized cost	**2,126,421**	696,135

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, trade and other payables, held for trading investments, AFS investments, bank borrowings, senior notes, structured bank deposits, restricted bank deposits and bank balances. Details of these financial instruments are disclosed in respective notes.

The risk associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Foreign currency risk

The primary economic environment which most of the principal subsidiaries of the Company operate is the PRC and their functional currency is RMB. However, certain bank balances, AFS investments and bank borrowings are denominated in United States Dollars ("US$") and Hong Kong Dollars ("HK$"), which are currencies other than the functional currency of the relevant group entities and expose the Group to foreign currency risk.

The Group also enters into RMB/USD cross currency rate swaps which expose the Group to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at each reporting date are as follows:

	2013 **RMB'000**	2012 RMB'000
Assets		
US$	**28,016**	1,574
HK$	**5,865**	–
	33,881	1,574
Liabilities		
US$	**506,043**	30,683
HK$	**121,866**	–
	627,909	30,683

The Group currently does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies *(continued)*

Foreign currency risk *(continued)*

Sensitivity analysis

The following table details the Group's sensitivity to a 5% change in RMB against US$ and HK$. 5% (2012: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of year for a 5% (2012: 5%) change in foreign currency rates. A negative number below indicates a decrease in profit for the year where the relevant foreign currencies strengthen 5% (2012: 5%) against RMB. For a 5% (2012: 5%) weakening of the relevant foreign currencies against RMB, there would be an equal and opposite impact on the profit for the year.

	2013 **RMB'000**	2012 RMB'000
US$	**(47,889)**	(1,092)
HK$	**(4,350)**	–
	(52,239)	(1,092)

The sensitivity analysis above only analyzed the Group's year end inherent foreign exchange risk exposure and does not represent the exposure during the year.

Interest rate risk

The Group's cash flow interest rate risk relates primarily to its variable rate bank borrowings, structured bank deposits and bank balances. The Group's fair value interest rate risk relates primarily to fixed rate restricted bank deposits, bank borrowings and senior notes. Currently, the Group does not have a specific policy to manage its interest rate risk, but will closely monitor the interest rate risk exposure in the future.

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies *(continued)*

Interest rate risk *(continued)*

Sensitivity analysis

The management of the Group considers the fluctuation in interest rates of structured bank deposits and bank balances is insignificant. Therefore, no sensitivity analysis on interest rates for structured bank deposits and bank balances is presented. The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings. The analysis is prepared assuming the variable rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the years ended 31 December 2013 would decrease/increase by approximately RMB1,696,000 (2012: RMB176,000).

Equity price risk

The Group is exposed to equity price risk through its investment in listed equity securities. Currently, the Group does not have a specific policy to manage its equity price risk, but will closely monitor the equity price risk exposure in the future.

The Group disposed of its held for trading investment in equity securities listed in PRC during the year.

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

(a) the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position at the end of the reporting period; and

(b) the amounts of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 34.

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies *(continued)*

Credit risk *(continued)*

After obtaining a minimum of 30% to 70% down payment from its customers for property sale business, the Group would usually provide guarantees to banks in connection with its customers' mortgage loans to finance their purchase of the properties, for the period before property certificates are issued to the relevant customers. If a customer defaults on the payment of his mortgage during the term of guarantee, the bank may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to forfeit the customer's deposit and re-sell the property to recover any amounts payable by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in respect of trade receivable, with exposure spread over a large number of customers in the PRC. In order to minimize the credit risk, the management of the Group continuously monitors the level of exposure by frequent review of the credit evaluation of the financial condition and credit quality of its customers to ensure that follow-up actions and/or corrective actions are taken promptly to lower the risk exposure or to recover overdue balances.

The Group has concentration of credit risk in respect of bank balances, structured bank deposits redundant and restricted bank deposits. At 31 December 2013, approximately 68% (2012: 79%) of the total bank balances, structured bank deposits and restricted bank deposits were deposited at 3 (2012: 2) banks, representing deposits at each bank with a balance exceeding 10% of total bank balances, structured bank deposits and restricted bank deposits. The credit risk of these liquid funds is limited because the counterparties are state-owned banks located in the PRC or banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

The management of the Group has built an appropriate liquidity risk management framework for short-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecasted and actual cash flows.

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The tables include both interest and principal cash flows. To the extent that interest flows are for floating rate instruments, the undiscounted amount is derived based on interest rate outstanding at the end of each reporting period.

		Undiscounted cash flows			
	Weighted average effective interest rate %	On demand or less than six months RMB'000	Over six months but less than one year RMB'000	Over one year but less than five years RMB'000	Carrying amount RMB'000
At 31 December 2013					
Trade and other payables	–	302,788	–	–	302,788
Bank borrowings	5.11	467,871	54,921	811,926	1,240,392
Senior notes	12.62	33,750	33,750	701,250	583,241
Financial guarantee contracts	–	371,627	–	–	–
		1,176,036	88,671	1,513,176	2,126,421
At 31 December 2012					
Trade and other payables	–	194,237	–	–	194,237
Bank borrowings	5.93	149,088	64,709	338,733	501,898
Financial guarantee contracts	–	241,111	–	–	–
		584,436	64,709	338,733	696,135

6. FINANCIAL INSTRUMENTS *(CONTINUED)*

6B. Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

Bank loans with a repayment on demand clause are included in the "on demand or less than six months" time band in the above maturity analysis. As at 31 December 2013, the aggregate undiscounted principal amounts of these bank borrowings amounted to RMB422,279,000 (2012: RMB30,000,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid within five years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to RMB499,760,000 (2012: RMB34,233,600).

The total undiscounted cash flows of financial guarantee contracts disclosed above was the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount was claimed by the counterparties to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

7. REVENUE AND SEGMENT INFORMATION

Revenue represents the gross proceeds from sale of properties and gross rental income received and receivable.

The Group's chief operating decision maker has been identified as the executive directors of the Company. The information reported to the chief operating decision maker for purposes of resource allocation and performance assessment focuses specifically on respective businesses of the Group. The Group's operating and reportable segments are as follows:

Property development	–	Development and sale of properties
Property leasing	–	Property leasing (including lease of self-owned properties and sub-lease of rented properties)

7. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment revenue and results

	Property development RMB'000	Property leasing RMB'000	Total RMB'000
For the year ended 31 December 2013			
Segment revenue	**761,851**	**109,424**	**871,275**
Segment gross profit	**212,266**	**89,819**	**302,085**
Allocated corporate expenses	**(37,994)**	**(33,350)**	**(71,344)**
Segment results	**174,272**	**56,469**	**230,741**
Other income, expenses, gains and losses			**19,263**
Finance costs			**(43,795)**
Unallocated corporate expenses			**(31,837)**
Share of loss of an associate			**(1,307)**
Changes in fair value of investment properties			**246,814**
Profit before tax			**419,879**
For the year ended 31 December 2012 (Restated)			
Segment revenue	863,428	100,289	963,717
Segment gross profit	411,438	81,089	492,527
Allocated corporate expenses	(33,277)	(26,894)	(60,171)
Segment results	378,161	54,195	432,356
Other income, expenses, gains and losses			(553)
Finance costs			(4,189)
Unallocated corporate expenses			(9,804)
Share of loss of an associate			(1,286)
Changes in fair value of investment properties			81,908
Profit before tax			498,432

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the reporting year.

The accounting policies of the operating and reportable segments information are the same as the Group's accounting policies described in note 3. Segment results represents the profit earned by each segment without allocation of central administration costs, changes in fair value of investment properties, other income, expenses, gains and losses, share of loss of an associate and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

7. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities

	Property development RMB'000	Property leasing RMB'000	Total RMB'000
As at 31 December 2013			
Segment assets	**1,630,725**	**3,805,042**	**5,435,767**
Property, plant and equipment			**21,083**
Other receivables, deposits and prepayments			**37,714**
Bank deposits and cash			**1,472,256**
Other unallocated assets			**119,465**
Total assets			**7,086,285**
Segment liabilities	**614,750**	**90,156**	**704,906**
Land appreciation tax and income tax liabilities			**197,884**
Bank borrowings			**1,240,392**
Senior notes			**583,241**
Deferred tax liabilities			**753,408**
Other unallocated liabilities			**82,121**
Total liabilities			**3,561,952**
As at 31 December 2012			
Segment assets	1,011,318	3,334,077	4,345,395
Property, plant and equipment			16,567
Other receivables, deposits and prepayments			30,989
Bank deposits and cash			227,332
Other unallocated assets			59,660
Total assets			4,679,943
Segment liabilities	424,936	45,446	470,382
Land appreciation tax and income tax liabilities			262,744
Bank borrowings			501,898
Deferred tax liabilities			689,897
Other unallocated liabilities			35,944
Total liabilities			1,960,865

7. REVENUE AND SEGMENT INFORMATION *(CONTINUED)*

Segment assets and liabilities *(continued)*

For the purposes of assessing segment performance and allocating resources between segments:

- Other than investment properties, completed carparks and carparks under construction (included in property, plant and equipment), leasehold land held for development for sale, properties under development for sale, completed properties for sale, trade receivables and prepayment for leasehold land held for development for sale, all other assets are not allocated to segment assets; and

- Other than trade payables, deposits and prepayments received from pre-sale of properties and rental received in advance, all other liabilities are not allocated to segment liabilities.

No single customer of the Group contributed 10% or more to the Group's revenue for the year ended 31 December 2013 (2012: Nil).

The Group's revenue from external customers is derived solely from its operations in the PRC, and non-current assets of the Group are mainly located in the PRC.

8. OTHER INCOME, EXPENSES, GAINS AND LOSSES

(1) Other income

	2013 RMB'000	2012 RMB'000
Interest income from bank deposits	**10,402**	3,343
Imputed interest income on amount due from a related company	**–**	4,024
Interest income from financial instruments	**3,301**	–
Others	**–**	1,556
	13,703	8,923

(2) Other gains and losses

	2013 RMB'000	2012 RMB'000
Loss on disposal of property, plant and equipment	**(826)**	–
Loss on disposal of held for trading investments	**(32)**	–
Changes in fair value of held for trading investments	**24,432**	2,325
Net foreign exchange (losses) gains	**(11,571)**	1,018
	12,003	3,343

(3) Other expenses

	2013 RMB'000	2012 RMB'000
Listing expenses	**(4,400)**	(12,819)
Others	**(2,043)**	–
	(6,443)	(12,819)

9. FINANCE COSTS

	2013 RMB'000	2012 RMB'000
Interests on bank loans wholly repayable within five years	**44,317**	32,272
Interests on senior notes wholly repayable within five years	**49,793**	–
Less: Amount capitalized to properties under development for sale and investment properties under development	**(50,315)**	(28,083)
	43,795	4,189

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	2013 RMB'000	2012 RMB'000 (Restated)
Directors' remunerations (note 11)	**16,294**	2,314
Other staff costs:		
– Salaries and other benefits	**33,264**	27,791
– Retirement benefit scheme contributions	**5,017**	3,642
Total staff costs	**54,575**	33,747
Less: Amount capitalized to properties under development for sale and investment properties under development	**(9,086)**	(6,641)
	45,489	27,106
Rental income in respect of investment properties	**(109,424)**	(100,289)
Less: Direct operating expenses of investment properties that generated rental income	**13,804**	13,204
	(95,620)	(87,085)
Cost of properties sold	**506,935**	404,482
Auditor's remuneration	**1,000**	845
Depreciation of property, plant and equipment	**5,045**	7,138
Rental expenses of properties under operating lease	**5,801**	5,801

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Details of the emoluments paid or payable to the directors and the chief executive of the Company were as follows:

	Fees RMB'000	Salaries, and other benefits RMB'000	Performance related payments (note d) RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2013					
Executive directors					
Mr. Wong Yam Yin	235	–	5,964	–	6,199
Mr. Wong Kam Fai (note a)	94	2,118	1,427	12	3,651
Mr. Wong Kam Keung Barry	94	971	1,427	12	2,504
Mr. Chan Wai Kin (note b)	62	837	1,346	9	2,254
Mr. Tjie Tjin Fung	188	–	171	–	359
Mr. David Janata	156	–	128	–	284
Non-executive directors					
Mr. Kiky Gunawan	188	–	171	–	359
Mr. Janata Suwita	156	–	128	–	284
Mr. Chan Wai Kin (note b)	32	–	–	–	32
Independent non-executive directors					
Mr. Hui Yan Moon	92	–	–	–	92
Mr. Wong Ying Loi	92	–	–	–	92
Ms. Howe Sau Man	92	–	–	–	92
Mr. Lie Tak Sen	92	–	–	–	92
	1,573	3,926	10,762	33	16,294

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

	Fees RMB'000	Salaries, and other benefits RMB'000	Performance related payments (note d) RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
For the year ended 31 December 2012					
Executive directors					
Mr. Wong Yam Yin	61	–	–	–	61
Mr. Wong Kam Fai (note a)	24	656	–	5	685
Mr. Wong Kam Keung Barry	24	339	–	5	368
Mr. Chan Wai Kin	24	500	486	10	1,020
Mr. Tjie Tjin Fung	49	–	–	–	49
Mr. David Janata	41	–	–	–	41
Non-executive directors					
Mr. Kiky Gunawan	41	–	–	–	41
Mr. Janata Suwita	49	–	–	–	49
Independent non-executive directors (note c)					
Mr. Hui Yan Moon	–	–	–	–	–
Mr. Wong Ying Loi	–	–	–	–	–
Ms. Howe Sau Man	–	–	–	–	–
Mr. Lie Tak Sen	–	–	–	–	–
	313	1,495	486	20	2,314

Notes:

a) Mr. Wong Kam Fai is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

b) Mr. Chan Wai Kin resigned as executive director and appointed as non-executive director on 27 September 2013, and resigned as non-executive director on 28 February 2014.

c) Mr. Hui Yan Moon, Mr. Wong Ying Loi, Mr. Howe Sau Man and Mr. Lie Tak Sen were appointed as independent non-executive directors on 10 December 2012.

d) The performance related payment is determined by reference to the individual performance of the directors.

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS *(CONTINUED)*

The five highest paid individuals included four (2012: two) directors for the year ended 31 December 2013, whose emoluments are included in the above. The emoluments of the remaining one (2012: three) individual are as follows:

	2013 RMB'000	2012 RMB'000
Employees:		
– Salaries and other benefits	**413**	986
– Performance related bonuses	**384**	856
– Retirement benefit scheme contributions	**33**	47
	830	1,889

Their emoluments were within the following bands:

	2013 No. of employees	2012 No. of employees
HK$ nil to HK$1,000,000	**–**	3
HK$1,000,001 to HK$1,500,000	**1**	–
	1	3

During the year, no emoluments were paid by the Group to any directors of the Company or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any emoluments during the year.

12. TAXATION

	2013 RMB'000	2012 RMB'000
Current tax:		
– PRC enterprise income tax ("EIT")	**53,505**	99,382
– Land appreciation tax	**28,020**	105,500
– Withholding tax on distribution of earnings from PRC subsidiaries	**–**	3,628
– Over provision of land appreciation tax in prior years (note)	**(67,324)**	–
	14,201	208,510
Deferred tax	**89,537**	5,129
	103,738	213,639

12. TAXATION *(CONTINUED)*

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group's subsidiaries in Hong Kong had no assessable profit.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Group's PRC subsidiaries is 25%.

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("**LAT**")（中華人民共和國土地增值税暫行條例）effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT（中華人民共和國土地增值税暫行條例實施細則）effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in the PRC (being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value; with an exemption provided for property sales of ordinary residential properties（普通標準住宅）if their appreciation values do not exceed 20% of the sum of the total deductible items.

During the year, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects, and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated. The EIT and LAT liabilities are recorded in the "land appreciation tax and income tax liabilities" of the consolidated financial statements.

Note: During the year, the Group received notices from the relevant local tax authorities to finalize LAT calculations of two of its property projects, and pursuant to the tax laws, authorized certified tax accountants registered under the relevant rules and regulations in PRC were engaged to recalculate the LAT provision of those two property projects. Based on calculations made by the certified tax accountants, the final LAT provision for those two property projects were different from the LAT provision initially estimated and recognized by the Group. In particular, for one of the two property projects, a different cost allocation method was adopted by the certified tax accountant, and the costs allocated for LAT deduction purpose as calculated by the certified tax accountant were higher than the costs initially estimated by the Group. As a result, the land appreciation gain and the resulting LAT provision calculated by the certified tax accountants for those two property projects were different with the land appreciation gain and LAT provision initially estimated by the Group, and the methods of calculation adopted by the certified tax accountants and the revised LAT provision have been agreed by the respective local tax bureau (the "**Local Tax Bureau**"). Accordingly, the Group reversed LAT provision of approximately RMB67,324,000 overprovided in previous periods in relation to those two property projects and credited the same amount to profit or loss in the current year. As it is uncertain whether such basis would be acceptable to the Local Tax Bureau for other projects or to other tax bureau in different tax justifications, the Group has not reversed LAT provision for other projects.

12. TAXATION *(CONTINUED)*

The tax charge for the both years can be reconciled to the accounting profit as follows:

	2013	2012
	RMB'000	RMB'000
Profit before tax	**419,879**	498,432
Tax at PRC EIT rate of 25%	**104,970**	124,608
Tax effect of expenses not deductible for tax purpose	**24,140**	2,288
Tax effect of income not taxable for tax purpose	**(8,640)**	(2,401)
Effect of tax losses not recognized	**11,973**	1,034
Utilisation of tax losses previously not recognized	**(1,034)**	–
LAT	**(39,304)**	105,500
Tax effect of LAT	**9,826**	(26,375)
Withholding tax on undistributed profit of PRC subsidiaries	**1,807**	8,985
	103,738	213,639

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2013	2012
Earnings	**RMB'000**	RMB'000
Earnings for the purpose of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**316,141**	276,877

	2013	2012
Number of shares	**'000**	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,783,660**	1,349,969
Effect of dilutive potential ordinary shares attributable to over-allotment option	**60**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,783,720**	1,349,969

13. EARNINGS PER SHARE *(CONTINUED)*

The calculation of the weighted average number of ordinary shares for the purpose of basic earnings per share has taken into account the shares issued and outstanding during year and on the assumption that the Reorganization (note 1) and Capitalization Issue (note 30) have been effective on 1 January 2012.

For the year ended 31 December 2012, diluted earnings per share were the same as basic earnings per share as no diluted potential ordinary shares were outstanding.

14. DIVIDENDS

	2013	2012
	RMB'000	RMB'000
Dividends recognised as distribution during the year:		
Final dividend for the year ended 31 December 2012 of RMB0.0555 (year ended 31 December 2011: RMB nil) per share	**100,000**	–
Dividend paid prior to Reorganization	**–**	5,884

Prior to the Reorganization, Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate, subsidiaries of Golden Wheel International Investment Limited, had declared and paid dividends to their equity holders, in which an aggregate of RMB5,884,000 was paid to their then non-controlling shareholder during the year ended 31 December 2012. During the year, a final dividend of RMB0.0555 in respect of the year ended 31 December 2012 per share has been declared and paid.

Subsequent to 31 December 2013, a final dividend of RMB0.0355 in respect of the year ended 31 December 2013 per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

15. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings RMB'000	Motor vehicles RMB'000	Computers and office equipment RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost						
At 1 January 2012	40,020	2,826	1,702	11,146	40,827	96,521
Additions	–	232	246	–	9,167	9,645
Transfers	35,483	–	–	–	(35,483)	–
Transfer from completed properties for sale	793	–	–	–	–	793
Acquisition of subsidiaries	–	78	–	–	21,713	21,791
Disposals	–	–	(286)	–	–	(286)
At 31 December 2012	76,296	3,136	1,662	11,146	36,224	128,464
Additions	–	1,428	1,944	78	12,775	16,225
Transfer from completed properties for sale	1,905	–	–	–	–	1,905
Disposals	(1,272)	–	(346)	–	–	(1,618)
At 31 December 2013	76,929	4,564	3,260	11,224	48,999	144,976
Depreciation						
At 1 January 2012	1,802	2,542	1,049	2,939	–	8,332
Provided for the year	4,439	133	337	2,229	–	7,138
Eliminated on disposals	–	–	(286)	–	–	(286)
At 31 December 2012	6,241	2,675	1,100	5,168	–	15,184
Provided for the year	1,990	218	448	2,389	–	5,045
Eliminated on disposals	(98)	–	(190)	–	–	(288)
At 31 December 2013	8,133	2,893	1,358	7,557	–	19,941
Carrying Value						
At 31 December 2012	70,055	461	562	5,978	36,224	113,280
At 31 December 2013	68,796	1,671	1,902	3,667	48,999	125,035

The land and buildings of the Group comprising land use rights and buildings in the PRC where the cost of land use rights cannot be separated reliably. The land use rights is classified as a finance lease, and the land and buildings are amortized and depreciated between 20 to 36 years using straight-line method.

15. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

The following useful lives are used in the calculation of depreciation of other property, plant and equipment:

Motor vehicles	–	4 years
Computers and office equipment	–	3 years
Leasehold improvements	–	over the lease period or 5 years, whichever is shorter

As at 31 December 2013, land and buildings with carrying amount of approximately RMB11,280,000 (2012: RMB12,200,000) were pledged to banks to secure certain banking facilities granted to the Group.

As at 31 December 2013, construction in progress with carrying amount of approximately RMB31,472,000 (2012: RMB20,380,000) was pledged to banks to secure certain banking facilities granted to the Group.

The land and buildings are held under medium-term land leases in the PRC.

16. INVESTMENT PROPERTIES

	Completed investment properties RMB'000	**Investment properties under development** RMB'000	**Leasehold land held for development into investment properties** RMB'000	**Total** RMB'000
Fair Value				
At 1 January 2012	2,850,000	–	–	2,850,000
Additions	–	15,092	–	15,092
Acquisition of subsidiaries	45,600	238,000	–	283,600
Increase in fair value	75,000	6,908	–	81,908
At 31 December 2012	2,970,600	260,000	–	3,230,600
Additions	–	89,409	121,853	211,262
Transfer from completed properties for sale	11,174	–	–	11,174
Increase in fair value	115,426	57,591	73,797	246,814
At 31 December 2013	3,097,200	407,000	195,650	3,699,850

The fair values of the Group's investment properties were arrived at on the basis of a valuation carried out at the end of the reporting and the date of acquisition of subsidiaries (note 37) by CBRE HK Limited. CBRE HK Limited is a firm of independent valuers, who have qualifications such as members of The Hong Kong Institute of Surveyors. The Group's investment properties have been valued individually, on market value basis.

16. INVESTMENT PROPERTIES *(CONTINUED)*

For completed investment properties, valuation was arrived at by making reference to the market transactions of comparable properties and on the basis of capitalization of the rental income derived from existing tenancies with due allowance for reversionary income potential of the properties, where appropriate. The valuation of investment properties under development and leasehold land held for development into investment properties was carried at by making reference to the market transactions of comparable properties.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment property	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Golden Wheel International Plaza	Level 3	A combination of direct comparison approach and income method. Direct comparison approach which is based on prices realized on actual transactions Income method based on discounted cash flows with the following key input: (1) Capitalization rate (2) Daily unit rent; and (3) Level adjustment	Capitalisation rate, taking into account of the capitalisation of rental income potential, nature of the property, prevailing market condition of 6%. Daily unit rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB25/sq.m./day for the base level. Level adjustment on individual floors of the property range from 40% to 95% on specific levels.	The higher the capitalization rate, the lower the fair value. The higher the daily unit rent, the higher the fair value. The higher the level adjustment, the higher the fair value.

16. INVESTMENT PROPERTIES *(CONTINUED)*

Investment property	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Zhuzhou Golden Wheel Time Square	Level 3	A combination of direct comparison approach and income method. Direct comparison approach which is based on prices realized on actual transactions Income method based on discounted cash flows with the following key input: (1) Capitalization rate (2) Daily unit rent; and (3) Level adjustment	Capitalisation rate, taking into account of the capitalisation nature of the property prevailing market condition of 5.5%. Daily unit rent, using direct market comparables and taking into account of time, location and individual factors such as road frontage, size of property and facilities, of RMB16.7/sq.m./day for the base level. Level adjustment on individual floors of the property range from 40% to 200% on specific levels.	The higher the capitalization rate, the lower the fair value. The higher the daily unit rent, the higher the fair value. The higher the level adjustment, the higher the fair value.
Other properties completed in Nanjing	Level 3	A combination of direct comparison approach and income method. Direct comparison approach which is based on prices realized on actual transactions Income method based on discounted cash flows with the following key input: Capitalization rate	Capitalisation rate, taking into account of the capitalisation of nature of the properties, prevailing market condition of 6%.	The higher the capitalization rate, the lower the fair value.
Other properties in Nanjing under development and leasehold land held for development into investment properties	Level 3	Direct comparison approach which is based on asking prices of comparable properties with location adjustments.	Locations adjustment on individual locations of the properties range from 10% to 20% on special locations	The higher the locations adjustment the higher the fair value

The investment properties are held under medium-term leases in the PRC.

As at 31 December 2013, the Group's investment properties with a carrying amount of approximately RMB2,360,900,000 (2012: RMB2,156,000,000) were pledged to banks to secure certain banking facilities granted to the Group.

17. INTEREST IN AN ASSOCIATE

	2013 RMB'000	2012 RMB'000
Cost of investment in an associate – unlisted	**3,000**	3,000
Share of post – acquisition losses	**(3,000)**	(1,693)
	–	1,307

The Group's associate is as follows:

Name of entity	Form of entity	Country of incorporation/ registration	Principal place of operation	Class of shares held	Registered capital	Proportion of ownership interest held by the Group		Principal activity
					RMB'000	2013	2012	
Nanjing Pocui Jiudian Guanli Co., Ltd. (南京珀翠酒店管理有限公司) ("Nanjing Pocui")	Domestic limited liability company	PRC	Nanjing	Ordinary	10,000`	**30%**	30%	Restaurant operations

Summarized financial information in respect of the Group's associate is set out below:

	2013 RMB'000	2012 RMB'000
Current assets	**2,574**	2,271
Non-current assets	**6,686**	8,069
Current liabilities	**(10,314)**	(5,983)

	2013 RMB'000	2012 RMB'000
Revenue	**16,373**	16,722
Loss for the year	**(5,411)**	(4,287)
Total comprehensive expense for the year	**(5,411)**	(4,287)
Dividends received from the associate during the year	**–**	–

17. INTEREST IN AN ASSOCIATE *(CONTINUED)*

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2013 **RMB'000**	2012 RMB'000
Net (liabilities) assets of the associate	**(1,054)**	4,357
Proportion of the Group's ownership interest in Nanjing Pocui	**30%**	30%
Carrying amount of the Group's interest in Nanjing Pocui	**–**	1,307

	2013 **RMB'000**	2012 RMB'000
The unrecognized share of loss of Nanjing Pocui for the year	**(316)**	–

	2013 **RMB'000**	2012 RMB'000
Cumulative unrecognised share of loss of Nanjing Pocui	**(316)**	–

18. INTEREST IN A JOINT VENTURE

	2013 **RMB'000**	2012 RMB'000
Cost of unlisted investments in a joint venture	**6,000**	–
Share of post-acquisition result	**–**	–
	6,000	–

18. INTEREST IN A JOINT VENTURE *(CONTINUED)*

As at the end of the reporting period, the Group had interest in the following joint venture:

Name of entity	Form of entity	Country of incorporation/ registration	Principal place of operation	Class of shares held	Registered capital	Proportion of ownership interest held by the Group		Principal activity
					RMB'000	2013	2012	
Nanjing Golden Wheel Coast Business Management Co., Ltd. (南京金輪水岸商業管理有限公司) ("Golden Wheel Coast")	Domestic limited liability company	PRC	Nanjing	Ordinary	10,000`	**60%**	–	Property Investment

Summarized financial information in respect of the Group's joint venture is set out below:

	2013 RMB'000	2012 RMB'000
Current assets	**9,794**	N/A
Non-current assets	**–**	N/A
Current liabilities	**–**	N/A

At 31 December 2013, the Group holds 60% of the equity investments of Golden Wheel Coast. However under the joint venture agreement, Golden Wheel Coast is jointly controlled by the Group and the other party because the relevant activity affecting its returns from its involvement with Golden Wheel Coast requires the unanimous consent of the Group and other party sharing the control. Therefore Golden Wheel Coast is accounted for as a joint venture of the Group.

Pursuant to the terms of the joint venture agreement, the joint venture partner will contribute the land on which a commercial, office and residential property will be built on, while the Group will be responsible for the construction of the property. At the end of the reporting period, the entity was still in start-up period and no construction or operation commenced.

19. DEFERRED TAX

For the purpose of consolidated statement of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2013 RMB'000	2012 RMB'000
Deferred tax assets	**12,569**	38,595
Deferred tax liabilities	**(753,408)**	(689,897)
	(740,839)	(651,302)

19. DEFERRED TAX *(CONTINUED)*

The deferred tax assets (liabilities) recognized by the Group and movements thereon during the year:

	LAT	Changes in fair value of investment properties	Withholding tax on undistributed profits of PRC subsidiaries	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012	17,890	(609,663)	(6,452)	(598,225)
Credit (charge) to profit or loss	20,705	(20,477)	(8,985)	(8,757)
Acquisition of subsidiaries	–	(47,948)	–	(47,948)
Reversal upon payment of withholding tax	–	–	3,628	3,628
At 31 December 2012	38,595	(678,088)	(11,809)	(651,302)
Charge to profit or loss	(26,026)	(61,704)	(1,807)	(89,537)
At 31 December 2013	12,569	(739,792)	(13,616)	(740,839)

Under the EIT Law, starting from 1 January 2008, 10% withholding income tax is imposed on dividends declared in respect of profits earned in year 2008 onwards and distributed to foreign investors for companies established in the PRC. For investors incorporated in Hong Kong, a preferential rate of 5% will be applied where appropriate. Other than the PRC withholding income tax provided as above, no deferred taxation has been provided for the retained profits of approximately RMB159 million as at 31 December 2013 (2012: RMB54 million), which was derived from the PRC subsidiaries since 1 January 2008 as the Group has set aside such sum for non-distributable purpose, and is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

At the end of reporting period, the Group has unused tax losses approximately RMB47,892,000 (2012: RMB4,136,000) available for offset against future profits, and unused tax losses of approximately RMB1,791,000 will expire in 2018. No deferred tax asset has been recognized in respect of these tax losses due to unpredictability of future profit streams.

20. PROPERTIES UNDER DEVELOPMENT FOR SALE

As at 31 December 2012, certain of the Group's properties under development for sale with a carrying amount of approximately RMB497 million were pledged to banks to secure certain banking facilities granted to the Group. No properties under development for sale was pledged as at 31 December 2013.

21. COMPLETED PROPERTIES FOR SALE

As at 31 December 2013, certain of the Group's completed properties for sale with a carrying amount of approximately RMB30,276,000 (2012: RMB90,000,000) were pledged to banks to secure certain banking facilities granted to the Group.

22. LEASEHOLD LAND HELD FOR DEVELOPMENT FOR SALE AND PREPAYMENTS FOR LEASEHOLD LAND HELD FOR DEVELOPMENT FOR SALE

Leasehold land held for development for sale:

The amount at 31 December 2013 represents land held for development for sale, which development expected to be commenced in 2014.

Prepayment for leasehold land held for development for sale:

The amounts at 31 December 2013 represent prepayments for leasehold land held for development for sale, of which the land has not been handed over to the Group as at 31 December 2013.

23. TRADE AND OTHER RECEIVABLES

	2013 **RMB'000**	2012 RMB'000
Trade receivable	**54,938**	1,897
Other receivables	**12,536**	11,495
Advances to contractors	**960**	3,890
Other taxes prepaid	**24,218**	11,605
	92,652	28,887

Trade receivable mainly comprises certain consideration for sale of properties and rental receivable in respect of self-owned investment properties and sub-leased properties. Consideration in respect of sale of properties is payable in accordance with the terms of related sale and purchase agreements. Rental is usually received in advance, and a credit period of 30 days, or more are granted to certain customers in a discretions basis.

23. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the date of delivery of properties/date of rendering of services which approximated the respective dates on which revenue was recognized.

	2013 **RMB'000**	2012 RMB'000
0 to 30 days	**54,440**	1,119
181 to 365 days	**–**	711
Over 1 year	**498**	67
	54,938	1,897

At the end of the reporting period, included in the Group's accounts receivable are debtors with the following carrying amounts which are past due for which the Group has not provided for impairment loss, as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience of the management. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired:

	2013 **RMB'000**	2012 RMB'000
0 to 30 days	**1,746**	765
181 to 365 days	**–**	711
Over 1 year	**498**	67
	2,244	1,543

23. TRADE AND OTHER RECEIVABLES *(CONTINUED)*

In assessing the recoverability of trade receivable, the Group considers any change in the credit quality of the customers. The Group recognizes allowance for doubtful receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Movements in the allowance for doubtful receivables are as follows:

	2013	2012
	RMB'000	RMB'000
1 January	**1,095**	1,095
Impairment losses recognized on trade receivables	**–**	–
31 December	**1,095**	1,095

24. HELD FOR TRADING INVESTMENTS

	2013	2012
	RMB'000	RMB'000
Financial instruments (note)	**24,432**	–
Equity securities listed in PRC	**–**	8,221
Total	**24,432**	8,221
Analysed as:		
Current	**11,448**	8,221
Non-current	**12,984**	–
	24,432	8,221

Note: In April 2013, the Company entered into RMB/US$ (United States Dollar) cross currency rate swap contracts with certain banks. The notional principal amount of the outstanding RMB/US$ cross currency rate swap contracts as at 31 December 2013 was RMB600,000,000 or US$97,158,128.03. Through this arrangement, the Company is able to pay a fixed interest at 9.98% and 9.99% per annum based on US$ notional principal amount and receive a fixed interest at 11.25% per annum based on RMB notional principal amount. The swaps are settled on a semi-annually basis from April 2013 to April 2016. On the termination date of 25 April 2016, the notional principal amount will be finally exchanged between the Company and banks. The increase in fair value of currency rate swap contracts of RMB16,896,000 has been recognized as income for the year ended 31 December 2013.

24. HELD FOR TRADING INVESTMENTS *(CONTINUED)*

Note: In August 2013, the Company entered into another RMB/US$ (United States Dollar) cross currency rate swap contracts with certain banks. The notional principal amount of the outstanding RMB/US$ cross currency rate swap contracts as at 31 December 2013 was RMB285,000,000 or US$46,638,953.59. Through this arrangement, the Company is able to pay a fixed interest at 5.86% and 5.90% per annum based on US$ notional principal amount and receive a fixed interest at 7.36% per annum based on RMB notional principal amount. The swaps are settled on a semi-annually basis from August 2013 to August 2016. On the termination date of August 2016, the notional principal amount will be finally exchanged between the Company and banks. The increase in fair value of currency rate swap contracts of RMB7,536,000 has been recognized as income for the year ended 31 December 2013.

25. AVAILABLE-FOR-SALE INVESTMENTS

	2013 **RMB'000**	2012 RMB'000
Debt securities stated at fair value		
– listed in Hong Kong	**38,401**	–
– listed in Singapore	**9,296**	–
Total	**47,697**	–

At 31 December 2013, the amounts represent the Group's investments in bonds issued by listed companies on the Hong Kong Stock Exchange and Singapore Stock Exchange. These bonds bear coupon rates ranging from 4.75% to 10.625% (2012: Nil) per annum. Interests are payable semi-annually.

26. BANK DEPOSITS AND CASH

(1) Structured bank deposits

	2013 **RMB'000**	2012 RMB'000
Structured bank deposits	**215,000**	–

Structured bank deposits represent foreign currency or interest rate linked structured bank deposits ("SBDs") placed by the Group to a number of banks for a term of 7 days to 50 days. Pursuant to the relevant underlying agreements, the SBDs carry guaranteed interest rates from 0.35% to 1.35% and maximum variable rates from 3.8% to 5.7% (2012: Nil) per annum with reference to the performance of exchange rate or interest rate during the investment period and the principal sums are denominated in RMB fixed and guaranteed by those banks. In the opinion of the directors of the Company, the fair value of embedded derivatives does not have material impacts on the results and financial position of the Group.

26. BANK DEPOSITS AND CASH *(CONTINUED)*

(2) Restricted bank deposits

	2013	2012
	RMB'000	RMB'000
Deposits pledged for banking facilities (note a)	**42,575**	119,092
Deposits pledged for guarantees granted to customers (note b)	**3,363**	9,561
Deposits pledged for bank loans (note c)	**420,683**	–
	466,621	128,653
Analyzed as:		
Current	**168,498**	–
Non-current	**298,185**	–
	466,621	128,653

Notes:

a. The amounts represent bank deposits in RMB pledged to banks as security for certain banking facilities granted to the Group. The use of such bank deposits, subject to the banks' approval, is restricted to the payments for construction works of the specified development projects as set out in the relevant loan agreements.

b. The amounts represent bank deposits in RMB pledged to banks as security for certain mortgage loans granted by the banks to the Group's customers. The restricted bank deposits will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted.

c. The amounts represent bank deposits in RMB pledged to banks as security for certain bank borrowings.

The bank deposits carry interest rates as follows:

	2013	2012
	RMB'000	RMB'000
Range of interest rate per annum	**0.35%-2.3%**	0.35%-0.40%

26. BANK DEPOSITS AND CASH *(CONTINUED)*

(3) Bank balances and cash

Bank balances and cash that are denominated in RMB and currency other than RMB, the functional currency of the relevant group entities, are as follows:

	2013 RMB'000	2012 RMB'000
Balances denominated in RMB	756,754	97,105
RMB equivalent of US$	28,016	1,574
RMB equivalent of HK$	5,865	–
	790,635	98,679

Cash and cash equivalents comprise bank balances and cash held by the Group, and short-term deposits placed at banks that bear interest at prevailing market interest rates. All deposits are with an original maturity of three months or less. The bank balances carry interest rates as follows:

	2013 RMB'000	2012 RMB'000
Range of interest rate per annum	0.01%-3.25%	0.01%-1.39%

27. TRADE AND OTHER PAYABLES

	2013 RMB'000	2012 RMB'000
Trade payables:		
0 to 60 days	**191,845**	98,414
61 to 180 days	**13,165**	220
181 to 365 days	**–**	62,575
Over 1 year	**69,541**	42,296
	274,551	203,505
Deposits	**19,289**	14,036
Other taxes payable	**34,594**	1,723
Other payables and accrued expenses	**28,237**	20,184
	356,671	239,448

Generally, the average credit period taken for trade payables is about 60 days with a credit period 1 to 3 years for retention money payable to contractors.

At 31 December 2013, trade payables include retention money of approximately RMB41,726,000. (2012: RMB31,647,000), which relates to 5% to 20% of the contract prices.

28. BANK BORROWINGS

	2013 RMB'000	2012 RMB'000
Carrying amount repayable of secured bank borrowings*:		
– Within 1 year	**52,908**	162,283
– After 1 year but within 2 years	**513,840**	182,800
– After 2 years but within 5 years	**251,365**	126,815
	818,113	471,898
Carrying amount of secured bank loans contain a repayment on demand clause (shown under current liabilities)	**422,279**	30,000
	1,240,392	501,898
Less: Amounts due within one year shown under current liabilities	**(475,187)**	(192,283)
Amounts shown under non-current liabilities	**765,205**	309,615

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The ranges of annual effective interest rates (which are the contracted interest rates) on the Group's bank borrowings are as follows:

	2013 RMB'000	2012 RMB'000
Fixed-rate bank borrowings	**3.192% and 4.6%**	5.36% and 6.21%
Variable-rate bank borrowings	**1.55%-8.64%**	2.08%-8.64%

As at 31 December 2013, the Group's borrowings that are denominated in currencies other than RMB (the functional currency of relevant group entities) are US$83,000,000, and HK$155,000,000, which are equivalent to RMB506,043,000 and RMB121,866,000 respectively (2012: US$4,975,000, which are equivalent to RMB30,683,000). All other bank borrowings are denominated in RMB.

Details of the assets pledged and guarantees for the secured bank borrowings are set out in notes 15, 16, 20, 21, 26 and 38.

29. SENIOR NOTES

	RMB'000
Amount on issuance	600,000
Issuing cost	(20,000)
Interest paid during the year	(33,750)
Effective interest expenses charged during the year	49,793
	596,043
Interest payable within one year reclassified to current liability	(12,802)
At 31 December 2013	583,241

On 25 April 2013, the Company issued at par senior notes in an aggregate principal amount of RMB600,000,000 (the "Senior Notes"). The Senior Notes are RMB denominated and listed on the Hong Kong Stock Exchange. The Senior Notes carry interest at a nominal rate of 11.25% per annum, payable semi-annually in arrears, and will mature on 25 April 2016, unless earlier redeemed or repurchased in the events as stated below. The Senior Notes carry effective interest rate of 12.62% per annum. The purpose of the Senior Notes is to satisfy funding requirements for the capital expenditures relating to new properties projects and general corporate purposes.

The Senior Notes are subject to redemption of the Company's option, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption, if the Company, a subsidiary guarantor (subsidiary other than the one organized under the laws of PRC) would become obliged to pay certain additional amounts as a result of certain changes in specified tax laws or any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction). The Senior Notes also contain a provision for repurchase, upon the occurrence of a change of control triggering event, the Company will make an offer to repurchase all outstanding Senior Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

30. SHARE CAPITAL

	Notes	The Company Number of shares	Share capital US$
Ordinary shares of US$0.01 each			
Authorized:			
At date of incorporation on 26 April 2012		5,000,000	50,000
Increase in authorized share capital	(a)	2,995,000,000	29,950,000
At 1 January 2013 and 31 December 2013		3,000,000,000	30,000,000
Issued and fully paid:			
At date of incorporation on 26 April 2012	(b)	999,900	9,999
Issue of new shares for the acquisition of Golden Wheel International Investment	(c)	1,000,000	10,000
Issue of new shares for the acquisition of Golden Wheel International Corporation	(d)	100	1
At 31 December 2012 and 1 January 2013		2,000,000	20,000
Capitalization issue of shares	(e)	1,348,000,000	13,480,000
New issue of shares from the Global Offering	(f)	450,000,000	4,500,000
New issue of shares from partial exercise of over-allotment option	(g)	2,456,000	24,560
At 31 December 2013		1,802,456,000	18,024,560

	RMB'000
Shown on the consolidated statement of financial position	
At 31 December 2013	113,099
At 31 December 2012	128

30. SHARE CAPITAL *(CONTINUED)*

Notes:

a. Pursuant to the written resolutions of the then shareholders of the Company passed on 10 December 2012, the authorized share capital of the Company was increased from US$50,000 to US$30,000,000 by the creation of the additional 2,995,000,000 shares of US$0.01 each.

b. On 26 April 2012, the date of incorporation of the Company, 999,900 new ordinary shares were allotted and issued to the then shareholders at par.

c. On 18 June 2012, the Company issued 1,000,000 new ordinary shares to the then shareholders pursuant to the Reorganization in exchange for the entire equity interest in Golden Wheel International Investment.

d. On 18 June 2012, the Company issued 100 new ordinary shares in exchange for the entire equity interest in Golden Wheel International Corporation.

e. On 10 December 2012, pursuant to the resolution of the then shareholders of the Company, it was approved to issue 1,348,000,000 ordinary shares of US$0.01 each to such shareholders by way of capitalization of US$13,480,000 (equivalent to RMB84,580,000) from the share premium account upon listing of the Company's shares on the Hong Kong Stock Exchange (the "Capitalization Issue"). Such shares were issued on 16 January 2013, being the Listing Date on which dealings in the shares of the Company first commence on the Hong Kong Stock Exchange.

f. On 16 January 2013, being the Listing Date, the Company issued a total of 450,000,000 ordinary shares US$0.01 each at a price of HK$1.68 per share as a result of the completion of the Global Offering.

g. Pursuant to the partial exercise of the over-allotment option granted by the Company in the Global Offering, a total of 2,456,000 ordinary shares US$0.01 each were allotted and issued at a price of HK$1.68 each by the Company on 15 February 2013.

31. RESERVES

Special reserve

Special reserve mainly comprises amounts arising as a result of the followings:

(a) Deemed distribution represented the difference between the principal amount of the amount due from Nanjing Golden Wheel Real Estate and its fair value at initial recognition which also represented the balance of special reserve of RMB12,113,000 as at 1 January 2011 and the amount of RMB13,183,000 recorded during the year ended 31 December 2011. The fair value is determined by discounting the estimated future cash flows throughout the expected life of the advance (that is, from date of advance to expected repayment date).

Subsequent to the acquisition of Golden Wheel International Corporation and its subsidiary Nanjing Golden Wheel Real Estate on 18 June 2012, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount due from Nanjing Golden Wheel Real Estate. Deemed contribution of RMB11,597,000 during the year ended 31 December 2012 represented the difference between the amount due from Nanjing Golden Wheel Real Estate carried at amortized cost and the principal amount of the amount due to the Group at date of waiver.

(b) An amount of RMB67,032,000 due to the then shareholders was waived from repayment during the year ended 31 December 2012.

(c) As part of the Reorganization, Golden Wheel Jade acquired 100% equity interest in Golden Wheel International Investment on 18 June 2012 through issuance of 1,000,000 ordinary shares in the Company to the then shareholders, and the Company became the holding company of the Group thereafter. The amount of RMB105,936,000 transferred to special reserve during the year ended 31 December 2012 represented the difference between the nominal value of share capital of the Company of approximately RMB64,000 and the nominal value of the share capital of Golden Wheel International Investment of approximately RMB106,000,000.

(d) Pursuant to the acquisition of Golden Wheel International Corporation and its subsidiary, Nanjing Golden Wheel Real Estate on 18 June 2012, an aggregate amount of RMB395,332,000 being (i) the difference between the nominal value of share capital issued by the Company and the fair value of the consolidated net assets of Golden Wheel International Corporation and Nanjing Golden Wheel Real Estate (excluding fair value of 7.50% equity interest in Nanjing Jade Golden Wheel and 3.75% equity interest in Yangzhou Golden Wheel Real Estate held by Nanjing Golden Wheel Real Estate); and (ii) the difference between the consideration paid and the carrying amount of net assets attributable to non-controlling interests in subsidiaries being acquired from the non-controlling shareholder, was credited to special reserve during the year ended 31 December 2012.

(e) During the year, a final dividend to shareholders of RMB0.0555 per share in respect of the year ended 31 December 2012 amounting to RMB100,000,000 in aggregate has been declared and paid out of this reserve to the owners of the Company.

31. RESERVES *(CONTINUED)*

Surplus reserve

In accordance with relevant laws and regulations in the PRC and the articles of association of the PRC subsidiaries:

(a) PRC subsidiaries registered as sino-foreign joint venture:

The PRC subsidiaries may, at the discretion of board of directors of the PRC subsidiaries, transfer a portion of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the surplus reserve.

(b) PRC subsidiaries registered as wholly-foreign invested enterprise or domestic limited liability company:

The PRC subsidiaries are required to transfer at least 10% of their profit after taxation reported in their statutory financial statements prepared under the applicable PRC accounting standards to the surplus reserve.

The appropriation to surplus reserve may cease if the balance of the surplus reserve has reached 50% of the relevant PRC subsidiaries' registered capital.

The surplus reserve can be used to make up losses or for conversion into capital. The PRC subsidiaries may, upon the approval by a resolution of the owners, convert their surplus reserves into capital in proportion to their then existing capital contribution. However, when converting the PRC subsidiaries' surplus reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of their registered capital.

32. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under a non-cancellable operating lease which fall due as follows:

	2013	2012
	RMB'000	RMB'000
Within one year	**16,484**	5,801
In the second to the fifth year inclusive	**170,786**	25,090
After the fifth year	**325,386**	56,029
	512,656	86,920

The operating lease payments represent fixed rentals payable by the Group for retail spaces. The lease is negotiated for terms of 10 and 15 years.

The Group as lessor

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	2013	2012
	RMB'000	RMB'000
Within one year	**81,934**	73,364
In the second to the fifth year inclusive	**142,240**	144,800
After the fifth year	**37,705**	27,909
	261,879	246,073

The Group leases out investment properties and rented properties, being retail outlets, under operating leases. All the properties held have committed tenants from 1 to 15 years.

Other than the abovementioned minimum lease payments, the Group also entered into contingent lease contracts with certain tenants, which stipulate monthly lease payments to be calculated in accordance with certain ratios on the tenants' net annual sales. Contingent rents recognized in income during the year ended 31 December 2013 was approximately RMB1,780,000 (2012: RMB1,922,000).

33. OTHER COMMITMENTS

	2013 RMB'000	2012 RMB'000
Commitments contracted for but not provided in the Consolidated financial statements in respect of:		
– Construction of properties under development for sale	**20,531**	189,163
– Construction of investment properties under development	**–**	22,460
– Construction of properties for own use	**1,026**	7,977
– Leasehold land held for development for sale	**622,326**	–
Commitments authorized but not contracted in respect of:		
– Leasehold land held for development for sale	**60,000**	170,547
	703,883	390,147

34. CONTINGENT LIABILITIES

	2013 RMB'000	2012 RMB'000
Mortgage loan guarantees provided by the Group to banks in favor of its customers	**371,627**	241,111

These guarantees will be released upon receiving the building ownership certificate of the respective properties by the banks from the customers as a pledge for security to the mortgage loans granted. In the opinion of the directors of the Company, the fair value of the financial guarantee contracts at initial recognition is not significant as the default rate is low.

35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial assets and financial liabilities are determined as follows:

(a) the fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices; and

(b) the fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Fair value of the Group's financial assets and liabilities that are measured at fair value

Some of the Group's financial assets and liabilities are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31.12.2013	31.12.2012		
Cross currency rate swaps	**Assets (not designated for hedging) – RMB24,432,000**	–	Level 2	Discounted cash flow. Future cash flows are estimated based on forward currency exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted currency exchange rates, discounted at a rate that reflects the credit risk of various counterparties.
Held for trading investments representing equity securities listed in the PRC	**–**	RMB8,221,000	Level 1	Quoted prices in active markets
AFS investments representing debt securities listed in the Hong Kong and Singapore	**RMB47,697,000**	–	Level 1	Quoted prices in active markets

There were no transfers between Level 1 and 2 in the current and prior years.

35. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(CONTINUED)*

Fair value of the Group's financial assets and liabilities that are not measured at fair value as a recurring basis (but for value disclosures are required)

Except as detailed in the following table, the directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values:

	As at 31 December 2013		As at 31 December 2012	
	Carrying amount of liability component RMB'000	**Fair value RMB'000**	Carrying amount of liability component RMB'000	Fair value RMB'000
Financial liabilities				
Senior notes	**583,241**	**608,250[1]**	N/A	N/A

[1]: Level 1: based on quoted price.

36. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and employees are each required to make contributions to the scheme at specified rate and capped at HK$1,000 (HK$1,250 effective from 1 June 2012) per month per employee. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the MPF Scheme.

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiaries are required to contribute specified rate of the employees' salaries to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

37. ACQUISITION OF SUBSIDIARIES

(1) On 18 June 2012, the Group acquired the assets and assumed the liabilities of a property project through the acquisition of 100% equity interest in Golden Wheel International Corporation, which holds 100% equity interest in Nanjing Golden Wheel Real Estate, an investment and property holding company, from the then shareholders. As Nanjing Golden Wheel Real Estate also holds the remaining non-controlling equity interest in two of the Group's non-wholly owned subsidiaries, through the above-mentioned acquisition, the Group also acquired the remaining non-controlling interests in these two subsidiaries, namely, Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate. This transaction had been accounted for as purchase of assets and assumption of liabilities. The total consideration is by way of issuance of 100 new ordinary shares of US$0.01 each in the Company to the then shareholders.

Details of net assets acquired in respect of this transaction are summarized below:

	RMB'000
Net assets acquired:	
Property, plant and equipment	21,791
Investment properties	283,600
Held for trading investments	8,518
Amount due from the Group	3,252
Properties under development for sale	192,437
Trade and other receivables	862
Bank balances and cash	15,211
Trade and other payables	(44,881)
Amounts due to the Group (note 1 below)	(132,800)
Land appreciation tax and income tax liabilities	(15,900)
Deferred tax liabilities	(47,948)
Subtotal of net assets acquired before non-controlling equity interest in the Group's subsidiaries	284,142
Fair value of non-controlling equity interest of subsidiaries held by the acquiree (note 2 below)	209,737
Total net assets acquired	493,879

Note 1: Subsequent to the acquisition, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount owed by Nanjing Golden Wheel Real Estate to the Group.

Note 2: The amount represents the fair value of 7.50% equity interest in Nanjing Jade Golden Wheel and 3.75% equity interest in Yangzhou Golden Wheel Real Estate held by Nanjing Golden Wheel Real Estate as at 18 June 2012, which were acquired by the Group through acquisition of Golden Wheel International Corporation.

37. ACQUISITION OF SUBSIDIARIES *(CONTINUED)*

(2) In July 2013, the Group completed acquisition of 100% equity interests in 南京捷運房地產投資有限責任公司 (Nanjing Metro Real Estate Investment Co., Ltd.) ("Nanjing Metro Real Estate"), at an aggregation consideration of RMB32,656,000. On the date of acquisition, Nanjing Metro Real Estate does not carry out any operation and only owns a piece of land in Jiangsu Province of PRC and the Group intended to develop property projects on that piece of land (the "Nanjing Metro Acquisition").

In the opinion of the managements, the Acquisition does not constitute business combination in accordance with HKFRS 3 "Business Combination" and as such, the Nanjing Metro Acquisition has been accounted for as acquisition of assets.

Details of net assets acquires in respect of this transaction are summarized below:

	RMB'000
Leasehold land use right held for development for sale	292,657
Bank balances and cash	10,009
Shareholder's loan	(270,010)
Net assets acquired	32,656
Cash consideration paid	32,656
Bank balances and cash acquired	(10,009)
Net cash paid	22,647

38. RELATED PARTY TRANSACTIONS

Other than as disclosed in notes 17 and 18 and 37(1), during the year, the Group has entered into the following transactions with related parties:

- Sales of completed properties for sale:

	2013 **RMB'000**	2012 RMB'000
Then shareholders and/or their close family members	**–**	771

- Imputed interest income:

	2013 **RMB'000**	2012 RMB'000
Nanjing Golden Wheel Real Estate (note 1 below)	**–**	4,024

- Rental income:

	2013 **RMB'000**	2012 RMB'000
Nanjing Pocui (note 2 below)	**5,325**	5,325

Note 1: The amount represents imputed interest income on the amount due from a related company by reference to the amount outstanding and at effective interest rates of 8.78% per annum. Subsequent to the acquisition of Golden Wheel International Corporation and its subsidiary Nanjing Golden Wheel Real Estate on 18 June 2012, the Group waived Nanjing Golden Wheel Real Estate from repaying the amount due from Nanjing Golden Wheel Real Estate with principal amount of approximately RMB132,800,000.

Note 2: Nanjing Pocui is an associate of the Company, and the Company owns 30% interest of Nanjing Pocui at the end of the reporting period.

38. RELATED PARTY TRANSACTIONS *(CONTINUED)*

- The bank borrowings of the Group (note 28) with the following carrying amounts are guaranteed by:

	2013	2012
	RMB'000	RMB'000
Mr. Wong Yam Yin (note a)	**20,000**	123,867
Mr. Wong Kam Fai (note a)	**20,000**	138,867
Golden Wheel Trading Company Limited (note b)	**–**	101,666
Golden Wheel (Group) Company Limited (note c)	**–**	15,000
	40,000	379,400

Notes:

a. Mr. Wong Yam Yin is an ultimate shareholder of the Company. Mr. Wong Kam Fai is son of Mr. Wong Yam Yin and is also a director of the Company.

b. Mr. Wong Yam Yin and Mr. Wong Kam Fai have beneficial interest in Golden Wheel Trading Company Limited.

c. Mr. Wong Yam Yin and Mr. Wong Kam Fai have beneficial interest in Golden Wheel (Group) Company Limited.

Compensation of key management personnel

The remuneration of the directors and other members of key management during the year are as follow:

	2013	2012
	RMB'000	RMB'000
Directors' remunerations	**16,294**	2,314
Members of key management:		
Salaries and other benefits	**2,498**	2,236
Retirement benefit scheme contributions	**146**	94
	18,938	4,644

39. FINANCIAL INFORMATION OF THE COMPANY

The Company was incorporated in the Cayman Islands on 26 April 2012. Information about the statement of financial position of the Company as at 31 December 2013 and 31 December 2012 includes:

	2013	2012
	RMB'000	RMB'000
Non-current assets		
Investments in subsidiaries and amounts due from subsidiaries	**1,961,011**	698,266
Property, plant and equipment	**634**	–
Held for trading investments	**12,984**	–
	1,974,629	698,266
Current assets		
Other receivables	**796**	–
Held for trading investments	**11,448**	–
Available-for-sale investments	**47,697**	–
Restricted bank deposits	**122,498**	–
Bank balances and cash	**162,150**	64
	344,589	64
Current liabilities		
Amounts due to subsidiaries	**–**	5,321
Other payables	**19,600**	–
Bank borrowings – due within one year	**117,600**	–
	137,200	5,321
Non-current liabilities		
Bank borrowings – due after one year	**465,205**	–
Senior notes	**583,241**	–
	1,048,446	–
Net assets	**1,133,572**	693,009
Share capital	**113,099**	128
Reserves	**1,020,473**	692,881
Total equity	**1,133,572**	693,009

39. FINANCIAL INFORMATION OF THE COMPANY *(CONTINUED)*

Movement in equity

	Share capital RMB'000	Share premium RMB'000 (note 31)	Special reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 26 April 2012 (incorporation date)	106,000	–	–	–	106,000
Issuance of new shares	64	–	–	–	64
Transfer upon the Reorganization	(105,936)	–			(105,936)
Capital reserve arising from group reorganization	–	–	698,202	–	698,202
Loss for the period	–	–	–	(5,321)	(5,321)
At 31 December 2012	128	–	698,202	(5,321)	693,009
Capitalization Issue of shares (note 30)	84,580	(84,580)	–		
Dividends (note 14)	–	–	(100,000)	–	(100,000)
New issue of shares from the Global Offering (as defined in note 1 to the consolidated financial statements) (note 30)	28,237	583,625	–	–	611,862
New issue of shares from partial exercise of over-allotment option (note 30)	154	3,193	–	–	3,347
Share issue costs	–	(26,095)	–	–	(26,095)
Loss for the year	–	–	–	(48,551)	(48,551)
At 31 December 2013	113,099	476,143	598,202	(53,872)	1,133,572

Note:

Special reserve of the Company represents the difference between par value of ordinary shares issued by the Company and the equity of subsidiaries recognized, in respect of the acquisitions of Golden Wheel International Investment and Golden Wheel International Corporation by two directly owned subsidiaries of the Company through the issuance of the Company's shares.

During the year, a final dividend to shareholder of RMB0.0555 per share in respect of the year ended 31 December 2012 amounting to RMB100,000,000 in aggregate has been declared and paid out of this reserve to the owners of the Company.

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries at end of the reporting period are as follows:

Name of company	Place and date of incorporation/ establishment/ operation	Issued and paid share capital/ registered capital	Attributable equity interest of the Group 31.12.2013 %	31.12.2012 %	Principal activities
Golden Wheel Jade[1] （金輪翡翠有限公司）	British Virgin Islands ("BVI") 8 May 2012	US$1	**100**	100	Investment holding
Golden Wheel Pearl Company Limited[1] （金輪明珠有限公司）	BVI 8 May 2012	US$1	**100**	100	Investment holding
Golden Wheel Diamond Company Limited[1] （金輪鑽石有限公司）	BVI 26 June 2012	US$1	**100**	100	Investment holding
Golden Wheel Jewel Company Limited[1] （金輪寶石有限公司）	BVI 1 February 2013	US$1	**100**	N/A	Investment holding
Golden Wheel Crystal Company Limited[1] （金輪水晶有限公司）	BVI 28 February 2013	US$1	**100**	N/A	Investment holding
Golden Wheel Amber Company Limited[1] （金輪琥珀有限公司）	BVI 13 May 2013	US$1	**100**	N/A	Investment holding
Golden Wheel Coral Company Limited[1] （金輪珊瑚有限公司）	BVI 30 May 2013	US$1	**100**	N/A	Investment holding
Golden Wheel Tourmaline Company Limited[1] （金輪碧璽有限公司）	BVI 24 June 2013	US$1	**100**	N/A	Investment holding
Golden Wheel Opal Company Limited[1] （金輪奧寶有限公司）	BVI 8 August 2013	US$1	**100**	N/A	Investment holding
Golden Wheel International Investment Limited（金輪國際投資有限公司）	Hong Kong 17 May 2002	HK$100,000,000	**100**	100	Investment holding
Golden Wheel International Corporation （金輪國際興業有限公司）	Hong Kong 7 July 2010	HK$48,000,000	**100**	100	Investment holding
Golden Wheel International Creation Company Limited （金輪國際創建有限公司）	Hong Kong 21 August 2012	HK$30,000,000	**100**	100	Investment holding

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

Name of company	Place and date of incorporation/ establishment/ operation	Issued and paid share capital/ registered capital	Attributable equity interest of the Group 31.12.2013 %	31.12.2012 %	Principal activities
Golden Wheel International Capital Company Limited (金輪國際創富有限公司)	Hong Kong 15 February 2013	HK$30,000,000	**100**	N/A	Investment holding
Golden Wheel International Billion Limited (金輪國際創億有限公司)	Hong Kong 18 March 2013	HK$10,000,000	**100**	N/A	Investment holding
Golden Wheel International Wealth Limited (金輪國際創發有限公司)	Hong Kong 29 May 2013	HK$10,000,000	**100**	N/A	Investment holding
Golden Wheel International Famous Limited (金輪國際創譽有限公司)	Hong Kong 5 July 2013	HK$10,000,000	**100**	N/A	Investment holding
Golden Wheel International Trend Limited (金輪國際創進有限公司)	Hong Kong 18 July 2013	HK$10,000,000	**100**	N/A	Investment holding
Golden Wheel International Success Limited (金輪國際創績有限公司)	Hong Kong 16 September 2013	HK$10,000,000	**100**	N/A	Investment holding
南京翡翠金輪置業有限公司[2] Nanjing Jade Golden Wheel[3]	PRC 21 June 2002	US$14,950,000	**100**	100	Property development and property leasing
株洲金輪房地產開發有限公司[2] Zhuzhou Golden Wheel Real Estate[3]	PRC 30 July 2004	US$13,200,000	**100**	100	Property development and property leasing
揚州金輪房地產開發有限公司[2] Yangzhou Golden Wheel Real Estate[3]	PRC 15 December 2006	US$13,000,000	**100**	100	Property development
株洲金輪商業管理有限公司[2] Zhuzhou Golden Wheel Business[3]	PRC 1 February 2010	RMB500,000	**100**	100	Property operation management
南京金輪房地產開發有限公司[2] Nanjing Golden Wheel Real Estate[3]	PRC 21 April 1994	US$6,130,000	**100**	100	Property development and property leasing

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(CONTINUED)*

Name of company	Place and date of incorporation/ establishment/ operation	Issued and paid share capital/ registered capital	Attributable equity interest of the Group 31.12.2013 %	31.12.2012 %	Principal activities
南京明珠金輪置業有限公司[2] Nanjing Pearl Golden Wheel Realty Co., Ltd.[3] ("Nanjing Pearl Golden Wheel")	PRC 30 January 2013	US$28,000,000	**100**	N/A	Property development
南京捷運房地產投資有限責任公司[2, 4] Nanjing Metro Real Estate[3]	PRC 25 July 2012	RMB100,000,000	**100**	N/A	Property development
南京水晶金輪置業有限公司[2] Nanjing Crystal Golden Wheel Realty Co., Ltd.[3] ("Nanjing Crystal Realty")	PRC 19 August 2013	RMB100,000,000	**100**	N/A	Property development
南京金輪商業管理有限公司[2] Nanjing Golden Wheel Business Management Co., Ltd.[3] ("Nanjing Golden Wheel Business Management")	PRC 27 September 2013	RMB30,000,000	**100**	N/A	Property management
株洲翡翠金輪置業有限公司[2] Zhuzhou Jade Golden Wheel Realty Co., Ltd.[3] ("Zhuzhou Jade Golden Wheel")	PRC 24 September 2013	RMB155,000,000	**100**	N/A	Property development
揚州翡翠金輪置業有限公司[2] Yangzhou Jade Golden Wheel Realty Co., Ltd.[3] ("Yangzhou Jade Golden Wheel")	PRC 15 November 2013	US$61,000,000	**100**	N/A	Property development
長沙翡翠金輪置業有限公司[2] Changsha Jade Golden Wheel Realty Co., Ltd.[3] ("Changsha Jade Golden Wheel")	PRC 12 December 2013	US$85,500,000	**100**	N/A	Property development

1 Directly held by the Company.

2 Registered as limited liability company under PRC law. Zhuzhou Golden Wheel Real Estate, Nanjing Golden Wheel Real Estate, Nanjing Pearl Golden Wheel, Nanjing Crystal Realty, Nanjing Golden Wheel Business Management, Zhuzhou Jade Golden Wheel, Yangzhou Jade Golden Wheel and Changsha Jade Golden Wheel are registered as wholly-foreign invested enterprises; Nanjing Jade Golden Wheel and Yangzhou Golden Wheel Real Estate are registered as sino-foreign joint ventures; and Zhuzhou Golden Wheel Business Management and Nanjing Metro Real Estate are registered as domestic limited liability companies.

3 English name for identification only.

4 The subsidiary was newly acquired during the year.

None of the subsidiaries had issues any debt securities at the end of the reporting period.

41. EVENTS AFTER THE REPORTING PERIOD

On 21 March 2014, Golden Wheel Coral Company Limited ("Golden Wheel Coral"), a subsidiary of the Company, and an independent third party (the "Investor") entered into a share subscription agreement (the "Share Subscription Agreement"), pursuant to which Golden Wheel Coral issues and allots 25,500 its shares at a consideration of US$25,500 to the Investor. On completion of the Share Subscription Agreement, the Group's equity interests in Golden Wheel Coral will be reduced from 100% to 49%. At the end of the reporting period, Golden Wheel Coral holds 100% interests in Golden Wheel International Famous Limited, which in turn holds 100% equity interest in Yangzhou Jade Golden Wheel Realty Co., Ltd. (揚州翡翠金輪置業有限公司). Yangzhou Jade Golden Wheel Realty Co., Ltd. owns a piece of land in Yangzhou which is planned to be developed into commercial, office and residential properties. Details of the Share Subscription Agreement and others are set out in the Company's announcement dated 21 March 2014. The directors of the Company are still in process of assessing the financial impact of this transaction.

Summary of Financial Information

	For the year ended 31 December				
	2013	2012	2011	2010	2009
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS					
Revenue	**871,275**	963,717	524,495	483,524	493,800
Profit before taxation	**419,879**	498,432	733,240	408,443	414,663
Taxation	**(103,738)**	(213,639)	(220,047)	(115,067)	(136,227)
Profit for the year	**316,141**	284,793	513,193	293,376	278,436
Attributable to:					
Owners of the Company	**316,141**	276,877	498,488	280,744	263,403
Non-controlling interests	**–**	7,916	14,705	12,632	15,033
	316,141	284,793	513,193	293,376	278,436
Earnings per share RMB					
Basic	**0.177**	0.205	0.369	N/A	N/A
Diluted	**0.177**	0.205	N/A	N/A	N/A
ASSETS AND LIABILITIES					
Total assets	**7,086,285**	4,679,943	4,254,543	3,800,116	3,039,726
Total liabilities	**(3,561,952)**	(1,960,865)	(2,177,209)	(2,164,222)	(1,685,095)
	3,524,333	2,719,078	2,077,334	1,635,894	1,354,631
Equity attributable to owners of the Company	**3,524,333**	2,719,078	1,968,176	1,536,979	1,268,348
Non-controlling interests	**–**	–	109,158	98,915	86,283
	3,524,333	2,719,078	2,077,334	1,635,894	1,354,631

INVESTMENT PROPERTIES

No.	Name of Property	Location	Use Type	Approximate GFA sq.m.	Lease term
1	Golden Wheel International Plaza	No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	Commercial	29,559	medium
2	Golden Wheel Waltz	No.7, Shengjuren Lane, Gulou District, Nanjing City, Jiangsu Province, the PRC	Commercial	2,444	medium
3	Golden Wheel Building	No.108, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	Commercial	1,216	medium
4	Golden Wheel Time Square	Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	Commercial/ Residential	31,205	medium
5	Golden Wheel Green Garden	No. 28, Wei Gang, Xuanwu District, Nanjing City, Jiangsu Province, the PRC	Commercial	1,021	medium
6	Golden Wheel New Metro	Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu province, the PRC	Commercial	18,437	medium
7	Golden Wheel Binary Star Plaza	Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu province, the PRC	Commercial	55,754	medium

PROPERTIES HELD FOR SALE OR OCCUPATION BY THE GROUP

No.	Name of Property	Location	Use Type	Approximate GFA sq.m.
1	Golden Wheel International Plaza	Level 30, No.8, Hanzhong Road, Gulou District, Nanjing City, Jiangsu Province, the PRC	Commercial	4,648
2	Golden Wheel International Plaza	Car park	Commercial	3,547
3	Golden Wheel Star City Phase I & II	No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City, Jiangsu Province, the PRC	Commercial/ Residential	18,289
4	Golden Wheel Times Square	Chezhan Road, Lusong District, Zhuzhou City, Hunan Province, the PRC	Commercial/ Residential	18,558
5	Nanjing Jade Garden	Yewei Village Jianye District, Nanjing City, Jiangsu Province, the PRC	Commercial/ Residential	7,242
6	Golden Wheel New Metro	Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu Province, the PRC	Commercial/ Residential	4,856

Schedule of Principal Properties

PROPERTIES UNDER DEVELOPMENT FOR SALE

No.	Name of Property	Location	Use Type	Approximate GFA sq.m.	Stage of completion	Anticipated completion date
1	Golden Wheel Star Plaza	South of Chengxin Avenue, east of Pugang Street, Jiangning District, Nanjing City, Jiangsu Province, the PRC	Commercial/ Residential	70,396	90%	06/2014
2	Golden Wheel Star City Phase III	No.228, Yangtze River Middle Road, Yangzhou New Development District, Yangzhou City,Jiangsu Province, the PRC	Commercial/ Residential	33,083	99%	03/2014

UNDEVELOPED LEASEHOLD LAND HELD FOR DEVELOPMENT FOR SALE

No.	Name of Property	Location	Use Type	Approximate GFA sq.m.
1	Golden Wheel Cambridge Huafu	Longmain Road, Jiangning District, Nanjing City, Jiangsu Province, the PRC	Residential	108,094
2*	Golden Wheel Star-cube	No.4, Station East Area, North Square, Nanjing South Station, Yuhuatai District, Nanjing City, Jiangsu Province, the PRC	Commercial/ Financial	47,685
3	Golden Wheel Binary Star Plaza	Shuanglong Avenue, Jiangning District, Nanjing City, Jiangsu Province, the PRC	Commercial	63,808
4*	Golden Wheel Yangzhou Project	West Yangzi River Road, East Weiyang Road, South Weisi Road, and North Kaifa Xi Road, Yangzhou City, Jiangsu Province, the PRC	Commercial/ Residential	226,687
5	Zhuzhou Golden Wheel Jade Garden	Gao Tie, Wu Quang New Town, Zhuzhou City, Hunan Province, the PRC	Commercial/ Residential	114,114
6*	Changsha Golden Wheel Star Plaza	Lituo Xiang Township, Wuguang Area, Yuhua District, Changsha City, Hunan Province, the PRC	Commercial/ Residential	167,182

* As at 31 December, 2013, those pieces of land were paid deposit or part of the consideration, and land purchase agreements had been signed, while waiting for the issuing of the certificate of the Land use-right.