



雅居樂地產控股有限公司
AGILE PROPERTY HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability) Stock code: 3383



遠見、心建、*Develop our future with*
vision and enthusiasm 共建未來

Annual Report 2013



Hainan Clearwater Bay



Corporate Profile

Agile (stock code: 3383) is one of the leading property developers in China. As a renowned brand in China, Agile is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment and property management. The Group currently owns a diversified portfolio in over 40 cities and districts. As at 31 March 2014, the Group has a land bank with a total planned GFA of 43.08 million sq.m. (including both lands with titles and contractual interests).

The Shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005 and are constituent stocks of Morgan Stanley Capital International China Index, Hang Seng Composite Index, Hang Seng Composite Size Index and Hang Seng Mainland 100.

Agile Egret Lake Huizhou





Agile Eden Yunnan





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Business Structure

As one of the leading property developers in China, Agile will continue to operate under its operation philosophy of “Stability, Prudence, Sustainability” to further improve its geographic diversification and optimise its product mix.



20 Property Development

A land bank with a total GFA of 43.08 million sq.m. in 41 cities and districts



48 Hotel Operations and Property Investment

Commercial properties in operations, construction or planning include hotels, shopping malls and office buildings



53 Property Management

The total GFA managed reached 22.66 million sq.m.

Financial Highlights

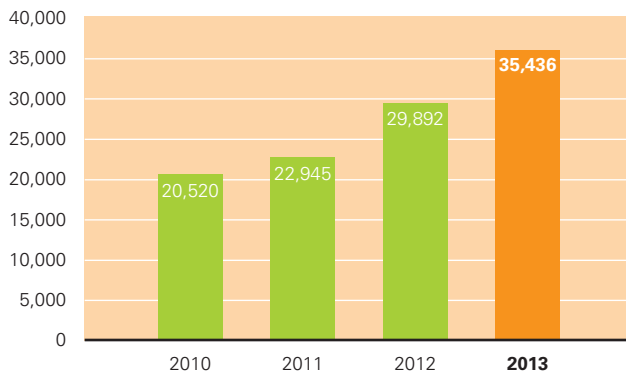
Income Statement Highlights

	For the year ended 31 December		Change
	2013	2012 Restated	
Revenue (RMB million)	35,436	29,892	+18.5%
Gross profit (RMB million)	12,615	12,436	+1.4%
Gross profit margin	35.6%	41.6%	-6.0 percentage points
Net profit (RMB million)	5,862	5,147	+13.9%
Profit attributable to Shareholders (RMB million)	4,827	5,000	-3.5%
Net profit margin	16.5%	17.2%	-0.7 percentage points
Basic earnings per share (RMB)	1.400	1.450	-3.4%
Full year dividend per share (HK cents)	47.5	38.4	+23.7%

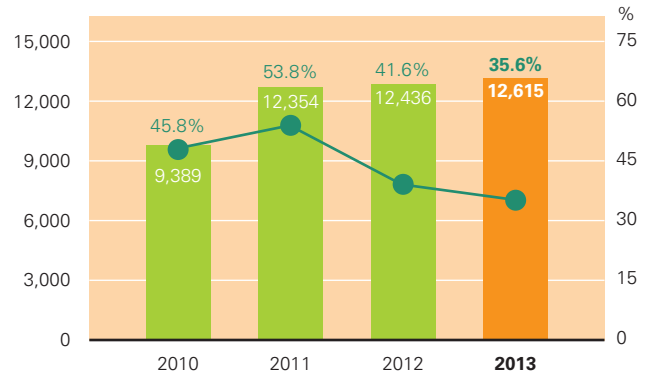
Balance Sheet Highlights

	As at 31 December		Change
	2013	2012 Restated	
Total assets (RMB million)	114,535	90,850	+26.1%
Cash and cash equivalents (RMB million)	6,784	5,749	+18.0%
Restricted cash (RMB million)	6,250	3,880	+61.1%
Short-term borrowings (RMB million)	12,354	6,193	+99.5%
Long-term borrowings (RMB million)	27,138	20,822	+30.3%
Shareholders' equity (RMB million)	29,366	25,613	+14.7%
Return on equity (ROE)	16.4%	19.5%	-3.1 percentage points
Total debt/total assets	34.5%	29.7%	+4.8 percentage points
Net debt/total equity	72.4%	62.3%	+10.1 percentage points

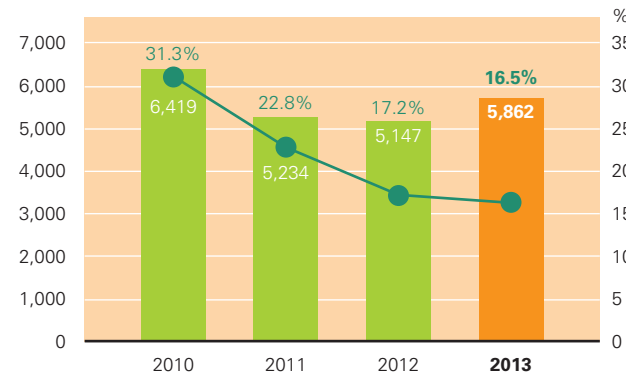
Revenue (RMB million)



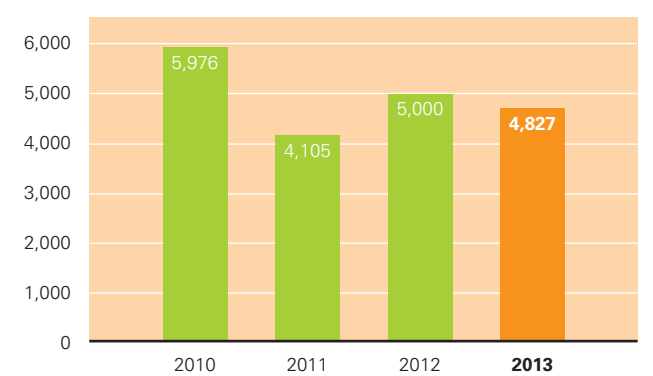
Gross profit and gross profit margin (RMB million/%)



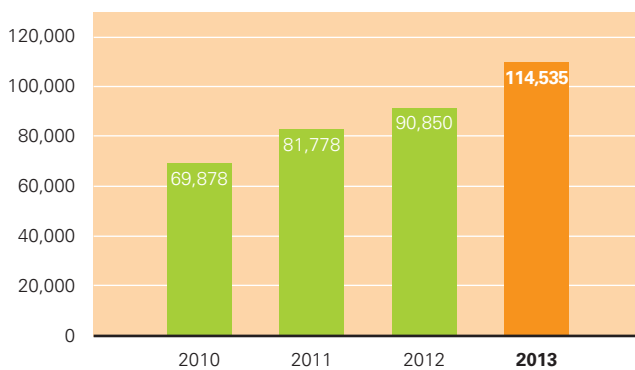
Net profit and net profit margin (RMB million/%)



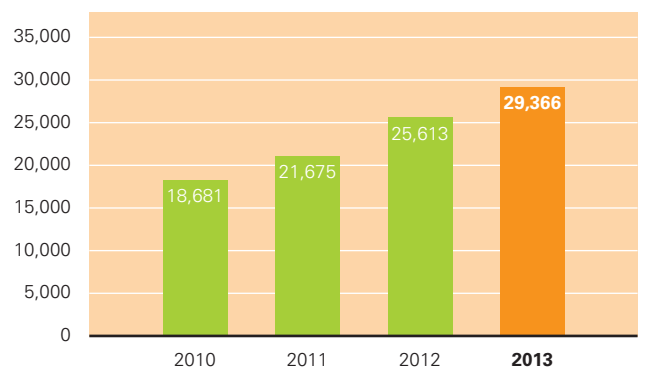
Profit attributable to Shareholders (RMB million)



Total assets (RMB million)



Shareholders' equity (RMB million)



Milestones 2013

January

- The Company issued 8.25% subordinated Perpetual Capital Securities in an aggregate principal amount of US\$700 million.

February

- Agile Metropolis Xiqiao was officially launched for sale.
- The Group acquired the land use rights of a site in Foshan New City of Foshan City.



June

- Agile Manhattan Hill Foshan and Agile Peninsula Sanshui were officially launched for sale.
- The Group acquired the land use rights of a site in Chuzhou City, Anhui Province and a site in Shiqi District of Zhongshan City.

July

- The Group acquired the land use rights of a site in Hangzhou City, Zhejiang Province and a site in Binhu District of Wuxi City.
- Topping out of Guangzhou Agile Center (formerly known as Guangzhou Zhujiang New City Project).
- Commencement of construction of Foshan New City Project.

April

- The Group acquired the land use rights of a site in Yangzhou City, Jiangsu Province, and a site in Songjiang District of Shanghai City.

May

- The Group acquired the land use rights of a site in Gaochun District of Nanjing City, Jiangsu Province, a site in Shunde District of Foshan City, a site in Sanshui District of Foshan City and a site in Tengchong County, Yunnan Province.



August

- The Group acquired the land use rights of a site in Ningbo City, a site in Chang'an District of Xi'an City and a site in Zhenjiang City, Jiangsu Province.

September

- Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay) commenced its operation.
- The Group acquired the land use rights of a site in Kaifu District of Changsha City.
- Commencement of construction of Chuzhou Chahe New Town Project and Xi'an Qujiang New District Project.



November

- The Territory Nanjing (formerly known as Nanjing Pukou District Project) and Agile Eden Yunnan (formerly known as Yunnan Tengchong Project) were officially launched for sale.
- The Group acquired the land use rights of a site in Nantong City, Jiangsu Province.



October

- Agile International Garden Ruili (formerly known as Yunnan Ruili Project) was officially launched for sale.
- The Group acquired the land use rights of a site in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province.
- Commencement of construction of Nanjing Gaochun District Project and Shanghai Songjiang District Project.



December

- Agile Chang Le Du Nanjing (formerly known as The Classics Nanjing), Agile Earl Mansion Panyu (formerly known as Jiacheng Mansion Panyu), Agile Cambridgeshire Zhongshan, Agile & Star River Changzhou (formerly known as Changzhou Longcheng Avenue Project), Agile Pure Moon Bay Hainan (formerly known as Hainan Wenchang Project) and Agile International Garden Zhengzhou (formerly known as Zhengzhou Zhongmou County Project) were officially launched for sale.
- The Group acquired the land use rights of a site in Yunfu City, Guangdong Province.
- The Group and Guangzhou R&F Properties Co., Ltd. jointly acquired the land use rights of a site in Nanning City of Guangxi Zhuang Autonomous Region.
- Commencement of construction of Yangzhou Shuangxing Project.

Major Honours and Awards



Corporate Social Responsibility

Caring Company

The Hong Kong Council of Social Service

2012 Gold Cup of Guangdong Poverty Relief Hongmian Cup

Guangdong Leadership Group of Poverty Alleviation

Corporate Social Responsibility Awards 2013

Capital magazine

Capital Weekly magazine

Corporate Social Responsibility Annual Recognition Award

Southern Metropolis Daily

Peking University HSBC Business School

Capital Outstanding Green Excellence Award 2013

Capital magazine

2013 Top List of Corporate University China's Best Corporate University Social Responsibility of China Corporate University

Top 20 China Corporate Training Programme

*Overseas Education College of Shanghai Jiaotong
University*

Best Practice in Talent Development of China

Training Magazine



Corporate Brand

Outstanding Chinese Property Developer Award 2013

Economic Digest magazine

Outstanding Performance Award in Chinese Companies Listed in Hong Kong (2012–2013)

Yazhou Zhoukan

Hong Kong Outstanding Enterprise 2013

Economic Digest magazine

The Twelfth (2013) Guangdong Real Estate Enterprises of High Credit Ratings Top 20

Industrial and Commercial Bank of China Limited

(Guangdong Branch)

Agricultural Bank of China Limited (Guangdong Branch)

Bank of China Limited (Guangdong Branch)

China Construction Bank Corporation (Guangdong Branch)

People's Daily Online

Top 20 PRC-funded Shares Listed in Hong Kong in PRC Real Estate Value Ranking

China Business News

Top 100 - Comprehensive Strength in Top 100 Hong Kong Listed Companies Selection 2013

Finet

QQ.com

Corporate Governance / Investor Relations

Best in Sector for Real Estate

Grand Prix for Best Overall Investor Relations - Mid or Small Cap

IR magazine

3rd Asian Excellence Recognition Awards 2013 - Best Investor Relations Companies (China)

Best Investor Relations Website / Promotion

Corporate Governance Asia magazine

Asia's Outstanding Company on Corporate Governance

Corporate Governance Asia magazine

The Asset Corporate Gold Award

The Asset magazine

Asia's Best Managed Companies 2013 Top 10 "Best Investor Relations" in China

FinanceAsia magazine

2013 Best Board of Directors of Listed Corporations Rankings in China

Moneyweek magazine

Chairman's Statement

The Group believes that a reasonable product mix is particularly important to ensure robust growth of the business as a whole. The Group's product mix focuses on products catering for end-users' demand for upgrading, supplemented by tourism property and high-end products.



CHEN Zhuo Lin
Chairman and President

Dear Shareholders,

I am pleased to report the audited consolidated results of the Group for the year ended 31 December 2013:

Results and dividends

During the year, the revenue and gross profit of the Group was RMB35,436 million and RMB12,615 million respectively, representing an increase of 18.5% and 1.4% when compared with last year. Net profit amounted to RMB5,862 million, representing an increase of 13.9% when compared with last year. Overall gross profit margin and net profit margin were 35.6% and 16.5% respectively, a relatively high level in the industry.

During the year, the Group's total recognised sales from property development was RMB34,467 million, representing an increase of 18.3% when compared with last year. Revenue from hotel operations increased by 21.9% when compared with last year, mainly driven by Shanghai Marriott Hotel City Centre and Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay). In addition, revenue from property investment also increased by 111.6% when compared with last year.



Chairman's Statement

Taking into account the Group's business development needs and Shareholders' investment returns, the Board has proposed a final dividend of HK33.0 cents per Share for 2013 to be paid to the Shareholders. Together with the interim dividend of HK14.5 cents per Share paid for 2013, the total dividend of 2013 was HK47.5 cents per Share, representing an increase of 23.7% when compared with last year.

Business review

During the year, the global economy was in a slow recovery. In China, the keynote of Government policies had been moving in a constructive path, and the tightening policies over the property market continued. However, driven by strong end-users' demand, housing prices continued a steady upward trend with active trading.

During the year, the Group made breakthroughs in sales, geographic diversification and operations, laying a solid foundation for long-term development.

Steady sales growth

During the year, the Group's pre-sales was RMB40,340 million, representing an increase of 22% when compared with last year. The GFA pre-sold was 3.48 million sq.m., representing an increase of 7% when compared with last year. The average selling price was RMB11,577 per sq.m., representing an increase of 13% when compared with last year. It was achieved through the concerted efforts of all our staff.

Improved geographic diversification and optimised product mix

Founded in Guangdong Province and expanding nationwide, the Group is committed to improving its geographic diversification. Having consolidated its property development business in Southern China, the Group made intensive efforts to expand into the tourism property business in Hainan Province. During the year, the Group's projects in Yunnan Province Region were launched, consolidating the Group's position as an expert in tourism property in China. Pre-sales contribution from regions including Eastern China Region and Western China Region has taken a more mature shape. During the year, pre-sales contribution from "Southern China Region", "Hainan Province Region and Yunnan Province Region" and "Eastern China Region and other regions" accounted for 61%, 22% and 17% of the total pre-sales of the Group respectively. The geographic distribution of pre-sales contribution to the Group is expected to improve further in the foreseeable future. In tandem with the sales growth in "Southern China Region" and "Hainan Province Region and Yunnan Province Region", the proportion of sales contribution from "Eastern China Region and other regions" will also be growing gradually. Of the 21 new projects which the Group acquired strategically during the year, 13 are located in "Eastern China Region and other regions", and most of them are in line with the strategy of "Shorter Cycle, Lower Cost and Quicker Turnover". In addition to driving regional diversification in the long-term, these projects serve to accelerate the recovery of capital and support the Group's overall rate of development. The new projects acquired during the year are expected to start launching and contributing to the Group's pre-sales in 2014.

The Group believes that a reasonable product mix is particularly important to ensure robust growth of the business as a whole. The Group's product mix focuses on products catering for end-users' demand for upgrading, supplemented by tourism property and high-end products. As China's property market will continue to benefit from urbanisation and high GDP growth, as well as strong end-users' and upgrading demand, most of the 21 new projects acquired during the year mainly focus on products catering for that specific segments.

The Group is committed to the development of tourism property in China in recent years. In addition to the success of Hainan Clearwater Bay, Agile Eden Yunnan (formerly known as Yunnan Tengchong Project) in Tengchong was well-received by the market following its launch during the year. Agile Pure Moon Bay Hainan (formerly known as Hainan Wenchang Project), which was launched for sale during the year, became one of the best selling projects in Wenchang City. Given the continuous improvement in people's quality of life and their increasing yearn for nature, the demand for premium tourism property will continue to rise. The diverse origins of tourism property buyers will help further increase the Group's brand awareness across China.

In general, the unit land cost of the new land bank which the Group acquired during the year is RMB1,500 per sq.m.. This new land bank will facilitate further implementation of strategies for improving geographic diversification and optimising product mix. It will also accelerate the capital turnover rate, laying a solid foundation for the Group's future sales growth.

While maintaining a focus on the property development business in China, the Group also seeks opportunities to prudently expand into overseas markets. In January 2014, the Group partnered with PJ Development Holdings Berhad to develop a property project in Kuala Lumpur of Malaysia, as the Group's first project in overseas markets.

Enhanced execution capability to reach a higher stage

With a history of more than two decades, the Group has gone through multiple stages of corporate development as well as witnessing the evolvement of the highly competitive property market in China. The Group is fully aware of the philosophy "flow with the current and forge ahead" and is committed to refining its management and operations.

In view of its long-term development and its goals set for 2014, the Group has implemented reforms in areas including corporate structure, staffing and functions. The function of the Group's headquarters focuses on the formulation of strategies, as well as fund management, product standardisation and optimisation and development of new products. Regional headquarters will be vested with more authority and responsibilities, so as to accelerate the decision making process and ensure that decisions are made based on local market conditions.

In line with the strategy of "Shorter Cycle, Lower Cost and Quicker Turnover", and with a view to ensuring full implementation of its sales plans, the Group implemented a series of progress monitoring measures for all projects during the year. Responsibilities are vested with specific team members to ensure that the development progresses as planned and targets are met.

Chairman's Statement

Talents are essential for the implementation of reforms. During the year, the Group has introduced a series of incentive mechanisms that benefit the staff at all levels. In addition to bonuses linked directly to measurements such as sales results, costs and profit, incentive packages are offered to project staff members that exceed their work targets, so as to increase productivity and management efficiency. Senior management will be awarded with the Share Award Scheme that links to the overall results of the Group.

The Executive Committee has been formed under the Presidents of the Group at the headquarters, with authority vested to ensure that the formulated strategies are implemented extensively and efficiently, to better position the management hierarchy for rapid business growth in the years ahead.

The Group believes that the above measures will serve to enhance morale, increase efficiency and drive its overall business to a higher stage.

Sound financial strategy and flexible financing channels

Sound financial position has been the pillar supporting the Group's rapid business development. Therefore, the Group has consolidated and optimised its financial structure and enhanced its cash flow management by capitalising on multi-channel financing during the year, with a view to striking a balance between business development and financial management.

During the year, the Company successfully issued US\$700 million 8.25% subordinated Perpetual Capital Securities. The issue is the only subordinated Perpetual Capital Securities issued by a non-investment grade enterprise in Asia and was oversubscribed by 10 times. In February 2014, the Company issued US\$500 million 8.375% Senior Notes due 2019 and intended to use the proceeds to finance existing and new property projects, refinance existing indebtedness and for general corporate purposes. The Company also issued RMB2,000 million 6.50% Senior Notes due 2017 to redeem the US\$300 million 10% Senior Notes due 2016, with a view to reducing financing costs and optimising its debt structure.

Good corporate governance and multi-channel communications

The Group upholds the concept of "mutual communication for a win-win situation". Subject to the requirements of the Listing Rules and laws, the Group maintains effective mutual communication and builds long-standing, stable relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency and providing stakeholders with sufficient information.

A responsible corporate citizen in pursuit of sustainable development

Upholding the belief of “benefiting from society, giving back to society”, the Group is committed to fulfilling its corporate social responsibilities. During the year, the Group's accumulated volunteer days achieved by over 30,000 participants were equivalent to over 10,000 days, while RMB115 million charitable donations was made. The Group is aware that environmental protection is a key part of its sustainable development, and strives to contribute to environmental protection through project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low-carbon living.

Prospects and strategy

The global financial and economic conditions are expected to remain challenging in 2014. The Government's tightening measures over the property market have become a routine practice. However, given China's continuous economic growth, the continued increase in people's income and the implementation of urbanisation policies, the property market still embraces substantial growth potential. Therefore, the Group is optimistic about the development of the property market in the long-term.

The Group will continue to implement its strategies of enhancing its geographic diversification, optimising its product mix and “Shorter Cycle, Lower Cost and Quicker Turnover”. In respect of sales, the Group will adopt a market-driven approach. The Group is confident that its business will develop steadily as a whole, and sets a pre-sales target of RMB48,000 million for 2014.

The Group will maintain its focus on property development in China, supplemented by operations of hotels, shopping malls and office buildings, while providing attentive property management services. The Group is confident in further enhancing the brand awareness of Agile across the country. Meanwhile, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

Acknowledgement

On behalf of the Board, I would like to extend my heartfelt gratitude to the enormous support of our Shareholders and customers, as well as the dedicated efforts of all our staff members, which enables Agile to grow.

CHEN Zhuo Lin

Chairman and President

Hong Kong, 28 March 2014

Management Discussion and Analysis

Overall performance

During the year, the Group's revenue was RMB35,436 million (2012: RMB29,892 million), representing an increase of 18.5% over 2012. The operating profit was RMB9,981 million (2012: RMB10,467 million), representing a slight decrease of 4.6% over last year. Profit attributable to shareholders was RMB4,827 million (2012: RMB5,000 million). Basic earnings per share and diluted earnings per share were RMB1.400 (2012: RMB1.450) and RMB1.210 (2012: RMB1.305) respectively.

Land bank

In line with the Group's long-term development strategy, the Group continued to adopt its strategic land replenishment plan in accordance with the development needs and market conditions, with views to improving its geographic diversification and optimising the existing land bank. As at 28 March 2014, the Group had a land bank with a total GFA of 42.54 million sq.m. in over 40 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Province Region, Yunnan Province Region, Northeast China Region, Northern China Region and Malaysia. The average land cost was RMB1,178 per sq.m. only.

In 2013, the Group acquired land parcels with a total planned GFA of 10.60 million sq.m., including 21 new projects. Total consideration attributable by the Group was RMB15,079 million. These newly acquired sites are located in Southern China Region (Foshan, Guangzhou, Huizhou, Nanning, Yunfu, Zhongshan), Eastern China Region (Chuzhou, Hangzhou, Kunshan, Nanjing, Nantong, Ningbo, Shanghai, Wuxi, Yangzhou, Zhenjiang), Hainan Province Region (Lingshui), Yunnan Province Region (Tengchong, Xishuangbanna) and other cities including Changsha, Shenyang and Xi'an.

The following table sets forth the details of the newly acquired land parcels:

Land parcel name	City/District	Attributable Interest (%)	GFA (sq.m.)
Southern China Region			
Site in Foshan New City	Foshan/Shunde	100	131,081
Site in New City, Shunde Beijiao Town	Foshan/Shunde	100	308,066
Site in Xi'nan Street, Sanshui	Foshan/Sanshui	100	107,300
Site in Huashan Town, Huadu	Guangzhou/Huadu	50	279,270
Site in Huiyang, Huizhou	Huizhou	100	200,000
Site in Wuxiang New Area, Nanning	Nanning	50	332,213
Site in Xijiang River New Town, Yunfu	Yunfu	100	345,989
Site in Jibian Villange, Zhongshan	Zhongshan	100	142,924
Subtotal			1,846,843
Eastern China Region			
Site in Chahe New Town, Chuzhou	Chuzhou	100	677,266
Site in Yuhang District, Hangzhou	Hangzhou	100	423,827
Site in Kunshan	Kunshan	100	125,082
Site in Gaochun District, Nanjing	Nanjing	100	512,074
Site in Development Area, Nantong	Nantong	100	510,000
Site in Beilun District, Ningbo	Ningbo	100	561,730
Site in Songjiang District, Shanghai	Shanghai	100	148,025
Site in Taihu New Town, Wuxi	Wuxi	100	590,325
Site in Shuangzixing, Yangzhou	Yangzhou	100	436,858
Site in Tanshan Road, Zhenjiang	Zhenjiang	100	226,200
Subtotal			4,211,387
Hainan Province Region			
Site in Hainan Clearwater Bay	Hainan/Lingshui	70	671,383
Yunnan Province Region			
Site in Tengchong	Yunnan/Tengchong	100	1,755,221
Site in Xishuangbanna	Yunnan/Xishuangbanna	100	634,240
Subtotal			2,389,461
Central China Region			
Site A in Kaifu District, Changsha	Changsha	50	670,237
Site B in Kaifu District, Changsha	Changsha	100	112,000
Subtotal			782,237
Western China Region			
Site in Changning New District, Xi'an	Xi'an	100	695,070
Northeast China Region			
Site in Agile Garden Shenyang	Shenyang	100	4,334
Total			10,600,715

Management Discussion and Analysis

Property development and sales

During the year, the Group's total recognised sales from property development was RMB34,467 million, representing an increase of 18.3% when compared with RMB29,146 million in 2012. The total recognised GFA sold was 3.21 million sq.m., which was comparable with last year. The recognised average selling price increased by 16.9% to RMB10,722 per sq.m. in 2013 from RMB9,170 per sq.m. in 2012, mainly due to the change of geographical distribution and product mix of recognised sales.

Property management

During the year, the property management fee income of the Group was RMB547 million, representing an increase of 30.8% when compared with RMB418 million in 2012, which was mainly attributable to an increase in the total GFA managed to 22.66 million sq.m. (2012: 21.67 million sq.m.), serving approximately 480,000 residents.

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable recurring revenue stream for the Group. During the year, the Group recorded the revenue from hotel operations of RMB368 million, representing an increase of 21.9% when compared with RMB302 million in 2012. The increase was primarily attributable to the revenues generated from Shanghai Marriott Hotel City Centre, Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay), Guangzhou Agile Hotel and Foshan Agile Hotel.

Property Investment

In line with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income, the Group designated certain commercial properties for long-term rental yields. During the year, revenue of the property investment of the Group was RMB54 million, representing an increase of 111.6% when compared with RMB26 million in 2012.

Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including cost of construction, fitting-out and design, land use rights, interest capitalised and business tax.

Cost of sales increased by 30.7% to RMB22,822 million in 2013 from RMB17,456 million in 2012. The increase was mainly due to (i) the increase of the total recognised sales during the year, (ii) the increase in the unit cost of sales, in particular costs of construction, fitting-out and land use rights.

Gross profit

During the year, gross profit of the Group amounted to RMB12,615 million, which was comparable with last year. Gross profit margin decreased to 35.6%, but it was still maintained at a relatively high level in the industry. The fall in gross profit margin was mainly attributable to (i) the change in the proportion of the Group's recognised sales as contributed by different cities/districts, with increased weightings by projects with relatively low gross profit margin, and (ii) the increase in unit cost of sales, in particular new projects with higher unit land cost.

Fair value gains on investment properties

During the year, the Group recorded the fair value gains on investment properties amounting to RMB174 million. After deducting RMB44 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB130 million.

Other income

During the year, the Group recorded other income of RMB225 million, mainly including interest income of bank deposits, forfeited deposits from customers and gain on disposal of an investment property.

Selling and marketing costs

Selling and marketing costs of the Group increased by 56.3% to RMB1,523 million in 2013 from RMB975 million in 2012, which was mainly attributable to the increase in advertising costs and commission fee incurred in a series of sales promotion activities.

Administrative expenses

Administrative expenses of the Group increased by 14.2% to RMB1,285 million in 2013 from RMB1,125 million in 2012, which was mainly attributable to the Group's continuous business expansion.

Other expenses

During the year, the Group recorded other expenses of RMB132 million, mainly including the charitable donations of RMB115 million.

Finance income/(costs), net

During the year, the Group recorded net finance income of RMB488 million, compared with a net finance costs of RMB46 million in 2012. Net finance income mainly included exchange gains of RMB558 million from retranslation of foreign currency borrowings on balance sheet date, resulting from the appreciation of the exchange rates of Renminbi against United States dollars and Hong Kong dollars.

Share of post-tax loss of an associate

During the year, the share of post-tax loss in Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He") (an associate in which the Group holds 20% equity interest) was RMB60 million.

Share of post-tax profit/(loss) of joint ventures

During the year, the Group recorded share of post-tax profit of joint ventures of RMB7 million, compared with share of post-tax loss of RMB2 million in 2012.

Fair value gains on embedded financial derivatives

In April 2011, the Group issued 4% Convertible Bonds in an aggregate principal amount of US\$500 million (equivalent to RMB3,253 million) due 2016. During the year, the gains from the change in fair value of embedded financial derivatives were RMB296 million (2012: RMB200 million).

Profit attributable to shareholders

Profit attributable to shareholders was RMB4,827 million (2012: RMB5,000 million). After deducting the after-tax fair value gains on investment properties, the profit attributable to shareholders was RMB4,695 million (2012: RMB4,868 million).

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2013, the total cash and bank balances of the Group were RMB13,033 million (31 December 2012: RMB9,629 million), comprising cash and cash equivalent of RMB6,784 million (31 December 2012: RMB5,749 million) and restricted cash of RMB6,249 million (31 December 2012: RMB3,880 million).

As at 31 December 2013, the Group's undrawn borrowing facilities were RMB5,382 million (31 December 2012: RMB1,484 million).

As at 31 December 2013, the Group's available financial resources amounted to RMB18,415 million (31 December 2012: RMB11,113 million). The Group has adequate financial resources to meet future funding requirements.

Perpetual Capital Securities

In January 2013, the Company successfully issued US\$700 million (equivalent to RMB4,393 million) 8.25% subordinated Perpetual Capital Securities.

Borrowings

During the year, given the volatile capital market environment, the Group has proactively diversified its funding sources to lengthen its debt maturity profile and minimise any refinancing risk. By way of various onshore and offshore funding sources, the Group has successfully raised new borrowings amounting to RMB21,214 million, of which RMB16,010 million was onshore borrowings and RMB5,204 million was offshore borrowings. Borrowings of RMB8,375 million were repaid during the year.

In February 2014, the Company successfully issued US\$500 million (equivalent to RMB3,055 million) 8.375% senior notes due by 2019 and intended to use the proceeds to finance existing and new property projects, refinance existing indebtedness and for general corporate purposes. The Company also issued RMB2,000 million 6.50% senior notes due by 2017 to redeem the US\$300 million 10% senior notes due by 2016, with a view to reducing financing costs and optimising its debt structure.

Management Discussion and Analysis

As at 31 December 2013, the Group's total borrowings amounted to RMB39,492 million, of which bank borrowings, senior notes, other borrowings and debt

component of Convertible Bonds amounted to RMB20,243 million, RMB9,909 million, RMB6,848 million and RMB2,492 million respectively.

Repayment schedule	As at 31 December 2013 (RMB million)	As at 31 December 2012 Restated (RMB million)
Bank borrowings		
Within 1 year	9,609	6,193
Over 1 year and within 2 years	5,042	3,357
Over 2 years and within 5 years	4,564	2,689
Over 5 years	1,028	1,027
Subtotal	20,243	13,266
Senior notes		
Over 2 years and within 5 years	9,909	10,179
Other borrowings		
Within 1 year	2,745	–
Over 1 year and within 2 years	3,475	1,200
Over 2 years and within 5 years	562	–
Over 5 years	66	–
Subtotal	6,848	1,200
Convertible Bonds — debt component		
Over 2 years and within 5 years	2,492	2,370
Total	39,492	27,015

As at 31 December 2013, the Group's bank borrowings (including syndicated loans) of RMB12,490 million (31 December 2012: RMB8,491 million) were secured by the Group's land use rights, properties and bank deposits. As at 31 December 2013, the Group's other borrowings of RMB3,548 million (31 December 2012: RMB1,200 million) are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The offshore loans, senior notes and Convertible Bonds were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB5,683 million as at 31 December 2013 (31 December 2012: RMB5,486 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2013, the gearing ratio was 72.4% (2012: 62.3%), still at a reasonable level.

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars and United States dollars, and the Group's Convertible Bonds, senior notes and Perpetual Capital Securities were denominated in United States dollars. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

Cost of borrowings

In 2013, the total cost of borrowings of the Group was RMB2,681 million (2012: RMB2,447 million), representing an increase of RMB234 million when compared with 2012. The increase was mainly attributable to higher average balance of bank borrowings in 2013. The effective interest rate reduced from 8.7% to 7.9%.

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2013, the outstanding guarantees were RMB13,543 million (31 December 2012: RMB13,211 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by the purchasers, the Group is liable to pay the banks any outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers but the Group is entitled to take over the legal title and the possession of the related properties. The Group's guarantee commences from the date of grant of mortgage loans by the mortgagees. No provision has been made for the guarantees given as the net realisable value of the related properties is enough to cover the loss after the repayment of any outstanding mortgage principals together with the accrued interest and penalty in defaulted repayments.

In addition, the Group and other four parties (the "Five Shareholders") have provided guarantees in proportion to their shareholding in the associate ("Li He") in respect of certain loan facilities amounting to RMB4,200 million (31 December 2012: RMB2,650 million). The Group's share of the guarantee amounted to RMB840 million (31 December 2012: RMB530 million).

The Five Shareholders have also provided a guarantee in respect of another loan facility of Li He amounting to RMB987 million (31 December 2012: RMB2,702 million). The Group's share of the guarantee amounted to RMB247 million (31 December 2012: RMB675 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB3,746 million (2012: RMB2,200 million). The Group's share of the guarantees amounted to RMB985 million (2012: RMB550 million).

Commitments

As at 31 December 2013, the commitments of the Group in connection with the property development activities were RMB19,602 million (31 December 2012: RMB21,703 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB4,151 million (31 December 2012: RMB612 million).

Human resources

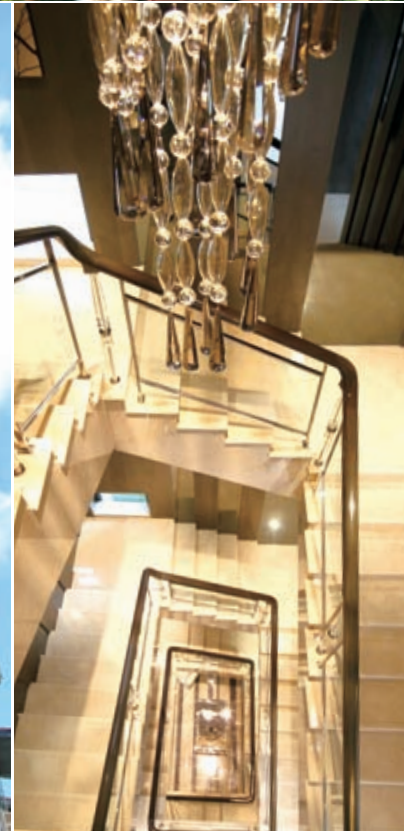
As at 31 December 2013, the Group had a total of 16,185 employees, among which 136 were senior management and 383 were middle management. By geographical locations, there were 16,113 employees in mainland China and 72 employees in Hong Kong and Macau. For the year ended 31 December 2013, the total remuneration costs, including directors' remuneration, were RMB1,333 million (2012: RMB1,050 million).

On 10 February 2014, the Company has issued and allotted a total of 34,470,000 new shares to a trustee to hold on trust for selected employees according to the Share Award Scheme. These shares will be transferred to the selected employees upon the vesting conditions being fulfilled.

Property Development



The Group adjusted its land acquisition strategy and carried out internal reform in response to the market changes to enhance operational efficiency, laying a solid foundation for business growth in the long run.





Southern
China
Region

Eastern
China
Region

Western
China
Region

Central
China
Region



Hainan
Province
Region

Yunnan
Province
Region



Northeast
China
Region

Northern
China
Region

Overseas

Business overview

In recent years, the Group continued to focus on enhancing product competitiveness and diversifying product portfolio by developing innovative, practical, user-friendly and high quality products, in order to establish strong brand recognition and expand its customer bases in the face of vigorous market competition. Meanwhile, the Group adjusted its land acquisition strategy and carried out internal reform in response to the market changes to enhance operational efficiency, laying a solid foundation for business growth in the long run.

Steady sales growth and improved geographic diversification

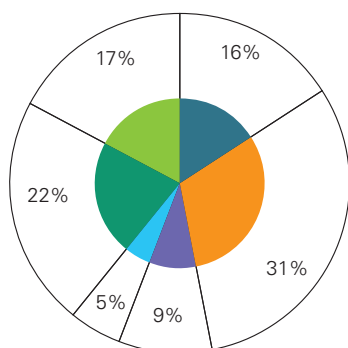
During the year, the Group had over 60 projects situated in 24 cities and districts available for sales, and achieved annual pre-sales of RMB40,340 million, representing a growth of 22% when compared with last year. GFA pre-sold was 3.48 million sq.m. and ASP was RMB11,577 per sq.m.. The overall pre-sales performance was within expectation. The Group continued its geographic diversification strategy. In addition to consolidating its market share in Southern China Region, the Group further expanded its tourism property business, while pre-sales in other regions increased steadily. During the year, pre-sales from "Southern China Region", "Hainan Province Region and Yunnan Province Region" and "Eastern China Region and other regions" accounted for 61%, 22% and 17% of total pre-sales, respectively.

During the year, the Group launched 13 new projects for sale, including Agile Metropolis Xiqiao, Agile Manhattan Hill Foshan, Agile Peninsula Sanshui, Agile Cambridgeshire Zhongshan, Agile Earl Mansion Panyu (formerly known as Jiacheng Mansion Panyu), Agile Chang Le Du Nanjing (formerly known as The Classics Nanjing), The Territory Nanjing (formerly known as Nanjing Pukou District Project), Agile & Star River Changzhou (formerly known as Changzhou Longcheng Avenue Project), Agile International Garden Ruili (formerly known as Yunnan Ruili Project), Agile Eden Yunnan (formerly known as Yunnan Tengchong Project), Agile Pure Moon Bay Hainan (formerly known as Hainan Wenchang Project), Agile International Garden Zhengzhou (formerly known as Zhengzhou Zhongmou County Project) and Agile Central Point Plaza Huadu (formerly known as No. 107 National Road Commercial Project Huadu).

In Zhongshan, Southern China Region, the Group maintained its leading market position and achieved remarkable sales. Metro Agile Zhongshan, La Cité Greenville Zhongshan, New Legend Zhongshan and Agile Royal Mount Zhongshan of the Group ranked top in the local market in terms of the pre-sales amount, GFA pre-sold and number of units sold.

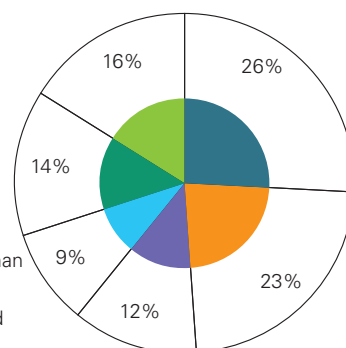
Pre-sales was RMB40,340 million

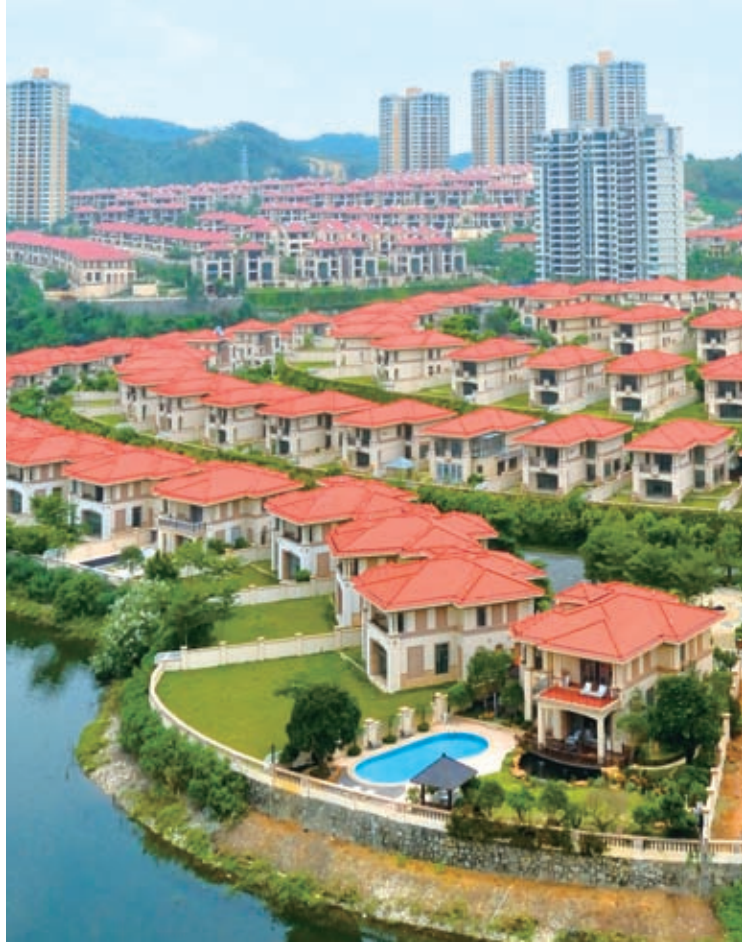
- Southern China Region (Zhongshan)
- Southern China Region (Guangzhou)
- Southern China Region (Foshan)
- Southern China Region (Eastern Guangdong)
- Hainan Province and Yunnan Province Region
- Eastern China Region and Other Regions



GFA Pre-sold was 3.48 million sq.m.

- Southern China Region (Zhongshan)
- Southern China Region (Guangzhou)
- Southern China Region (Foshan)
- Southern China Region (Eastern Guangdong)
- Hainan Province and Yunnan Province Region
- Eastern China Region and Other Regions





In Guangzhou, Southern China Region, Agile Cambridgeshire Guangzhou launched a new high-end component and retail shops during the year, and achieved outstanding sales for its high quality products and mature ancillary facilities. For Agile Mountain Guangzhou, another high-end project, its first phase and a new component, namely "Mountain Serviced Apartment", were basically sold out for its ancillary facilities, great development potentials of the district and its high-end positioning. Its second phase was launched subsequently in December. In Huadu, Urban Complex City Huadu launched 2 new components which were well-received by the market, and was the local top seller with more than 2,000 units sold in 40 days. The nearby Agile Central Point Plaza Huadu (formerly known as No. 107 National Road Commercial Project Huadu) was also put on sale by year end. In

Conghua, Flowing Garden Conghua had become the top seller upon the launch of its second phase in December. In addition, units of Gorgeous Days Panyu were almost sold out during the year. With its prime location and reasonable prices, Agile Earl Mansion Panyu's (formerly known as Jiacheng Mansion Panyu) first batch of units were sold out.

In Foshan, Southern China Region, the last phase and car parking space of Imperial Palace Nanhai were launched. More than 2,000 units were sold and the entire project was basically sold out. New components of both Agile Garden Foshan and Agile Jardin Lecong were launched as well. In addition, the Group launched 3 new projects. Of which, Agile Metropolis Xiqiao was well-received by the market and the entire project was basically sold out. In Eastern Guangdong District, Agile Garden Heyuan led the local market for 7 years in a row with over 1,500 units sold during the year.

Property Development

During the year, the Group achieved steady growth of sales in “Eastern China Region and other regions”. In Eastern China Region, sales increased with the launch of 3 new projects, including Agile Chang Le Du Nanjing (formerly known as The Classics Nanjing), The Territory Nanjing (formerly known as Nanjing Pukou District Project) and Agile & Star River Changzhou (formerly known as Changzhou Longcheng Avenue Project). In Western China Region, Agile Montblanc Xi’an was well-received by the market and was the local champion in terms of sales achieved by a single project. In Chongqing, as Agile International Garden Chongqing was basically sold out during the year, Agile Chairman Chongqing (formerly known as Chongqing Dadukou Project) was introduced by year end and is scheduled to be launched in 2014. The first batch of units of Agile International Garden Zhengzhou (formerly known as Zhengzhou Zhongmou County Project), the first project of the Group in Central China Region, were sold out in few days upon its launch in late December.

Furthermore, the Group further expanded its tourism property business and made a significant breakthrough. It launched 3 new projects in Hainan Province Region and Yunnan Province Region. Besides, with new marketing strategies of organising monthly event and more community, leisure and entertainment facilities were put into service, Hainan Clearwater Bay attracted more potential buyers and achieved satisfactory sales results in all seasons. It achieved pre-sales of RMB7,800 million during the year and was the local champion in Hainan Province. With high quality and reasonably priced products and abundant tourism resources, Agile Eden Yunnan (formerly known as Yunnan Tengchong Project) and Agile Pure Moon Bay Hainan (formerly known as Hainan Wenchang Project)

attracted thousands of potential buyers and achieved satisfactory sales results upon their launches by year end.

Land acquisition strategies of “shorter cycle, lower cost, quicker turnover” and optimising land bank portfolio

During the year, the Group was active in land acquisition with aims to improve its geographic diversification, increase market share and maintain steady growth of sales. In accordance with the strategies of “Shorter Cycle, Lower Cost, Quicker Turnover”, the Group acquired sites in Foshan, Guangzhou, Huiyang, Nanning, Yunfu and Zhongshan of Southern China Region, Chuzhou, Hangzhou, Kunshan, Nanjing, Nantong, Ningbo, Shanghai, Wuxi, Yangzhou and Zhenjiang of Eastern China Region, Xi’an of Western China Region, Changsha of Central China Region, Lingshui of Hainan Province Region, Tengchong and Xishuangbanna of Yunnan Province Region, and Shenyang of Northeast China Region at a total consideration of RMB15,079 million during the year. Total planned GFA of the newly acquired sites is over 10 million sq.m., including 21 new projects. As at 31 March 2014, the Group had a land bank with a total GFA of 43.08 million sq.m. in 41 cities and districts. Majority of the land bank was situated in second and third tier cities and tourism cities with relatively stable markets and great growth potentials. The land cost of the Group remained competitive at RMB1,192 per sq.m..

During the year, the Group focused on expanding business in Eastern China Region with 10 new projects added to the portfolio. Other newly added projects also helped to consolidate its business presence in other existing markets, particularly the Southern China Region and tourism property business segment.



Among the 21 new projects acquired, most of them were medium and small projects with GFA between over 100,000 sq.m. and over 500,000 sq.m.. With features like relatively low land cost, positioned for first time home buyers and upgraders and relatively short development cycle, these projects are planned to be launched starting from 2014, in order to accelerate the capital turnover and achieve steady growth of sales.

In response to the demand for new development projects, newly commenced GFA and completed GFA of the Group during the year increased to 4.9 million sq.m. and 4 million sq.m. respectively. As at 31 December 2013, the Group's completed GFA in the land bank was 1.82 million sq.m. and the GFA under development was 8.24 million sq.m..

Enhancing comprehensive strength to reach a higher stage

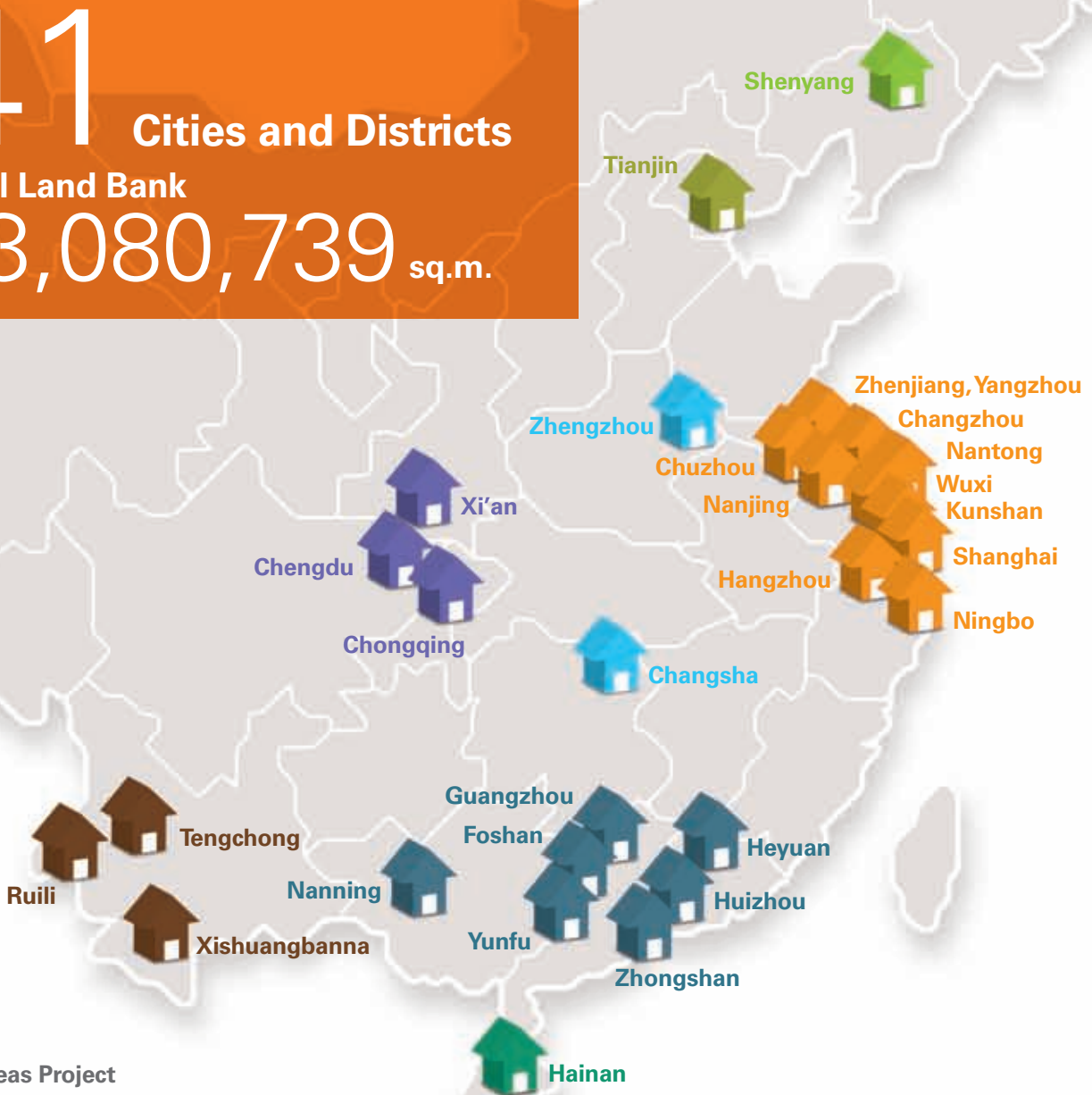
Since its establishment, the Group has over 90 projects in different stages of development. Looking ahead, the property development business of the Group will aim at enhancing comprehensive strength and competitiveness as well as increasing its market share. Therefore, the Group will maintain a balanced product mix and position its products according to market demand. It will also continue the internal reform and enhance operational efficiency in order to achieve rapid development, expedite sales and accelerate asset turnover. In addition, the Group will further enhance the operations management by strengthening project management, cost control and profit management. The Group believes that, with its strength in products and brands as well as improving operational efficiency, the property development business will reach a higher stage.



Property Development

Project Overview (as at 31 March 2014)

41 Cities and Districts
Total Land Bank
43,080,739 sq.m.



Overseas Project



Southern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Guangzhou	Panyu	7	7,507,272	1,243,398
	Baiyun	2	454,305	902
	Tianhe	1	88,466	88,466
	Luogang	1	613,624	504,772
	Zengcheng	1	111,680	676
	Huadu	4	1,190,496	602,137
	Conghua	2	780,697	334,351
Zhongshan		20	12,487,101	6,368,138
Foshan	Nanhai	4	1,528,940	187,498
	Chancheng	2	438,897	119,949
	Sanshui	3	958,269	454,032
	Shunde	4	1,220,069	683,737
Eastern Guangdong	Heyuan	1	2,729,481	1,972,277
	Huizhou	2	4,576,665	3,819,404
Western Guangdong and Guangxi Zhuang Autonomous Region	Yunfu	1	345,989	345,989
	Nanning	1	332,213	166,106
Total		56	35,364,164	16,891,832

Eastern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Nanjing		4	1,653,180	1,571,223
Changzhou		1	559,765	559,765
Shanghai		2	581,285	581,285
Yangzhou		1	436,858	436,858
Chuzhou		1	677,266	677,266
Wuxi		1	590,325	590,325
Hangzhou		1	423,827	423,827
Ningbo		1	561,730	561,730
Zhenjiang		1	226,200	226,200
Nantong		1	510,000	510,000
Kunshan		1	125,052	125,052
Total		15	6,345,488	6,263,531

Western China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Chengdu		1	1,606,752	980,087
Xi'an		4	1,514,106	1,233,244
Chongqing		2	812,015	367,184
Total		7	3,932,873	2,580,515

Central China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Zhengzhou		1	196,634	196,634
Changsha		3	1,009,250	674,132
Total		4	1,205,884	870,766

Hainan Province Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Lingshui		1	10,395,479	8,977,666
Wenchang		1	298,145	298,145
Dingan		1	56,097	56,097
Total		3	10,749,721	9,331,908

Yunnan Province Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Tengchong		1	3,869,819	3,869,819
Ruili		1	731,852	731,852
Xishuangbanna		1	634,240	634,240
Total		3	5,235,911	5,235,911

Northeast China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Shenyang		1	1,110,834	1,022,172
Total		1	1,110,834	1,022,172

Northern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Tianjin		1	3,010,901	717,004
Total		1	3,010,901	717,004

Overseas

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Kuala Lumpur, Malaysia		1	167,100	167,100
Total		1	167,100	167,100

Grand Total **91** **67,122,876** **43,080,739**

Property Development

Land Bank Table (as at 31 March 2014)

No.	Project Name	City/District	City Classification	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
Southern China Region							
1	Agile Garden Guangzhou	GZ/ Panyu	First Tier	289	100%	1,518,417	Xingnan Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	GZ/ Panyu	First Tier	259	100%	624,701	Caotang Village, Nancun Town, Panyu District, Guangzhou
3	Agile Earl Mansion Panyu (Formerly known as Jiacheng Mansion Panyu)	GZ/ Panyu	First Tier	1,292	100%	4,070	Dabei Road, Beicheng District, Shiqiao Town, Panyu District, Guangzhou
4	Gorgeous Days Panyu	GZ/ Panyu	First Tier	5,409	100%	60,747	Qingxin Road, Nansha Bay, Shiqiao Town, Panyu District, Guangzhou
5	Agile Seven Mile Sea Guangzhou	GZ/ Panyu	First Tier	2,972	100%	14,388	Liangang Road, Shilou Town, Panyu District, Guangzhou
6	Agile Garden City South Panyu	GZ/ Panyu	First Tier	3,536	100%	103,825	Nancheng Road, Qiaonan Street, Shiqiao Town Panyu District, Guangzhou
7	Guangzhou Asian Games City Project (Note2)	GZ/ Panyu	First Tier	5,822	20%	2,640,000	Asian Games City, Panyu District, Guangzhou
8	South Lagoon Guangzhou	GZ/ Baiyun	First Tier	357	100%	304,422	998 Tonghe Road, Baiyun District, Guangzhou
9	Royal Hillside Villa Guangzhou	GZ/ Baiyun	First Tier	400	100%	122,742	1168 Tonghe Road, Baiyun District, Guangzhou
10	Agile Mountain Guangzhou	GZ/ Luogang	First Tier	7,074	100%	306,812	Science City, North of Kaichuang Road, Luogang District, Guangzhou
11	Agile Center Guangzhou	GZ/ Tianhe	First Tier	3,674	100%	5,729	Northeast of Junction of Jinsui Road and Huaxia Road, Zhujiang New City, Tianhe District, Guangzhou
12	Agile Linghui Huadu	GZ/ Huadu	First Tier	375	100%	52,600	Shiling Furong Road, Huadu District, Guangzhou
13	Urban Complex City Huadu	GZ/ Huadu	First Tier	1,781	100%	274,384	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
14	Agile Central Point Plaza Huadu (Formerly known as No. 107 National Road Commercial Project Huadu)	GZ/ Huadu	First Tier	2,515	100%	87,482	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
15	Huadu Huashan Town Project (Note2)	GZ/ Huadu	First Tier	2,844	50%	126,941	East of 106 National Road, Huashan Town, Huadu District, Guangzhou
16	Agile Yubinfu Zengcheng	GZ/ Zengcheng	First Tier	1,791	100%	44,672	306 Licheng Road, Zengcheng, Guangzhou
17	Agile Binjiang Garden Conghua	GZ/ Conghua	First Tier	396	100%	303,358	Yanjiang South Road, Jiangpu Street, Conghua, Guangzhou
18	Flowing Garden Conghua	GZ/ Conghua	First Tier	3,018	100%	442,866	Jiekou Town, Conghua, Guangzhou
Guangzhou Subtotal				3,800		7,038,156	
19	La Cité Greenville Zhongshan	Zhongshan	Second & Third Tier	187	100%	1,970,275	La Cité Greenville, Huoju Development Zone, Zhongshan
20	La Nobleu Zhongshan	Zhongshan	Second & Third Tier	250	100%	541,546	Changjiang Resort Zone, Zhongshan
21	New Legend Zhongshan	Zhongshan	Second & Third Tier	1,296	100%	509,369	Shenchong Village, Huoju Development Zone, Zhongshan
22	Metro Agile Zhongshan (Combination of Metro Agile Zhongshan and Zhongshan No.1 Ever Creator Project)	Zhongshan	Second & Third Tier	194	100%	1,476,285	Sanxiang Town, Zhongshan
23	Majestic Garden Zhongshan	Zhongshan	Second & Third Tier	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
24	Grand Garden Zhongshan	Zhongshan	Second & Third Tier	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
25	Star Palace Zhongshan	Zhongshan	Second & Third Tier	278	100%	112,155	Junction of Bo'ai Road and Chenggu Road, East District, Zhongshan
26	The Century Zhongshan	Zhongshan	Second & Third Tier	394	100%	487,871	Junction of Bo'ai One Road and Cuijing South Road, Zhongshan
27	Agile Garden Dachong Zhongshan	Zhongshan	Second & Third Tier	337	100%	122,000	Nanxing Commercial Street, Dachong Town, Zhongshan
28	Royal Residence Zhongshan	Zhongshan	Second & Third Tier	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
29	Zhongshan Minzhong Town Project	Zhongshan	Second & Third Tier	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
30	Agile Cambridgeshire Zhongshan	Zhongshan	Second & Third Tier	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
31	Agile Xiyue Zhongshan	Zhongshan	Second & Third Tier	2,054	100%	37,648	Xingwen Road, East District, Zhongshan
32	Agile Royal Mount Zhongshan	Zhongshan	Second & Third Tier	419	100%	563,253	Guinan Road, Wugui Mountain Town, Zhongshan
33	Beautiful Lake Zhongshan (Note 2)	Zhongshan	Second & Third Tier	7,563	50%	111,060	Changmingshui Village, Wugui Mountain Town, Zhongshan
34	Agile Baron Hill Zhongshan	Zhongshan	Second & Third Tier	600	100%	164,539	Zhongshan Port Road, Huoju Development Zone, Zhongshan
35	Zhongshan Kunlun Hotel Project	Zhongshan	Second & Third Tier	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
36	Zhongshan Nanlang Binhai Project	Zhongshan	Second & Third Tier	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
37	Agile Yorkshire Zhongshan	Zhongshan	Second & Third Tier	520	100%	124,345	North of Zhuhai Avenue, Tanzhou Town, Zhongshan
38	Zhongshan Jibian Town Project	Zhongshan	Second & Third Tier	2,250	100%	71,462	Jibian Village, Shiqi District, Zhongshan
Zhongshan Subtotal				594		7,362,923	
39	Majestic Garden Nanhai	FS/ Nanhai	Second & Third Tier	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
40	Agile Metropolis Xiqiao	FS/ Nanhai	Second & Third Tier	1,223	100%	52,950	215 Qiaojin South Road, Xiqiao Town, Nanhai District, Foshan
41	Imperial Palace Nanhai	FS/ Nanhai	Second & Third Tier	3,004	100%	106,524	North of Guangzhou-Foshan New Expressway, Yanbu, Dali Town, Nanhai District, Foshan
42	Nanhai Dali Town Project	FS/ Nanhai	Second & Third Tier	4,647	100%	44,786	Industrial District of Pan Village, Shuitou Village, Dali Town, Nanhai District, Foshan
43	Agile Garden Foshan	FS/ Chancheng	Second & Third Tier	2,202	100%	184,373	8 Lvjing Three Road, Chancheng District, Foshan
44	Agile Manhattan Hill Foshan	FS/ Chancheng	Second & Third Tier	7,122	100%	29,486	West of Wenhua Road, North of Kuiqi Road, Chancheng District, Foshan
45	Agile Garden Sanshui	FS/ Sanshui	Second & Third Tier	318	100%	266,672	East of Xi'nan Guanghai Road, Sanshui District, Foshan
46	Agile Peninsula Sanshui	FS/ Sanshui	Second & Third Tier	2,164	100%	140,261	Gaofeng Village, Xi'nan Street, Sanshui District, Foshan
47	Sanshui Xi'nan Street Project	FS/ Sanshui	Second & Third Tier	1,892	100%	44,709	Right side of Xi'nan Yong, Xi'nan Street, Sanshui District, Foshan
48	Agile Garden Shunde	FS/ Shunde	Second & Third Tier	962	100%	212,410	Daliang Yannian Road, Shunde District, Foshan
49	Agile Jardin Lecong	FS/ Shunde	Second & Third Tier	3,454	100%	97,474	East 8 Road, South Zone, Lecong Town, Shunde District, Foshan
50	Shunde New City Project	FS/ Shunde	Second & Third Tier	3,960	100%	93,353	West of Tianning Road, North of Huoju Road, New City District, Beijiao Town, Shunde District, Foshan
51	Foshan New City Project	FS/ Shunde	Second & Third Tier	4,398	100%	50,312	North of Meidi Road, East of Huayang Road, Shangliao Village, Beijiao Town, Shunde District, Foshan
Foshan Subtotal				3,292		1,924,540	
52	Agile Garden Heyuan	Heyuan	Second & Third Tier	267	100%	1,364,741	Huangsha Road Central, Heyuan
53	Agile Egret Lake Huizhou	Huizhou	Second & Third Tier	325	100%	2,000,000	1 Agile Road, Ruhu Town, Huizhou
54	Huizhou Huyang Project	Huizhou	Second & Third Tier	222	100%	1,081,559	Yinkeng Road, Xinqiao Village, Danshui Street, Huyang District, Huizhou
Eastern Guangdong Subtotal				259		4,446,300	
55	Yunfu Xijiang River New Town Project	Yunfu	Second & Third Tier	300	100%	138,396	Yunfu High-Tech Industrial Development Zone, Duyang Town, Yuncheng District, Yunfu City
Western Guangdong Subtotal				300		138,396	
56	Nanning Wuxiang New District Project (Note 2)	Nanning	Other Provincial Capitals & Municipalities	1,122	50%	78,721	Wuxiang New District, Nanning, Guangxi
Guangxi Subtotal				1,122		78,721	
Southern China Region Subtotal				1,236		20,989,036	

Property Development

Land Bank Table (as at 31 March 2014)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	1,655,026	89,410	1,958	-	87,452	89,410	-	-
	1,128,255	412,838	58,230	331,498	23,110	412,838	-	-
	29,409	29,409	-	29,409	-	29,409	-	-
	154,077	16,294	16,294	-	-	16,294	-	-
	25,898	135	135	-	-	135	-	-
	134,607	820	820	-	-	820	-	-
	4,380,000	694,492	31,792	173,861	488,839	652,972	-	41,520
	274,951	804	804	-	-	804	-	-
	179,354	98	98	-	-	98	-	-
	613,624	504,772	191,572	104,048	209,152	504,772	-	-
	88,466	88,466	-	88,466	-	-	-	88,466
	84,160	1,844	1,844	-	-	1,844	-	-
	652,102	285,694	8,076	277,618	-	285,694	-	-
	174,964	174,964	-	116,549	58,415	-	-	174,964
	279,270	139,635	-	-	139,635	139,635	-	-
	111,680	676	676	-	-	676	-	-
	346,674	5,209	509	-	4,700	5,209	-	-
	434,023	329,142	24,670	145,574	158,898	329,142	-	-
	10,746,540	2,774,702	337,478	1,267,023	1,170,201	2,469,752	-	304,950
	1,889,961	209,748	21,565	188,183	-	209,748	-	-
	368,017	295	295	-	-	295	-	-
	769,751	704,546	46,064	276,183	382,299	704,546	-	-
	3,519,253	2,272,313	134,658	204,692	1,932,963	2,272,313	-	-
	236,926	359	359	-	-	359	-	-
	150,357	308	308	-	-	308	-	-
	176,226	405	405	-	-	405	-	-
	916,486	1,014	1,014	-	-	1,014	-	-
	203,567	4,720	4,720	-	-	4,720	-	-
	16,144	1,305	1,305	-	-	1,305	-	-
	95,175	95,175	-	-	95,175	95,175	-	-
	1,444,668	1,444,671	-	261,153	1,183,518	1,444,671	-	-
	82,732	877	877	-	-	877	-	-
	1,126,506	722,284	79,730	245,981	396,573	722,284	-	-
	66,636	28,479	28,479	-	-	28,479	-	-
	329,078	154,372	7,088	133,289	13,995	154,372	-	-
	87,801	87,801	-	-	87,801	-	21,854	65,947
	491,859	491,859	-	-	491,859	491,859	-	-
	373,035	4,683	4,683	-	-	4,683	-	-
	142,924	142,924	-	-	142,924	142,924	-	-
	12,487,101	6,368,138	331,550	1,309,481	4,727,107	6,280,337	21,854	65,947
	859,757	19,798	19,798	-	-	19,798	-	-
	153,034	24,111	2,521	21,590	-	2,521	21,590	-
	372,834	274	274	-	-	274	-	-
	143,315	143,315	-	-	143,315	143,315	-	-
	365,181	46,233	481	45,752	-	46,233	-	-
	73,716	73,716	-	73,716	-	73,716	-	-
	480,316	3,687	-	3,687	-	3,687	-	-
	370,653	343,045	62,766	135,212	145,067	343,045	-	-
	107,300	107,300	-	-	107,300	107,300	-	-
	488,500	65,769	201	58,675	6,893	7,769	19,132	38,868
	292,422	178,821	32,601	146,220	-	178,821	-	-
	308,066	308,066	-	-	308,066	308,066	-	-
	131,081	131,081	-	130,866	215	131,081	-	-
	4,146,175	1,445,216	118,642	615,718	710,856	1,365,626	40,722	38,868
	2,729,481	1,972,277	24,543	417,147	1,530,587	1,862,029	65,000	45,248
	2,000,000	1,242,739	139,210	282,588	820,941	1,127,720	97,082	17,937
	2,576,665	2,576,665	-	-	2,576,665	2,576,665	-	-
	7,306,146	5,791,681	163,753	699,735	4,928,193	5,566,414	162,082	63,185
	345,989	345,989	-	-	345,989	345,989	-	-
	345,989	345,989	-	-	345,989	345,989	-	-
	332,213	166,106	-	-	166,106	-	30,668	135,438
	332,213	166,106	-	-	166,106	-	30,668	135,438
	35,364,164	16,891,832	951,423	3,891,957	12,048,452	16,028,118	255,326	608,388

Property Development

Land Bank Table (as at 31 March 2014)

No.	Project Name	City/District	City Classification	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
Eastern China Region							
57	Agile Chang Le Du Nanjing (Formerly known as The Classics Nanjing)	Nanjing	Other Provincial Capitals & Municipalities	11,745	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing
58	The Luxury House Nanjing (Formerly known as The Magnificence Nanjing)	Nanjing	Other Provincial Capitals & Municipalities	4,407	100%	114,020	200 Qingshuting West Road, Jiangning District, Nanjing
59	The Territory Nanjing (Formerly known as Nanjing Pukou District Project)	Nanjing	Other Provincial Capitals & Municipalities	6,720	100%	299,457	West of Linjiang Road and Qili River, Pukou District, Nanjing
60	Agile Garden Gaochun (Formerly known as Nanjing Gaochun District Project)	Nanjing	Other Provincial Capitals & Municipalities	1,240	100%	222,641	West and South of Wutai Road, East of New Sports Stadium, North of Shuanggao Road, East of Zhoujia, Gaochun District, Nanjing
61	Agile & Star River Changzhou (Formerly known as Changzhou Longcheng Avenue Project)	Changzhou	Second & Third Tier	1,679	100%	223,906	West of Taishan Road, North of Longcheng Avenue, Xinbei District, Changzhou
62	Yangzhou Shuangxing Project	Yangzhou	Second & Third Tier	2,299	100%	110,597	North of Planned Road 2, West of Weiying Road, South of Jiangyang Road, East of Hongda Road, Yangzhou
63	Agile Silva Town Chuzhou (Formerly known as Chuzhou Chahe New Town project)	Chuzhou	Second & Third Tier	344	100%	270,907	North of Xinchu Road, South of Xiangjiang Road, East of Changjiang Road, Chahe New City Development Zone, Chuzhou
64	Wuxi Taihu New Town Project	Wuxi	Second & Third Tier	3,454	100%	214,664	Junction of Guanshan Road and Gong Lake Avenue, Taihu New City, Binhu District, Wuxi
65	Kunshan Qiantang Town Project	Kunshan	Second & Third Tier	1,519	100%	62,526	North of Qionghua One Road, Qiantang Town, Kunshan
66	Zhenjiang Tanshan Road Project	Zhenjiang	Second & Third Tier	2,166	100%	113,117	West to Tanshan Road, South to Bailongshan Road, Zhenjiang
67	Nantong Fuxing Road South Project	Nantong	Second & Third Tier	1,368	100%	187,437	Fuxing Road South, Lincui Road West, Nantong
68	Shanghai Songjiang District Project	Shanghai	First Tier	6,100	100%	94,193	Planned Road 4 to the South, Planned Road 1 to the East, Shanghai Film Shooting Base to the North, Yingcheng Road to the West, Songjiang District, Shanghai
69	Shanghai Pudong New District Project	Shanghai	First Tier	2,984	100%	1,441,967	5333 East Dagong Road, Binhai Town, Pudong New District, Shanghai
70	Hangzhou Yuhang District Project	Hangzhou	Other Provincial Capitals & Municipalities	3,077	100%	132,446	North of Yangqiao Road, Xianlin Road, Yuhang District, Hangzhou
71	Ningbo Beilun District Project	Ningbo	Second & Third Tier	1,178	100%	255,332	East of Chunxiaomengyue Road, Beilun District, Ningbo
Eastern China Region Subtotal				2,789		3,803,110	
Western China Region							
72	Agile Garden Chengdu	Chengdu	Other Municipalities and Provincial Capital Cities	1,163	100%	1,338,960	19 Second Section, Lushan Road, Shuangliu County, Chengdu
73	Agile Garden Xi'an	Xi'an	Other Municipalities and Provincial Capital Cities	450	100%	90,644	Wenwan North Road, Chang'an District, Xi'an
74	Agile Montblanc Xi'an	Xi'an	Other Municipalities and Provincial Capital Cities	2,566	100%	120,333	Maopo Village, Guodu Street, Chang'an District, Xi'an
75	Xi'an Qujiang New District Project (Note2)	Xi'an	Other Municipalities and Provincial Capital Cities	3,722	70%	75,953	South of Qujiang South Road, West of Xinkaimen South Road, North of South Third Ring, Qujiang New District, Xi'an
76	Xi'an Changning New District Project	Xi'an	Other Municipalities and Provincial Capital Cities	2,142	100%	277,519	West of Zwu Avenue, South of Ju River, Guodu Street Office, Chang'an District, Xi'an
77	Agile International Garden Chongqing	Chongqing	Other Municipalities and Provincial Capital Cities	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
78	Agile Chairman Chongqing (Formerly known as Chongqing Dadukou Project)	Chongqing	Other Municipalities and Provincial Capital Cities	2,000	100%	119,287	Shuangshan District, Dadukou District, Chongqing
Western China Region Subtotal				1,926		2,343,769	
Central China Region							
79	Bund Mansion Changsha (Formerly known as Changsha Kaifu District Project A) (Note2)	Changsha	Other Municipalities and Provincial Capital Cities	1,716	50%	197,406	Xiangjiang Avenue, Kaifu District, Changsha
80	Changsha Kaifu District Project B	Changsha	Other Municipalities and Provincial Capital Cities	2,679	100%	40,000	Xiangjiang Avenue, Kaifu District, Changsha
81	Changsha Huitang Town Project	Changsha	Other Municipalities and Provincial Capital Cities	442	100%	126,118	Huining Road Nearby, Huitang Village, Huitang Town, Ningxiang County, Changsha
82	Agile International Garden Zhengzhou (Formerly known as Zhengzhou Zhongmou County Project) (Note 2)	Zhengzhou	Other Municipalities and Provincial Capital Cities	438	60%	83,681	Ruifeng Road and Kangzhuang Road, Baisha Town, Zhongmou County, Zhengzhou
Central China Region Subtotal				1,219		447,205	
Hainan Province Region							
83(A)	Hainan Clearwater Bay Project A (Note2)	Hainan/ Lingshui	Tourism Property	312	70%	9,515,036	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
83(B)	Hainan Clearwater Bay Project B	Hainan/ Lingshui	Tourism Property	1,131	100%	126,659	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
84	Hainan Dingan Nani Lake Project	Hainan/ Dingan	Tourism Property	2,530	100%	186,991	East of Nani Lake, Ding'an County, Hainan Province
85	Agile Pure Moon Bay Hainan (Formerly known as Hainan Wenchang Project)	Hainan/ Wenchang	Tourism Property	898	100%	356,447	Qibu District, Moon Bay, Changjiu Town, Wenchang City, Hainan Province
Hainan Province Region Subtotal				358		10,185,133	
Yunnan Province Region							
86	Agile International Garden Ruili (Formerly known as Yunnan Ruili Project)	Yunnan/ Ruili	Tourism Property	271	100%	263,994	East of 40m Planning Road, North of Tuanjie Road, North of Maohan Road Long Line, South of Make Villager Group, Ruili, Yunnan Province
87	Agile Eden Yunnan (Formerly known as Yunnan Tengchong Project)	Yunnan/ Tengchong	Tourism Property	155	100%	2,348,305	Qushi Community, Qushi Town, Tengchong County, Yunnan Province
88	Yunnan Xishuangbanna Project	Yunnan/ Xishuangbanna	Tourism Property	375	100%	528,533	Manda Village, Gasu Town, Jinghong, Xishuangbanna, Yunnan
Yunnan Province Region Subtotal				198		3,140,832	
Northeast China Region							
89	Agile Garden Shenyang	Shenyang	Other Municipalities and Provincial Capital Cities	584	100%	536,848	1 Punan Road, Daoyi South Street, Shenbei New District, Shenyang
Northeast China Region Subtotal				584		536,848	
Northern China Region							
90	Tianjin Jinnan New City (Note2)	Tianjin	Other Municipalities and Provincial Capital Cities	2,341	25%	1,289,227	Southwest of Junction of Tianjin Avenue and Donggu Road, Jinan District, Tianjin
Northern China Region Subtotal				2,341		1,289,227	
Overseas							
91	Malaysia Kuala Lumpur Project (Note 2)	Kuala Lumpur	Overseas	2,051	70%	41,130	Mukim Batu, Kuala Lumpur, Malaysia
Overseas Subtotal				2,051		41,130	
Grand Total (Note 3)				1,192 (Note 4)		42,776,290	

Note:

- Land bank data includes only GFA that is calculated base on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2013. Data are derived from the Group's internal record.
- Total site area and total GFA of Guangzhou Asian Games City Project, Huadu Huashan Town Project, Beautiful Lake Zhongshan, Nanning Wuxiang New District Project, Bund Mansion Changsha and Tianjin Jinnan New City are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective equity interests held by the Group. Since Xi'an Qujiang New District Project, Agile International Garden Zhengzhou, Hainan Clearwater Bay Project A and Malaysia Kuala Lumpur Project are the subsidiaries of the Group, their total site area, GFA and land bank are shown in 100%.
- Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.14 million sq. feet in the New Territories, Hong Kong and is intended to submit its application for amendment of plan to the relevant government department.
- Unit land cost is calculated according to the planned GFA of the land bank of the Group.

Property Development

Land Bank Table (as at 31 March 2014)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	59,600	59,600	-	59,600	-	30,000	-	29,600
	228,040	146,083	128,053	18,030	-	146,083	-	-
	853,466	853,466	-	536,980	316,486	853,466	-	-
	512,074	512,074	-	173,308	338,766	512,074	-	-
	559,765	559,765	-	251,445	308,320	559,765	-	-
	436,858	436,858	-	167,644	269,214	395,858	41,000	-
	677,266	677,266	-	193,002	484,264	677,266	-	-
	590,325	590,325	-	-	590,325	490,325	-	100,000
	125,052	125,052	-	-	125,052	125,052	-	-
	226,200	226,200	-	-	226,200	226,200	-	-
	510,000	510,000	-	-	510,000	510,000	-	-
	148,025	148,025	-	148,025	-	148,025	-	-
	433,260	433,260	-	-	433,260	200,992	-	232,268
	423,827	423,827	-	-	423,827	398,827	-	25,000
	561,730	561,730	-	-	561,730	561,730	-	-
	6,345,488	6,263,531	128,053	1,548,034	4,587,444	5,835,663	41,000	386,868
	1,606,752	980,087	243,622	153,406	583,059	940,087	40,000	-
	234,439	233	233	-	-	233	-	-
	369,505	322,849	1,365	148,159	173,325	322,849	-	-
	215,092	215,092	-	164,341	50,751	215,092	-	-
	695,070	695,070	-	-	695,070	580,486	-	114,584
	463,843	19,012	4,156	-	14,856	19,012	-	-
	348,172	348,172	-	186,452	161,720	348,172	-	-
	3,932,873	2,580,515	249,376	652,358	1,678,781	2,425,931	40,000	114,584
	670,237	335,119	-	37,339	297,780	335,119	-	-
	112,000	112,000	-	-	112,000	112,000	-	-
	227,013	227,013	-	-	227,013	227,013	-	-
	196,634	196,634	-	88,729	107,905	196,634	-	-
	1,205,884	870,766	-	126,068	744,698	870,766	-	-
	10,243,488	8,825,675	463,190	879,541	7,482,944	8,230,873	544,842	49,960
	151,991	151,991	-	-	151,991	151,991	-	-
	56,097	56,097	-	-	56,097	45,069	-	11,028
	298,145	298,145	-	116,816	181,329	298,145	-	-
	10,749,721	9,331,908	463,190	996,357	7,872,361	8,726,078	544,842	60,988
	731,852	731,852	-	184,796	547,056	671,866	59,986	-
	3,869,819	3,869,819	-	342,416	3,527,403	3,569,907	299,912	-
	634,240	634,240	-	-	634,240	634,240	-	-
	5,235,911	5,235,911	-	527,212	4,708,699	4,876,013	359,898	-
	1,110,834	1,022,172	28,433	400,811	592,928	1,017,838	-	4,334
	1,110,834	1,022,172	28,433	400,811	592,928	1,017,838	-	4,334
	3,010,901	717,004	-	101,745	615,259	717,004	-	-
	3,010,901	717,004	-	101,745	615,259	717,004	-	-
	167,100	167,100	-	-	167,100	167,100	-	-
	167,100	167,100	-	-	167,100	167,100	-	-
	67,122,876	43,080,739	1,820,475	8,244,542	33,015,722	40,864,511	1,241,066	1,175,162

Property Development

Flagship Projects at a Glance

Southern China Region

Agile Cambridgeshire Guangzhou

Agile Cambridgeshire Guangzhou in Panyu District overlooks the University City opposite to the Pearl River in the north. With its top-notch modern architectural planning and landscape design, a new classic masterpiece is evolved to demonstrate a living environment beyond comparison.

Total Planned GFA

1,128,255
sq.m.





Agile Mountain Guangzhou

Agile Mountain Guangzhou, located at Science City, Luogang District, is designed by a team of international experts featuring high-end residential buildings whilst nestling adjacent to a natural mountain. The project is also equipped with an international 5-star premium hotel standard clubhouse which provides an incomparable living environment for residents.

Total Planned GFA

613,624
sq.m.



Flagship Projects at a Glance

Southern China Region

Flowing Garden Conghua

Flowing Garden Conghua, located in Jiekou Town of Conghua City, mainly features low-density residential area with a greenery ratio of over 40%. Accentuated by its meticulous landscape design, the project is an integration of residential and recreational elements.

Total Planned GFA

434,023
sq.m.



Urban Complex City Huadu



Urban Complex City Huadu is characterised by its premium residential planning with comprehensive ancillary facilities and is known as the largest integrated project in Huadu District.

Total Planned GFA

652,102 sq.m.

Agile Royal Mount Zhongshan



Agile Royal Mount Zhongshan is located at the Wugui Mountain Ecological Reserve of Zhongshan City and is close to Shiqi downtown in the north and Zhongshan Hot Spring Tourist Zone in the south. The project is adjacent to the entrance of Hong Kong-Zhuhai-Macao Bridge and Guangzhou-Zhuhai Light Rail Station. Secluded in the embrace of verdant mountains, the project fully enjoys the charming landscape of Zhongshan Hot Spring Golf Club. In addition, its community greenery ratio reaches 38%, making it an ideal place for comfortable and healthy living.



Total Planned GFA

1,126,505 sq.m.



Flagship Projects at a Glance

Southern China Region



New Legend Zhongshan

New Legend Zhongshan, located at Huoju Development Zone, Zhongshan City, features low-density and high-rise residential buildings and enjoys the natural resources of Changjiang Reservoir and Wugui Mountain with picturesque scenery. Residents of the project are also benefited from the well-developed ancillary facilities of the adjacent La Cité Greenville Zhongshan.



Total Planned GFA

769,751 sq.m.

Agile Baron Hill Zhongshan

Agile Baron Hill Zhongshan is situated at the centre of Zhongshan Port's business zone, a mere 5 minutes drive away from the Zhongshan Station of Guangzhou-Zhuhai Intercity Light Railway and the Zhongshan Port and is right next to the Beijing-Zhuhai-Macau Highway, which offers a unique half-hour's reach to the Guangzhou Zhuhai-Macau metropolitan. Lying on the mid-level of the mountain are low-density minimalist villas and high-rise residential buildings that own a stunning, panoramic view of mountains, cities, gardens and the sea.

Total Planned GFA

329,078 sq.m.



Metro Agile Zhongshan

Metro Agile Zhongshan is located at the heart of Sanxiang Town in Zhongshan City with approximately 30 minutes drive from Hong Kong-Zhuhai-Macao Bridge, which is under construction. The project is adjacent to the hub of the government offices building, the exhibition, convention and cultural centre, hotels and the commercial area. As a very famous local large-scale high-end residential development, the project was the work of famous international designers and has the pleasant environment of a European town equipped with clubhouses and commercial facilities.



Total Planned GFA

3,519,253 sq.m.



Agile Garden Heyuan

Agile Garden Heyuan is located in the heart of New Town, Heyuan City, and situated adjacent to various community projects, such as Heyuan Hakka Cultural Park and Heyuan City commercial area. The overall planning of the project has adopted the essence of European-style garden to constitute a secluded community. The project comprises commercial centres, apartments and low-density residence with a coverage ratio as low as 28% and an impressive greenery ratio of approximately 40%.

Total Planned GFA

2,729,481 sq.m.

Flagship Projects at a Glance

Southern China Region



Agile Egret Lake Huizhou

Agile Egret Lake Huizhou is situated in the northeast of Huizhou City and is richly endowed with natural resources that composites picturesque scenery with a beautiful lake, verdant hills and natural ecology. Complemented by the Sheraton Bailuhu Resort Huizhou (formerly known as Sheraton Egret Lake Resort Huizhou), the project seamlessly combines business, tourism, recreational and residential elements.



Total Planned GFA

2,000,000
sq.m.

The Luxury House Nanjing

The Luxury House Nanjing (formerly known as The Magnificence Nanjing) is situated in the area of Jiulong Lake Nanjing where it overlooks the Jiulong Lake in the east and Sanshan in the west. Featuring scrupulous designs, the project is a masterpiece among local high-end properties.

Total Planned GFA

228,040
sq.m.



Flagship Projects at a Glance

Eastern China Region



Agile Chang Le Du Nanjing

Agile Chang Le Du Nanjing (formerly known as The Classics Nanjing) is situated at the intersection of the eastern bank of Qinhuai River and the eastern section of Zhonghua Gate of the Ming Dynasty City Wall with proximity to the commercial circle of Fuzi Temple. The project is a high-end, low-density residential community with a touch of traditional Chinese architectural style featuring ancient “lanes-and-alley” pattern which brings a rich historical and cultural ambiance.



Total Planned GFA

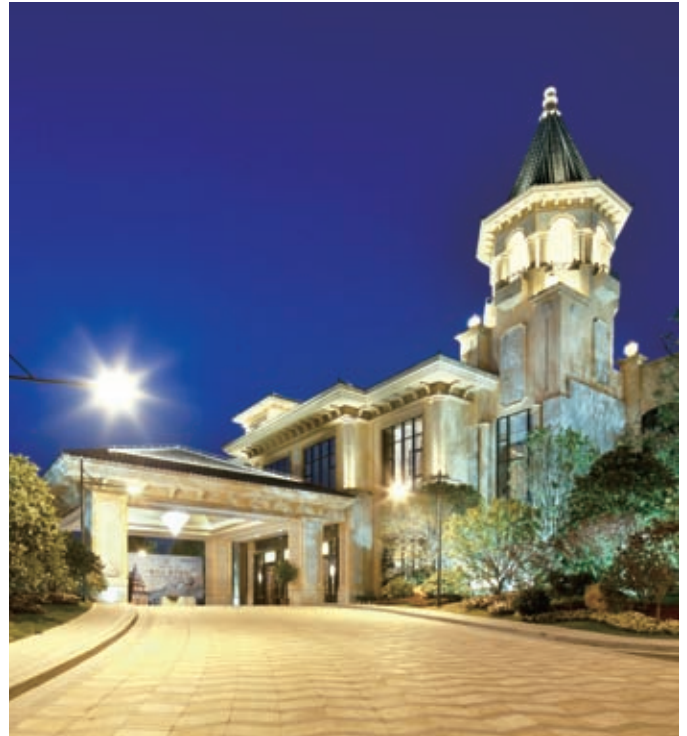
59,600 sq.m.

The Territory Nanjing

The Territory Nanjing (formerly known as Nanjing Pukou District Project) nestles in the ancient city of Nanjing with Pukou New Town to the north, and adjacent to the Qilihe riverside commercial area and the hub for hotels to the east, overlooking picturesque scenery of Laoshan to the north and Changjiang to the south. Planning to equip a 80,000 sq.m. 5-star hotel standard clubhouse, the project is designed for dwellers preferring modern urban living style.

Total Planned GFA

853,466 sq.m.



Property Development

Flagship Projects at a Glance

Western China Region

Agile Garden Chengdu

Agile Garden Chengdu is located in the city south with high development potential. Its high-end component, "Platinum Garden", is an exemplification of world-class residence with interior designs of marvelous craftsmanship and exquisite landscape.



Total Planned GFA

1,606,752 sq.m.



Property Development

Flagship Projects at a Glance

Western China Region



Agile Montblanc Xi'an

Agile Montblanc Xi'an is situated adjacent to Agile Garden Xi'an with a greenery ratio of 35%. Adopting the enclosed architectural plan, residents enjoy the privilege of comprehensive ancillary facilities including 3,600 sq.m. of stunning lake view, European-style garden landscape, 2 swimming pools, clubhouse, school and shopping mall.

Total Planned GFA

369,505
sq.m.



Flagship Projects at a Glance

Hainan Province Region

Hainan Clearwater Bay

Hainan Clearwater Bay, located at Lingshui Li Minority Autonomous County, features a beautiful beach with a breathtaking 12 kilometer-long coastline. The project embodies vacation, tourism, health-keeping, business, sports and fine residence as a whole, and is crowned with a series of international honours including “The International Awards for Livable Communities 2011” endorsed by the United Nations Environment Programme (UNEP) and the Five-star “Best Development Multiple Units, China” award from the International Property Awards Asia Pacific 2012-2013, while being the best-selling property in Hainan for consecutive years.



Total Planned GFA

10,395,479
sq.m.

Hainan Province Region



Agile Pure Moon Bay Hainan



Total Planned GFA

298,145 sq.m.

Nestling in Moon Bay of Wenchang City, Hainan, Agile Pure Moon Bay (formerly known as Hainan Wenchang Project) is a meticulous integration of sea-view apartments, serviced apartments and low density Thai-style residences. Equipped with comprehensive ancillary facilities such as an internationally-branded hotel, commercial streets and multi-functional clubhouses, the project aims to provide a low density seaside vacation town for dwellers.



Property Development

Flagship Projects at a Glance

Yunnan Province Region

Agile Eden Yunnan

Agile Eden Yunnan (formerly known as Yunnan Tengchong Project), located at Qushi Town of Tengchong County, is blessed with pleasant weather throughout the year. Not only does the project comprises world-class hotel and commercial and residential ancillary facilities, but also a tourism property project focusing on both natural scenery and top quality.



Total Planned GFA

3,869,819 sq.m.



Agile International Garden Ruili



Agile International Garden Ruili (formerly known as Yunnan Ruili Project) is situated in the centre of Ruili New Town in Yunnan Province. Embraced by verdant mountains on three sides and a breathtaking lake view, the project plans to include an oasis corridor that penetrates tropical gardens designed with a touch of exotic Southeast Asian beauty, a hotel, a luxurious clubhouse, a featured commercial street, a bilingual international school and more.

Total Planned GFA

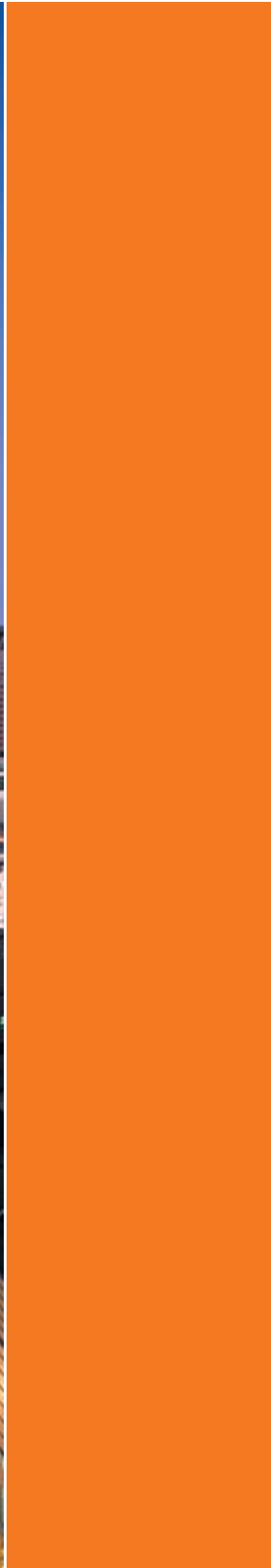
731,852 sq.m.



Hotel Operations and Property Investment

The Group believes that a diversified commercial property portfolio, including hotels, shopping malls and office buildings can disperse operational risks and generate steady revenue.





Hotel Operations and Property Investment

Business overview

During the year, the Group has attained remarkable achievement in both segments of hotel operations and property investment. Attributable to the opening of Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay), the hotel operations of the Group recorded continuous growth and achieved a new milestone. During the year, the Group had 6 hotels in operation, with revenue of hotel operations increased by 21.9% when compared with last year. In early 2014, Sheraton Bailuhu Resort Huizhou (formerly known as Sheraton Egret Lake Resort Huizhou) had its official opening and is expected to generate continuous and steady income to the Group. Currently, over 10 hotels are under planning, construction and renovation, and Holiday Inn Resort Hainan Clearwater Bay and Tengchong Agile Hotel are expected to open in the second half of 2014.

During the year, Agile Hongxi Yoha Center Guangzhou was launched and, together with Agile International Plaza Shanghai and Xiqiao Metropolis Plaza, generated stable income for the Group. Revenue from property investment increased by 111.6% when compared with last year. A number of major commercial projects are under construction and being offered for leasing, and Guangzhou Agile Center (formerly known as Guangzhou Zhujiang New City Project), located within the commercial core in the centre of Guangzhou City, was topped out during the year.

The Group believes that a diversified business portfolio can generate steady income, broaden income base and disperse operational risks. Furthermore, benefiting from the synergy arising from the hotels and commercial properties located within the Group's property development projects, the value of these projects has also been enhanced.

Major hotel projects

Shanghai Marriott Hotel City Centre

Shanghai Marriott Hotel City Centre is located at the central part of Huangpu District in Shanghai, and enjoys superior geographic advantage. Opened in 2011, the hotel features 720 superior rooms and suites, professional conference facilities of over 2,000 sq.m., 5 restaurants serving world-class Japanese, Chinese and international cuisines, as well as a deluxe spa and health club, embodying the functions of business, tourism, large-scale conference and exhibition.

Raffles Hainan

Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay) is an elegantly designed hotel located at Hainan Clearwater Bay, and provides 299 sea view guest rooms and deluxe suites, 33 villa suites and Raffles Amrita Spa, a special spa centre of more than 2,000 sq.m., and is adjacent to the ancillary facilities including golf courses. The hotel commenced its operation in 2013.



Sheraton Bailuhu Resort Huizhou

Sheraton Bailuhu Resort Huizhou (formerly known as Sheraton Egret Lake Resort Huizhou) is handsomely situated adjacent to the beautiful Egret Lake in the northeast part of Huizhou City, and provides 449 deluxe lake view guest rooms and suites. The hotel had its official opening in early 2014.

Howard Johnson Agile Plaza Chengdu

Howard Johnson Agile Plaza Chengdu (formerly known as Chengdu Agile Hotel) is located in "Platinum Garden", the high-end component of Agile Garden Chengdu, providing 342 standard rooms and deluxe suites. The hotel is expected to have its official opening in the second half of 2014.

Holiday Inn Resort Hainan Clearwater Bay

Holiday Inn Resort Hainan Clearwater Bay plans to provide 275 guest rooms and suites with golf course view. The hotel is expected to open in the second half of 2014.

Tengchong Agile Hotel

Tengchong Agile Hotel is located at Qushi Town, Tengchong County, and comprises approximately 100 standard rooms. The hotel is expected to open in the second half of 2014.

Guangzhou Agile Hotel

Guangzhou Agile Hotel nestles along the graceful Yingyi Lake in Agile Garden Guangzhou, providing 126 spacious and cosy standard rooms and deluxe suites in accordance with 5-star standard. The hotel has been in operation since 2007.



Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden Nanhai, providing 200 superior rooms with fit-out in accordance to 4-star standard. The hotel has been in operation since 2008.

Zhongshan Agile Hotel

Zhongshan Agile Hotel is located at the heart of Sanxiang Town, providing 66 deluxe rooms and executive business suites. The hotel has been in operation since 2001.

Major investment property projects

Agile International Plaza Shanghai

Agile International Plaza Shanghai is located at the prosperous hub of tourism, retail and commercial centre of Huangpu District of Shanghai City. The project, a 4-storey building with a total planned GFA of approximately 21, 200 sq.m., is geographically well-located with excellent transportation network. The project is situated next to Nanjing Road Pedestrian Street. The project was launched in 2012.

Agile Hongxi Yoha Center Guangzhou

Agile Hongxi Yoha Center Guangzhou is located at the central hub of Panyu, Guangzhou City, adjacent to the "Shiqiao Station" of Guangzhou Metro Line 3. Comprising 5-storey with a total planned GFA of approximately 18,000 sq.m., the project is positioned as a centre of quality lifestyle facilitated with various major retailers and catering chain enterprises. The project was launched in 2013.



Hotel Operations and Property Investment

Xiqiao Metropolis Plaza

Xiqiao Metropolis Plaza, located in Xiqiao Town, Nanhai of Foshan City, has a total GFA of approximately 58,000 sq.m., and is the first integrated one-stop shopping centre in Xiqiao Town with supermarkets, a department store, food and beverage outlets, and a cinema. The project was launched in 2011.

Guangzhou Agile Center

Guangzhou Agile Center (formerly known as Guangzhou Zhujiang New City Project) is located at the commercial core area of downtown Guangzhou City, and is poised to be the new financial district according to the regional planning of Guangzhou Zhujiang New City. The project enjoys good transportation network for its prime location adjacent to the "Zhujiang New Town Station" of Guangzhou Metro Line 3. With a total planned GFA of approximately 88,000 sq.m., the project will be developed into a 39-storey Grade A office building with planned ancillary facilities including banks, a Michelin-starred restaurant, a convenience store and a coffee shop. The project is expected to launch in the second half of 2014.

Milano Leisure Shopping Street

Milano Leisure Shopping Street (formerly known as Hainan Clearwater Bay International Brand Outlet) is situated in Hainan Clearwater Bay, and adjacent to various high-end ancillary facilities including Clearwater Bay Marina and Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay). The project, with a total planned GFA of 28,000 sq.m., is to be forged into a one-stop international waterfront commercial street integrating the elements of shopping, leisure, food and beverage, entertainment and tourism.



Property Management



Adhering to the “customer oriented” philosophy, the Group’s property management team has been dedicated to providing comprehensive and high quality services, and satisfying the diversified needs of its residents for over 20 years. This is also one of the major reasons for the high recognition of Agile’s brand.

As of 31 December 2013, the total GFA of projects managed by the Group reached 22.66 million sq.m., serving around 480,000 residents and tenants with all-rounded, professional and high quality property management and operating services, including maintenance and repair of buildings and ancillary facilities, community security management, environmental hygiene, landscape maintenance, household services, clubhouse entertainment, recreational and catering services and community cultural activities, in order to satisfy various needs of residents and build a content living style and an excellent commercial environment.

During the year, the Group’s property management has received wide recognition from departments of different levels of government, including the “National Model Residential Community of Property Management” granted by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China. During the year, the Group’s property management has received several international integrated accreditations presented by The British Standards Institution, with 6 projects fulfilled the requirements of ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System, which highly affirmed the Group’s professional experience in property management, and its unswerving commitment to provide high-end, international-standard property management services to residents.

“Harrogate” — Presenting the excellence of classic British property management

“Harrogate”, the high-end property management brand of the Group, has provided classic British property management services to high-end projects, commercial properties and serviced apartments during the year, in order to satisfy the increasing demand for high-end property management services of residents and tenants. Professional property management personnel from “Harrogate” serves with “proactiveness, sincerity, modesty and politeness”, caters individual needs of privileged customers and helps establishing distinguished residential and commercial environments. “Harrogate” currently provides high-end property management services in various projects, including Agile Cambridgeshire Guangzhou, Agile Mountain Guangzhou and Agile International Plaza Shanghai.

“Agile Property Club” — Interactive platform with residents for quality property management

Listening to customers’ feedbacks is one of the keys to making improvements. The Group has been active in listening to requests and recommendations from different parties, and strengthening communications with members and designated alliance vendors via the “Agile Property Club”, a club dedicated to Agile customers providing residential, living and cultural services with better quality. At present, “Agile Property Club” members can enjoy special offers from over 3,400 selected business merchants in China, Hong Kong and Macau. During the year, the “Agile Property Club” has organised a total of approximately 530 community activities with participation from over 230,000 people.

With the completion of new residential and commercial properties in different regions across China, the property management services of the Group will play a more important role in providing high quality services to residents and tenants. The Group will endeavor to improve its service quality and operating efficiency and satisfy the demand for high-end services from customers in the future.

Sustainability Report



The Group firmly believes that sustainable development is critical to the development of a corporation, and has incorporated the concept of sustainability into its business operations with attention to every detail, thereby creating a better future for the society and the corporation.





Sustainability Report

Principles and objectives

Upholding the corporate spirit of “Develop our future with vision and enthusiasm”, the Group is committed to introduce the concept of sustainability into our business operations to further improve the quality of products and services so as to bring comfortable homes for residents. Environmental protection, caring for society and staff development are also taken as important factors of our sustainable development. The Group actively performs our corporate social responsibility to foster the harmonious coexistence between human and nature, and to facilitate the development of the corporation and the society, so as to strive for a better future for the society and the business of the Group.



Active communications with stakeholders in different channels

The Group believes that effective and timely communications with stakeholders will help to establish strategies for long-term business development. Accordingly, the Group has established various channels to obtain opinions from stakeholders from time to time for the making of comprehensive decisions.



Major honours and awards

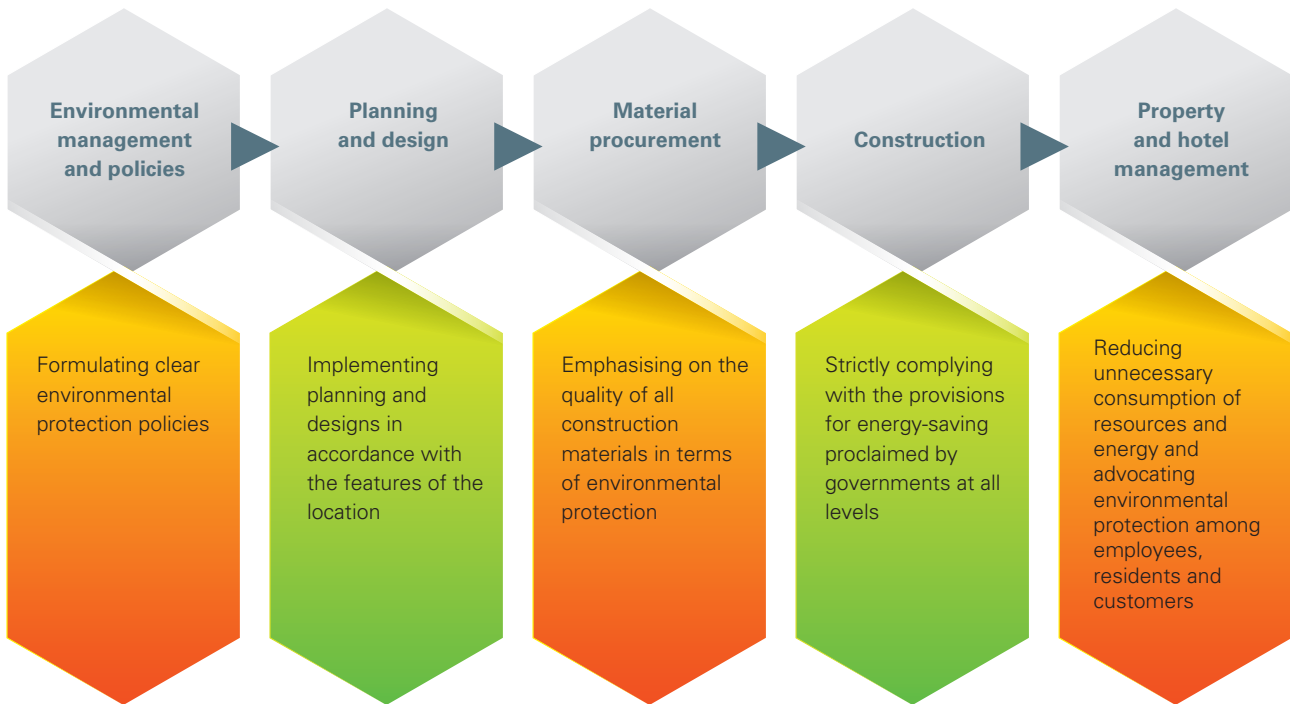
The Group has won recognitions for its persistent effort in sustainable development by the government and the society. Honours and awards obtained by the Group during the year include:

Honours and awards	Awarding organisation
Caring Company	The Hong Kong Council of Social Service
2012 Gold Cup of Guangdong Poverty Relief Hongmian Cup	Guangdong Leadership Group of Poverty Alleviation
Corporate Social Responsibility Awards 2013	Capital magazine Capital Weekly magazine
Corporate Social Responsibility Annual Recognition Award	Southern Metropolis Daily Peking University HSBC Business School
Capital Outstanding Green Excellence Award 2013	Capital magazine
2013 Top List of Corporate University — China’s Best Corporate University Social Responsibility of China Corporate University Top 20 China Corporate Training Program	Overseas Education College of Shanghai Jiaotong University
Best Practice in Talent Development in China	Training Magazine

Environmental Sustainability

Environmental Sustainability

The Group takes into account environmental protection factors for the planning and design of projects, material procurement, construction and property and hotel management. Natural resources are cherished to promote the harmonious interaction between human and nature. In addition, the Group actively promotes green lifestyle among all stakeholders through its environmental protection education and activities.



Environmental protection policies

For details of the environmental protection policies of Agile, please visit the website of the Group (www.agile.com.cn) for relevant information.

Planning and design

By leveraging on over 20 years of experience in real estate development, the Group is well-aware that planning and design is the soul to our projects. During the year, the Group has conducted various researches on our projects

and adopted comprehensive and effective measures to integrate buildings with local environment; improve the quality of residential environments and minimise carbon emission and wastage of resources in the long-run.

Layout, space and orientation of the buildings were arranged in pursuant to the local climate and environment during planning and design to make good use of lighting, air conditioning and natural resources. The Group also considered the topographical and geographical features to

minimise the adverse effects on hill, water source and natural vegetation. Based on the features of local plant distribution, the Group established landscape to protect the original ecological environment. By fully utilising local geographical advantages, the Group used renewable energy where practicable to reduce energy consumption in the long run. The indoor design of all projects laid emphasis on lighting and ventilation, which contributes to the comfort of living condition while making the most of natural resources and reducing unnecessary resource consumption.

To further reduce the energy consumption of our projects, the planning team and property management team of the Group considered and predicted the energy demands of public areas at the early stage of planning to formulate the most appropriate lighting standards.

The Group also built sewage treatment plants in Hainan Clearwater Bay, Agile Eden Yunnan (formerly known as Yunnan Tengchong Project), Agile Egret Lake Huizhou and Agile Garden Heyuan to dispose community sewage so as to reduce water pollution.

Material procurement

The Group believes that construction materials directly influence the quality of the buildings and the surrounding environment. As such, the Group procured and used environmental-friendly materials for indoor and outdoor construction, and ensured that our projects would provide a comfortable living environment for the residents while saving natural resources.

As for outdoor construction materials, safe and efficient energy-saving materials were selected according to thermal insulation and energy-saving analysis of the outer walls, roofs and balconies of the buildings to reduce the energy consumption of properties. The colourful bricks used on the ground are mainly Jianling Bricks made from environmental-friendly materials designed to prevent the loss of water, thus benefiting the plantations nearby, at the same time dissipating heat and retaining humidity. In addition, the Group also used alloy cables and pipes made from environmental-friendly materials.

As for indoor construction materials, wooden flooring used by the Group met international standards with the adhesive glue made from low-formaldehyde materials and ultraviolet-curable coating materials, which reduced indoor light pollution.

As for public facilities, certain projects adopted energy-saving LED lighting systems, the light of which is closer to natural light as compared with traditional light pipes, with the brightness more than 4 times of that of traditional fluorescent lamps and free from pollutants of mercury and halogen powder.

As for green appliances, the Group used water-saving, low-noise and durable bathroom products and energy-saving electric appliances, such as water-saving closetools and shower sprinklers, supplied by internationally renowned manufacturers. In particular, the electricity consumption of air conditioners reduced by approximately 13% as compared with similar products with the same cooling effect.



Sustainability Report

Environmental Sustainability

Construction

Effective construction management can ensure the effective use of resources. In strict compliance with the energy-saving requirements on construction proclaimed by the governments at all levels, the Group further improved our construction management to minimise the unnecessary electricity and water consumption of projects.

On the premise that safety is assured, the Group and contractors adjusted the ratio of steel and concrete; and selected level-3 steel of high strength while reducing the use of level-1 and level-2 steel in order to minimise resources used in construction. The Group also strived to cut down the distribution of pile foundations by promoting and adopting the composite foundation technology in various construction projects to make full use of carrying capacity of the original foundation so as to reduce resource consumption.

Property and hotel management

In addition to providing quality property management and hotel services to customers, the Group is also committed in implementing sustainability measures in daily operations to save energy, conserve water resources, reduce waste at sources, to reduce costs of property and hotel businesses.

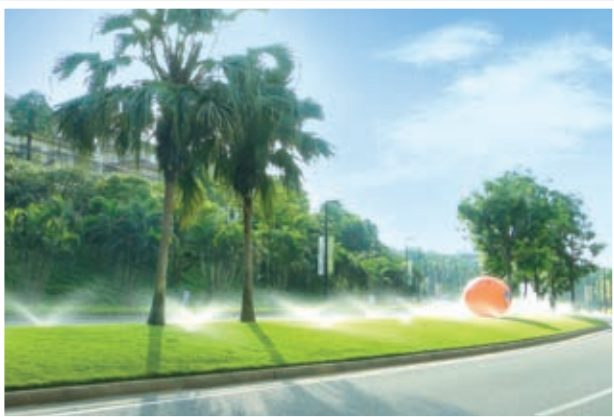
In respect of residential projects, the Group installed energy-saving equipments in pump rooms in most projects located in Zhongshan, which successfully reduced the noise of equipments and improved energy-saving effect. The Group achieved a win-win situation of environmental protection and economic efficiency by

saving electricity by an average of approximately 45% and electricity charge of RMB250,000 during the year.

Residential projects and ancillary large-scale cooling units of the Group adopted new energy-saving refrigerating fluid to reduce pollution effectively. In addition, the Group has strictly implemented the energy-saving lighting standards promulgated by the governments at all levels and applied energy-saving technologies in certain residential projects, including energy-saving lightings, body infrared sensing switches, optical sensor switches and water-saving switches, to reduce unnecessary resource consumption. Certain large-scale projects adopted air-source heat pump technology to supply residential units, staff dormitories and hotels with hot water heated by renewable energy.

To conserve water resources, the Group applied mechanised high-pressure cleansing equipment for outdoor cleaning of communities to save water. The sediment of water scene facilities was drawn off by using sewage collectors monthly to reduce the frequency of cleaning. When cleaning ponds, water of which was stored in neighbouring ponds or used for irrigation to reduce water consumption; fish fry was placed in artificial lakes for natural sanitisation.

Most of the residential projects of the Group have set up waste separation facilities to sort "recyclable waste", "food waste", "harmful waste" and "other wastes" and encouraged residents and staff to foster green habits. In addition, the Group has reduced waste by recycling, storing and re-using decorations for festivals in communities and offices.



Environmental Sustainability

Projects of the Group have a general community greenery ratio of over 50%, creating green landscapes. Large amount of trees and scrubs were planted for cooling, heat dissipating, air purification and noise reduction. The Group also has actively implemented various environmental protection measures, including growing saplings in plant nurseries for greening the community in a bid to prevent damages to the ecology; using environmental-friendly pesticides to minimise damages made to the ecology; and effectively dealing with pests according to their occurrence patterns and the weather conditions, and that both the prevention doses and frequency could be contained.

In respect of hotels in operation, solar water heaters and heat pumps were installed in Guangzhou Agile Hotel and Foshan Agile Hotel respectively to generate daily hot water supply and reduce gas consumption. Annual gas consumption fees saved were approximately RMB100,000 and RMB200,000 respectively. Besides, exhaust from the boiler steam at selected hotels was recycled to supplement the hot water supply of boilers and heating facilities. In addition, recycle rate reached 75% and annual electricity expense of approximately RMB300,000 could be saved, achieving a win-win situation for the environment and economic development.

In respect of new hotels, the Group adopted frequency conversion technologies for air-conditioning main processors and water pumps which can reduce electricity consumption by over 20%. Smoke purification was also applied to boilers and kitchens in an environmental-friendly way. In addition, measurement devices for water, electricity and gas consumption were widely installed in all new hotels to provide accurate information for the practice of energy-saving. The Group applied cool storage technology in the hotels of Hainan Clearwater Bay to optimise its electricity supply system which effectively reduces electricity consumption costs in hotels by approximately 15%.

In respect of commercial projects, the Group has installed circulating cooling systems in Xiqiao Metropolis Plaza, Agile Hongxi Yoha Center Guangzhou and Agile Century Yoha Center Zhongshan to function as cleaning of central air conditioning which can effectively decompose dust and dirt particles in air conditioning conduits and in turn reduce the frequency of conduits cleaning, to create an energy-saving and hygienic environment.



Sustainability Report

Environmental Sustainability



An example of sustainable development – Agile Cambridgeshire Guangzhou

Agile Cambridgeshire Guangzhou, one of the residential projects under the Group, overlooks the Pearl River to the north. With its top-notch modern architectural planning and landscape design, Agile Cambridgeshire Guangzhou is integrated with elements of sustainable development.

In respect of planning and design, the project strictly complied with the “Environmental Protection Law” of the People’s Republic of China and “Design Standard for Energy Efficiency of Residential Buildings in Hot Summer and Warm Winter Zones” issued by Guangzhou Municipal Government. In line with the local climatic features, the project was designed with sensible layout, orientation and spacing between buildings, complemented with natural ventilation and lighting as well as the north and south air convection design that enhanced the ventilation and cooling of buildings. With an architectural design equipped with energy-saving features, thermal insulation were enhanced and the efficiency of air-conditioning equipments were also emphasised. Without affecting the degree of comfort of the buildings, the energy consumption of air-conditioning equipments was reduced by more than 50%.

For the selection of building materials, the design of each component in the project had considered various energy-saving factors, including external walls, roofs and balconies. Thermal insulation and energy-saving analyses were carried out and the safest and most effective energy-saving materials were selected. Anti-electrostatic bricks with the ability to utilise residual heat with low sulphur emission were used on external walls. The colourful bricks used on the grounds are Jianling Bricks made from environmental-friendly materials, such as sand, mine tailings and coal ash designed to prevent the loss of water, thus benefiting the plantations nearby, at the same time dissipating heat and retaining humidity. In addition, the latest high quality water-saving products from international renowned brands such as Groche, Kohler and Siemens were largely installed which fulfilled environmental protection requirements and the standards of Europe and the United States.

In respect of the construction, design, submission, construction and inspection of the project complied with the energy-saving requirements of government departments at all levels. By optimising the construction management, the project strived to minimise unnecessary electricity and water consumption. Comprehensive thermal insulation and energy-saving construction and inspection system was established. After several improvements in energy-saving design, polystyrene compressed foam plates were finally used on roofs while thermal insulation mortar was used on external walls. To ensure structural safety, the ratio of steel and concrete was determined according to the suggestions by governmental departments to minimise unnecessary waste.

In respect of property management, energy-saving lightings were used in public areas and the latest energy-saving technologies, such as electronic time delay switches and optical sensor switches were introduced. For the conservation of water resources, mechanised high-pressure cleansing equipments were used for cleaning outdoor areas of the community and biological purification of water was used in certain components to reduce consumption of water. The project also emphasised on various environmental protection measures, including the planting of trees and scrubs for cooling, heat dissipating, air purification and noise reduction. The method of plant propagation by stem cutting was adopted in greenery areas to reduce related costs. Environmental-friendly pesticides were used to minimise the damages to the ecology.



Sustainability Report

Environmental Sustainability

Promotion of awareness towards environmental protection

Raising environmental awareness among the community is of paramount importance to sustainable development. During the year, the Group promoted awareness on environmental protection to its staff, residents, customers and other stakeholders across China and encouraged them to participate in environmental protection events.

In order to encourage our stakeholders to practise a low-carbon lifestyle, during the year, the Group participated in the "Earth Hour" initiated by World Wild Fund for Nature for the fourth consecutive year, and over 9,000 staff, residents and customers were invited to join the activity. The accumulated number of participants was approximately 120,000 since 2010. In addition, the Group participated in the "Lai See Packets Recycling Programme" initiated by Greeners Action for the third consecutive year. During the year, Lai See packets recycling points were set up in 29 residential estates, 6 hotels and all offices of the Group and over 100,000 households, all staff, visitors and the public were encouraged to recycle and re-use recycled Lai See packets.

In order to promote the establishment of sustainable communities, the Group organised "Ecological Environmental Protection Day" for the seventh consecutive year. The theme of 2013 was "Low-Carbon Pioneer in Agile", over 2,100 trees and over 2,100 sq.m. of sods were planted with the participation of 2,000 staff. Since 2007, an aggregate of nearly 16,200 trees and over

6,100 sq.m. of sods were planted. In Hong Kong, Agile Volunteer Team organised Mikania and weed clean-up campaigns on Lamma Island for 3 times to stop the invasion of Mikania and protect the ecology on Lamma Island.

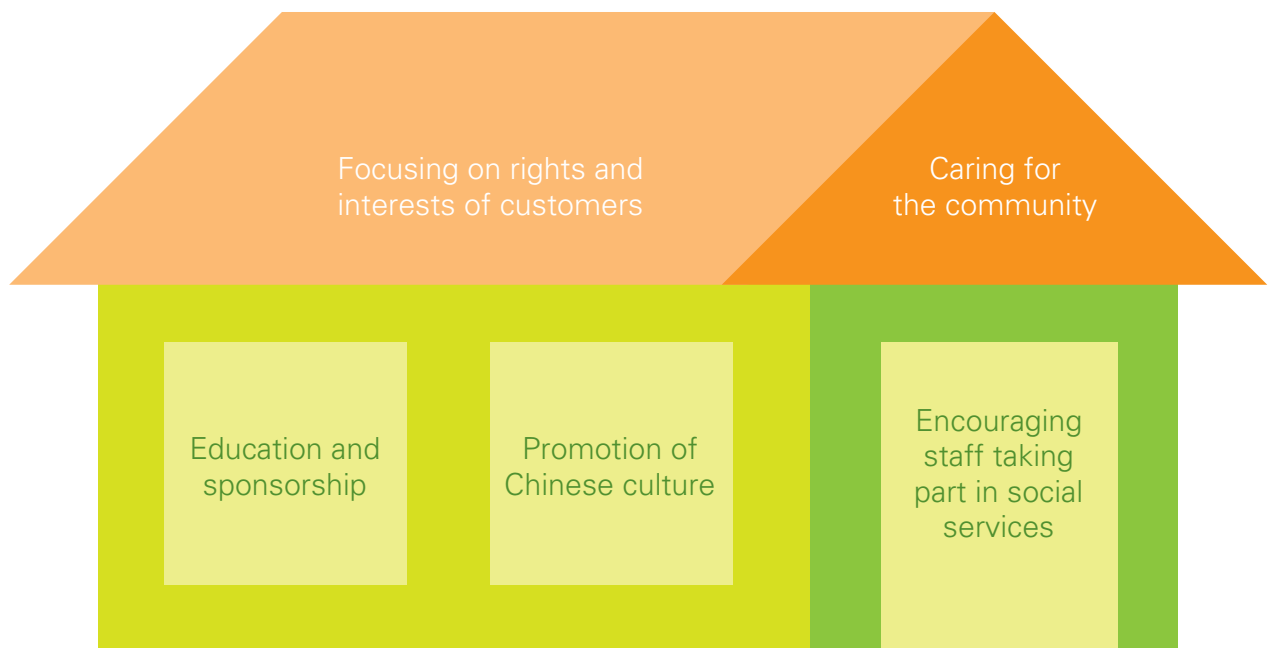
Promote green education

To promote green education, the Group took the role as the key sponsor for the third consecutive year in the "Eco-Business Innovation Award" organised by a student group from The Hong Kong University of Science and Technology. Through key activities such as "Experiential Learning Trips (Hong Kong and China)", "Green Community Planning Competition" and "Expert Seminars", a platform was provided to students from 9 tertiary education institutions, including University of Hong Kong, The Hong Kong University of Science and Technology, Chinese University of Hong Kong and Hong Kong Polytechnic University, to communicate with industry experts and scholars, so as to understand the existing environmental protection planning and the latest trend in China, and to suggest innovative and possible eco-business solutions for the Group's projects. Winners of the competition will be offered opportunities to be the Group's summer interns. The Group will also actively consider the possibility to adopt implementation of their environmental protection solutions. Moreover, the Group participated in the "Mentoring Programme" organised by the Environmental Students' Society of the Hong Kong University of Science and Technology for the second consecutive year to share the industry development insights and life experiences with students.



Social Sustainability

Upholding the belief of “benefiting from society, giving back to society”, the Group formulated its annual charity plan to actively promote charitable activities and care for the needs of customers and the society by bringing in long-term benefits and enhance the harmonious development of society. During the year, donations made by the Group amounted to RMB115 million.



Sustainability Report

Social Sustainability

Education and sponsorship

The Group understood the importance of education to the society in the long-run, and actively put extensive efforts in fostering education to nurture future pillars of the society by recognising contributions of teachers and providing assistance to students who have achieved excellent results in both studies and conduct yet poverty-stricken.

The Group awarded students studying at institutions including Tsinghua University, Hunan University, Tianjin University and Tongji University with under the “Agile Property Scholarship and Study Subsidy” scheme for the sixth consecutive year, and set up the “Special Project Practising Award” in Tianjin University and Tongji University, where students started investigation and researches on topics related to the real estate industry with findings presented in form of written reports. During the year, RMB1.2 million was awarded to 392 teachers and students by the Group. Since 2007, scholarships and study subsidies of over RMB6.8 million has been granted to an aggregate of approximately 1,500 students.

The Group granted scholarships and subsidies of over RMB1.25 million to 875 outstanding teachers and students in Qinghai through “Agile Qinghai Educational Award and Bursary Fund” for the third consecutive year. Since 2010, scholarships and study subsidies of over RMB5 million has been granted to an aggregate of over 3,100 students.

Furthermore, during the year, the Group granted scholarships and subsidies to over 1,500 teachers and students of Zhongshan Tanzhou Secondary School,

Zhongshan Memorial Middle School and Guishan Senior Middle School of Zhongshan City through “Agile Education Foundation (Zhongshan)” for the third consecutive year. Since 2007, scholarships and study subsidies of over RMB7.5 million has been granted to an aggregate of approximately 2,800 teachers and students.

Promotion of Chinese culture

The Group firmly believes that the continuation of Chinese culture can cultivate the personality of youngsters and raise their sense of belonging towards the nation. As such, the Group is committed to promote related academic researches and culture promoting activities.

The Group has sponsored “Agile Special Fund for Chinese Culture Continuation Work” organised by the Chinese Language and Cultural Education Foundation for the sixth consecutive year to support a series of activities promoting Chinese culture abroad. During the year, major events were held included the sponsorship for “Chinese Language and Culture Education Foundation of China • South Guangdong Cultural Trip — Agile Experience Session of Chanwu Culture for Overseas Chinese Teenagers in 2013” with participants from the Netherlands, Italy, Belgium, Hungary, the United Kingdom, Brazil, Australia, Laos, Indonesia and Hong Kong. In addition, 77 students graduated from Jinan University with a bachelor’s degree in Chinese language. Since 2008, approximately 3,500 overseas Chinese teenagers and Chinese language teachers were benefited from “Agile Special Fund for Chinese Culture Continuation Work”.

In addition, during the year, the Group made donation of RMB30 million to “Sun Yat-sen Foundation” to promote



related academic researches, and made a donation of RMB1.19 million to Liurong Temple, Guangzhou City for the promotion of religious culture and the maintenance of the temple.

Caring for the community

To care for the community and contribute to the society, the Group is actively committed to social charitable works and supported various charitable activities organised by different social organisations through donation.

During the year, over RMB40 million was granted to 14 charitable projects through “Agile Foundation”, which was established by the Group at the Department of Civil Affairs of Guangdong Province in 2012. During the year, the Group granted subsidies or scholarships of RMB1.35 million through “Agile Charity Fund for Yanyang of Meizhou”, which was jointly established by “Charitable Society of Meizhou” and the Group in 2012. Over 6,600 pre-schoolers, elderly and outstanding students were benefited since the establishment of “Agile Charity Fund for Yanyang of Meizhou”.

During the year, the Group made donation of RMB3 million in the charitable activity organised by the People’s Government of Guangzhou, to support poverty relief in Guangzhou, and made donation of RMB5 million in the event of “Poverty Relief Day in Guangdong Province for 2013”, to provide assistance to the disadvantaged children, students and elderly in mountainous and rural areas in Guangdong Province. In addition, the Group made donation of RMB30 million to Charity Federation in Zhongshan City, to support the improvement works of local transportation infrastructures.

Furthermore, during the year, over 1,000 teenagers were benefited from “Agile Charity Fund for Guangzhou Youth Development Foundation”, which was jointly established by “Guangzhou Youth Development Foundation” and the Group in 2012, and subsequently launched various charitable activities for the physical and mental wellness of teenagers, including art exhibitions and choir for children with special needs. An aggregate amount of approximately RMB2 million had been granted through “Agile Charity Fund for Guangzhou Youth Development Foundation”.

Encouraging staff taking part in social services

The Group has actively established a long-term relationship with various social organisations and set up “Agile Volunteer Team”, to encourage our staff to participate in charitable activities so as to contribute to the society.

The Group has organised the “Agile Volunteer Service Day” for consecutive years and set up “Agile Volunteer Team” across China in 2011. The accumulated volunteer hours achieved by over 120,000 participants were equivalent to over 60,000 days. One of the major campaigns involved was the “Project Oneiromancy” which featured the theme of “Agile’s Support for Children”, and was held for fifth consecutive year by the Group to help students in remote poverty-stricken mountainous areas across the country through donating learning equipments and necessities to them. Other activities include “Sunshine Angel” held for the second consecutive year where participants visited orphans, children with special needs and children from poverty-



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stricken single parent families in China; the “Warming Sunset” programme held for the third consecutive year and the debut launch for the “Warm Winter” activity during the year to provide care for the solitary elderly and donate items such as clothes and necessities for them to keep warm. During the year, the accumulated volunteer hours achieved by over 30,000 participants were equivalent to over 10,000 days.

The Group has become the principal sponsor of “30-Hour Famine” and “Macau Famine” organised by the World Vision for the fourth consecutive year. Agile Volunteer Team actively took part in the event and invited their families and friends to participate. During the year, the Group sponsored the “Do Famine” activities authorised by the World Vision and organised by Chinese Foundation for Disabled Persons in Beijing, Guangzhou and Jiangsu. The Group has also become the “China Partner Sponsor” for the second consecutive year. In addition, the Group made donation of RMB1.3 million to Red Cross Society of China Zhongshan Branch to support the “Charity Walk in Zhongshan” with the active participation of the Agile Volunteer Team.

Focusing on the customers’ rights and interests

The Group has put emphasis on customers’ interests and their protection. The Group has provided information to our customers and gathered their feedbacks through various channels.

In order to protect customer’s interests, dedicated teams were set up in all property management companies under the Group to deal with enquiries and complaints from customers. Handover teams, formed by staff from various departments, have formulated strict handover standards. To ensure the quality of our property, over 100 items of a resident unit will be inspected repeatedly before its handover to the owner. In addition, the Group has managed the database of customers in strict accordance with the principles of protecting personal data under Personal Data (Privacy) Ordinance in Hong Kong.

In 2005, the Group set up the “Agile Property Club” to enhance the mutual communication with customers and provide quality residential, life and cultural services. During the year, the “Agile Property Club” has organised a total of approximately 530 community activities across China with participation from over 230,000 people.



Corporate Sustainability

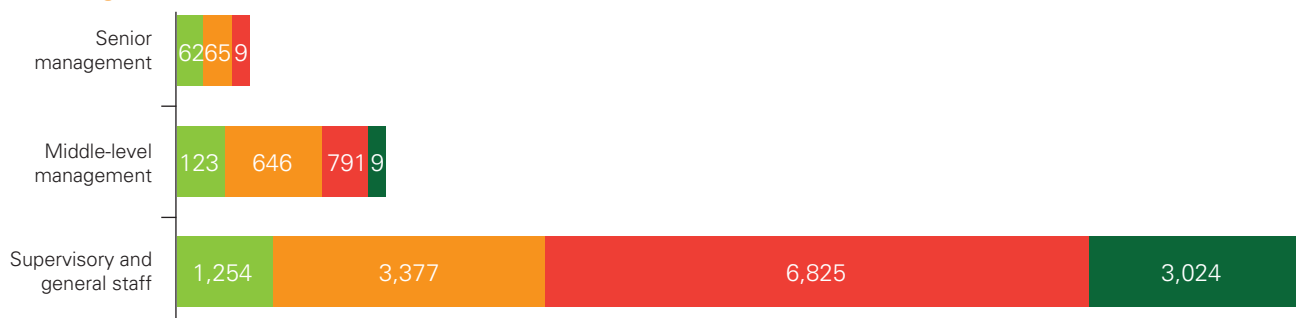
The Group firmly believes that our staff is the cornerstone for corporate development. To lay a bright career path for our staff and to foster corporate sustainable development, the Group has provided comprehensive benefits, training and promotion opportunities to bring our staff an ideal working environment.

Staff breakdown by business operations in 2013

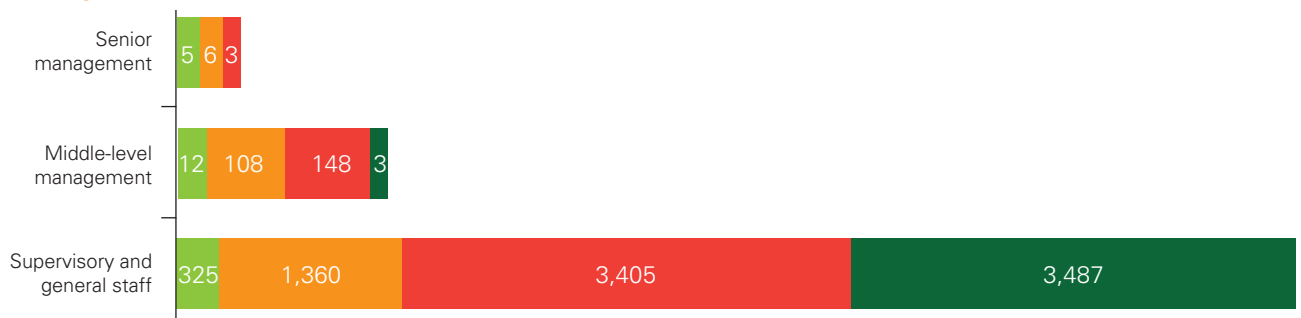


Staff breakdown by age and position in 2013

Existing staff



Newly recruited staff



Over 45 36-45 26-35 25 or below

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Staff breakdown by region and gender in 2013

Existing staff

Headquarters of the Group	53.0%	47.0%
Southern China	58.5%	41.5%
Eastern China	48.1%	51.9%
Western China	55.1%	44.9%
Central China	55.4%	44.6%
Hainan Province	58.0%	42.0%
Yunnan Province	55.0%	45.0%
Northeast China	55.4%	44.6%
Hong Kong and Macau	50.0%	50.0%

Newly recruited staff

Headquarters of the Group	57.1%	42.9%
Southern China	61.2%	38.8%
Eastern China	47.1%	52.9%
Western China	55.6%	44.4%
Central China	54.7%	45.3%
Hainan Province	48.8%	51.2%
Yunnan Province	39.6%	60.4%
Northeast China	48.7%	51.3%
Hong Kong and Macau	57.1%	42.9%

Staff breakdown by age and gender in 2013

Existing staff

Over 45	57.4%	42.6%
36-45	55.6%	44.4%
26-35	59.7%	40.3%
25 or below	50.7%	49.3%

Newly recruited staff

Over 45	48.8%	51.2%
36-45	54.4%	45.6%
26-35	61.3%	38.7%
25 or below	48.9%	51.1%

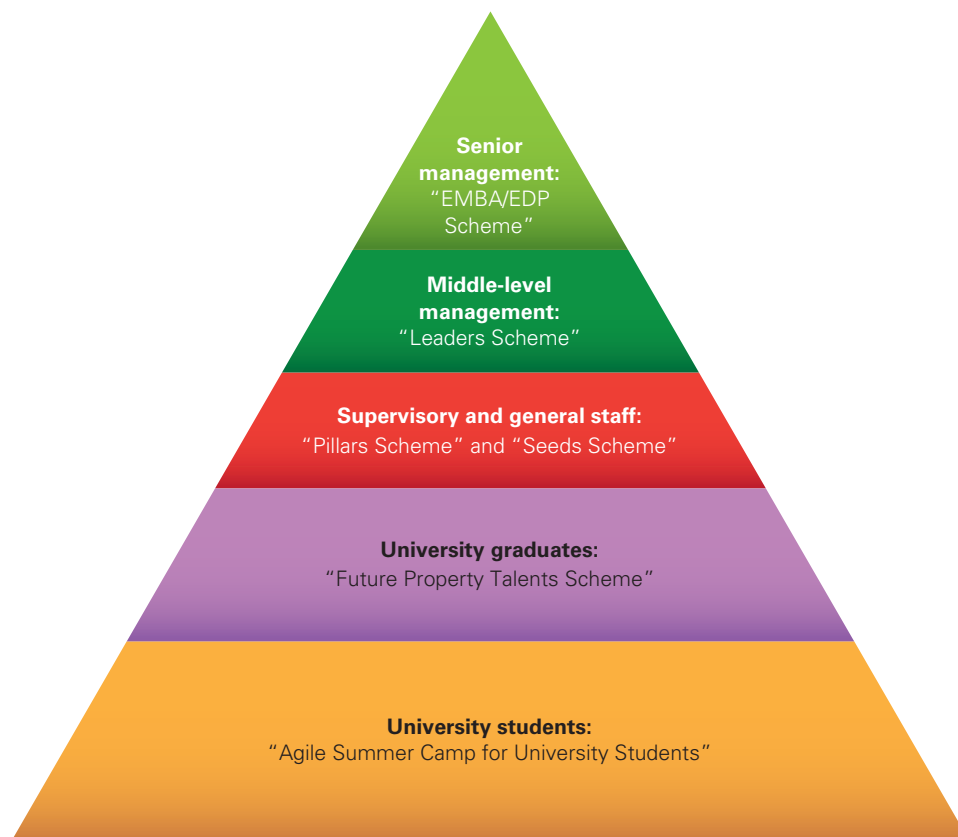
■ Male ■ Female

Staff Development

Average number of training hours in 2013

Category	Hours	Coverage
Overall	43.2	96%
Senior management	28	100%
Middle-level management	35	92%
Supervisory and general staff	45	90%

Talent Training Schemes of “Agile Property Management College” in 2013



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Corporate Sustainability

The Group has given priority to internal promotion and provided our staff with good learning opportunities and a bright career path for them to stretch their potentials, thus, laying a good foundation for the future development of the Group in terms of talent supply. During the year, “Agile Property Management College”, which provides comprehensive and diversified trainings to our staff, continued its mission with a vision of “learn to excel and speed up the growth”. The Group has continued to provide an advanced and systematic training for all levels of management members and staff. In addition, the Group reviews the schemes and actively seeks opinions and advices from our staff every year.

“Property A Scheme”

In order to support the rapid growth of the property development business, the Group provided related trainings according to the actual operating situation of each property project, so as to facilitate the business growth and enhance the services of the Group. During the year, the Group provided related trainings for over 20 property projects, including Agile Mountain Guangzhou, Hainan Clearwater Bay and La Cité Greenville Zhongshan.

Talent Training Schemes

Talent Training Schemes aim to foster talents for the Group and the society. The Group provided customised training schemes according to the needs of different members and trainees, laying a sound foundation for future development of the Group.

To foster management talents, the Group implemented training schemes for all levels of management members and staff which laid a bright path for their careers. The schemes of the Group included the “Leaders Scheme” for the fostering of future senior management, the “Pillars

Scheme” and the “Seeds Scheme” for the fostering of middle-level management and the “EMBA/EDP Scheme” for senior management.

To help the university graduates to prepare their careers, the Group organised a 15-day camp and “Mentoring Programme” for a term of one year in accordance with the “Future Property Talents Scheme”. “Mentoring Programme” comprised of 5 stages. Members of the Group were assigned to act as mentors to assist university graduates to adapt to the working environment and gain relevant expertise and working skills.

To help students forming career development goals in an early stage, “Agile Summer Camp for University Students” was organised to provide a 16-day camp for undergraduate and postgraduate students. The camp mainly included seminars regarding information of the real estate industry, simulated job interviews and internships. Certain training courses and special seminars were delivered by the senior management of the Group, and participants with outstanding performance in the camp will receive a priority employment from the Group. During the year, the fifth “Agile Summer Camp for University Students” offered a wide range of training and internship opportunities for 57 outstanding students from top universities in China and Hong Kong.

During the year, the Group was awarded the “China’s Best Corporate University”, “Social Responsibility of China Corporate University” and “Top 20 China Corporate Training Programme” in “2013 Top List of Corporate University” organised by the Overseas Education College of Shanghai Jiaotong University, and was honoured the “Best Practice in Talent Development in China” by the *Training Magazine*.



Staff benefits and welfare

The Group has set up a bonus system and reviewed the staff remuneration regularly in accordance with their overall performance and market remuneration levels so as to attract and retain the appropriate talents for our sustainable business development. The Group has also established a comprehensive welfare system for all staff, which includes medical benefits, paid sick leave, maternity leave, compassionate leave, travel allowances and other benefits. Regularly reviews were also carried out on the relevant system for further improvement.

Caring for our staff

The Group has set up "Agile Foundation for Mutual Help" to provide financial assistance for staff or their families who had encountered financial difficulties due to accidents or serious illnesses. During the year, a total of 300 members or their families benefited from the foundation with financial assistance of over RMB1.6 million.

Staff engagement

Information of the Group is published from time to time through the intranet and the staff newsletter, "Agile Staff", for our staff to keep abreast of the Group's latest business development and staff activities. To create a harmonious working environment, the Group has encouraged staff to express their views through a wide range of communication channels, including questionnaires and interviews, and the Group make corresponding responses in accordance with the needs of staff.

The Group also organised a variety of recreational activities to enhance interaction among staff and encourage staff to strike a balance between work and life. During the year, the Group organised over 1,000 recreational activities, including festive celebrations, staff birthday parties, gatherings and family activities, in which staff showed great enthusiasm. In addition, the Group also encouraged staff to actively participate in community services. The details are set out in the "Social Sustainability" section of this sustainability report.

Emphasis on equal opportunities

The Group placed great emphasis on equality of opportunity and strictly complied with relevant laws of China and Hong Kong, so as to prohibit any staff from discrimination in all aspects of employment due to factors such as gender, marital status, pregnancy, disability, family status and ethnicity.



Sustainability Report

Corporate Sustainability

Integrity culture and system

The Group has attached great importance to the establishment of a sound integrity culture and regularly organised relevant seminars for staff and conducted strict supervision. The “Integrity System” and related policies formulated by the Group clearly defined corruption behaviours, and expressly set out the requirements on corruption risk supervision, investigation and handling procedures, discipline violation accountability and punishment, and have included the integrity within the range of annual audit plan. Relevant rules and policies covered a comprehensive range and applied to all staff, including the senior management and the Board.

The Group also established a reporting and complaint handling mechanism, which enabled all staff to access information related to the mechanism and set out that all the information reported will be protected by the “Confidential System” of the Group for prudent handling. In addition, the Group has set up an “anti-corruption hotline” and “anti-corruption mailbox” to receive reports and complaints from our staff and the public.

Occupational safety and health

The Group has strictly implemented the “safety management system”, “office environment management system” and other related measures to provide staff with appropriate offices and workplaces in compliance with safety and health requirements. Reward and punishment mechanisms were also established to encourage our staff to comply with the relevant systems.

Occupational safety and health data in 2013

Total number of staff of the Group	16,185
Lost days due to work-related accidents and diseases (occupational)	2,749.5



The Group has been upholding the management concept of “mutual communication for a win-win situation”. With related listing rules, laws and regulations fulfilled, the Group keeps close dialogues with the investment community through multi-channels and maintains a high level of transparency. The Group aims to enhance investors’ understanding of the Group’s business by informing the market about the operating results and latest development in a timely and precise manner. The Group also takes into account the valuable suggestions from investors when formulates strategies. During the year, the Group continued receiving high market attentions, and its investor base has become more solid and wider.

During the year, the Group’s management and investor relations team actively organised and participated in various investor relations activities, including results announcement investor presentations, non-deal roadshows, investor conferences held by investment banks and securities

companies, company visits, sell-side analysts site visit tour, site visits and so on, and received over 1,000 representatives from various investment institutions. The Group values the opportunities to communicate with investors, and management responded proactively to their queries on results, development strategies and so on. Management also had in-depth discussion with investors on the industry trend and has promoted better investor relations. Besides, the Company regularly disseminates the latest operation news through announcements, press releases, newsletters and company website in a timely and proactive manner.

As of 28 March 2014, nearly 40 investment banks and securities research institutions have initiated research coverage on the securities of the Company, which bestowed the Company with one of the highest research coverage in the China Property sector. Currently, the Company has established contacts with over 3,000 investors and analysts.

Investor Relations

Summary of investor relations activities of the Company

Activity	2013	2012
Results announcement press conference and investor presentation	4 times	4 times
Non-deal roadshow	23 times	19 times
Investor conference	31 times	28 times
Investor/ analyst daily meeting	54 times	79 times
Sell-side analysts site visit tour	1 time	–
Telephone/ video conference	19 times	59 times
Site visit	116 times	112 times

Major investor relations activities of the Company in 2013

Month	Place	Activity
March	Hong Kong	2012 Annual Results Press Conference and Investor Presentation 2012 Annual Results Non-deal Roadshow co-organised with CLSA
	Singapore	2012 Annual Results Non-deal Roadshow co-organised with Morgan Stanley 2012 Annual Results Non-deal Roadshow co-organised with J.P. Morgan J.P. Morgan Asia Pacific Real Estate Conference 2013
April	Beijing	2012 Annual Results Non-deal Roadshow co-organised with China International Capital Corporation
	Boston	2012 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
	Edinburgh	2012 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	Hong Kong	2012 Annual Results Non-deal Roadshow co-organised with Barclays Capital
	London	2012 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	New York	2012 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
	San Francisco	2012 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
	Shanghai	2012 Annual Results Non-deal Roadshow co-organised with ICBC International
	Shenzhen	2012 Annual Results Non-deal Roadshow co-organised with ICBC International
Hong Kong	DBS Vickers The Pulse of Asia Conference HSBC 4th Annual Greater China Property Conference Morgan Stanley Convertible Bond Issuer Roadshow UBS HK/ China Property Conference	

Month	Place	Activity
May	Hong Kong Beijing Hong Kong	Non-deal Roadshow co-organised with BOCOM BOC International 11th Investors Conference Barclays Asia Financial & Property Conference Macquarie Greater China Conference Morgan Stanley 4th Annual Hong Kong Investor Summit
June	Beijing Hong Kong Shenzhen	J.P. Morgan China Summit 2013 Citi Bank Asia Pacific Property Conference CLSA HK/ China Property Access Day CICC 2H Investment Strategy Conference 2013
July	Singapore Hong Kong Singapore	Non-deal Roadshow co-organised with DBS Vickers Bank of America Merrill Lynch Greater China Property Corporate Day Macquarie China Consumer and Property Corporate Day DBS Vickers The Pulse of Asia Conference
August	Hong Kong Amsterdam The Hague Frankfurt Hong Kong London Singapore	2013 Interim Results Press Conference and Investor Presentation 2013 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2013 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2013 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2013 Interim Results Non-deal Roadshow co-organised with RHB OSK 2013 Interim Results Non-deal Roadshow co-organised with Standard Chartered Bank 2013 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2013 Interim Results Non-deal Roadshow co-organised with DBS Vickers
September	Boston Shanghai Boston Hong Kong New York Shanghai	2013 Interim Results Non-deal Roadshow co-organised with Morgan Stanley 2013 Interim Results Non-deal Roadshow co-organised with BOC International J.P. Morgan APAC Conference BNP Paribas Asia Pacific "High Dividend" Corporate Days CLSA 20th Annual Investors Forum 2013 RHB OSK Hong Kong and Asean Corporate Day Bank of America Merrill Lynch 2013 Global Real Estate Conference Nomura China Investor Forum 2013
October	Hong Kong	Credit Suisse China Investment Conference 2013 Jefferies 3rd Annual Asia Corporate Access Summit

Investor Relations

Month	Place	Activity
November	Beijing Hong Kong	Bank of America Merrill Lynch China conference 2013 Daiwa Investment Conference Hong Kong 2013 Daiwa Asia Convertible Bond Conference 2013 Goldman Sachs Greater China CEO Summit 2013 Morgan Stanley Asia Pacific Corporate Day
	Singapore	Morgan Stanley 12th Annual Asia Pacific Summit
December	Hong Kong	Bank of America Merrill Lynch Greater China Property Day

During the year, the Group was granted the following investor relations-related honours and awards:

Honours & awards	Awarding Organisation
Best in Sector for Real Estate Grand Prix for Best Overall Investor Relations (Mid or Small Cap)	IR magazine
3rd Asian Excellence Recognition Awards 2013: — Best Investor Relations Companies (China) — Best Investor Relations Website/ Promotion	Corporate Governance Asia magazine
Asia's Outstanding Company on Corporate Governance	Corporate Governance Asia magazine
The Asset Corporate Gold Award	The Asset magazine
Asia's Best Managed Companies 2013 Top 10 "Best Investor Relations" in China	FinanceAsia magazine

Prospects

Looking forward, the Company will make efforts to maintain highly efficient and professional investor relations. With an aim to improve referential and time value of the information, and to promote the long-term development of the Group,

the Company will uphold a candid attitude, optimise investor relations work, keep mutual communication with the investment community and maintain a high level of corporate transparency.

Executive Directors

CHEN Zhuo Lin (陳卓林), aged 52, is the founder of the Group. He has been the Chairman of the Board and an Executive Director of the Company since August 2005 and as a President of the Company since March 2014. Mr. Chen has over 21 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, development directions on the operations and overall business management, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationships with the Shareholders. Mr. Chen received a number of awards during 2007 to 2009, including "World Outstanding Chinese Award" in 2007, "Top 30 Chinese Philanthropists in 30 Years of Reform" (改革開放30年·華人慈善30人) in 2008, "China Philanthropy Outstanding Contribution Individual Award" (中華慈善突出貢獻人物獎) and "Top 10 Persons of the Year for China Enterprise Management Excellence Award" (中國企業十大卓越管理年度人物) in 2009. For the public services, Mr. Chen serves as an executive vice chairperson of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), honorary chairperson of Hong Kong-Zhongshan Sanxiang Fellowship Association (香港中山三鄉同鄉會), vice chairperson of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會) and vice chairperson of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). Mr. Chen is the brother of Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam and also the spouse of Ms. Luk Sin Fong, Fion.

CHAN Cheuk Hung (陳卓雄), aged 56, has been an Executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 21 years of extensive experience in real estate development and related businesses. He is mainly responsible for monitoring the construction quality, progress and cost control of the Group's projects, management of contractors and managing the overall operation of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝飾有限公司) and Guangzhou Zhenzhong Construction Co., Ltd. (廣州振中建設有限公司). Mr. Chan has received several honorary awards, including an honorary resident award in Foshan and "Small Community Construction Outstanding Contribution Award" (小區建設突出貢獻獎) in National Xiaokang Housing Demonstration Small Community Competition (國家小康住宅示範小區評比) by Ministry of Construction (國家建設部) in 2000. For the public services, he was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

HUANG Fengchao (黃奉潮), aged 51, was appointed as an Executive Director of the Company on 28 March 2014. Mr. Huang is a Vice President of the Group and Regional Head for Hainan and Yunnan region. Since joining the Group in 1999, Mr. Huang had been a head of Real Estate Management Centre of the Group and general manager of Huadu and Nanhu projects. He is mainly responsible for the management of the Group's property projects in Hainan and Yunnan region. Prior to his joining of the Group, he worked with ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

Directors' Profile

LIANG Zhengjian (梁正堅), aged 48, was appointed as an Executive Director of the Company on 28 March 2014. Mr. Liang is a Vice President of the Group and Regional Head for Southern China Region. Since joining the Group in 1996, Mr. Liang had been a manager and deputy general manager and general manager of the Group's property projects. He is mainly responsible for the management and business operation of the Group's property projects in Southern China. Mr. Liang is the member of Standing Committee of Guangzhou City. Prior to his joining of the Group, he worked with Traffic Bureau of Zhongshan City (中山市交通局) and China Travel Service of Zhongshan (中山中國旅行社) from 1982 to 1995.

CHEN Zhongqi (陳忠其), aged 46, was appointed as an Executive Director of the Company on 28 March 2014. Mr. Chen is a Vice President of the Group. Since joining the Group in 1993, Mr. Chen had been a project controller and chief engineer, supervisor of the Project Engineering Department, deputy manager of Project Management Department and a deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the project development of the Group's real estate business, including monitoring project quality, progress, technology, contracts and quantity survey. Mr. Chen obtained the qualification of industrial and civil construction from Neijiang Normal University (內江師範學院) in 1991. He also has a budgeting engineer and registered quantity surveyor qualifications.

Non-executive Directors

CHAN Cheuk Yin (陳卓賢), aged 46, had been a Vice Chairperson of the Board and Co-President and an Executive Director of the Company since August 2005 until March 2014 when he was re-designated as a Non-executive Director of the Company. Mr. Chan has over 21 years of extensive experience in real estate development and management, he is mainly responsible for the execution of the Group's overall strategy and managing the overall operation of projects in Eastern China Region, Southwest China Region, Central China Region, Northeast China Region, Northern China Region, Yunnan and Hainan Province Regions. Mr. Chan was awarded "Guangdong Province Outstanding Entrepreneurs of Privately owned Enterprises" (廣東省優秀民營企業家) in 2003, "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC" (2006-2007 中國廣州最受尊敬企業家) in 2007 and "Top 10 Philanthropist in Guangdong" (廣東十大慈善人物) in 2008. For the public services, Mr. Chan is the chairperson of Guangdong Chamber of Real Estate (廣東省地產商會), vice chairperson of Zhongshan Real Estate Industry Association (中山市房地產行業協會) in 2005, a member of Standing Committee of 10th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十屆廣東省委員會) in 2007, an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007 and a member of Standing Committee of 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十一屆廣東省委員會) in 2013. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam.

LUK Sin Fong, Fion (陸倩芳), aged 52, had been a Vice Chairperson of the Board and Co-President and an Executive Director of the Company since August 2005 until March 2014 when she was re-designated as a Non-executive Director of the Company. She is a member of each Remuneration Committee and Nomination Committee of the Company. Ms. Luk has over 21 years of extensive management experience in real estate development and management; in particular have outstanding achievement in strategic marketing and marketing management. She is mainly responsible for planning and marketing, sales, finance, administration and human resources management, information technology, property management, hotel management, commercial leasing, corporate social responsibility and charitable activities of the Group, and managing the overall operation of projects in the Southern China Region. Ms. Luk holds a Master's degree in Business Administration from University of Western Sydney, Australia. She has received several honorary resident awards in Foshan and Nanhai in 2004 and in Zhongshan in 2009 respectively, as well as other awards including "Zhongshan Outstanding Entrepreneurs" (中山優秀企業家) in 2006 and "Top 10 Excellent CBO" (中國十大卓越 CBO) in 2008. For the public services, Ms. Luk is currently a vice chairperson of Guangzhou Housing Society (廣州市房地產協會) and an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Mr. Chen Zhuo Lin.

CHAN Cheuk Hei (陳卓喜), aged 55, had been an Executive Director and a Senior Vice President of the Company since August 2005 until March 2014 when he was re-designated as a Non-executive Director of the Company. Mr. Chan has over 21 years of extensive experience in real estate development and related businesses. He is mainly responsible for management of decorations, development of decoration materials of the Group and managing the projects of Zhongshan Ever Creator, Agile Royal Mount Zhongshan and Agile Yorkshire Zhongshan. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Nam.

CHAN Cheuk Nam (陳卓南), aged 50, had been an Executive Director and a Senior Vice President of the Company since August 2005 until March 2014 when he was re-designated as a Non-executive Director of the Company. Mr. Chan has over 21 years of extensive experience in real estate development and related businesses. He is mainly responsible for quality and cost control of construction materials of the Group. Mr. Chan is the brother of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hung and Mr. Chan Cheuk Hei.

Independent Non-executive Directors

CHENG Hon Kwan (鄭漢鈞), *GBS, OBE, JP*, aged 86, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Remuneration Committee and a member of each Audit Committee and Nomination Committee of the Company. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering from Tianjin University and a postgraduate diploma from The Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees including those awarded by The Hong Kong University of Science and Technology, City University of Hong Kong, The Open University of Hong Kong and The Open University, United Kingdom, and is a fellow of The Imperial College London and City and Guilds London Institute. Dr. Cheng is a past president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; past vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers, and honorary fellow of The Institution of Engineers, Australia. He is also an honorary member of both Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong); and former chairperson of Hong Kong Housing Authority and Transport Advisory Committee. He is a former member of both Executive and Legislative Councils and a former member of the Standing Committee of Tianjin Committee CPPCC. Dr. Cheng is currently a permanent honorary

Directors' Profile

chairperson of Hong Kong Tianjin Friendship Association. Dr. Cheng is also an independent non-executive director of a number of companies, including Wing Hang Bank, Limited, Tianjin Development Holdings Limited, Hang Lung Group Limited and Hang Lung Properties Limited.

KWONG Che Keung, Gordon (鄭志強), aged 64, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Audit Committee and a member of each Remuneration Committee and Nomination Committee of the Company. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of a number of companies, including NWS Holdings Limited, OP Financial Investments Limited, Global Digital Creations Holdings Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, CITIC Telecom International Holdings Limited, China COSCO Holdings Company Limited, Chow Tai Fook Jewellery Group Limited and Shanghai Commercial Bank Limited. He resigned as an independent non-executive director of China Chengtong Development Group Limited and Zhonghai Trust Co., Ltd. in 2013. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and a council member of Hong Kong Stock Exchange from 1992 to 1997.

CHEUNG Wing Yui (張永銳), *BBS*, aged 64, has been an Independent Non-executive Director of the Company since October 2005, chairperson of Nomination Committee and a member of each Audit Committee and Remuneration Committee of the Company. Mr. Cheung is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia. Mr. Cheung is also a member of CPA Australia, a practising solicitor in Hong Kong, a solicitor in the United Kingdom and an advocate and solicitor in Singapore. Mr. Cheung was awarded the Bronze Bauhinia Star (*BBS*) in 2013. He is currently a consultant of Woo Kwan Lee & Lo, the vice patron of The Community Chest of Hong Kong, the deputy chairman of The Open University of Hong Kong, a member of the Labour and Welfare Department's Lump Sum Grant Steering Committee and Honorary Council Member of The Hong Kong Institute of Directors Limited. Mr. Cheung was a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance, a member of the Board of Review (Inland Revenue Ordinance), the deputy chairman of the Hong Kong Institute of Directors Limited, a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong. Mr. Cheung is currently a non-executive director of a number of companies, including Tianjin Development Holdings Limited, Sunevision Holdings Ltd., Tai Sang Land Development Limited, SRE Group Limited and SmarTone Telecommunications Holdings Limited. He is also an independent non-executive director of Hop Hing Group Holdings Limited.

Senior Management's Profile

WU Xiaoping (吳小平), aged 50, is a Vice President of the Group. Since joining the Group in 1993, Mr. Wu had been a deputy general manager and general manager of the Group. He is mainly responsible for the management of investment department and commercial leasing of the Group. Mr. Wu graduated from South China Normal University (華南師範大學) majoring in Foreign Languages. Prior to his joining of the Group, he worked with China Shenzhen Foreign Trade (Group) Corp. Ltd. (中國深圳對外貿易(集團)有限公司) from 1987 to 1993. Mr. Wu is a delegate of 14th People's Congress of Zhongshan City (中山市第十四屆人大), vice chairperson of the Standing Committee of Zhongshan City Industry and Commerce Confederation (General Chamber) (中山市工商業聯合會(總商會)), chairman of Industry and Commerce Confederation in Eastern District of Zhongshan City (中山市東區工商業聯合會), executive vice chairperson of Zhongshan City Real Estate Association (中山市房地產協會), president of Standing Committee of Commerce Chamber in Eastern District Zhongshan City (中山市東區商會), vice president of Charity Federation in Zhongshan City (中山市慈善總會), honorary president of Macau Zhongshan Shiqi Friendship Association (澳門中山石岐聯誼會), honorary president of Zhongshan Golf Association (中山市高爾夫球協會), vice president of Zhongshan Table Tennis Association (中山市乒乓球協會), deputy secretary-general of 3rd Committee of Zhongshan City Administration of Sports (中山市體育總會第三屆委員會), standing committee member of Zhongshan Overseas Friendship Association (中山市海外聯誼會), honorary principal of Zhongshan Western District Central Primary School (中山市西區中心小學) and director of Alumni Association of South China Normal University (華南師範大學).

LIU Huaxi (劉華錫), aged 38, is a Vice President of the Group and Chairman of Guangdong Agile Foundation. Since joining the Group in 1995, Mr. Liu had been a supervisor of the Business Development Department, officer of Administrative Office, assistant to vice president and deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the Group's project development, hotel business, property management, administration and personnel management, corporate communications and management of Guangdong Agile Foundation. Mr. Liu graduated from Hohai University (河海大學) majoring in enterprise management in 1995.

CHEN Lulin (陳璐琳), aged 41, is a Vice President of the Group and Regional Head of Eastern and Northern China. Since joining the Group in 2005, Mr. Chen had been a deputy head and vice president of Real Estate Management Centre of the Group. He is mainly responsible for the management of the Group's property projects in Eastern and Northern China. Mr. Chen graduated from Lanzhou Railway University (蘭州鐵道學院) majoring in civil engineering. Prior to his joining of the Group, he worked with Shanghai Construction Group (上海建工集團).

XUE Shuangyou (薛雙有), aged 50, is a Vice President of the Group. Since joining the Group in 1999, Mr. Xue had been a chief engineer of the Group, deputy general manager and general manager of the Group's property projects and regional head. He is mainly responsible for the Group's property development, sales and property management in the Foshan district, projects of Western, Northeast and Central district of China. Mr. Xue graduated from Inner Mongolia University of Technology (內蒙古工業大學). Prior to his joining of the Group, he worked with The Tenth Institute of Project Planning and Research of Ministry of Machinery Industry (中國機械工業部第十設計研究院).

Senior Management's Profile

MAO Jianping (毛建平), aged 44, is a Vice President of the Group and Regional Head for Jianghuai. Since joining the Group in 1994, Mr. Mao had been an officer and manager of Contract Budget Department of the Group, a manager of Engineering Management Department in Guangzhou region, the general manager of Nanjing project and deputy head of Engineering Management Department of the Group. He is mainly responsible for the development, sales, management of properties, business operation, hotel operation and management in Jianghuai region. Mr. Mao graduated from Guizhou Radio & TV University (貴州廣播電視大學) majoring in industrial automation and has cost engineer and senior economist qualifications. He had been awarded several awards including "Outstanding Non-Guangdong Province Resident Worker in Zhongshan City" (中山市優秀外來員工) in 2000, "New Leader of Real Estate in Nanjing" (南京地產新領軍人物) in 2009, "Nanjing Ten Most Fascinating People in Real Estate Business" (南京地產十大魅力人物), "2009-2010 Spiritual Advanced Individual in Nanjing Qinhuai District" (南京市秦淮區級精神文明建設先進個人) in 2010, "Individual Advanced Building of Four Capability in Fire Safety in Social Unit of Nanjing City" (南京市社會單位消防安全"四個能力"建設先進個人) in 2011, delegate of 17th People's Congress of Nanjing Qinhuai District (南京市秦淮區第17屆人大代表) in 2012 and "Person of the Most Influential of Real Estate in Nanjing" (南京地產最具影響力風雲人物) in 2013.

CHEUNG Sum, Sam (張森), aged 50, is a Chief Financial Officer of the Group. Mr. Cheung joined the Group in 2013 and is mainly responsible for financial management, accounting, corporate finance and tax planning of the Group. Mr. Cheung graduated from the London School of Economics and Political Science, University of London with a Bachelor of Science (Economics) degree in Accounting and Finance. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants. Prior to his joining of the Group, Mr. Cheung had worked in a number of companies listed on the Hong Kong Stock Exchange and international investment banks in Hong Kong, and have over 26 years of relevant professional experience.

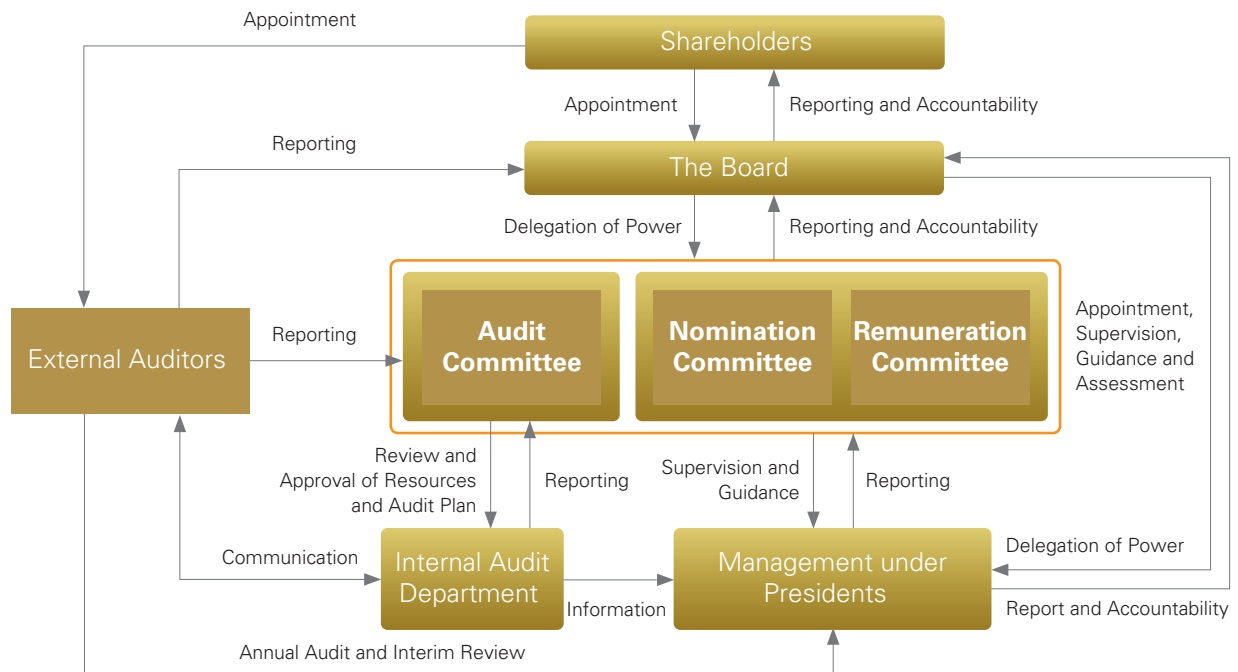
WANG Zhe (王哲), aged 48, is a Financial Controller of the Group. Since joining the Group in 2000, Mr. Wang had been a senior manager of the Group, regional deputy financial controller and financial controller of the projects in Guangzhou region. He is mainly responsible for the financial management and accounting, tax planning and financing of the Group. Mr. Wang graduated from Shanxi Financial Collage (陝西財經學院) and has Chinese Certified Public Accountant and Chinese Certified Tax Agent qualifications. Prior to his joining of the Group, Mr. Wang worked with Shanxi Province Tongchuan City Post & Telecommunication Bureau (陝西省銅川市郵電局) from 1985 to 1996 and Guangzhou Eastern Group (廣州東方人集團) from 1996 to 2000.

LUI Wai Pang (雷偉彬), aged 40, is a Financial Controller of the Group. Mr. Lui joined the Group in 2006 and is mainly responsible for accounting, corporate finance and investor relations of the Group. He has over 16 years of professional experience in accounting, corporate finance and auditing. Mr. Lui is a fellow member of the Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants. He obtained a Bachelor's degree in Accounting from The Hong Kong University of Science and Technology.

WAI Ching Sum (衛靜心), aged 46, is a Company Secretary of the Company and general manager of Hong Kong region. Since joining the Group in 2005, Ms. Wai is mainly responsible for corporate governance, legal, investor relations and corporate affairs of the Group, and management of the business in Hong Kong region. Ms. Wai graduated with a Master of Science degree in Financial Economics from The University of London, England in 1997 and a Master of Laws degree in Chinese Laws and Comparative Laws from City University of Hong Kong in 2002. She is a fellow member of The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries and possesses the Practitioner's Endorsement issued by The Hong Kong Institute of Chartered Secretaries. Prior to her joining of the Group, Ms. Wai had worked in a number of companies listed on the Hong Kong Stock Exchange and has over 22 years of relevant professional experience.

Corporate Governance Report

Corporate Governance Structure



The Group pursues good corporate governance and firmly believe that in operating and developing various business sectors in an enlightened and responsible way is crucial in maintaining and building of Agile’s renowned branding, realizing the target of profit maximisation for the enterprise, and it also contributes to consolidate and enhance the long-term benefits of the Group as well as its Shareholders. Accordingly, the Group attaches great importance to the quality of the management and leadership of the Board and the management, adopts a steady and responsible policy for operation and development as well as an effective but stringent style of governance and reviewing and improving the internal control system from time to time.

Maintain a high level of corporate governance can uphold a high standard of the Group’s credibility and transparency, thus strengthening the confidence of the Shareholders and the public in the Group. During the year, the Group has complied with all code provisions, and certain of the recommended best practices of the CG Code.

Particulars about the Group’s investor relations and recognitions received in respect of the good management and corporate governance are set out in the investor relations section on page 75 of this annual report.

Compliance with Model Code

The Company has adopted a code for securities transactions by Directors (“Securities Dealing Code for Directors”), which is on terms no less exacting than the required standard as set out in the Model Code. After enquiry, each of the Directors has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2013. For the Group’s employees, they are required to comply with the code for securities transactions by the Group’s employees.

Corporate Governance Report

The Board

Board composition

During the year ended 31 December 2013 and up to the date of this annual report, the Board comprises the following executive Directors, the NEDs and INEDs:

CHEN Zhuo Lin	<i>Executive Director, Chairman and President</i>
CHAN Cheuk Hung	<i>Executive Director</i>
HUANG Fengchao	<i>Executive Director (appointed with effect from 28 March 2014)</i>
LIANG Zhengjian	<i>Executive Director (appointed with effect from 28 March 2014)</i>
CHEN Zhongqi	<i>Executive Director (appointed with effect from 28 March 2014)</i>
CHAN Cheuk Yin	<i>Non-executive Director (re-designated from executive Director with effect from 28 March 2014)</i>
LUK Sin Fong, Fion	<i>Non-executive Director (re-designated from executive Director with effect from 28 March 2014)</i>
CHAN Cheuk Hei	<i>Non-executive Director (re-designated from executive Director with effect from 28 March 2014)</i>
CHAN Cheuk Nam	<i>Non-executive Director (re-designated from executive Director with effect from 28 March 2014)</i>
CHENG Hon Kwan	<i>Independent non-executive Director</i>
KWONG Che Keung, Gordon	<i>Independent non-executive Director</i>
CHEUNG Wing Yui	<i>Independent non-executive Director</i>

Rule 3.10A of the Listing Rules provides that a listed issuer must appoint independent non-executive directors representing at least one-third of the board. Following the re-designation and new appointment of Directors on 28 March 2014, the Board comprises twelve members, three of whom are INEDs. The Company will appoint additional INEDs for compliance with the requirements of Rule 3.10A of the Listing Rules.

Relevant list of members of the Board has been published on the Company's website, and the relations and biographical details of each Director is set out on pages 79 to 82 of this annual report.

The Board will assign task and power according to the function and ability of the management when formulating development strategies and management policies, and present a clear guidance. The Company also formulates its own terms of reference of the Board and clearly presents the division of responsibilities of the Board and the President.

Chairman, Vice Chairpersons and Co-Presidents

During the year, the role and division of responsibilities between the Chairman and Vice Chairperson and Co-Presidents were clearly defined. Mr. Chen Zhuo Lin was the Chairman of the Board, and Mr. Chan Cheuk Yin and Ms. Luk Sin Fong, Fion, were the Vice Chairperson and Co-President respectively.

The Chairman is responsible for formulating the Company's overall strategies and policies, and organising the works of the Board, ensuring its effectiveness; and instructing the company secretary from time to time to provide the Directors with the Group's development situation and the latest information or provisions relating to the corporate governance so that the Directors can perform their duties. Meanwhile, the Chairman will, from time to time arrange, the INEDs and executive Directors to jointly attend the opening ceremonies of new projects, site visits and participate in corporate activities as well as Company's dinner party to promote a favourable and constructive relationship between the executive Directors and INEDs. During the year, the Chairman held one separate meeting alone with all INEDs without the presence of other executive Directors.

The presidents are also authorised by the Board to lead the senior management to carry out the day-to-day management and operations of the business of the Group according to the objectives and directions determined by the Board, and internal control policy and procedure.

On 28 March 2014, the Company reorganised the composition of the Board by re-designating four executive Directors as NEDs and appointing three new executive Directors. Following such reorganisation, Mr. Chen Zhuo Lin works as the Chairman and President of the Company, whereas Mr. Chan Cheuk Yin and Ms. Luk Sin Fong, Fion have been re-designated as NEDs from Vice Chairpersons and Co-Presidents and no longer have the capacity of executive Directors.

Although Mr. Chen Zhuo Lin acts as both the Chairman and the President of the Company following the reorganisation of the Board on 28 March 2014, the Board considers that this structure will not impair the balance of power and authority of the Board. The Board also believes that under the leadership of Mr. Chen Zhuo Lin as both the Chairman and the President, the Board's decision could be made effectively and it would be beneficial to the management and development of the Group's business. The Board will consider segregation of the roles of the chairman and the president if and when necessary.

Independence of the independent non-executive Directors

Each INED has given the Company his confirmation of independence under the standard set out in rules 3.13 of the Listing Rules, and the Company also considered their independence. During the year, no INED has served the Company for more than 9 years.

INEDs may offer independent opinions on the operation management and development strategies of the Group, and vote independently on matters where executive Directors shall abstain from voting when there is a potential conflict of interests between executive Directors and the matter under consideration.

Appointment and re-election

The tenure of executive Directors, NEDs and INEDs are 3 years respectively, calculating from the date of the annual general meeting approving the appointment by the Shareholders to the end of the third annual general meeting and subject to re-election. The Company has entered into agreements with each Director. The agreements clearly set out the powers and duties of the Directors.

Newly appointed Directors are subject to re-election at the first general meeting after appointment.

Corporate Governance Report

Each Director has disclosed to Company about the names, titles and nature of the Company or organisation held in public companies or organisations, prior to the acceptance of the appointment, and promised to inform timely the Company of its any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details, if any, every year, and set out the updated biographical details of Directors, if any, in this annual report.

Pursuant to requirements of the articles of association of the Company, not less than one third of the Board members shall retire by rotation in annual general meeting and each Director (including NEDs and INEDs) shall retire by rotation once every 3 years and being entitled to re-election. Both names and biographical details of Directors eligible for re-election are set out in circular of the Company for Shareholders to make informed decisions with grounds in the election of Directors. All Directors appointed to fill a casual vacancy or additional appointment will be subject to election by Shareholders at the forthcoming general meeting after their appointments and being entitled to re-election. Appointment of Directors of the Company shall be subject to a separate resolution to be approved by Shareholders.

Training and support for Directors

Pursuant to the established procedures of the Company, any newly appointed Director will be provided with information relating to the discharge of his or her duties as directors, including "Statement of Policy for Corporate Governance", the operation and financial information of the Group, "A Guide on Directors Duties" issued by Companies Registry, and Listing Rules. The company secretary will also provide Directors with the latest information on Listing Rules and other applicable regulatory requirements from time to time, so as to update and strengthen the Directors' awareness of the development of corporate governance, and maintains records of training attended by the Directors.

During the year, the Company timely provided continuing briefing and professional development to Directors, the summary of training received by the Directors are as follows:

Directors	Training Matters ^{note}
Executive Directors	
Mr. Chen Zhuo Lin (<i>Chairman</i>)	A, B, C, D
Mr. Chan Cheuk Yin (<i>Vice Chairperson and Co-President</i>)*	A, B, C, D
Ms. Luk Sin Fong, Fion (<i>Vice Chairperson and Co-President</i>)*	A, B, C, D
Mr. Chan Cheuk Hung (<i>Senior Vice President</i>)	A, B, C, D
Mr. Chan Cheuk Hei (<i>Senior Vice President</i>)*	A, B, C, D
Mr. Chan Cheuk Nam (<i>Senior Vice President</i>)*	A, B, C, D
Independent Non-executive Directors	
Dr. Cheng Hon Kwan	A, B, C, D
Mr. Kwong Che Keung, Gordon	A, B, C, D
Mr. Cheung Wing Yui	A, B, C, D

* Re-designated as non-executive Director on 28 March 2014

Note : A. corporate governance
B. regulatory
C. finance
D. managerial

Board and board committee meetings

During the year, the Board held a total of 5 physical meetings in January, March, May, August and December respectively, with one held outside Hong Kong.

Generally, the Board will determine the date of the following year's regular meetings on the last regular physical meeting during the year so as to ensure that all the Directors can schedule their respective timetable with an aim to allocate the time to attend the meetings. The Company will also provide all the Directors with at least 14 working days notice in respect of holding regular Board meetings. Company secretary will follow the instruction from the Chairman to circulate the draft Board meeting agenda to all Directors for their perusal and comment 21 days before meeting date. The Board meeting agenda will be signed and issued by the company secretary only after incorporating all the comments of Directors (if any). Meeting documents will normally be delivered to all Directors 3 working days before meeting date, so as to ensure they are fully informed before the meeting.

Any matter involving interest of substantial Shareholders or Directors shall be subject to the consideration and approval by Board attend personally at a Board meeting, or to be implemented and dealt with by designated Board committee. Directors who have interest may attend meeting but shall not be counted towards quorum and Directors who have interest shall abstain from voting on the relevant matter. All Directors can require the company secretary to provide advice and service on relevant aspects, including the follow-up of or the provision of support to any matters; ensuring the Board procedures and all applicable rules and regulations are complied with.

The management will submit relevant reports and report the content of the meeting to the Directors on every quarterly Board meeting, and will also submit last month's report on relevant financial and operational data of the Group at the beginning of every month, and other reports required by the Board from time to time to the Directors for their perusal and comment. The management will also give detailed explanation to any enquiry made by the Directors. Therefore, the Board may make informed assessment in respect of the financial and other information submitted to them for their approval.

The meeting minutes of the Board and its committees are drafted and kept by the company secretary. All meeting minutes will set out in detail the matters considered and decisions made at the meetings, including, among others, any queries made or views expressed by the Directors. Generally, the company secretary will distribute the first draft of the meeting minutes to all the relevant attending Directors for their comment within 7 working days after the end of the meetings of the Board and its committees. Having incorporated the comments of the Directors (if any), the finalised version of the meeting minutes as assigned on by the chairman of such meetings will be distributed by the company secretary to all relevant attending Directors for recordkeeping purpose.

All the executive Directors and the INEDs have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the year. In addition to attending the meetings of the Board and its committees, the Directors also spend sufficient time in reviewing the monthly internal audit reports provided by the internal audit department.

Attendance of Directors and members of Board committees in 2013

	Number of attendance ^{note} / meeting held in 2013				
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Executive Directors					
Mr. Chen Zhuo Lin (<i>Chairman</i>)	4/5	–	–	–	2/2
Mr. Chan Cheuk Yin (<i>Vice Chairperson and Co-President</i>)*	1/5	–	–	–	0/2
Ms. Luk Sin Fong, Fion (<i>Vice Chairperson and Co-President</i>)*	5/5	–	1/1	1/2	0/2
Mr. Chan Cheuk Hung	4/5	–	–	–	0/2
Mr. Chan Cheuk Hei*	4/5	–	–	–	0/2
Mr. Chan Cheuk Nam*	5/5	–	–	–	0/2
Independent Non-executive Directors					
Dr. Cheng Hon Kwan	3/5	2/2	1/1	2/2	2/2
Mr. Kwong Che Keung, Gordon	5/5	2/2	1/1	2/2	2/2
Mr. Cheung Wing Yui	5/5	2/2	1/1	2/2	2/2

* Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam were re-designated as Non-executive Directors on 28 March 2014.

Note: The Directors can attend meetings in person, by phone or through other means of electronic communication in accordance with the Company's Articles of Association.

Liability insurance of Directors and senior management

Since its listing in 2005 and to date, the Company has purchased the "Directors and Officers Liability Insurance" for its Directors and senior management, in order to safeguard them from any legal and compensation liabilities arising in the course of discharging their duties.

The committees of the Board

The Board of the Company has established 3 committees, which are remuneration committee, nomination committee and audit committee. Terms of reference of each of the committees have posted on Agile's website (www.agile.com.cn) and HKEx's website (www.hkex.com.hk), and will be amended by the Board from time to time.

Remuneration committee

Remuneration committee has been established since November 2005. It currently comprises a NED and 3 INEDs. The members of remuneration committee comprises Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui and Ms. Luk Sin Fong, Fion, and is chaired by Dr. Cheng Hon Kwan.

The major duties of remuneration committee are to formulate the Group's remuneration policy and give advice to the Board. In determining remuneration of executive Directors, remuneration committee will take into consideration the remuneration level of peers with similar scale, the time spent by respective executive Director, individual performance and Company's performance. Before the remuneration committee proceeds to discuss and determine the remuneration for executive Directors, the remuneration committee will first consult the Chairman and, if necessary, consult the management for their advice. The remuneration committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of the Company.

During the year, the remuneration committee held a total of 2 meetings in March and December respectively, the agenda of which is set out below:

- Reviewing the remuneration adjustments of senior management in 2013;
- Confirming the remuneration of executive Directors and INEDs in 2012;
- Determining and determining the remuneration of executive Directors in 2013;
- Discussing and determining the remuneration of INEDs in 2013; and
- Discussing and approving the Share Aware Scheme matters.

Nomination committee

Nomination committee has been established since December 2006. It currently comprises a NED and 3 INEDs. The members of nomination committee comprises Mr. Cheung Wing Yui, Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Ms. Luk Sin Fong, Fion, and is chaired by Mr. Cheung Wing Yui.

The major duties of nomination committee are to give advice to the Board on the appointment/re-appointment of Directors and succession planning for the Directors, and to review the structure, number of members and composition (including but not limited to the gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and to assess the independence of INEDs.

Nomination committee is responsible for the development of selection procedures for candidates, and will consider different criteria including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. Nomination committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the year, the nomination committee held one meeting and the agenda is mainly to reviewing the amendment to the Terms of Reference for Nomination Committee and considering the contribution to the Group by the retiring Directors of Mr. Chan Cheuk Hung, Mr. Chan Cheuk Nam and Mr. Cheung Wing Yui, and advising the Board on the re-election of proposed retiring Directors at the annual general meeting.

Corporate Governance Report

Audit committee

Audit committee has been established since November 2005 and comprises 3 INEDs. The members of audit committee comprises Mr. Kwong Che Keung, Gordon, Dr. Cheng Hon Kwan and Mr. Cheung Wing Yui, and is chaired by Mr. Kwong Che Keung, Gordon.

Main duties of audit committee are reviewing accounting policy, monitoring the works of both the Company's external auditors and internal audit department, reviewing the financial information, reviewing and assessing the financial reporting procedure and its effectiveness, as to ensure the compliance with the regulations of applicable accounting and reporting and the requirements of law and provisions overseeing internal control and risk management, and considering and reviewing the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial function, and reporting the results to the Board. Audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the year, audit committee held a total of 2 meetings in March and August respectively, the agenda of which is set out below:

- Reviewing annual results of 2012 and annual report of 2012, interim results of 2013 and interim report of 2013;
- Reviewing audit and review works reports, the advice report of internal control and management presented by auditors;
- Discussing and reviewing presented internal control management report, audit monitoring plan and audit timetable; and
- Reviewing the matters of the Group's internal control and risk assessment.

Audit committee and the Board have no disagreement in relation to the recommendation of the re-appointment of PricewaterhouseCoopers as the external auditors of the Company.

External auditor

At the 2013 annual general meeting, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Group. For the year ended 31 December 2013, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services are detailed as below:

	2013 RMB	2012 RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	6,195,000	5,800,000
Fee for non-audit services	1,390,000	950,000

Responsibility in financial statements

Directors have acknowledged their responsibilities for preparing the accounts in this annual report, and PricewaterhouseCoopers, the external auditor of the Group have also stated their reporting responsibility in the auditor's report of financial statements.

The Board is not aware of any uncertainty or conditions of a material nature that would affect the Company's ability as to continue as a going concern.

Internal control

The Board is responsible for formulating proper internal control and risk management system for the Group, and reviewing its effectiveness regularly through the audit committee.

The internal audit department of the Company reports and presents directly to the audit committee, responsible for constantly supervising the work flow and risk assessment of each department of the Group, to assist the Board and senior management in good risk management, supervising the compliance of complying with the applicable supervising requirements and guidelines in risk control and supervision, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit department will ensure the effective operation of the internal control system.

During the year, the audit committee held a total of 2 meetings with the internal audit department. The audit committee reviewed and discussed the works done and planning reports submitted by the internal audit department, reviewed the effectiveness of the internal control at the meetings and reported the results of review and discussion to the Board. Should any material fault be found or any material weakness in monitoring be found, the internal audit department will report them to the audit committee immediately. During the year, the audit committee and the Board considered that the internal control system of the Group worked effectively.

For risk management, the Board will review the Group's finance, operation and compliance, and risk management corresponding to the changes in its business and to cope with by discussing and formulating strategies or measures in each of quarterly meeting.

Company Secretary

The company secretary is a full time employee of the Company and familiar with the day-to-day knowledge of the Company's affairs. The company secretary reports to the Chairman and is responsible for advising the Board on governance matters. During the year, the company secretary has confirmed that she has completed no less than 15 hours of relevant professional training. The biographical details of the company secretary is set out on page 84 of this annual report.

Relation between Agile and Shareholders

Shareholders' rights

Any Shareholders holding not less than one-twentieth (1/20) of the paid-up capital of the Company can deposit a written request to convene an extraordinary general meeting (stating the objects of the meeting and signed by the Shareholders concerned) at the Company's principal place of business in Hong Kong for the attention of the company secretary. If the Directors do not within 21 days from the date of the deposit of a request proceed to convene an extraordinary general meeting for a day not more than 28 days after the date on which the notice convening the extraordinary general meeting is given, the Shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an extraordinary general meeting, but any extraordinary general meeting so convened shall not be held after the expiration of 3 months from the aforesaid 28 days.

Any (i) Shareholder(s) representing not less than one-fortieth (1/40) of the total voting rights of all Shareholders of the Company or (ii) not less than 50 Shareholders holding the Shares in the Company on which there has been paid up an average sum of not less than HK\$2,000 per Shareholder can put forward proposals for consideration at a general meeting of the Company by depositing a requisition in writing signed by the relevant Shareholder(s) at the Company's principal place of business in Hong Kong.

Shareholder(s) who wishes to propose a person (other than himself/herself) for election as a director of the Company at the general meeting, should (i) deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the company secretary; (ii) the notice must state the full name of the candidate, his/her biographical details as required by Rule 13.51(2) of the Listing Rules and be signed by the proposer; and (iii) a written consent signed by the candidate indicating his/her willingness to be elected as director of the Company. The period for lodgment of the aforesaid notice will commence no earlier than the day after the dispatch of the notice of general meeting and ends no later than 7 days prior to the date of general meeting. The relevant detailed procedures have been published on Agile's website (www.agile.com.cn).

Communication with Shareholders

Both the Board and the management fully understand the importance of good communications with the Shareholders in order to enable Shareholders and investors to have a better understanding of the businesses of the Group. Therefore, the Company has been reporting the performance and latest development of the Group to Shareholders through various channels and platforms, as follows:

- Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the Company's website (www.agile.com.cn), HKEx's website (www.hkex.com.hk) and SGX's website (www.sgx.com), the Company has also posted onto its website the financial highlights, press release, and the terms of reference of the Board's committees, such that Shareholders can obtain more corporate information from the website of the Company. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, a "Monthly Newsletter" (including the monthly focus of the Group) and company news has been added to the Company's website;

- The Company is committed to improve its investor relations. During the year, senior management of the Company had conducted various meetings with institutional investors, fund managers, and financial analysts. The report of meetings are reviewed in the quarterly meetings of the Board to ensure that their views and recommendations can reach the Board;
- The Company also establishes investor relations contact information for Shareholders to express their opinions and make enquiries. The details are set out on page 205 in the corporate information of this annual report;
- Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. The chairman of the Board, the chairperson of the audit committee, the chairperson of remuneration committee, the proxy of the chairperson of nomination committee and the external auditors have attended the 2013 annual general meeting. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. Poll results are posted on Agile's website (www.agile.com.cn), HKEx's website (www.hkex.com.hk) and SGX's website (www.sgx.com) after the meeting; and
- The Company's notice of 2013 annual general meeting had been despatched to Shareholders in no less than 20 business days before the commencing date of the meeting. The Shareholders' circular of the Company made on 16 April 2013 set out that all resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39 of the Listing Rules while the chairman of the meeting further announced that all resolutions had been taken by way of one vote per share. The company secretary is responsible for specifying the relevant procedures to the attendant Shareholders to ensure that the Shareholders are familiar with the details of the procedures of voting by poll.

Significant changes in the Company's constitutional documents

During the year ended 31 December 2013, there is no any significant change in the constitutional documents of the Company.

Report of the Directors

The Board are pleased to present this report for the year ended 31 December 2013.

Principal activities

The Company is principally engaged in investment holdings. Its subsidiaries are principally engaged in property development, property management, hotel operations and property investment.

An analysis of the Group's revenue and operating profit during the year by principal business segments is set out in note 5 to the consolidated financial statements.

Subsidiaries

Particulars of the Company's major subsidiaries as at 31 December 2013 are set out in note 45 to the consolidated financial statements.

Results and overall performance

The results of the Group for the year ended 31 December 2013 are set out on page 116 of this annual report.

Business review of the Group during the year are set out in the chairman's statement on pages 8 to 13 of this annual report. Management discussion and analysis are set out on pages 14 to 19 of this annual report.

Dividends

The Company's interim dividend of HK14.5 cents (2012: HK14.5 cents) per Share was distributed to Shareholders on 18 September 2013. The Board has proposed the payment of a final dividend of HK33.0 cents (2012: HK23.9 cents) per Share to Shareholders. Upon receipt of Shareholders' approval, the total dividend of 2013 was HK47.5 cents (2012: HK38.4 cents) per Share, and is expected to be paid on or about Monday, 30 June 2014 to Shareholders whose names appear on the register of members of the Company on Monday, 23 June 2014.

Share capital

Details of movements in the share capital of the Company during the year are set out in note 20 to the consolidated financial statements.

Reserves

Details of movements in reserves of the Group during the year are set out in note 21 to the consolidated financial statements.

As at 31 December 2013, the distributable reserves of the Company were approximately RMB4.6 billion (2012: RMB4.9 billion).

Investment properties

During the year, the fair value gains of the Group's investment properties amounted to RMB174 million and has been recognised directly in the consolidated income statement.

Details of movements of the Group's investment properties during the year are set out in note 9 to the consolidated financial statements.

Property, plant and equipment

Details of movements in property, plant and equipment of the Group during the year are set out in note 6 to the consolidated financial statements.

Borrowings and interest capitalised

Borrowings repayable on demand or within one year are classified under current liabilities. Details of the borrowings of the Group are set out in note 23 to the consolidated financial statements. Interest and other borrowing costs capitalised by the Group during the year are set out in note 33 to the consolidated financial statements.

Senior notes

Details of senior notes of the Company are set out in note 23 to the consolidated financial statement.

Convertible Bonds

Details of Convertible Bonds of the Company are set out in note 24 to the consolidated financial statement.

Subordinated Perpetual Capital Securities

Details of subordinated Perpetual Capital Securities of the Company are set out in note 22 to the consolidated financial statement.

Donations

Donations made by the Group during the year amounted to RMB115 million (2012: RMB177 million).

Retirement benefit scheme

Details of retirement benefit scheme of the Group are set out in note 31 to the consolidated financial statements.

Five-year financial summary

The financial summary of the Group for the year ended 31 December 2013 and the last 4 financial years is set out on pages 203 to 204 of this annual report.

Senior management

Biographical details of the senior management of the Group are set out on pages 83 to 84 of this annual report.

Report of the Directors

Directors

The list of Directors of the Board is set out on page 205 of this annual report and their biographical details are set out on pages 79 to 82 of this annual report.

In accordance with Article 87 of the Company's articles of association, Mr. Chan Cheuk Yin, Mr. Chan Cheuk Hei and Mr. Kwong Che Keung, Gordon shall retire from their office by rotation and being eligible, offer themselves for re-election at 2014 AGM. None of them has a service agreement or appointment letter with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation other than statutory compensation.

In accordance with Article 86(3) of the Company's articles of association, Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhongqi, being additional Directors appointed to the Board, will only hold office until the next following annual general meeting. Accordingly, each of Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhongqi will retire at the 2014 AGM and being eligible, will offer themselves for re-election.

The Company has received from each INED a confirmation of his independence pursuant to the independence guidelines under the Listing Rules. The Company considered all the INEDs were independent.

Share Option Scheme

The Company has adopted a share option scheme (the "Share Option Scheme") on 23 November 2005. So far no option has been granted by the Company under the Share Option Scheme since its adoption.

Summary of the Share Option Scheme disclosable pursuant to Chapter 17 of the Listing Rules is as follows:

<p>Purpose and objectives of the Share Option Scheme</p>	<p>To recognise and commend eligible participants who have or may have contribution to the Group:</p> <ol style="list-style-type: none"> 1. to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and 2. to attract and retain or otherwise maintain good relationship with eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.
<p>Participants of the Share Option Scheme</p>	<p>Eligible participants can be any of the following class of persons or entities:</p> <ol style="list-style-type: none"> 1. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; 2. any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; 3. any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and 4. such other persons who, in the opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are: <ol style="list-style-type: none"> (i) contribution to the development and performance of the Group; (ii) quality of work performed for the Group; (iii) initiative and commitment in performing his/her duties; and (iv) length of service or contribution to the Group.
<p>Total number of shares available for issue under the Share Option Scheme and percentage to the issued share capital as at 31 December 2013</p>	<p>The number of shares available for issue under the Share Option Scheme is 332,200,000 shares, representing approximately 9.64% of the issued share capital as at 31 December 2013.</p>

Report of the Directors

Maximum entitlement of each participant	The maximum entitlement for each participant is that the total number of shares of the Company issued and to be issued upon exercise of the option granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Share Option Scheme.
The period within which the share options must be exercised	Commencing on the date of grant and deemed accepted of an option and expiring at 10 years from that date.
The minimum period for which an option must be held before it can be exercised	A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any option granted under the Share Option Scheme can be exercised.
The amount payable on application or acceptance of the option, and the period within which payments or calls must or may be made, or loans for such purposes must be paid	Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for shares may be accepted in respect of less than the number of shares for which it is offered provided that it is accepted in respect of a board lot of dealing in shares on the Hong Kong Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.
The basis of determining the exercise price	The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its discretion shall determine, save that such price will not be less than the highest of: <ol style="list-style-type: none"> 1. the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Hong Kong Stock Exchange is open for business of dealing in securities; 2. the average of the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for five business days immediately preceding the date of grant; and 3. the nominal value of a share.
Validity of the Share Option Scheme	10 years, from 23 November 2005 to 22 November 2015.

Share Award Scheme

The Company has adopted a share award scheme (the “Share Award Scheme”) on 10 December 2013, to recognise the contributions by certain employees. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time; the Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time.

In accordance with the Share Award Scheme, the Company issued and allotted a total of 34,470,000 new shares to Bank of Communications Trustee Limited (the “Trustee”) on 10 February 2014 to hold on trust for the selected employees until the end of the relevant vesting period. 32,750,000 out of these 34,470,000 new shares shall be granted to certain selected employees who are third parties independent of the Company and are not connected persons of the Company, and none of them is a Director, except that Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhonggi who were appointed as executive Directors with effect from 28 March 2014, or a substantial shareholder of the Company or an excluded employee; and the remaining 1,720,000 new shares will be granted to such other selected employees at such time and manner as the Board may determine.

So far no awarded shares has been granted by the Company under the Share Award Scheme since its adoption.

Model code for securities transactions by directors

The Company has adopted a code for securities transactions by Directors (“Securities Dealing Code for Directors”), which is on terms no less exacting than the required standard as set out in the Model Code. After enquiry, each of the Directors has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2013.

Report of the Directors

Directors' interests in shares, underlying shares and debentures and short positions

As at 31 December 2013, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

(1) Long positions in shares of the Company

Name of Director	Shares held in the Company			Total number of Shares	Approximate percentage to issued Share capital
	Capacity of interests held	Number of Shares	Note		
Chen Zhuo Lin	Beneficiary of a trust	2,180,530,000	1	2,193,220,000	63.62%
	Controlled corporation	12,690,000	2		
Chan Cheuk Yin	Beneficiary of a trust	2,180,530,000	1	2,194,030,000	63.64%
	Controlled corporation	13,500,000	3		
Luk Sin Fong, Fion	Beneficiary of a trust	2,180,530,000	1	2,193,220,000	63.62%
	Controlled corporation	12,690,000	2		
Chan Cheuk Hung	Beneficiary of a trust	2,180,530,000	1	2,180,530,000	63.25%
Chan Cheuk Hei	Beneficiary of a trust	2,180,530,000	1	2,187,530,000	63.46%
	Beneficial owner	7,000,000	4		
Chan Cheuk Nam	Beneficiary of a trust	2,180,530,000	1	2,186,558,000	63.43%
	Beneficial owner	6,028,000	5		

Notes:

- Held by Top Coast Investment Limited as trustee.
- Held by Brilliant Hero Capital Limited and Famous Tone Investments Limited which are jointly controlled by Mr. Chen Zhuo Lin and Ms. Luk Sin Fong, Fion.
- Held by Renowned Idea Investments Limited, which is wholly-owned by Mr. Chan Cheuk Yin.
- Jointly held by Mr. Chan Cheuk Hei and his spouse Ms. Lu Yanping.
- Jointly held by Mr. Chan Cheuk Nam and his spouse Ms. Chan Siu Na.

(2) Long positions in the debentures of the Company

Name of Director	Type	Personal interests	Approximate percentage to the debentures
Kwong Che Keung, Gordon	8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017	US\$1,000,000	0.154%

Save as disclosed above, as at 31 December 2013, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange.

Substantial shareholders' interests and short positions

So far as is known to the Directors or chief executives of the Company, as at 31 December 2013, the interests or short positions of substantial shareholders (other than Directors or the chief executives of the Company) in the shares or underlying shares of the Company which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

Name of Shareholder	Capacity of interests held	Shares held in the Company			Approximate percentage to issued Share capital
		Number of Shares	Note	Total number of Shares	
Top Coast Investment Limited	Trustee	2,180,530,000		2,180,530,000	63.25%
Zheng Huiqiong	Spouse	2,194,030,000	1	2,194,030,000	63.64%
Lu Liqing	Spouse	2,180,530,000	2	2,180,530,000	63.25%
Lu Yanping	Beneficial owner	7,000,000	3	2,187,530,000	63.46%
	Spouse	2,180,530,000	4		
Chan Siu Na	Beneficial owner	6,028,000	5	2,186,558,000	63.43%
	Spouse	2,180,530,000	6		

Report of the Directors

Notes:

1. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Yin, a Director.
2. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Hung, a Director.
3. Jointly held by Ms. Lu Yanping and her spouse Mr. Chan Cheuk Hei, a Director.
4. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Hei, a Director.
5. Jointly held by Ms. Chan Siu Na and her spouse Mr. Chan Cheuk Nam, a Director.
6. Deemed interests attributable to the spouse relationship with Mr. Chan Cheuk Nam, a Director.
7. All interests in the above Shares were long positions.

Save as disclosed above, as at 31 December 2013, none of the substantial shareholders (other than Directors or chief executives of the Company) had informed to the Company that they had any interests or short positions in the shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

Interests of any other persons

Save as disclosed in the foregoing, as at 31 December 2013, none of any other persons had informed to the Company that they had any interests and short positions in the shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

Remuneration policy of the Group

As at 31 December 2013, the Group had a total of 16,185 employees. The related employees' costs for the year amounted to approximately RMB1,333 million. The compensation of the Group is determined with reference to the market, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

Basis for determining emoluments for Directors

Apart from benchmarking against the market, the Company also looks at individual competency, contributions and the affordability to the Company in determining the level of remuneration for each Director. Benefit schemes of the Company are also in place for the Directors.

Directors' interests in competing business

For the year ended 31 December 2013 and up to the date of this annual report, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (the "Founding Shareholders") hold the interests of Zhongshan Agile Changjiang Hotel Co., Ltd. ("Changjiang Hotel Co."), which operates Zhongshan Agile Changjiang Hotel ("Changjiang Hotel").

Changjiang Hotel was in operation before the Group started its own hotel business. Founding Shareholders issued an invitation letter dated 10 September 2007 to the Company inviting the Company to exercise its rights to acquire Changjiang Hotel Co. pursuant to the deed of non-competition and compensation with the Company (the "Deed") dated 23 November 2005. Pursuant to the Deed, Founding Shareholders undertake that they will not, and shall procure their controlled affiliates not to engage in any possible competing business. Pursuant to the relevant clause of the Deed, the Company has a priority to participate in such business that Founding Shareholders would not directly or indirectly participate in a competing business with the Group from time to time operated. Founding Shareholders will, as and when required under the Company's articles of association and "Statement of Policy for Corporate Governance", abstain from voting on any resolution of the Board in respect of any contract, arrangement or proposal in which he or she or any of his associates has material interest. As such, a Board committee comprising all INEDs ("Independent Board Committee") was formed to consider the acquisition of Changjiang Hotel Co.. Changjiang Hotel was in operation before the Group started its own hotel business and that the scale of the business of Changjiang Hotel was considered insignificant compared with the businesses of the Group, the Independent Board Committee concluded that the business of Changjiang Hotel was unlikely to compete with the hotel business of the Group and decided not to acquire it.

Since the business of Changjiang Hotel is operated and managed independently by Changjiang Hotel Co., Directors are of the view that the Group is capable of carrying on its hotel businesses independently and at arm's length from Changjiang Hotel.

Directors' interests in contracts

No contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its fellow subsidiaries was a party, and in which a Director had a material interest in the material contract, whether directly or indirectly, subsisted at any time during the year and at the end of the year.

Major customers and suppliers

During the year, the five largest customers of the Group accounted for less than 30% of revenue of the Group for the year, and the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the Directors, their respective associates nor any Shareholders (who are interested in more than 5% of the issued share capital of the Company to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

Connected transactions

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions require disclosure in this annual report. The connected transactions which also constitute significant related party transactions are set out in note 42 to the consolidated financial statements.

Report of the Directors

As disclosed in the Company's announcement dated 13 January 2013, the Company entered into a subscription agreement with The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch, Morgan Stanley & Co. International plc ("Morgan Stanley") and ICBC International Securities Limited dated 11 January 2013 in relation to the issue of subordinated Perpetual Capital Securities ("Capital Securities") in an aggregate principal amount of US\$700 million. In connection with the issue of Capital Securities, the Company engaged Morgan Stanley to act as one of the joint lend managers and joint bookrunners pursuant to the terms of the subscription agreement. Morgan Stanley received the engagement consideration for its services as a joint lend manager and joint bookrunner, and the Company provided the indemnity to Morgan Stanley, pursuant to the terms of the subscription agreement. The applicable percentage ratios (excluding the profit margin) under the Listing Rules in respect of the engagement consideration and the indemnity for the issue of the Capital Securities are lower than 5%.

As Morgan Stanley is an indirect substantial shareholder of Crystal I Limited ("Crystal I"), which in turn holds 30% interest in Crown Golden Investments Limited, a subsidiary of the Company, Morgan Stanley is therefore an associate of Crystal I and thus a connected person of the Company for the purpose of the Listing Rules.

Management contracts

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

Purchase, sale or redemption of listed securities

For the year ended 31 December 2013, the Company repurchased from the market a total of 2,100,000 Shares at an average price of HK\$9.29 per Share for a total consideration of HK\$19,511,100, excluding the related expenses on Shares repurchased. After the cancellation of the repurchased Shares, the issued share capital of the Company was diminished by the nominal value thereof. The premium paid on repurchases was charged against the share premium account of the Company. Repurchases of Shares were made by the Board for enhancing the long-term interest of the Shareholders. Particulars of the repurchases of Shares were as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
March 2013	2,100,000	9.32	9.27	19,511,100

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

Specific performance by the controlling shareholders

1. As disclosed in the Company's announcement dated 8 September 2010, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, Bank of China Limited, Macau Branch and Tai Fung Bank Limited (collectively, the lenders) and Standard Chartered Bank (Hong Kong) Limited (as the facility agent and security agent) pursuant to which a loan facility of HK\$1,592.5 million for a period of 36 months from 8 September 2010 ("2010 Club Facility") had been granted under the guarantees of the subsidiaries of the Company. The loan was fully repaid on 9 September 2013.

2. As disclosed in the Company's announcement dated 16 June 2011, the Company (as the borrower) had entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited (as the lender) pursuant to which a loan facility of US\$100 million for a period of 36 months from 16 June 2011 ("2011 HSBC Facility") had been granted under the guarantees of the subsidiaries of the Company.
3. As disclosed in the Company's announcement dated 14 July 2011, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited, Barclays Bank PLC, The Royal Bank of Scotland plc, Hong Kong Branch, The Bank of East Asia, Limited, Hang Seng Bank Limited, Industrial and Commercial Bank of China (Asia) Limited and Wing Lung Bank Limited (collectively, as the lenders) and Standard Chartered Bank (Hong Kong) Limited (as the facility agent and security agent) pursuant to which a loan facility of HK\$2,350 million for a period of 36 months from 14 July 2011 ("2011 Club Facility") had been granted under the guarantees of the subsidiaries of the Company.
4. As disclosed in the Company's announcement dated 6 March 2012, the Company (as the borrower) had entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited (as the lender) pursuant to which a loan facility of HK\$385 million for a period of 18 months from 6 March 2012 ("2012 Standard Chartered Facility") had been granted under the guarantees of the subsidiaries of the Company. The loan was fully repaid on 6 September 2013.
5. As disclosed in the Company's announcement dated 2 May 2012, the Company (as the borrower) had entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited (as the lender) pursuant to which a loan facility of US\$50 million for a period of 3 years from 4 May 2012 ("2012 HSBC Facility") had been granted under the guarantees of the subsidiaries of the Company.
6. As disclosed in the Company's announcement dated 13 November 2012, the Company (as the borrower) had entered into a facility agreement with Bank of China Limited, Macau Branch (as the lender) pursuant to which a loan facility of US\$35 million for a period of 12 months from 13 November 2012 ("2012 BOC Macau Facility") had been granted. The loan was fully repaid on 13 November 2013.
7. As disclosed in the Company's announcements dated 16 May 2013 and 25 July 2013, the Company (as the borrower) had entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited, Hang Seng Bank Limited, The Bank of East Asia, Limited, UBS AG, Singapore Branch and Industrial and Commercial Bank of China (Asia) Limited (collectively, the lenders), Hang Seng Bank Limited (as the facility agent) and Standard Chartered Bank (Hong Kong) Limited (as the security agent) pursuant to which a loan facility of HK\$3,978 million with revised greenshoe amount of HK\$1,650 million for a period of 36 months from 16 May 2013 ("2013 Syndicated Loans") had been granted under the guarantees of the subsidiaries of the Company.
8. As disclosed in the Company's announcement dated 21 May 2013, Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (天津津南新城房地產開發有限公司), a joint venture in which the Group owns 25% equity interest, had entered into a facility agreement for a term loan of RMB1,000 million for a period of 36 months from 21 May 2013 ("2013 Tianjin RMB Facility").
9. As disclosed in the Company's announcement dated 10 October 2013, Accord Wing Limited, a joint venture in which the Group owns 25% equity interest, had entered into a facility agreement for a transferable term loan of HK\$2,700 million for a period of 36 months from 11 October 2013 ("2013 Tianjin HKD Facility").

Report of the Directors

10. As disclosed in the Company's announcement dated 12 November 2013, the Company (as the borrower) had entered into a facility agreement with Bank of China Limited, Macau Branch (as the lender) pursuant to which a loan facility of US\$50 million for a period of 12 months from 12 November 2013 ("2013 BOC Macau Facility") had been granted.

In connection with 2010 Club Facility, 2011 HSBC Facility, 2011 Club Facility, 2012 Standard Chartered Facility, 2012 HSBC Facility, 2012 BOC Macau Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD facility and 2013 BOC Macau Facility, it will be an event of default if (i) Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam (hereinafter collectively the "Controlling Shareholders") collectively, directly or indirectly, do not own more than 50% of the total issued share capital of the Company (only for 2010 Club Facility, 2011 Club Facility, 2012 Standard Chartered Facility, 2012 BOC Macau Facility, 2013 Syndicated Loans and 2013 BOC Macau Facility)/do not or cease to own at least 50% of the direct or indirect beneficial interests in the Company (only for 2011 HSBC Facility, 2012 HSBC Facility, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility); and/or (ii) the Controlling Shareholders collectively do not or cease to be entitled to exercise management control of the Company; and/or (iii) Mr. Chen Zhuo Lin is not or ceases to be the chairman of the Board, and within 15 business days of him ceasing to act as chairman, he is not replaced by either: (1) Ms. Luk Sin Fong, Fion as chairman of the Board; (2) Mr. Chan Cheuk Yin as chairman of the Board; or (3) Ms. Luk Sin Fong, Fion and Mr. Chan Cheuk Yin as co-chairpersons of the Board. In case of an occurrence of an event of default, the facility agent may, and shall if so directed by the majority lenders (only for 2010 Club Facility, 2011 Club Facility and 2013 Syndicated Loans)/the lender may by notice to the Company (a) cancel the commitment (only for 2012 BOC Macau Facility, 2013 BOC Macau Facility, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility)/the facility; and/or (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; and/or (c) declare that all or part of the loans be payable on demand by the facility agent on the instructions of the majority lenders (only for 2010 Club Facility, 2011 Club Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility)/payable on demand by the lender (only for 2011 HSBC Facility, 2012 Standard Chartered Facility, 2012 HSBC Facility, 2012 BOC Macau Facility and 2013 BOC Macau Facility); and/or (d) to exercise or direct the security agent (only for 2010 Club Facility, 2011 Club Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents (subject to the terms of the intercreditor agreement).

Pre-emptive rights

No provision has been made both in the memorandum of association and articles of association of the Company and under the laws of Cayman Islands in respect of pre-emptive rights, as such, the Company shall offer pro rata new Shares (if any) to the existing Shareholders.

Corporate governance

The principal corporate governance practices adopted by the Company are set out in corporate governance report on pages 85 to 95 of this annual report.

Sustainable development

Sustainability report of the Company are set out on pages 54 to 74 of this annual report.

Public float

Based on the information that is publicly available to the Company and to the knowledge of the Directors, they confirm that the Company has maintained at least 25% of the Company's total issued share capital is held by the public for the year ended 31 December 2013 and up to the date of this report.

Audit committee

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

Auditors

The consolidated financial statements of the Group for the year ended 31 December 2013 were audited by PricewaterhouseCoopers (the "Auditors"), the auditors of the Company. The tenure of the Auditors will expire at 2014 AGM and they are willing to continue to offer themselves for re-appointment. A resolution for the reappointment of the Auditors and authorisation to the Board to determine their remuneration will be proposed at 2014 AGM.

Post balance sheet events

(1) Issuance of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019

On 18 February 2014, the Company completed the issuance of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019.

As disclosed in the Company's announcement dated 11 February 2014, the Company and the subsidiary guarantors entered into a purchase agreement ("USD Notes Purchase Agreement") with Agricultural Bank of China Limited Hong Kong Branch, ABC Capital Limited, The Hongkong and Shanghai Banking Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited, ICBC International Securities Limited, J.P. Morgan Securities, Morgan Stanley & Co. International plc ("Morgan Stanley") and Standard Chartered Bank (collectively the "Joint Lead Managers") dated 10 February 2014 in relation to the issue of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 ("2014 USD Notes"). In connection with the issue of 2014 USD Notes, the Company has engaged Morgan Stanley to act as one of the Joint Lead Managers and joint bookrunners pursuant to the terms of the engagement of the Purchase Agreement ("USD Notes Engagement"). Morgan Stanley will receive the engagement consideration for its services as a Joint Lead Managers and a joint bookrunner and the Company will provide the indemnity to Morgan Stanley pursuant to the terms of the USD Notes Engagement.

As Morgan Stanley is an indirect substantial shareholder of Crystal I Limited ("Crystal I"), which in turn holds 30% interest in Crown Golden Investments Limited, a subsidiary of the Company, Morgan Stanley is therefore an associate of Crystal I and thus a connected person of the Company for the purpose of the Listing Rules. Under Chapter 14A of the Listing Rules, the USD Notes Engagement constitutes a connected transaction of the Company.

Each of the applicable percentage ratios (other than the profits ratio) under Rule 14A.34 of the Listing Rules in respect of the USD Notes Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company to or on behalf of Morgan Stanley or its affiliates, is less than 5%. In addition, it is contemplated under the USD Notes Purchase Agreement that the liability of the Company under the indemnity (if any) and the USD Notes Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company or on behalf of Morgan Stanley or its affiliates, shall not exceed an amount which would otherwise require the independent Shareholders' approval. As such, the USD Notes Engagement is only subject to the reporting and announcement requirements set out in Rule 14A.32 of the Listing Rules and are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Report of the Directors

The Company however intends to seek the independent Shareholders' approval for the provision of the indemnity to Morgan Stanley pursuant to the terms of the USD Notes Engagement in accordance with Chapter 14A of the Listing Rules, provided that at any time prior to the receipt of the independent Shareholders' approval, the liability of the Company under the indemnity (if any) and the USD Notes Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company to or on behalf of Morgan Stanley or its affiliates, shall not exceed an amount which would otherwise require the independent Shareholders' approval. The independent Shareholders' approval for the provision of the "uncapped" indemnity by the Company to Morgan Stanley is required under the requirement of Chapter 14A of the Listing Rules given that the amount of indemnity is potentially unlimited. If the independent Shareholders vote down on the relevant resolutions approving the indemnity provided by the Company at the extraordinary general meeting, the indemnity will be limited to the amount which would otherwise require the approval of the independent Shareholders under the Listing Rules as contractually agreed by the parties in the USD Notes Purchase Agreement. For further details, please refer to the circular of the Company relating to this connected transaction.

(2) Issuance of 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017

On 28 February 2014, the Company completed the issuance of 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017.

As disclosed in the Company's announcement dated 23 February 2014, the Company and the subsidiary guarantors entered into a purchase agreement ("RMB Notes Purchase Agreement") with The Hongkong and Shanghai Banking Corporation Limited, Morgan Stanley and Standard Chartered Bank (Hong Kong) Limited (collectively the "Joint Lead Managers") dated 21 February 2014 in relation to the issue of 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017 ("2014 RMB Notes"). In connection with the issue of 2014 RMB Notes, the Company has engaged Morgan Stanley to act as one of the Joint Lead Managers and joint bookrunners pursuant to the terms of the engagement of the RMB Notes Purchase Agreement ("RMB Notes Engagement"). Morgan Stanley will receive the engagement consideration for its services as a Joint Lead Managers and a joint bookrunner and the Company will provide the indemnity to Morgan Stanley pursuant to the terms of the RMB Notes Engagement.

As Morgan Stanley is an indirect substantial shareholder of Crystal I, which in turn holds 30% interest in Crown Golden Investments Limited, a subsidiary of the Company, Morgan Stanley is therefore an associate of Crystal I and thus a connected person of the Company for the purpose of the Listing Rules. Under Chapter 14A of the Listing Rules, the RMB Notes Engagement constitutes a connected transaction of the Company.

Each of the applicable percentage ratios (other than the profits ratio) under Rule 14A.34 of the Listing Rules in respect of the RMB Notes Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company to or on behalf of Morgan Stanley or its affiliates, is less than 5%. In addition, it is contemplated under the RMB Notes Purchase Agreement that the liability of the Company under the indemnity (if any) and the RMB Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company or on behalf of Morgan Stanley or its affiliates, shall not exceed an amount which would otherwise require the independent Shareholders' approval. As such, the RMB Notes Engagement is only subject to the reporting and announcement requirements set out in Rule 14A.32 of the Listing Rules and are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company however intends to seek the independent Shareholders' approval for the provision of the indemnity to Morgan Stanley pursuant to the terms of the RMB Notes Engagement in accordance with Chapter 14A of the Listing Rules, provided that at any time prior to the receipt of the independent Shareholders' approval, the liability of the Company under the indemnity (if any) and the RMB Notes Engagement consideration, when aggregated with any fees, expenses and other amounts under any transaction to be paid by the Company to or on behalf of Morgan Stanley or its affiliates, shall not exceed an amount which would otherwise require the independent Shareholders' approval. The independent Shareholders' approval for the provision of the "uncapped" indemnity by the Company to Morgan Stanley is required under the requirement of Chapter 14A of the Listing Rules given that the amount of indemnity is potentially unlimited. If the independent Shareholders vote down on the relevant resolutions approving the indemnity provided by the Company at the extraordinary general meeting, the indemnity will be limited to the amount which would otherwise require the approval of the independent Shareholders under the Listing Rules as contractually agreed by the parties in the RMB Notes Purchase Agreement. For further details, please refer to the circular of the Company relating to this connected transaction.

(3) Redemption of 10% senior notes in an aggregate principal amount of US\$300 million due 2016

On 2 March 2014, the Company announced to redeem the 10% senior notes in an aggregate principal amount of US\$300 million due 2016 ("2009 Notes") on 30 March 2014 (the "Redemption Date") at a redemption price equal to 105% of the principal amount thereof, plus accrued and unpaid interest, if any, to the Redemption Date. Upon redemption of the outstanding 2009 Notes on the Redemption Date, all the redeemed 2009 Notes will be cancelled.

On behalf of the Board

Chen Zhuo Lin

Chairman and President

Hong Kong, 28 March 2014



Financial Section

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Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF AGILE PROPERTY HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Agile Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 116 to 202, which comprise the consolidated and company balance sheets as at 31 December 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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, 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 the 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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.

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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Opinion

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

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 March 2014

Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December 2013	As at 31 December 2012 Restated (note 2.1(a))	As at 1 January 2012 Restated (note 2.1(a))
ASSETS				
Non-current assets				
Property, plant and equipment	6	6,476,432	5,222,680	3,573,015
Land use rights	7	2,554,162	2,810,175	2,455,028
Properties under development	14	16,146,189	14,790,727	13,865,049
Intangible assets	8	57,428	61,263	19,192
Investment properties	9	5,793,800	5,589,600	5,248,000
Interest in an associate	10	58,201	117,738	204,762
Interest in joint ventures	11	1,030,282	943,158	943,466
Available-for-sale financial assets	12	117,500	–	–
Prepayments for acquisition of equity interests	12	–	102,850	102,850
Deferred income tax assets	25	316,209	268,564	162,068
		32,550,203	29,906,755	26,573,430
Current assets				
Properties under development	14	33,480,753	33,775,215	30,298,717
Completed properties held for sale	15	13,083,771	7,935,975	3,637,562
Prepayments for acquisition of land use rights	16	9,910,669	2,949,391	7,993,747
Trade and other receivables	17	12,424,997	6,596,434	4,813,013
Prepaid income taxes		51,430	57,059	68,887
Restricted cash	18	6,249,740	3,880,085	2,644,128
Cash and cash equivalents	19	6,783,643	5,748,597	4,582,591
		81,985,003	60,942,756	54,038,645
Total assets		114,535,206	90,849,511	80,612,075
EQUITY				
Capital and reserve attributable to the shareholders of the Company				
Share capital and premium	20	3,642,725	3,658,542	3,658,542
Other reserves	21	1,298,093	1,190,094	946,992
Retained earnings				
— Proposed final dividend	37	899,758	665,211	657,319
— Unappropriated retained earnings		23,525,612	20,099,616	16,411,680
		29,366,188	25,613,463	21,674,533
Perpetual Capital Securities	22	4,486,025	–	–
Non-controlling interests	45	2,715,083	2,298,344	2,082,310
Total equity		36,567,296	27,911,807	23,756,843

Consolidated Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December 2013	As at 31 December 2012 Restated (note 2.1(a))	As at 1 January 2012 Restated (note 2.1(a))
LIABILITIES				
Non-current liabilities				
Borrowings	23	24,646,168	18,452,325	12,170,458
Convertible Bonds — debt component	24	2,491,719	2,370,111	2,200,997
Convertible Bonds — embedded financial derivatives	24	364,980	660,728	860,497
Deferred income tax liabilities	25	1,649,261	1,753,072	1,549,574
		29,152,128	23,236,236	16,781,526
Current liabilities				
Borrowings	23	12,353,678	6,192,561	6,608,260
Trade and other payables	26	19,524,461	13,970,598	11,535,376
Advanced proceeds received from customers		6,428,278	9,682,304	13,511,865
Current tax liabilities		10,509,365	9,856,005	8,418,205
		48,815,782	39,701,468	40,073,706
Total liabilities		77,967,910	62,937,704	56,855,232
Total equity and liabilities		114,535,206	90,849,511	80,612,075
Net current assets		33,169,221	21,241,288	13,964,939
Total assets less current liabilities		65,719,424	51,148,043	40,538,369

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 116 to 202 were approved by the Board of Directors on 28 March 2014 and were signed on its behalf by:

Chen Zhuo Lin
Director

Chan Cheuk Hung
Director

Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2013	2012
ASSETS			
Non-current assets			
Investments in subsidiaries	45	448,520	448,520
Current assets			
Amounts due from subsidiaries	17	29,577,718	24,414,028
Other receivables and prepayments	17	7,095	3,072
Restricted cash	18	2,786,304	1,033,136
Cash and cash equivalents	19	173,502	505,184
		32,544,619	25,955,420
Total assets		32,993,139	26,403,940
EQUITY			
Capital and reserve attributable to the shareholders of the Company			
Share capital and premium	20	3,642,725	3,658,542
Other reserves	21	427,512	427,512
Retained earnings	35		
— Proposed final dividend	37	899,758	665,211
— Unappropriated retained earnings		11,613	497,714
		4,981,608	5,248,979
Perpetual Capital Securities	22	4,486,025	–
Total equity		9,467,633	5,248,979
LIABILITIES			
Non-current liabilities			
Borrowings	23	13,649,850	11,934,375
Convertible Bonds — debt component	24	2,491,719	2,370,111
Convertible Bonds — embedded financial derivatives	24	364,980	660,728
		16,506,549	14,965,214
Current liabilities			
Borrowings	23	3,033,162	2,829,355
Amounts due to subsidiaries	26	2,753,405	2,846,697
Other payables and accruals	26	1,232,390	513,695
		7,018,957	6,189,747
Total liabilities		23,525,506	21,154,961
Total equity and liabilities		32,993,139	26,403,940
Net current assets		25,525,662	19,765,673
Total assets less current liabilities		25,974,182	20,214,193

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 116 to 202 were approved by the Board of Directors on 28 March 2014 and were signed on its behalf by:

Chen Zhuo Lin
Director

Chan Cheuk Hung
Director

Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2013	2012 Restated (note 2.1(a))
Revenue	5	35,436,404	29,891,751
Cost of sales		(22,821,680)	(17,456,231)
Gross profit		12,614,724	12,435,520
Selling and marketing costs		(1,522,821)	(974,519)
Administrative expenses		(1,284,575)	(1,124,629)
Fair value gains on investment properties	9	174,277	178,428
Other income	27	224,851	132,057
Other expenses	28	(131,743)	(212,552)
Exchange (losses)/gains, net	29	(93,687)	32,800
Operating profit		9,981,026	10,467,105
Fair value gains on embedded financial derivatives	24	295,748	199,769
Finance income/(costs), net	33	488,214	(46,294)
Share of post-tax loss of an associate	10	(59,537)	(87,024)
Share of post-tax profit/(loss) of joint ventures	11	7,124	(1,950)
Profit before income tax		10,712,575	10,531,606
Income tax expenses	34	(4,850,220)	(5,384,955)
Profit for the year		5,862,355	5,146,651
Attributable to:			
Shareholders of the Company		4,826,907	5,000,482
Holders of Perpetual Capital Securities	22	342,497	–
Non-controlling interests	45	692,951	146,169
		5,862,355	5,146,651
Earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)			
— Basic	36	1.400	1.450
— Diluted	36	1.210	1.305
Dividends	37	1,298,001	1,068,511

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Year ended 31 December	
	2013	2012 Restated (note 2.1(a))
Profit for the year	5,862,355	5,146,651
Other comprehensive income	–	–
Total comprehensive income for the year	5,862,355	5,146,651
Total comprehensive income attributable to:		
— Shareholders of the Company	4,826,907	5,000,482
— Holders of the Perpetual Capital Securities	342,497	–
— Non-controlling interests	692,951	146,169
	5,862,355	5,146,651

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Attributable to the shareholders of the Company				Perpetual Capital Securities (note 22)	Non- controlling interests	Total equity
	Share capital and premium (note 20)	Other reserves (note 21)	Retained earnings	Total			
Balance at 1 January 2012	3,658,542	946,992	17,068,999	21,674,533	–	2,082,310	23,756,843
Comprehensive income							
Profit for the year	–	–	5,000,482	5,000,482	–	146,169	5,146,651
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	5,000,482	5,000,482	–	146,169	5,146,651
Total contributions by and distributions to the equity owners of the Group recognised directly in equity:							
Transfer to statutory reserve and enterprise expansion funds	–	243,102	(243,102)	–	–	–	–
Dividends (note 37)	–	–	(1,061,552)	(1,061,552)	–	–	(1,061,552)
Capital injection by non-controlling interests	–	–	–	–	–	240,196	240,196
Dividends declared to non-controlling interests	–	–	–	–	–	(170,331)	(170,331)
Total contributions by and distributions to the equity owners of the Group recognised directly in equity	–	243,102	(1,304,654)	(1,061,552)	–	69,865	(991,687)
Balance at 31 December 2012	3,658,542	1,190,094	20,764,827	25,613,463	–	2,298,344	27,911,807
Balance at 1 January 2013	3,658,542	1,190,094	20,764,827	25,613,463	–	2,298,344	27,911,807
Comprehensive income							
Profit for the year	–	–	4,826,907	4,826,907	342,497	692,951	5,862,355
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	4,826,907	4,826,907	342,497	692,951	5,862,355
Total contributions by and distributions to the equity owners of the Group recognised directly in equity:							
Repurchase of shares of the Company (note 20)	(15,817)	–	–	(15,817)	–	–	(15,817)
Transfer to statutory reserve and enterprise expansion funds	–	107,999	(107,999)	–	–	–	–
Issuance of Perpetual Capital Securities (note 22)	–	–	–	–	4,321,938	–	4,321,938
Distribution to holders of Perpetual Capital Securities	–	–	–	–	(178,410)	–	(178,410)
Dividends (note 37)	–	–	(1,058,365)	(1,058,365)	–	–	(1,058,365)
Capital injection by non-controlling interests	–	–	–	–	–	40,000	40,000
Dividends distribution to non-controlling interests	–	–	–	–	–	(316,212)	(316,212)
Total contributions by and distributions to the equity owners of the Group recognised directly in equity	(15,817)	107,999	(1,166,364)	(1,074,182)	4,143,528	(276,212)	2,793,134
Balance at 31 December 2013	3,642,725	1,298,093	24,425,370	29,366,188	4,486,025	2,715,083	36,567,296

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2013	2012 Restated (note 2.1(a))
Cash flows from operating activities			
Cash (used in)/generated from operations	38	(3,055,502)	6,403,397
Interest paid		(2,520,087)	(1,929,864)
PRC income tax paid		(4,342,687)	(3,838,325)
Net cash (used in)/generated from operating activities		(9,918,276)	635,208
Cash flows from investing activities			
Payments of construction cost of investment properties		(296,123)	(163,172)
Prepayment of land use rights for development of own used properties		(55,487)	–
Investment in joint ventures		(80,000)	(1,642)
Prepayments for acquisition of equity interests		(14,650)	–
Purchase of property, plant and equipment		(1,445,044)	(1,811,961)
Purchase of intangible assets		(13,251)	(56,716)
Proceed from disposal of property, plant and equipment		–	8,626
Proceed from disposal of an investment property		180,000	–
Repayment of cash advances from a joint venture		186,564	–
Cash advances made to an associate and joint ventures		(2,024,793)	(984,697)
Interest received		98,963	75,013
Net cash used in investing activities		(3,463,821)	(2,934,549)
Cash flows from financing activities			
Repurchase of shares of the Company	20	(15,817)	–
Net proceeds from issuance of Perpetual Capital Securities	22	4,321,938	–
Net proceeds from issuance of senior notes		–	4,324,896
Net proceeds from borrowings		19,366,977	7,934,379
Repayments of borrowings		(8,375,265)	(7,476,286)
Cash advances from related parties		514,798	10,000
Repayments of cash advances to related parties		(8,714)	(368,755)
Capital injection by non-controlling interests		40,000	240,196
Distribution to holders of Perpetual Capital Securities		(178,410)	–
Dividends paid to shareholders of the Company		(838,465)	(1,061,552)
Dividends paid to non-controlling interests		(316,212)	(170,331)
Net cash generated from financing activities		14,510,830	3,432,547
Increase in cash and cash equivalents			
Net cash and cash equivalents at beginning of the year		5,748,597	4,582,591
Exchange (losses)/gains on cash and cash equivalents		(93,687)	32,800
Cash and cash equivalents at end of the year	19	6,783,643	5,748,597

The notes on pages 123 to 202 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

1 General information

Agile Property Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the "Group") are principally engaged in property development in the People's Republic of China (the "PRC").

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 December 2005.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 28 March 2014.

2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures

Prior to 1 January 2013, the Group's interests in joint ventures were proportionately consolidated.

The Group has adopted HKFRS 11, 'Joint arrangements', on 1 January 2013. This resulted in the Group changing its accounting policy for its interests in joint arrangements. The Group also adopted HKFRS 10, 'Consolidated financial statements', HKFRS 12, 'Disclosure of interests in other entities', and consequential amendments to HKAS 28, 'Investments in associates and joint ventures' and HKAS 27, 'Separate financial statements', at the same time.

Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

The Group has applied the new policy for interests in joint ventures retrospectively in accordance with the transition provisions of HKFRS 11. The Group recognised its investment in joint ventures at the beginning of the earliest period presented (1 January 2012), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investments in joint ventures for applying equity accounting.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition of profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2012.

The tables below show the effect from the change of accounting policy on the consolidated balance sheet as at 31 December 2013, 31 December 2012 and 1 January 2012, the consolidated income statement and the consolidated statement of cash flows for the year ended 31 December 2013 and 2012. There was no effect on the net assets, net profit and earnings per share of the Group.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures (Continued)

Impact of change in accounting policy on consolidated balance sheet

	As at 31 December 2013	Equity accounting for joint ventures	As at 31 December 2013 (As presented)	As at 31 December 2012 (Previously presented)	Equity accounting for joint ventures	As at 31 December 2012 (Restated)	As at 1 January 2012 (Previously presented)	Equity accounting for joint ventures	As at 1 January 2012 (Restated)
ASSETS									
Non-current assets									
Property, plant and equipment	6,477,265	(833)	6,476,432	5,223,398	(718)	5,222,680	3,573,802	(787)	3,573,015
Land use rights	2,554,162	-	2,554,162	2,810,175	-	2,810,175	2,455,028	-	2,455,028
Properties under development	16,555,506	(409,317)	16,146,189	14,790,727	-	14,790,727	13,865,049	-	13,865,049
Intangible assets	57,436	(8)	57,428	61,263	-	61,263	19,192	-	19,192
Investment properties	5,793,800	-	5,793,800	5,589,600	-	5,589,600	5,248,000	-	5,248,000
Interest in an associate	58,201	-	58,201	117,738	-	117,738	204,762	-	204,762
Interest in joint ventures	-	1,030,282	1,030,282	-	943,158	943,158	-	943,466	943,466
Available-for-sale financial assets	117,500	-	117,500	-	-	-	-	-	-
Prepayments for acquisition of equity interests	-	-	-	102,850	-	102,850	102,850	-	102,850
Deferred income tax assets	334,323	(18,114)	316,209	280,492	(11,928)	268,564	173,346	(11,278)	162,068
	31,948,193	602,010	32,550,203	28,976,243	930,512	29,906,755	25,642,029	931,401	26,573,430
Current assets									
Properties under development	36,032,599	(2,551,846)	33,480,753	36,264,113	(2,488,898)	33,775,215	32,291,852	(1,993,135)	30,298,717
Completed properties held for sale	13,471,444	(387,673)	13,083,771	7,935,975	-	7,935,975	3,637,562	-	3,637,562
Prepayments for acquisition of land use rights	9,949,448	(38,779)	9,910,669	2,949,391	-	2,949,391	7,993,747	-	7,993,747
Trade and other receivables	13,041,872	(616,875)	12,424,997	5,858,664	737,770	6,596,434	4,814,471	(1,458)	4,813,013
Prepaid income taxes	51,430	-	51,430	63,244	(6,185)	57,059	70,719	(1,832)	68,887
Restricted cash	6,369,052	(119,312)	6,249,740	3,885,630	(5,545)	3,880,085	2,644,128	-	2,644,128
Cash and cash equivalents	7,006,462	(222,819)	6,783,643	5,803,792	(55,195)	5,748,597	4,683,714	(101,123)	4,582,591
	85,922,307	(3,937,304)	81,985,003	62,760,809	(1,818,053)	60,942,756	56,136,193	(2,097,548)	54,038,645
Total assets	117,870,500	(3,335,294)	114,535,206	91,737,052	(887,541)	90,849,511	81,778,222	(1,166,147)	80,612,075

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures (Continued)

Impact of change in accounting policy on consolidated balance sheet (Continued)

	As at 31 December 2013	Equity accounting for joint ventures	As at 31 December 2013 (As presented)	As at 31 December 2012 (Previously presented)	Equity accounting for joint ventures	As at 31 December 2012 (Restated)	As at 1 January 2012 (Previously presented)	Equity accounting for joint ventures	As at 1 January 2012 (Restated)
EQUITY									
Capital and reserve attributable to the shareholders of the Company									
Share capital and premium	3,642,725	–	3,642,725	3,658,542	–	3,658,542	3,658,542	–	3,658,542
Other reserves	1,298,093	–	1,298,093	1,190,094	–	1,190,094	946,992	–	946,992
Retained earnings									
— Proposed final dividend	899,758	–	899,758	665,211	–	665,211	657,319	–	657,319
— Unappropriated retained earnings	23,525,612	–	23,525,612	20,099,616	–	20,099,616	16,411,680	–	16,411,680
	29,366,188	–	29,366,188	25,613,463	–	25,613,463	21,674,533	–	21,674,533
Perpetual Capital Securities	4,486,025	–	4,486,025	–	–	–	–	–	–
Non-controlling interests	2,715,083	–	2,715,083	2,298,344	–	2,298,344	2,082,310	–	2,082,310
Total equity	36,567,296	–	36,567,296	27,911,807	–	27,911,807	23,756,843	–	23,756,843
LIABILITIES									
Non-current liabilities									
Borrowings	25,623,334	(977,166)	24,646,168	19,002,325	(550,000)	18,452,325	12,170,458	–	12,170,458
Convertible Bonds									
— debt component	2,491,719	–	2,491,719	2,370,111	–	2,370,111	2,200,997	–	2,200,997
Convertible Bonds									
— embedded financial derivatives	364,980	–	364,980	660,728	–	660,728	860,497	–	860,497
Deferred income tax liabilities	1,649,261	–	1,649,261	1,753,072	–	1,753,072	1,549,574	–	1,549,574
	30,129,294	(977,166)	29,152,128	23,786,236	(550,000)	23,236,236	16,781,526	–	16,781,526
Current liabilities									
Borrowings	12,353,678	–	12,353,678	6,192,561	–	6,192,561	7,659,710	(1,051,450)	6,608,260
Trade and other payables	21,544,887	(2,020,426)	19,524,461	14,175,071	(204,473)	13,970,598	11,650,073	(114,697)	11,535,376
Advanced proceeds received from customers	6,740,558	(312,280)	6,428,278	9,815,372	(133,068)	9,682,304	13,511,865	–	13,511,865
Current tax liabilities	10,534,787	(25,422)	10,509,365	9,856,005	–	9,856,005	8,418,205	–	8,418,205
	51,173,910	(2,358,128)	48,815,782	40,039,009	(337,541)	39,701,468	41,239,853	(1,166,147)	40,073,706
Total liabilities	81,303,204	(3,335,294)	77,967,910	63,825,245	(887,541)	62,937,704	58,021,379	(1,166,147)	56,855,232
Total equity and liabilities	117,870,500	(3,335,294)	114,535,206	91,737,052	(887,541)	90,849,511	81,778,222	(1,166,147)	80,612,075

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures (Continued)

Impact on change in accounting policy on the consolidated income statements

	For year ended 31 December 2013	Equity accounting for joint ventures	For year ended 31 December 2013 (As presented)	For year ended 31 December 2012 (Previously presented)	Equity accounting for joint ventures	For year ended 31 December 2012 (Restated)
Revenue	35,688,152	(251,748)	35,436,404	30,074,048	(182,297)	29,891,751
Cost of sales	(22,996,109)	174,429	(22,821,680)	(17,631,935)	175,704	(17,456,231)
Gross profit	12,692,043	(77,319)	12,614,724	12,442,113	(6,593)	12,435,520
Selling and marketing costs	(1,538,282)	15,461	(1,522,821)	(980,349)	5,830	(974,519)
Administrative expenses	(1,294,807)	10,232	(1,284,575)	(1,128,939)	4,310	(1,124,629)
Fair value gains on investment properties	174,277	–	174,277	178,428	–	178,428
Other income	226,993	(2,142)	224,851	133,004	(947)	132,057
Other expenses	(134,041)	2,298	(131,743)	(212,552)	–	(212,552)
Exchange (losses)/gains, net	(93,687)	–	(93,687)	32,800	–	32,800
Operating profit	10,032,496	(51,470)	9,981,026	10,464,505	2,600	10,467,105
Fair value gains on embedded financial derivatives	295,748	–	295,748	199,769	–	199,769
Finance income/(costs), net	478,915	9,299	488,214	(46,294)	–	(46,294)
Share of post-tax loss of an associate	(59,537)	–	(59,537)	(87,024)	–	(87,024)
Share of post-tax profit/(loss) of joint ventures	–	7,124	7,124	–	(1,950)	(1,950)
Profit before income tax	10,747,622	(35,047)	10,712,575	10,530,956	650	10,531,606
Income tax expenses	(4,885,267)	35,047	(4,850,220)	(5,384,305)	(650)	(5,384,955)
Profit for the year	5,862,355	–	5,862,355	5,146,651	–	5,146,651

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures (Continued)

Impact of change in accounting policy on the consolidated statement of cash flows

	For year ended 31 December 2013	Equity accounting for joint ventures	For year ended 31 December 2013 (As presented)	For year ended 31 December 2012 (Previously presented)	Equity accounting for joint ventures	For year ended 31 December 2012 (Restated)
Cash flows from operating activities						
Cash (used in)/generated from operations	(3,602,691)	547,189	(3,055,502)	6,300,518	102,879	6,403,397
Interest paid	(2,595,800)	75,713	(2,520,087)	(2,105,364)	175,500	(1,929,864)
PRC income tax paid	(4,352,313)	9,626	(4,342,687)	(3,842,678)	4,353	(3,838,325)
Net cash (used in)/generated from operating activities	(10,550,804)	632,528	(9,918,276)	352,476	282,732	635,208
Cash flows from investing activities						
Payments of construction cost of investment properties	(296,123)	–	(296,123)	(163,172)	–	(163,172)
Prepayment of land use rights for development of own used properties	(55,487)	–	(55,487)	–	–	–
Investment in joint ventures	–	(80,000)	(80,000)	–	(1,642)	(1,642)
Prepayments for acquisition of equity interests	(14,650)	–	(14,650)	–	–	–
Purchase of property, plant and equipment	(1,445,166)	122	(1,445,044)	(1,812,032)	71	(1,811,961)
Purchase of intangible assets	(13,259)	8	(13,251)	(56,716)	–	(56,716)
Proceed from disposal of property, plant and equipment	–	–	–	8,626	–	8,626
Proceed from disposal of an investment property	180,000	–	180,000	–	–	–
Repayment of cash advances from a joint venture	93,282	93,282	186,564	–	–	–
Cash advances made to an associate and joint ventures	(1,531,146)	(493,647)	(2,024,793)	(243,961)	(740,736)	(984,697)
Interest received	100,275	(1,312)	98,963	75,960	(947)	75,013
Net cash used in investing activities	(2,982,274)	(481,547)	(3,463,821)	(2,191,295)	(743,254)	(2,934,549)

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Change in accounting policy for investment in joint ventures (Continued)

Impact of change in accounting policy on the consolidated statement of cash flows (Continued)

	For year ended 31 December 2013	Equity accounting for joint ventures	For year ended 31 December 2013 (As presented)	For year ended 31 December 2012 (Previously presented)	Equity accounting for joint ventures	For year ended 31 December 2012 (Restated)
Cash flows from financing activities						
Repurchase of shares of the Company	(15,817)	–	(15,817)	–	–	–
Net proceeds from issuance of Perpetual Capital Securities	4,321,938	–	4,321,938	–	–	–
Net proceeds from issuance of senior notes	–	–	–	4,324,896	–	4,324,896
Net proceeds from borrowings	20,044,143	(677,166)	19,366,977	8,484,379	(550,000)	7,934,379
Repayments of borrowings	(8,625,265)	250,000	(8,375,265)	(8,527,736)	1,051,450	(7,476,286)
Cash advances from related parties	401,880	112,918	514,798	5,000	5,000	10,000
Repayments of cash advances to related parties	(4,357)	(4,357)	(8,714)	(368,755)	–	(368,755)
Capital injection by non-controlling Interests	40,000	–	40,000	240,196	–	240,196
Distribution to holders of Perpetual Capital Securities	(178,410)	–	(178,410)	–	–	–
Dividends paid to shareholders of the Company	(838,465)	–	(838,465)	(1,061,552)	–	(1,061,552)
Dividends paid to non-controlling interests	(316,212)	–	(316,212)	(170,331)	–	(170,331)
Net cash generated from financing activities	14,829,435	(318,605)	14,510,830	2,926,097	506,450	3,432,547
Increase in cash and cash equivalents	1,296,357	(167,624)	1,128,733	1,087,278	45,928	1,133,206
Net cash and cash equivalents at beginning of the year	5,803,792	(55,195)	5,748,597	4,683,714	(101,123)	4,582,591
Exchange (losses)/gains on cash and cash equivalents	(93,687)	–	(93,687)	32,800	–	32,800
Cash and cash equivalents at end of the year	7,006,462	(222,819)	6,783,643	5,803,792	(55,195)	5,748,597

There is no impact on the consolidated statement of changes in equity for the change in accounting policy.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards adopted by the Group

- HKAS 1 (Amendment), “Financial statements presentation” is effective for annual periods beginning on or after 1 January 2013. The main change resulting from these amendments is a requirement for entities to group items presented in “other comprehensive income” (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). This amendment has no material impact on the Group’s financial statements.
- HKFRS 10, “Consolidated financial statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This amendment has no material impact on the Group’s financial statements.
- HKFRS 11, “Joint arrangements” focus on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise when the investors have rights to the assets and obligations of the liabilities of an arrangement. A joint operator accounts for its shares of the assets, liabilities, revenue and expense. Joint ventures arise where the investors has rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The Group has adopted HKFRS 11 on 1 January 2013 and this resulted in a change of accounting policy for interest in joint arrangements, details of which were set out in note 2.1(a).
- HKFRS 12, “Disclosure of interests in other entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. This standard has no significant impact on the Group’s financial statements.
- HKFRS 13, “Fair value measurements” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements, which are largely aligned between HKFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRS. The detailed disclosure required by HKFRS 13 is set out in note 3.3, note 9 and note 24.
- HKAS 19 “Employee benefits” was revised in June 2011. The changes on the Group’s accounting policies has been as follows: immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate of the net defined benefit liability (asset). This amendment has no significant impact on the Group’s financial statements.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New and amended standards adopted by the Group (Continued)

- HKFRS 7 (Amendment), “Financial instruments: Disclosures” on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2013. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. This amendment has no significant impact on the Group’s financial statements.
- HKFRS 10, 11 and 12 (Amendment), “transition guidance” is effective for annual periods beginning on or after 1 January 2013. These amendments provide additional transition relief to HKFRS 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied. This amendment has no material impact on the Group’s financial statements.
- Annual improvements 2011, these annual improvements, address six issues in the 2009 to 2011 reporting cycle. It includes changes to:
 - HKFRS 1, “First time adoption”
 - HKAS 1, “Financial statement presentation”
 - HKAS 16, “Property plant and equipment”
 - HKAS 32, “Financial instruments: Presentation”
 - HKAS 34, “Interim financial reporting”
- Annual improvement 2012 — Amendment to HKFRS 13, “Fair value measurement”. This amendment is a clarification that there is no change in measurement requirements for short-term receivables and payable when the effect of not discounting is immaterial. This amendment has no material impact on the Group’s financial statements.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) **New and amended standards and interpretations issued but are not effective for financial year commencing on 1 January 2013 and have not been early adopted by the Group**

		Effective for annual periods beginning on or after
HKFRS 9	Financial instruments	Effective date is not yet determined
HKAS 32 (Amendment)	Financial instruments: Disclosures — Offsetting financial assets and financial liabilities	1 January 2014
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Consolidation for investment entities	1 January 2014
HKAS 36 (Amendments)	Recoverable amount disclosures for “impairment of assets”	1 January 2014
IFRIC/HK (IFRIC) Interpretation 21	Levies	1 January 2014
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement — Novation of derivatives	1 January 2014
New Company Ordinances	The New Company Ordinances deletes disclosure requirements already dealt with in HKFRS and has new requirement to disclose the Company’s balance sheet in a set of consolidated financial statements as a note to the consolidated financial statements.	3 March 2014
	The abolition of nominal value of shares of companies (listed or private) incorporated in Hong Kong.	
HKAS 19 (Amendment)	Defined benefit plans: Employee contribution	1 July 2014
HKFRS (Amendment)	Annual improvements 2012 and 2013	1 July 2014

Management is in the process of making an assessment of their impact and is not yet in a position to state whether any substantial changes to the Group’s significant accounting policies and presentation of the financial information will be resulted in.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to the profit or loss where appropriate.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.3 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount as "share of post-tax loss of an associate" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements on 1 January 2013. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2012. The effects of the change in accounting policies on the financial position, comprehensive income and the cash flows of the Group are shown in note 2.1(a).

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions of the Group.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group companies are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and Convertible Bonds denominated in foreign currencies are presented in the consolidated income statement within "finance income/(costs), net". All other foreign exchange gains and losses are presented in the consolidated income statement within "exchange (losses)/gains, net".

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20–30 years
Office equipment	5–8 years
Transportation equipment	5–10 years
Machinery	5–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other income" and "other expenses" in the consolidated income statement.

2.8 Construction in progress

Construction in progress represents property under construction and is stated at cost less accumulated impairment loss, if any. Cost includes the costs of construction of buildings and interest charges arising from borrowings used to finance these assets during the period of construction, if any. No provision for depreciation is made on construction in progress until such times as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.9 Investment property

Investment property, principally comprising land use rights and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised as “fair value gains on investment properties” in the consolidated income statement.

2.10 Intangible assets

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2 to 10 years).

(b) Construction licence

Construction licence is acquired and is recognised at historical cost. Construction licence has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of construction licence over its estimated useful life of 3 years.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Summary of significant accounting policies (Continued)

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "restricted cash" and "cash and cash equivalents" in the consolidated balance sheet.

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are investments in equity instruments. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. Investments in equity instruments which are classified as available-for-sale financial assets are measured at cost when they do not have a quoted market price in an active market and whose fair value cannot be reliably measured. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.14 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.15 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2.16 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to owners of the Company.

2.19 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method.

2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.21 Borrowing costs

General and specific 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 capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2.22 Convertible Bonds

The Company issued United States dollars (“US\$”) denominated Convertible Bonds (the “Convertible Bonds”) which can be converted into ordinary shares of the Company and redeemed under certain circumstances.

If the conversion of the Convertible Bonds will not result in delivering a fixed number of the Company’s own equity instruments in exchange for a fixed amount of cash or another financial asset, the Convertible Bonds contract will be separated into two component elements: a financial derivative component consisting of the embedded options and a debt component consisting of the straight debt element of the Convertible Bonds.

On the issue of the Convertible Bonds, the fair value of the financial derivatives component is calculated using a valuation technique. The financial derivative component is carried at fair value on the consolidated balance sheet with any subsequent changes in fair value being charged or credited to the consolidated income statement in the period when the change occurs. The remainder of the proceeds is allocated to debt component of the Convertible Bonds, net of transaction costs, and is recorded as a liability. The debt component is subsequently carried at amortised cost until extinguished on conversion or redemption.

Interest expense is calculated using the effective interest method by applying the effective interest rate to the debt component through the maturity date.

If the Convertible Bonds are converted, the carrying amounts of the corresponding financial derivative and debt components are transferred to share capital and share premium as consideration for the shares issued. If the Convertible Bonds are redeemed, any difference between the amount paid and the carrying amounts of the corresponding financial derivative and debt components is recognised in consolidated income statement.

An exchange between the Company and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

2 Summary of significant accounting policies (Continued)

2.22 Convertible Bonds (Continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in consolidated income statement.

If the exchange or modification is not constituted as an extinguishment, any costs or fees incurred shall be accounted for as adjustments to the carrying amount of the liability and being amortised over the remaining term of the modified liability.

2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax and land appreciation tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, jointly ventures and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.23 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.24 Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

2 Summary of significant accounting policies (Continued)

2.24 Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.25 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating revenue made between the group companies.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of properties

Revenue from sales of properties is recognised when a group entity has delivered the relevant properties to the purchaser and collectability of related consideration is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet under current liabilities.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.26 Revenue recognition (Continued)

(ii) Property management

Revenue arising from property management is recognised in the accounting period in which the services are rendered.

(iii) Hotel operations

Hotel revenue from room rentals, food and beverage sales and other ancillary services are recognised when the goods are delivered or services are rendered.

(iv) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cashflow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivable is recognised using the original effective interest rate.

(v) Rental income

Rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the term of lease.

(vi) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.27 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) The Group is the lessee other than operating lease of land use rights

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

(ii) The Group is the lessee under operating lease of land use rights

Land use rights under operating lease, which mainly comprise land use rights to be developed for hotel properties and own used buildings, are stated at cost and subsequently amortised in the consolidated income statement on a straight-line basis over the operating lease periods.

(iii) The Group is the lessor

Assets leased out under operating leases are included in investment properties in the consolidated balance sheet.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

2 Summary of significant accounting policies (Continued)

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.29 Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the consolidated income statement.

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers as insurance contracts.

3 Financial risk management

3.1 Financial risk factor

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, Convertible Bonds, bank and other borrowings. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, Convertible Bonds, bank borrowings and syndicated loans are in other currencies. As at 31 December 2013, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, Convertible Bonds, bank borrowings and syndicated loans dominated in either HK dollar ("HK\$") or US dollar ("US\$"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. Given the general expectations about the strengthening of RMB, the Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2013.

The carrying amount of the Group's and the Company's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are as follows:

	Group		Company	
	2013	2012	2013	2012
Monetary assets				
— HK\$	392,711	490,856	61,066	196,111
— US\$	442,133	636,763	102,322	634,840
	834,844	1,127,619	163,388	830,951
Monetary liabilities				
— HK\$	5,991,541	3,478,623	5,991,541	3,478,623
— US\$	13,612,040	13,835,663	13,612,040	13,835,663
	19,603,581	17,314,286	19,603,581	17,314,286

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/decrease in RMB against the relevant currencies, the effect on the profit for the year is as follows:

	Group		Company	
	2013 Increase/ (Decrease)	2012 Increase/ (Decrease)	2013 Increase/ (Decrease)	2012 Increase/ (Decrease)
5% increase in RMB against HK\$	283,721	152,715	296,524	164,126
5% decrease in RMB against HK\$	(283,721)	(152,715)	(296,524)	(164,126)
5% increase in RMB against US\$	662,708	659,944	675,486	660,041
5% decrease in RMB against US\$	(662,708)	(659,944)	(675,486)	(660,041)

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Senior notes, other borrowings and Convertible Bonds at fixed rate expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest-rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2013 and 2012, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2013 and 2012 would increase or decrease by RMB182,931,000 and RMB132,661,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

(iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with licensing banks which are all high-credit-quality financial institutions.

For credit exposures to customers, generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Group's senior management after assessing the credit history of those customers. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(iii) Credit risk (Continued)

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 80% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in the note 39.

No significant credit limits were exceeded during the reporting period, and management does not expect any significant losses from non-performance by these counterparties.

(iv) Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, committed credit facilities and short-term and long-term borrowings to meet its construction commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties and accelerating sales with more flexible pricing. The Group will pursue such options basing on its assessment of relevant future costs and benefits.

The table below analyses the Group's and the Company's financial liabilities maturity profile at the balance sheet date. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheet, as the impact of discount should not be significant.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(iv) Liquidity risk (Continued)

Group

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2013					
Bank borrowings	8,496,098	2,901,721	3,334,086	840,745	15,572,650
Convertible Bonds	121,938	121,938	3,089,096	–	3,332,972
Senior notes	956,070	956,070	11,206,515	–	13,118,655
Syndicated loans	2,213,603	2,671,480	1,674,547	300,237	6,859,867
Other borrowings	3,249,225	3,741,412	656,243	67,407	7,714,287
Trade and other payables (*)	18,991,046	–	–	–	18,991,046
At 31 December 2012 (Restated)					
Bank borrowings	5,135,641	2,579,132	2,443,843	895,914	11,054,530
Convertible Bonds	125,710	125,710	3,312,109	–	3,563,529
Senior notes	985,645	985,645	12,552,509	–	14,523,799
Syndicated loans	1,759,934	1,209,938	600,787	323,520	3,894,179
Other borrowings	338,917	1,223,671	–	–	1,562,588
Trade and other payables (*)	13,650,000	–	–	–	13,650,000

* Excluding staff welfare benefit payable and other taxes payable.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.1 Financial risk factor (Continued)

(iv) Liquidity risk (Continued)

Company

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
At 31 December 2013					
Bank borrowings	1,236,680	216,560	–	–	1,453,240
Convertible Bonds	121,938	121,938	3,089,096	–	3,332,972
Senior notes	956,070	956,070	11,206,515	–	13,118,655
Syndicated loans	2,052,261	2,517,384	1,216,699	–	5,786,344
Other payables	3,985,795	–	–	–	3,985,795
At 31 December 2012					
Bank borrowings	1,385,282	554,000	223,286	–	2,162,568
Convertible Bonds	125,710	125,710	3,312,109	–	3,563,529
Senior notes	985,645	985,645	12,552,509	–	14,523,799
Syndicated loans	1,586,113	1,043,914	–	–	2,630,027
Other payables	3,360,392	–	–	–	3,360,392

3.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce any unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of any returns to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

	2013	2012 Restated
Total borrowings including debt component of Convertible Bonds (note 23 and note 24)	39,491,565	27,014,997
Less: Cash and cash equivalents (note 19)	(6,783,643)	(5,748,597)
Restricted cash (note 18)	(6,249,740)	(3,880,085)
Net borrowings	26,458,182	17,386,315
Total equity	36,567,296	27,911,807
Gearing ratio	72.4%	62.3%

The increase in the gearing ratio during 2013 primarily resulted from the increase in borrowings.

3.3 Fair value estimation

The Group is not holding any financial assets carried at fair value. The only financial liability carried at fair value held by the Group is the embedded financial derivatives component of the Convertible Bonds issued in 2011 (note 24). The different levels of the financial instruments carried at fair value, by valuation method, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The embedded financial derivatives component of the Group's Convertible Bonds is included in level 3 as the quantitative information about fair value measurements are using significant unobservable inputs.

The following table presents the changes in level 3 instruments for the years ended 31 December 2013 and 2012.

	2013	2012
Opening balance	(660,728)	(860,497)
Gains recognised in profit and loss	295,748	199,769
Closing balance	(364,980)	(660,728)
Total gains for the year included in profit or loss for liabilities held at the end of the year, under "Fair value gains on embedded financial derivatives"	295,748	199,769
Changes in unrealised gains for the year included in profit or loss at the end of the year	295,748	199,769

Detailed disclosure of the valuation of the embedded financial derivatives is included in note 24.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Current and deferred income tax

The Group is subject to income taxes in the PRC. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4 Critical accounting estimates and judgements (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities for certain projects. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes payable. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

(c) Provisions for impairment of properties under development, completed properties held for sale and long-term assets held for hotel operations

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. For the purpose of assessing provision for impairment, properties under development, completed properties held for sale and long-term assets held for hotel operations are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverability of the carrying amounts of land use rights for property development, properties under development and completed properties held for sale was assessed according to their recoverable amount, taking into account for costs to completion based on past experience and net sales value based on prevailing market conditions. The recoverable amounts of long-term assets held for hotel operations have been determined based on value-in-use calculations, taking into account latest market information and past experience. The assessment requires the use of judgement and estimates.

As at 31 December 2013, no impairment was provided for properties under development, completed properties held for sale or long-term assets held for hotel operations.

(d) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in note 9.

(e) Recoverability of trade receivables

The management assesses the recoverability of trade receivables individually with reference to the past repayment history as well as subsequent settlement status. Allowances are applied to these receivables where events or changes in circumstances indicate that the balances may not be collectible and require the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivable and the impairment charge in the period in which such estimate has been changed.

As at 31 December 2013, no impairment was provided for trade receivables.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information

The executive directors of the Company, which are the chief operating decision-maker of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. The associate and joint ventures of the Group are principally engaged in property development and are included in the property development segment. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable to the market in the PRC and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results. Interest income and finance costs are not included in the result of each operating segment.

Analysis of revenue by the Group's business segments for the years ended 31 December 2013 and 2012 is as follows:

	2013	2012 Restated
Revenue:		
— Property development	34,466,876	29,145,770
— Property management	547,142	418,233
— Hotel operations	368,165	302,121
— Property investment	54,221	25,627
	35,436,404	29,891,751

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

Segment results and capital expenditure for the years ended 31 December 2013 and 2012 are as follows:

Year ended 31 December 2013

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	34,466,876	784,979	368,165	54,221	–	35,674,241
Inter-segment sales	–	(237,837)	–	–	–	(237,837)
Sales to external customers	34,466,876	547,142	368,165	54,221	–	35,436,404
Fair value gains on investment properties (note 9)	–	–	–	174,277	–	174,277
Operating profit/(loss)	9,851,761	46,272	(108,317)	191,310	–	9,981,026
Share of post-tax loss of an associate (note 10)	(59,537)	–	–	–	–	(59,537)
Share of post-tax profit of joint ventures (note 11)	7,124	–	–	–	–	7,124
Segment result	9,799,348	46,272	(108,317)	191,310	–	9,928,613
Fair value gains on embedded financial derivatives (note 24)	–	–	–	–	–	295,748
Finance income, net (note 33)	–	–	–	–	–	488,214
Profit before income tax	–	–	–	–	–	10,712,575
Income tax expenses (note 34)	–	–	–	–	–	(4,850,220)
Profit for the year	–	–	–	–	–	5,862,355
Depreciation	69,632	4,742	121,073	–	–	195,447
Amortisation of land use rights and intangible assets	41,227	266	55,218	–	–	96,711
Segment assets	100,009,899	644,250	8,256,324	5,793,800	(536,706)	114,167,567
Unallocated assets	–	–	–	–	–	367,639
Total assets						114,535,206
Segment assets include:						
Interest in an associate (note 10)	58,201	–	–	–	–	58,201
Interest in joint ventures (note 11)	1,030,282	–	–	–	–	1,030,282
Segment liabilities	20,528,342	451,380	5,439,527	70,196	(536,706)	25,952,739
Unallocated liabilities	–	–	–	–	–	52,015,171
Total liabilities						77,967,910
Capital expenditure	407,515	7,466	1,120,356	296,123	–	1,831,460

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2013 as follows:

	Assets	Liabilities
Segment assets/liabilities	114,167,567	25,952,739
Unallocated:		
Deferred income taxes	316,209	1,649,261
Prepaid income taxes	51,430	–
Current tax liabilities	–	10,509,365
Current borrowings	–	12,353,678
Non-current borrowings	–	24,646,168
Convertible Bonds — debt component	–	2,491,719
Convertible Bonds — embedded financial derivatives	–	364,980
Total	114,535,206	77,967,910

Year ended 31 December 2012 (Restated)

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	29,145,770	583,637	302,121	25,627	–	30,057,155
Inter-segment sales	–	(165,404)	–	–	–	(165,404)
Sales to external customers	29,145,770	418,233	302,121	25,627	–	29,891,751
Fair value gains on investment properties (note 9)	–	–	–	178,428	–	178,428
Operating profit/(loss)	10,437,052	(14,351)	(144,833)	189,237	–	10,467,105
Share of post-tax loss of an associate (note 10)	(87,024)	–	–	–	–	(87,024)
Share of post-tax loss of joint ventures (note 11)	(1,950)	–	–	–	–	(1,950)
Segment result	10,348,078	(14,351)	(144,833)	189,237	–	10,378,131
Fair value gains on embedded financial derivatives (note 24)						199,769
Finance costs, net (note 33)						(46,294)
Profit before income tax						10,531,606
Income tax expenses (note 34)						(5,384,955)
Profit for the year						5,146,651
Depreciation	57,242	4,748	102,827	–		164,817
Amortisation of land use rights and intangible assets	59,422	107	50,992	–		110,521
Segment assets	78,114,697	425,029	6,727,104	5,589,600	(332,542)	90,523,888
Unallocated assets						325,623
Total assets						90,849,511
Segment assets include:						
Interest in an associate (note 10)	117,738	–	–	–		117,738
Interest in joint ventures (note 11)	943,158	–	–	–		943,158
Segment liabilities	19,373,584	480,925	3,568,614	562,321	(332,542)	23,652,902
Unallocated liabilities						39,284,802
Total liabilities						62,937,704
Capital expenditure	630,184	4,491	962,710	163,172		1,760,557

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2012 as follows:

	Assets Restated	Liabilities Restated
Segment assets/liabilities	90,523,888	23,652,902
Unallocated:		
Deferred income taxes	268,564	1,753,072
Prepaid income taxes	57,059	–
Current tax liabilities	–	9,856,005
Current borrowings	–	6,192,561
Non-current borrowings	–	18,452,325
Convertible Bonds — debt component	–	2,370,111
Convertible Bonds — embedded financial derivatives	–	660,728
Total	90,849,511	62,937,704

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, interest in an associate and joint ventures, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid income taxes. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings and Convertible Bonds.

Capital expenditure comprises additions to property, plant and equipment, land use rights, investment properties and intangible assets.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

6 Property, plant and equipment – Group

	Buildings	Transportation equipment	Office equipment	Machinery	Construction in progress	Total
At 1 January 2012 (Restated)						
Cost	2,245,014	172,022	86,592	98,863	1,215,024	3,817,515
Accumulated depreciation	(67,902)	(102,832)	(41,769)	(31,997)	–	(244,500)
Net book amount	2,177,112	69,190	44,823	66,866	1,215,024	3,573,015
Year ended 31 December 2012 (Restated)						
Opening net book amount	2,177,112	69,190	44,823	66,866	1,215,024	3,573,015
Additions	18,642	19,296	15,632	24,630	1,462,469	1,540,669
Transfer from properties under development	–	–	–	–	282,489	282,489
Transfer of completed construction projects	957,392	–	–	–	(957,392)	–
Disposals	–	(7,923)	(581)	(172)	–	(8,676)
Depreciation	(110,951)	(21,053)	(18,623)	(14,190)	–	(164,817)
Closing net book amount	3,042,195	59,510	41,251	77,134	2,002,590	5,222,680
At 31 December 2012 (Restated)						
Cost	3,221,048	163,941	99,189	122,870	2,002,590	5,609,638
Accumulated depreciation	(178,853)	(104,431)	(57,938)	(45,736)	–	(386,958)
Net book amount	3,042,195	59,510	41,251	77,134	2,002,590	5,222,680
Year ended 31 December 2013						
Opening net book amount	3,042,195	59,510	41,251	77,134	2,002,590	5,222,680
Additions	33,352	44,435	27,927	22,918	1,328,257	1,456,889
Transfer of completed construction projects	493,551	–	–	–	(493,551)	–
Disposals	–	(5,741)	(1,187)	(762)	–	(7,690)
Depreciation	(137,975)	(23,543)	(14,672)	(19,257)	–	(195,447)
Closing net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432
At 31 December 2013						
Cost	3,747,951	187,988	123,585	144,864	2,837,296	7,041,684
Accumulated depreciation	(316,828)	(113,327)	(70,266)	(64,831)	–	(565,252)
Net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

6 Property, plant and equipment – Group (Continued)

Depreciation expenses were charged to the following categories in the consolidated income statement:

	2013	2012 Restated
Cost of sales	135,613	92,205
Selling and marketing costs	6,341	9,522
Administrative expenses	53,493	63,090
Total	195,447	164,817

Notes:

- (a) As at 31 December 2013, buildings of RMB1,317,040,000 (2012: RMB38,937,000) were pledged as collateral for the Group's borrowings (note 23).
- (b) During the year ended 31 December 2013, the Group has capitalised borrowing costs amounting to RMB177,777,000 (2012: RMB99,823,000) on property, plant and equipment. Borrowing costs were capitalised at the weighted average rate of general borrowings of the Group of 7.93% (2012: 8.70%).
- (c) Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of hotels.

7 Land use rights – Group

	2013	2012
Opening net book amount	2,810,175	2,455,028
Addition	65,197	–
Transfer (to)/from properties under development (note (b))	(241,585)	451,023
Amortisation		
— Capitalised in construction in progress	(11,845)	(11,148)
— Recognised as cost of sales (note 30)	(42,065)	(39,384)
— Recognised as expenses (note 30)	(25,715)	(45,344)
Closing net book amount	2,554,162	2,810,175

Notes:

- (a) Land use rights comprise cost of acquiring usage rights of certain land, which are located in the PRC, held on leases of over 40 years, and mainly for hotel properties or self-used buildings over fixed periods.
- (b) In the year ended 31 December 2013, certain own used land use rights were reclassified to properties under developments as a result of change in development plan.
- (c) As at 31 December 2013, land use rights of RMB1,430,084,000 (2012: RMB1,529,676,000) were pledged as collateral for the Group's borrowings (note 23).

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

8 Intangible assets – Group

Intangible assets mainly comprise acquired construction license and computer software licenses:

	Construction license	Computer software	Total
At 1 January 2012			
Cost	–	31,869	31,869
Accumulated amortisation	–	(12,677)	(12,677)
Net book amount	–	19,192	19,192
Year ended 31 December 2012			
Opening net book amount	–	19,192	19,192
Additions	27,274	29,442	56,716
Amortisation (note 30)	(9,091)	(5,554)	(14,645)
Closing net book amount	18,183	43,080	61,263
At 31 December 2012			
Cost	27,274	61,311	88,585
Accumulated amortisation	(9,091)	(18,231)	(27,322)
Net book amount	18,183	43,080	61,263
Year ended 31 December 2013			
Opening net book amount	18,183	43,080	61,263
Additions	–	13,251	13,251
Amortisation (note 30)	(9,091)	(7,995)	(17,086)
Closing net book amount	9,092	48,336	57,428
At 31 December 2013			
Cost	27,274	74,562	101,836
Accumulated amortisation	(18,182)	(26,226)	(44,408)
Net book amount	9,092	48,336	57,428

Amortisation of RMB17,086,000 (2012: RMB14,645,000) is included in the “administrative expenses” of the consolidated income statement.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

9 Investment properties – Group

	2013	2012
Opening net book amount	5,589,600	5,248,000
Additions	296,123	163,172
Disposals	(266,200)	–
Fair value gains on investment properties	174,277	178,428
Closing net book amount	5,793,800	5,589,600
Investment properties:		
— Completed investment properties	3,937,800	4,275,348
— Investment properties under construction	1,856,000	1,314,252
Total	5,793,800	5,589,600

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years:
- (b) Amounts recognised in the consolidated income statement for investment properties:

	2013	2012
Rental income	54,221	25,627
Direct operating expenses of investment properties that generate rental income	(23,158)	(8,197)
Direct operating expenses of investment properties that did not generate rental income	(14,030)	(6,621)
Total	17,033	10,809

As at 31 December 2013, the Group had no unprovided contractual obligations for future repairs and maintenance (2012: nil).

(c) **Valuation processes of the Group**

The Group measures its investment properties at fair value. The investment properties were revalued by Vigers Appraisal & Consulting Limited, an independent qualified valuer, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued, at 31 December 2013.

(d) **Valuation techniques**

Fair value measurements using significant unobservable inputs (level 3)

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

Fair values of commercial properties under development are generally derived using the residual method. This valuation method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

9 Investment properties — Group (Continued)

Notes: (Continued)

(d) Valuation techniques (Continued)

	Location	Fair value as at 31 December 2013	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	PRC	3,937,800	Income capitalisation method	Term yields	5%–8%
				Reversionary yields	5.2%–8.5%
				Market rents (RMB/square meter/ month)	35–1,000
Investment properties under construction	PRC	1,856,000	Residual method	Budgeted construction costs to be incurred (RMB/square meter)	4,500
				Developer's profit	15%
				Discount rate	7.65%

For completed investment properties, increase in term yields and revisionary yields may result in decrease of fair value. Increase in market rents may result in increase of fair value.

For investment properties under construction, increase in budgeted construction costs to be incurred may result in decrease in fair value. Increase in the developer's profit may result in decrease in fair value. Increase in discount rate may result in lower fair value.

(e) Investment properties pledged as security

As at 31 December 2013, investment properties of RMB2,585,144,000 (2012: RMB2,557,844,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 23).

(f) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in note 41.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 20 years.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

10 Interest in an associate

Amounts represent share of net assets in Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) (“Li He”), of which the Group and other four PRC real estate developers (the “Five Shareholders”) evenly holds its 20% equity interests. Li He is principally engaged in development of a real estate project in Guangzhou.

Li He is a private company and there is no quoted market price available for its shares.

The movement of the interest in an associate during the year is as follows:

	2013	2012
Balance as at 1 January	117,738	204,762
Share of post-tax loss of an associate	(59,537)	(87,024)
Balance as at 31 December	58,201	117,738

The associate is accounted for using the equity method. The Directors consider there are no individually material associate. The aggregate amounts of the Group’s shares of the associate are as follows:

	2013	2012
Loss from continuing operations	(59,537)	(87,024)
Total comprehensive income	(59,537)	(87,024)

The contingent liabilities relating to the Group’s interest in the associate is disclosed in note 39. There is no commitment relating to the Group’s interest in the associate.

The land premium of the property development project of Li He consists of three phases. According to the previously agreed payment schedule of land premium, the third phase land premium of RMB10,200,000,000 should have been fully settled in December 2011. As at 30 June 2013, land premium of RMB7,700,000,000 remained unsettled. In October 2013, Li He entered into a supplemental agreement with the relevant government authorities to reschedule payment of the outstanding land premium whereby RMB4,500,000,000 was paid in 2013 accordingly, and the remaining land premium should be settled in November 2014.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

11 Interest in joint ventures

The movement of the interest in joint ventures is as follows:

	2013	2012 Restated
Balance as at 1 January	943,158	943,466
Addition	80,000	1,642
Share of post-tax profit/(loss) of joint ventures	7,124	(1,950)
Balance as at 31 December	1,030,282	943,158

The joint ventures are accounted for using the equity method. The Directors consider there are no individually material joint ventures. The aggregate amounts of the Group's shares of the joint ventures are as follows:

	2013	2012
Profit/(loss) from continuing operations	7,124	(1,950)
Total comprehensive income	7,124	(1,950)

The contingent liabilities relating to the Group's interest in the joint ventures are disclosed in note 39. There is no commitment relating to the Group's interest in the joint ventures.

12 Prepayments for acquisition of equity interests and available-for-sale financial assets

During the year ended 31 December 2012, a prepayment was made for acquisition of 2.5% equity interests in a non-listed real estate project company in the PRC. During the year ended 31 December 2013, the project company has been officially established. The prepayment was transferred to "available-for-sale financial assets" accordingly.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

13 Financial instruments by category

(a) Group

Assets as per consolidated balance sheet

	2013	2012 Restated
Loans and receivables		
Trade and other receivables excluding prepaid business taxes and other taxes and prepayments	11,972,360	6,093,316
Restricted cash	6,249,740	3,880,085
Cash and cash equivalents	6,783,643	5,748,597
	25,005,743	15,721,998
Available-for-sale financial assets	117,500	–
Total	25,123,243	15,721,998

Liabilities as per consolidated balance sheet

	2013	2012 Restated
Financial liabilities at fair value through profit or loss		
Convertible Bonds — embedded financial derivatives	364,980	660,728
Other financial liabilities		
Borrowings	36,999,846	24,644,886
Convertible Bonds — debt component	2,491,719	2,370,111
Trade and other payables and accruals, excluding staff welfare benefit payable and other taxes payable	18,991,046	13,650,000
	58,482,611	40,664,997
Total	58,847,591	41,325,725

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

13 Financial instruments by category (Continued)

(b) Company

Assets as per balance sheet

	2013	2012
Loans and receivables		
Trade and other receivables excluding prepayments	29,578,053	24,416,603
Restricted cash	2,786,304	1,033,136
Cash and cash equivalents	173,502	505,184
Total	32,537,859	25,954,923

Liabilities as per balance sheet

	2013	2012
Financial liabilities at fair value through profit or loss		
Convertible Bonds — embedded financial derivatives	364,980	660,728
Other financial liabilities		
Borrowings	16,683,012	14,763,730
Convertible Bonds — debt component	2,491,719	2,370,111
Amounts due to subsidiaries	2,753,405	2,846,697
Other payables and accruals	1,232,390	513,695
	23,160,526	20,494,233
Total	23,525,506	21,154,961

14 Properties under development — Group

	2013	2012 Restated
Properties under development expected to be completed:		
— Within the one operating cycle included under current assets	33,480,753	33,775,215
— Beyond one operating cycle included under non-current assets	16,146,189	14,790,727
Total	49,626,942	48,565,942
Properties under development comprise:		
— Construction costs and capitalised expenditures	19,398,035	16,319,378
— Capitalised interests	3,315,242	2,634,428
— Land use rights	26,913,665	29,612,136
Total	49,626,942	48,565,942

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

14 Properties under development – Group (Continued)

All properties under development are located in the PRC. The relevant land use right are on leases of 40 to 70 years.

The capitalisation rate of borrowings is 7.93% for the year ended 31 December 2013 (2012: 8.70%).

As at 31 December 2013, land use rights included in the properties under developments with net book value of RMB17,379,866,000 (2012: RMB10,605,184,000) were pledged as collateral for the Group's borrowings (note 23).

15 Completed properties held for sale – Group

All completed properties held for sale are located in the PRC. The relevant land use right are on leases of 40 to 70 years.

As at 31 December 2013, completed properties held for sale of approximately RMB382,860,000 (2012: RMB201,312,000) were pledged as collateral for the Group's bank borrowings (note 23).

16 Prepayments for acquisition of land use rights – Group

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the balance sheet when the Group obtains contractual usage rights of the relevant lands.

17 Trade and other receivables

	Group		Company	
	2013	2012 Restated	2013	2012
Trade receivables (note (a) and note (d))	4,999,848	1,933,595	–	–
Other receivables due from:				
— Subsidiaries (note (b))	–	–	29,577,718	24,414,028
— An associate (note 42(c))	2,039,716	1,139,716	–	–
— Joint ventures (note 42(c))	1,926,150	987,921	–	–
— Third parties	1,731,586	1,656,764	335	2,575
Prepaid business taxes and other taxes	186,834	305,644	–	–
Deposits for acquisition of land use rights	1,275,060	375,320	–	–
Prepayments	265,803	197,474	6,760	497
Total	12,424,997	6,596,434	29,584,813	24,417,100

As at 31 December 2013, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired as described below.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

17 Trade and other receivables (Continued)

Notes:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2013 and 2012, the ageing analysis of the trade receivables is as follows:

	Group	
	2013	2012 Restated
Within 90 days	4,145,761	1,391,634
Over 90 days and within 365 days	633,649	339,551
Over 365 days and within 2 years	220,438	202,410
Total	4,999,848	1,933,595

As at 31 December 2013, trade receivables of RMB645,606,000 (2012: RMB399,877,000) were past due but not impaired. As the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2013 (2012: nil). The ageing analysis of these trade receivables is as follows:

	Group	
	2013	2012
Within 90 days	350,498	125,909
Over 90 days and within 365 days	211,791	132,017
Over 365 days and within 2 years	83,317	141,951
Total	645,606	399,877

- (b) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (c) The carrying amounts of trade and other receivables are mainly denominated in RMB.
- (d) As at 28 March 2014, RMB1,810,066,000 of the trade receivables have been settled.

18 Restricted cash

	Group		Company	
	2013	2012 Restated	2013	2012
Denominated in RMB (*)	6,249,740	3,546,953	2,786,304	700,004
Denominated in US\$	-	333,132	-	333,132
Total	6,249,740	3,880,085	2,786,304	1,033,136

- * The conversion of the PRC group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2013, restricted cash is mainly comprised of deposit collateral for borrowings, guarantee deposits for construction of pre-sold properties and deposits for accident compensation.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

19 Cash and cash equivalents

	Group		Company	
	2013	2012 Restated	2013	2012
Cash and cash equivalents comprise the following:				
Cash at bank and in hand	6,713,616	5,416,322	103,475	172,909
Short-term bank deposits	70,027	332,275	70,027	332,275
Total	6,783,643	5,748,597	173,502	505,184
Denominated in RMB (*)	5,948,799	4,954,110	10,114	7,365
Denominated in other currencies	834,844	794,487	163,388	497,819
Total	6,783,643	5,748,597	173,502	505,184

* The conversion of the PRC group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

20 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Authorised					
As at 31 December 2013 and 2012	10,000,000,000	1,000,000			
Movements of issued and fully paid share capital					
Year ended 31 December 2012					
At 1 January and 31 December 2012	3,449,450,000	344,945	363,217	3,295,325	3,658,542
Year ended 31 December 2013					
At 1 January 2013	3,449,450,000	344,945	363,217	3,295,325	3,658,542
Repurchase of shares of the Company (note(a))	(2,100,000)	(210)	(170)	(15,647)	(15,817)
At 31 December 2013	3,447,350,000	344,735	363,047	3,279,678	3,642,725

Note:

(a) During year ended 31 December 2013, the Company has acquired 2,100,000 of its own shares through purchases on the Stock Exchange. The total consideration of HK\$19,585,000 (equivalent to RMB15,817,000) paid for repurchases of shares has been deducted from share capital and premium.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

21 Other reserves

Group

	Merger reserve	Statutory reserve and enterprise expansion fund	Total
	(note (a))	(note (b))	
Balance at 1 January 2012	442,395	504,597	946,992
Transfer from retained earnings	–	243,102	243,102
Balance at 31 December 2012	442,395	747,699	1,190,094
Balance at 1 January 2013	442,395	747,699	1,190,094
Transfer from retained earnings	–	107,999	107,999
Balance at 31 December 2013	442,395	855,698	1,298,093

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the group reorganisation undertaken for listing of Company on the Stock Exchange.
- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the subsidiaries.

Company

Other reserves of the Company represent the difference between the consideration of acquisition of subsidiaries over the nominal value of the shares of the Company issued in exchange pursuant to the group reorganisation undertaken for listing of the Company's shares on the Stock Exchange.

22 Perpetual Capital Securities

On 18 January 2013, the Company issued subordinated Perpetual Capital Securities ("The Perpetual Capital Securities") with the aggregate principal amount of US\$700,000,000. Net proceeds after deducting the issuance cost amounted to US\$687,432,500 (equivalent to approximately RMB4,321,938,000). The Perpetual Capital Securities do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated balance sheet. The amount as at 31 December 2013 included the accrued distribution payments of RMB164,087,000.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Borrowings

	Group		Company	
	2013	2012 Restated	2013	2012
Borrowings included in non-current liabilities:				
Senior notes (note (a))				
— Senior notes issued in 2009 ("2009 Senior Notes") (note (a)(i))	1,782,195	1,825,818	1,782,195	1,825,818
— Senior notes issued in 2010 ("2010 Senior Notes") (note (a)(ii))	3,915,065	4,025,558	3,915,065	4,025,558
— Senior notes issued in 2012 ("2012 Senior Notes") (note (a)(iii))	4,211,617	4,327,380	4,211,617	4,327,380
Long-term syndicated loans				
— secured (note (b))	850,000	950,000	—	—
— unsecured (note (c))	5,360,096	2,525,714	5,360,096	2,525,714
Long-term bank borrowings				
— secured (note (d))	10,109,593	6,294,656	—	—
— unsecured (note (e))	1,606,592	2,249,756	727,201	1,243,256
Other borrowings (note (f))				
— secured	2,597,850	1,200,000	—	—
— unsecured	2,700,000	—	—	—
Less: current portion of non-current borrowings	(8,486,840)	(4,946,557)	(2,346,324)	(2,013,351)
	24,646,168	18,452,325	13,649,850	11,934,375
Borrowings included in current liabilities:				
Short-term bank borrowings				
— secured (note (d))	1,530,000	1,246,004	—	816,004
— unsecured (note (e))	786,838	—	686,838	—
Short-term other borrowings (note (f))				
— secured	950,000	—	—	—
— unsecured	600,000	—	—	—
Current portion of non-current borrowings	8,486,840	4,946,557	2,346,324	2,013,351
	12,353,678	6,192,561	3,033,162	2,829,355
Total borrowings	36,999,846	24,644,886	16,683,012	14,763,730

Notes:

(a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB5,683,118,000 as at 31 December 2013 (2012: RMB5,486,291,000).

(i) 2009 Senior Notes

On 14 November 2009, the Company issued 10% senior notes with an aggregated nominal value of US\$300,000,000 (equivalent to approximately RMB2,048,430,000) at 97.562% of the face value. The net proceeds, after deducting the issuance costs, amounted to US\$285,384,000 (equivalent to RMB1,948,633,000). The 2009 Senior Notes will mature in November 2016. The Company, at its option, can redeem all or a portion of the 2009 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Borrowings (Continued)

Notes: (Continued)

(a) Senior notes (Continued)

(ii) 2010 Senior Notes

On 28 April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650,000,000 (equivalent to approximately RMB4,436,965,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$636,600,000 (equivalent to RMB4,343,810,000). The 2010 Senior Notes will mature in April 2017. The Company, at its option, can redeem all or a portion of the 2010 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

(iii) 2012 Senior Notes

On 20 March 2012, the Company issued 9.875% senior notes with an aggregated nominal value of US\$700,000,000 (equivalent to approximately RMB4,406,841,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$686,993,000 (equivalent to RMB4,324,896,000). The 2012 Senior Notes will mature in March 2017. The Company, at its option, can redeem all or a portion of the 2012 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

The above senior notes recognised in the consolidated balance sheet are calculated as follows:

	2013	2012
Carrying amount as at 1 January	10,178,756	5,838,998
Addition	–	4,324,896
Amortisation of issuance costs	41,183	39,231
Exchange gains	(311,062)	(24,369)
Carrying amount as at 31 December	9,908,877	10,178,756

- (b) A subsidiary of the Group has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the subsidiary which will be expired on 3 January 2019. The facility is secured by investment properties of the subsidiary. As at 31 December 2013, the carrying value of the loans outstanding amounted to RMB850,000,000 (2012: RMB950,000,000).
- (c) The Company has entered into several bank loan agreements with groups of banks pursuant to which the Company has been granted facilities of HK\$1,592,500,000, HK\$2,350,000,000, HK\$5,628,000,000 and expiring on 7 September 2013, 13 July 2014 and 15 May 2016 respectively. The facilities are jointly guaranteed by certain subsidiaries of the Group by pledges of the shares of these subsidiaries. As at 31 December 2013, the carrying value of the loans outstanding amounted to HK\$6,800,894,000 (equivalent to approximately RMB5,360,096,000) (2012: HK\$3,127,022,000, equivalent to approximately RMB2,525,714,000).
- (d) As at 31 December 2013, the Group's bank borrowings of RMB11,639,593,000 are secured by its land use rights, properties and bank deposits (2012: RMB7,540,660,000).
- (e) As at 31 December 2013, the unsecured bank borrowings of RMB2,393,430,000 (2012: RMB2,249,756,000) are jointly guaranteed by certain subsidiaries of the Group.
- (f) As at 31 December 2013, the Group's other borrowings of RMB3,547,850,000 (2012: RMB1,200,000,000) are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The unsecured other borrowings of RMB3,300,000,000 (2012: nil) are guaranteed by certain subsidiaries of the Group.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Borrowings (Continued)

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	Group		Company	
	2013	2012 Restated	2013	2012
6 months or less	11,500,397	7,224,156	6,774,135	4,584,974
6-12 months	7,782,722	6,041,974	–	–
1-5 years	17,716,727	11,378,756	9,908,877	10,178,756
Total	36,999,846	24,644,886	16,683,012	14,763,730

The carrying amounts of the borrowings with the respective effective interest rates:

The Group	2013		2012	
	RMB'000	Effective interest rate	RMB'000 Restated	Effective interest rate Restated
Senior notes	9,908,877	9.93%	10,178,756	9.93%
Bank borrowings, syndicated loans and other borrowings	27,090,969	6.24%	14,466,130	7.13%
Total	36,999,846		24,644,886	

The Company	2013		2012	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	9,908,877	9.93%	10,178,756	9.93%
Bank borrowings and syndicated loans	6,774,135	4.81%	4,584,974	3.99%
Total	16,683,012		14,763,730	

The carrying amounts and fair value of the non-current borrowings are as follows:

The Group	2013		2012	
	Carrying amount	Fair value	Carrying amount Restated	Fair value Restated
Senior notes (note(i))	9,908,877	10,660,335	10,178,756	11,236,592
Bank borrowings, syndicated loans and other borrowings (note (ii))	14,737,291	14,737,291	8,273,569	8,273,569
Total	24,646,168	25,397,626	18,452,325	19,510,161

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Borrowings (Continued)

The Company	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior notes (note(ii))	9,908,877	10,660,335	10,178,756	11,236,592
Bank borrowing and syndicated loans (note (iii))	3,740,973	3,740,973	1,755,619	1,755,619
Total	13,649,850	14,401,308	11,934,375	12,992,211

Notes:

- (i) The fair values of senior notes are determined directly by references to the price quotations published by Singapore Exchange Limited on 31 December 2013, the last dealing date of 2013.
- (ii) The fair values of non-current bank borrowings, syndicated loans and other borrowings approximate their carrying amount as the impact of discounting is not significant.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Group		Company	
	2013	2012 Restated	2013	2012
Bank borrowings, syndicated loans, other borrowings and senior notes				
— US\$	10,938,749	11,330,643	10,938,749	11,330,643
— HK\$	5,744,263	3,433,087	5,744,263	3,433,087
— RMB	20,316,834	9,881,156	—	—
Total	36,999,846	24,644,886	16,683,012	14,763,730

The maturity of the borrowings included in non-current liabilities is as follows:

	Group		Company	
	2013	2012 Restated	2013	2012
Bank borrowings, syndicated loans, other borrowings and senior notes				
— 1-2 years	8,516,684	4,557,357	2,599,922	1,540,571
— 2-5 years	15,035,258	12,867,414	11,049,928	10,393,804
— Over 5 years	1,094,226	1,027,554	—	—
Total	24,646,168	18,452,325	13,649,850	11,934,375

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

23 Borrowings (Continued)

The Group has the following undrawn borrowing facilities:

	2013	2012
Floating rate		
— expiring beyond one year	5,382,258	1,483,581

24 Convertible Bonds

On 28 April 2011, the Company issued 4.0% Convertible Bonds due 2016, in the aggregate principal amount of US\$500 million (equivalent to RMB3,253 million). The Convertible Bonds, at the option of the bond holders, will be convertible into fully paid ordinary shares with a par value of HK\$0.1 each of the Company. The initial conversion price of the Convertible Bonds is HK\$18.256 per share (with a fixed exchange rate of US\$1.00 = HK\$7.774), subject to adjustments pursuant to the terms and conditions of the Convertible Bonds. As at 31 December 2013, the conversion price has been adjusted to HK\$16.268 per share following the distribution of dividends.

The net proceeds from issuance of the Convertible Bonds of US\$491,902,000 (equivalent to RMB3,199,875,000) were received on 28 April 2011.

The Convertible Bonds were recognised as embedded financial derivatives and a debt component as follows:

- Embedded financial derivatives, comprise the fair value of the option of the holders of the Convertible Bonds to convert the Convertible Bonds into ordinary shares of the Company at the conversion price; the fair value of the option of the holders of the Convertible Bonds to require the Company to redeem the Convertible Bonds; and the fair value of the option of the Company to redeem the Convertible Bonds.

These embedded options are interdependent as only one of these options can be exercised. Therefore, they are not able to be accounted for separately and a single compound derivative was recognised.

- Debt component initially recognised at its fair value, which is the residual amount after deducting the fair value of the derivative component from the net proceeds at the initial recognition, and is subsequently carried at amortised cost.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

24 Convertible Bonds (Continued)

A valuation on the Convertible Bonds has been performed by Vigers Appraisal and Consulting Limited, an independent qualified valuer, on 31 December 2013 and 2012. The binomial model is used in the valuation of the embedded financial derivatives. The quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as below:

Description	Fair value as at 31 December 2013	Valuation technique	Unobservable inputs	Adopted
Embedded financial derivatives	364,980	Binomial model	Bond yield (a)	11%
			Volatility (b)	50%

Notes:

- (a) The bond yield adopted is determined with reference to the yield of other non-convertible instrument (or bonds) having the similar quality rating and similar investment characteristics.
- (b) The volatility adopted for a private company was based on the average of the upper range between the industry volatility and the peer companies' volatilities.

The increase in bond yield may result in increase in the fair value of embedded financial derivatives. Increase in volatility may result in increase in the fair value.

The value of embedded financial derivatives varies with different variables of certain subjective assumptions, which have been made by the directors of the Company based on their best estimates.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

24 Convertible Bonds (Continued)

The movement of the debt component and embedded financial derivative of the Convertible Bonds is set out below:

	Debt component	Embedded financial derivatives	Total
For the year ended 31 December 2012			
At 1 January 2012	2,200,997	860,497	3,061,494
Fair value gains on embedded financial derivatives	–	(199,769)	(199,769)
Interests recognised under the effective interest method	300,571	–	300,571
Interests payable	(125,710)	–	(125,710)
Exchange gains	(5,747)	–	(5,747)
As at 31 December 2012	2,370,111	660,728	3,030,839
For the year ended 31 December 2013			
At 1 January 2013	2,370,111	660,728	3,030,839
Fair value gains on embedded financial derivatives	–	(295,748)	(295,748)
Interests recognised under the effective interest method	319,529	–	319,529
Interests payable	(121,938)	–	(121,938)
Exchange gains	(75,983)	–	(75,983)
As at 31 December 2013	2,491,719	364,980	2,856,699

Up to 31 December 2013, there was no conversion or redemption of the Convertible Bonds.

25 Deferred income tax – Group

The analysis of deferred tax assets and liabilities is as follows:

	2013	2012 Restated
Deferred income tax assets to be recovered within 12 months	316,209	268,564
Deferred income tax liabilities to be recovered after more than 12 months	(1,649,261)	(1,753,072)
Deferred tax liabilities, net	(1,333,052)	(1,484,508)

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

25 Deferred income tax – Group (Continued)

The movements in deferred tax assets/(liabilities) during the years ended 31 December 2013 and 2012 were as follows:

	Deferred tax assets – tax losses	Deferred tax assets – unrealised profit on intra-group transactions	Deferred tax liabilities – temporary difference on recognition of sales and related cost of sales	Deferred tax liabilities – excess of carrying amount of land use right over the tax bases	Deferred tax liabilities – excess of fair value of investment properties over the tax bases	Net
At 1 January 2012 (restated)	118,595	43,473	(373,472)	(286,044)	(890,058)	(1,387,506)
Credited/(charged) to the consolidated income statement	76,686	29,810	(166,460)	7,569	(44,607)	(97,002)
At 31 December 2012 (restated)	195,281	73,283	(539,932)	(278,475)	(934,665)	(1,484,508)
Credited/(charged) to the consolidated income statement	51,152	(3,507)	139,831	7,549	(43,569)	151,456
At 31 December 2013	246,433	69,776	(400,101)	(270,926)	(978,234)	(1,333,052)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB66,791,000 (2012: RMB49,947,000) in respect of tax losses amounting to RMB267,164,000 (2012: RMB199,788,000) that can be carried forward against future taxable income. Tax losses of approximately RMB199,788,000 and RMB67,376,000 will expire in 2017 and 2018 respectively.

Deferred income tax liabilities of RMB1,702,898,000 (2012: RMB1,417,609,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

26 Trade and other payables

	Group		Company	
	2013	2012 Restated	2013	2012
Trade payables (note (a))	13,483,490	11,189,613	–	–
Other payables due to:				
— Subsidiaries (note (b))	–	–	2,753,405	2,846,697
— Related parties (note 42(c))	1,075,469	349,485	970,991	239,668
— Third parties	3,533,777	1,317,056	7,704	10,033
Staff welfare benefit payable	37,603	33,629	–	–
Accruals	898,310	793,846	253,695	263,994
Other taxes payable	495,812	286,969	–	–
Total	19,524,461	13,970,598	3,985,795	3,360,392

Notes:

(a) The ageing analysis of trade payables of the Group as at 31 December 2013 and 2012 is as follows:

	Group	
	2013	2012 Restated
Within 90 days	11,111,648	9,326,895
Over 90 days and within 180 days	1,321,154	884,144
Over 180 days and within 365 days	586,473	597,732
Over 365 days	464,215	380,842
Total	13,483,490	11,189,613

(b) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.

27 Other income

	2013	2012 Restated
Interest income of bank deposits	98,963	75,013
Gain on disposal of an investment property	49,178	–
Forfeited deposits from customers	39,391	13,957
Miscellaneous income	37,319	43,087
Total	224,851	132,057

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

28 Other expenses

	2013	2012
Charitable donations	115,052	177,123
Miscellaneous	16,691	35,429
Total	131,743	212,552

29 Exchange (losses)/gains, net

Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings and Convertible Bonds which are included in the finance income/(costs), net (note 33).

30 Expenses by nature

	2013	2012 Restated
Employee benefit expenses — including directors' emoluments (note 31)	1,333,340	1,049,698
— property development	771,131	630,492
— property management	428,759	328,730
— hotel operations	133,450	90,476
Auditors' remuneration	6,195	5,800
Advertising costs	1,166,483	728,046
Depreciation (note 6)	195,447	164,817
Amortisation of intangible assets (note 8)	17,086	14,645
Amortisation of land use rights (note 7)	67,780	84,728
Cost of properties sold	19,449,631	14,693,308
Business taxes and other levies on sales of properties (note (a))	1,937,148	1,623,798
Cost of property management	313,155	243,344
Cost of hotel operations	337,995	326,751
Commission fee	98,349	78,749

Note:

(a) The Group is subject to business taxes of 5% and other levies on their revenues from sales of properties in the PRC.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

31 Employee benefit expense — including directors' emoluments

	2013	2012
Wages and salaries	1,116,773	902,029
Pension costs — statutory pension (note (a))	66,454	47,348
Staff welfare	25,768	19,277
Medical benefits	20,654	14,388
Other allowances and benefits	103,691	66,656
Total	1,333,340	1,049,698

Note:

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

32 Directors' and senior management's emoluments

(a) Directors' emoluments

The emoluments of directors of the Company for the year ended 31 December 2013 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	—	3,503	12	3,515
Mr. Chan Cheuk Yin	—	2,999	12	3,011
Ms. Luk Sin Fong, Fion	—	2,999	12	3,011
Mr. Chan Cheuk Hung	—	2,494	12	2,506
Mr. Chan Cheuk Hei	—	2,494	12	2,506
Mr. Chan Cheuk Nam	—	2,494	12	2,506
Dr. Cheng Hon Kwan (*)	290	—	—	290
Mr. Kwong Che Keung, Gordon (*)	290	—	—	290
Mr. Cheung Wing Yui (*)	290	—	—	290
Total	870	16,983	72	17,925

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

32 Directors' and senior management's emoluments (Continued)

(a) Directors' emoluments (Continued)

The emoluments of directors of the Company for the year ended 31 December 2012 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	–	3,695	11	3,706
Mr. Chan Cheuk Yin	–	3,159	11	3,170
Ms. Luk Sin Fong, Fion	–	3,159	11	3,170
Mr. Chan Cheuk Hung	–	2,622	11	2,633
Mr. Chan Cheuk Hei	–	2,622	11	2,633
Mr. Chan Cheuk Nam	–	2,622	11	2,633
Dr. Cheng Hon Kwan (*)	277	–	–	277
Mr. Kwong Che Keung, Gordon (*)	277	–	–	277
Mr. Cheung Wing Yui (*)	277	–	–	277
Total	831	17,879	66	18,776

* Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui are independent non-executive directors of the Company.

(b) Five highest paid individuals

During the year ended 31 December 2013, none of the five highest paid individuals in the Group is director of the Company (2012: none). The aggregate amounts of emoluments of the five highest paid individuals for the years ended 31 December 2013 and 2012 are set out below:

	2013	2012
Salaries and bonuses	35,012	30,337

The emoluments fell within the following brands:

	Number of individuals	
	2013	2012
Emoluments brands		
RMB5,000,001 — RMB6,000,000	–	3
RMB6,000,001 — RMB7,000,000	3	1
RMB7,000,001 — RMB8,000,000	1	1
RMB8,000,001 — RMB8,500,000	1	–

(c) During the years ended 31 December 2013 and 2012, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

33 Finance income/(costs), net

	2013	2012 Restated
Interest expenses		
— bank borrowings, syndicated loans and other borrowings	(1,347,645)	(1,216,376)
— senior notes	(1,014,259)	(930,153)
— Convertible Bonds	(319,529)	(300,571)
Exchange gains from borrowings and Convertible Bonds	558,053	31,520
Less: interest capitalised	2,611,594	2,369,286
Total	488,214	(46,294)

34 Income tax expenses

	2013	2012 Restated
Current income tax		
— PRC enterprise income tax	2,181,239	1,825,735
— PRC land appreciation tax	2,543,554	3,099,079
— PRC withholding income tax	276,883	363,139
Deferred income tax (note 25)		
— PRC enterprise income tax	(151,456)	97,002
Total	4,850,220	5,384,955

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

34 Income tax expenses (Continued)

The income tax on the Group's profit before taxation differs from the theoretical amount that would arise using the enacted tax rate of the home country or regions of the group entities as follows:

	2013	2012 Restated
Profit before income tax	10,712,575	10,531,606
Tax calculated at tax rates applicable to profits in the respective entities of the Group	2,678,144	2,632,901
Effect of		
— An associate's result reported net of tax	14,884	21,756
— Joint ventures' result reported net of tax	(1,781)	488
— Income not subject to income tax (note (a))	(240,103)	(68,959)
— Expenses not deductible for income tax (note (b))	197,684	61,374
— Tax losses for which no deferred income tax asset was recognised	16,844	49,947
— PRC land appreciation tax deductible for calculation of income tax purposes	(635,889)	(774,770)
PRC enterprise income tax	2,029,783	1,922,737
PRC withholding income tax	276,883	363,139
PRC land appreciation tax	2,543,554	3,099,079
Total	4,850,220	5,384,955

Notes:

- (a) Income not subject to income tax for the years ended 31 December 2013 and 2012 mainly comprise the fair value gains on embedded financial derivatives, the exchange gains derived from offshore borrowings and the interest income of bank deposits of the Company.
- (b) Expenses not deductible for income tax for the years ended 31 December 2013 and 2012 mainly comprise donations made to non-official public welfare institutions and expenses of the group entities in Hong Kong.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use rights and expenditures directly related to property development activities.

PRC enterprise income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The enterprise income tax rate applicable to the Group entities located in Mainland China is 25% according to the Enterprise Income Tax Law of the People's Republic of China (the "CIT Law") effective on 1 January 2008.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

34 Income tax expenses (Continued)

PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfill requirements under the tax treaty arrangements between the PRC and Hong Kong.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the Group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

35 Retained earnings of the Company

	2013	2012
As at 1 January	1,162,925	1,014,246
Profit attributable to the shareholders of the Company	806,811	1,210,231
Dividends	(1,058,365)	(1,061,552)
As at 31 December	911,371	1,162,925
Representing		
— Proposed final dividend	899,758	665,211
— Unappropriated retained earnings	11,613	497,714

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

36 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2013	2012
Profit attributable to shareholders of the Company	4,826,907	5,000,482
Weighted average number of ordinary shares in issue (thousands)	3,447,839	3,449,450
Basic earnings per share (RMB per share)	1.400	1.450

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are only derived from the Convertible Bonds. In calculating the diluted earnings per share, the Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses, exchange gains on debt component and the fair value gains on embedded financial derivatives less the tax effect, if applicable.

	2013	2012
Profit attributable to shareholders of the Company	4,826,907	5,000,482
Interest expenses charged to the income statement for the year	–	–
Exchange gains on debt component	(75,983)	(5,747)
Fair value gains on embedded financial derivatives	(295,748)	(199,769)
Profit used to determine diluted earnings per share	4,455,176	4,794,966
Weighted average number of ordinary shares in issue (thousands)	3,447,839	3,449,450
Assumed conversion of Convertible Bonds (thousands)	233,633	223,641
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,681,472	3,673,091
Diluted earnings per share (RMB per share)	1.210	1.305

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

37 Dividends

	2013	2012
Interim dividend of HK\$0.145 (2012: HK\$0.145) per share (note (a))	398,243	408,389
Proposed final dividend of HK\$0.33 (2012: HK\$0.239) per share (note (b))	899,758	660,122
Total	1,298,001	1,068,511

Notes:

- (a) An interim dividend in respect of six months ended 30 June 2013 of HK\$0.145 per share totaling HK\$499,866,000 (equivalent to RMB398,243,000) was declared by the Board of Directors of the Company on 15 August 2013.

A final dividend in respect of 2012 of HK\$0.239 per share totaling HK\$824,419,000 (equivalent to RMB660,122,000) was declared at the Annual General Meeting held on 20 May 2013.

- (b) A final dividend in respect of 2013 of HK\$0.33 per share totaling HK\$1,137,626,000 (equivalent to RMB899,758,000) has been proposed by the Board of Directors of the Company and is subject to the approval of the shareholders at the Annual General Meeting to be held on 13 June 2014. These consolidated financial statements have not reflected this dividend payable.

38 Cash (used in)/generated from operations

	2013	2012 Restated
Profit for the year	5,862,355	5,146,651
Adjustments for:		
Taxation	4,850,220	5,384,955
Interest income (note 27)	(98,963)	(75,013)
Finance (income)/costs, net (note 33)	(488,214)	46,294
Depreciation (note 6)	195,447	164,817
Amortisation of intangible assets (note 8)	17,086	14,645
Amortisation of land use rights (note 7)	67,780	84,728
Loss on disposal of property, plant and equipment	7,690	–
Gain on disposal of an investment property (note 27)	(49,178)	–
Gain on disposal of a subsidiary	–	(3,358)
Net exchange losses/(gains)	93,687	(32,800)
Fair value gains on investment properties	(174,277)	(178,428)
Fair value gains on embedded financial derivatives (note 24)	(295,748)	(199,769)
Share of post-tax loss of an associate (note 10)	59,537	87,024
Share of post-tax (profit)/loss of joint ventures (note 11)	(7,124)	1,950
Changes in working capital:		
Property under development and completed properties held for sale	(5,949,833)	(9,231,373)
Prepayments for acquisition of land use rights	(6,970,988)	5,044,356
Restricted cash	(616,487)	(202,821)
Trade and other receivables	(3,872,334)	(795,499)
Trade and other payables and accruals	7,567,868	4,976,599
Advanced proceeds received from customers	(3,254,026)	(3,829,561)
Cash (used in)/generated from operations	(3,055,502)	6,403,397

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

39 Financial guarantee – Group

	2013	2012 Restated
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	13,542,957	13,211,372
Guarantee in respect of borrowings of an associate (note (b) and note 42(b))	1,086,690	1,205,491
Guarantee in respect of borrowings of joint ventures (note (c) and note 42(b))	985,185	550,000
Total	15,614,832	14,966,863

Notes:

- (a) The Group has in cooperation with certain financial institutions arranged mortgage loan facility for its purchasers of property and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2013, the outstanding guarantees amounted to RMB13,542,957,000 (2012: RMB13,211,372,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; and (ii) the satisfaction of relevant mortgage loan by purchasers.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty in case of any default in payments.

- (b) The Five Shareholders have evenly provided certain guarantees, in proportion of their shareholding in Li He (note 10), in respect of loan facilities of Li He amounting to RMB4,200,000,000 (2012: RMB2,650,000,000), the Group's share of the guarantee amounted to RMB840,000,000 (2012: RMB530,000,000).

The Five Shareholders have provided a guarantee in respect of another loan facilities of Li He amounting to RMB986,758,000 (2012: RMB2,701,965,000), the Group's share of the guarantee amounted to RMB246,690,000 (2012: RMB675,491,000).

- (c) Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB3,745,740,000 (2012: RMB2,200,000,000). The Group's share of the guarantees amounted to RMB985,185,000 (2012: RMB550,000,000).

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

40 Commitments – Group

(a) Operating leases commitments

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

	2013	2012
Property, plant and equipment:		
— Not later than one year	54,279	63,748
— Later than one year and not later than five years	47,178	66,441
Total	101,457	130,189

	2013	2012
Lease of areas adjacent to the property development projects:		
— Not later than one year	600	550
— Later than one year and not later than five years	2,900	2,700
— Later than five years	33,700	34,500
Total	37,200	37,750

	2013	2012
Lease of the land use right for ancillary facilities:		
— Not later than one year	3,399	3,398
— Later than one year and not later than five years	10,881	12,167
— Later than five years	32,563	34,676
Total	46,843	50,241

(b) Other commitments

	2013	2012
		Restated
Contracted but not provided for		
— Property development activities	19,601,922	21,703,115
— Acquisition of land use rights	4,151,436	611,900
Total	23,753,358	22,315,015

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

41 Future minimum rental payments receivable – Group

The Group had future aggregate minimum lease rental receivables under non-cancelable operating leases as follows:

	2013	2012
Not later than one year	33,115	50,699
Later than one year and not later than five years	188,990	265,923
Over five years	202,352	263,669
Total	424,457	580,291

42 Related Party transactions

(a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The ultimate holding company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note (i)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i)) 中山雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Li He	Associate of the Group
Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (Tianjin Jinnan) (note (i)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Tianjin Hean Investments Co., Ltd. (He An) (note (i)) 天津和安投資有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. (Zhongshan Yahong) (note (i)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

42 Related Party transactions (Continued)

(a) Name and relationship with related parties (Continued)

Name	Relationship
Guangzhou Huadu Yazhan Realty Development Co., Ltd. (Huadu Yazhan) (note (i)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group
Changsha Shangcheng Land Co., Ltd. (Changsha Shangcheng) (note (i)) 長沙上城置業有限公司	Joint venture of the Group
Guangzhou Zhongyu Real Estate Development Co., Ltd. (note (i)) 廣州市眾譽房地產開發有限公司	Joint venture of the Group
Guangxi Fuya Investments Ltd. (note (i)) 廣西富雅投資有限公司	Joint venture of the Group
Accord Wing Limited 和榮有限公司	Joint venture of the Group
Charm Talent Limited (Charm Talent) 煌迪有限公司	Joint venture of the Group

Note:

- (i) The names of certain of the companies referred to in these financial statements represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

(b) Transactions with related parties

During the years ended 31 December 2013 and 2012, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2013	2012
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	1,366	651
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	7,432	9,159

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

42 Related Party transactions (Continued)

(b) Transactions with related parties (Continued)

	2013	2012
Providing guarantee for borrowings of related parties		
— Li He (note 39(b))	1,086,690	1,205,491
— Tianjin Jinnan (note 39(c))	887,685	550,000
— Zhongshan Yahong (note 39(c))	97,500	—
Total	2,071,875	1,755,491

Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below:

	2013	2012
— Salaries and other short-term employee benefits	16,983	17,879
— Retirement scheme contributions	72	66
Total	17,055	17,945

Note:

- (i) Restaurant and hotel service fees and golf facilities service fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors of the Company, were determined with reference to the market price of the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

42 Related Party transactions (Continued)

(c) Balances with related parties

As at 31 December 2013 and 2012, the Group had the following significant non-trade balances with related parties:

	2013	2012 Restated
Due from related parties		
Included in trade and other receivables:		
— Li He (note (i))	2,039,716	1,139,716
— Zhongshan Yahong (note (i))	301,357	487,921
— Tianjin Jinnan (note (i))	775,000	500,000
— Changsha Shangcheng (note (i))	440,810	—
— Huadu Yazhan (note (i))	408,983	—
Total	3,965,866	2,127,637
Due to related parties		
— Top Coast Investment Limited (note (ii))	526,104	246,665
— Founding shareholders (note (iii))	92,820	92,820
— Zhongshan Changjiang Golf Course (note (i))	3,587	—
— Zhongshan Yahong (note (i))	1,286	10,000
— Charm Talent (note (i))	451,672	—
Total	1,075,469	349,485

Notes:

- (i) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (ii) Amounts due to Top Coast Investment Limited as at 31 December 2013 comprise dividend payable of RMB459,568,000 (2012: RMB239,668,000) and cash advances of RMB66,536,000 (2012: RMB6,997,000), which are unsecured, interest-free and repayable on demand.
- (iii) Amounts due to Founding Shareholders represent the consideration payable for acquisition of a hotel building.

43 Ultimate holding company

The directors of the Company consider Top Coast Investment Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company of the Group.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

44 Events after the balance sheet date

- (i) On 10 February 2014, the Company has issued and allotted a total of 34,470,000 new shares to a trustee to hold on trust for selected employees according to the share award scheme. These shares will be transferred to the selected employees upon the vesting conditions are fulfilled.
- (ii) On 18 February 2014, the Company issued 8.375% senior notes (the “2014 Senior Notes I”) with an aggregated nominal value of US\$500,000,000 (equivalent to approximately RMB3,055,150,000) at 99.499% of face value. The net proceeds, after deducting the issuance costs, amounted to US\$487,500,000 (equivalent to approximately RMB2,975,572,000). The 2014 Senior Notes I will mature on 18 February 2019. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes I at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.
- (iii) On 28 February 2014, the Company issued 6.50% senior notes (the “2014 Senior Notes II”) with an aggregated nominal value of RMB2,000,000,000 at 99.33% of the face value. The net proceeds, after deducting the issuance costs, amounted to RMB1,961,000,000. The 2014 Senior Notes II will mature on 28 February 2017. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes II at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company

Amount represents investment in Eastern Supreme Group Limited, which is an unlisted company and stated at cost.

(a) Particulars of principal subsidiaries of the Group are set out below:

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
Directly held by the Company				
Eastern Supreme Group Limited	British Virgin Islands (the "BVI")/limited liability company	US\$10,000	100%	Investment holding/BVI
Indirectly held by the Company				
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司) Agile Property Land Co., Ltd. (note (i)) (formerly named Zhongshan Agile Property Land Co., Ltd.)	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Management consultants /PRC
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/PRC
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB250,000,000	100%	Property development/PRC
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB395,000,000	100%	Property development/PRC
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB300,000,000	100%	Property development/PRC
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB102,000,000	100%	Property development/PRC

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company (Continued)

(a) Particulars of principal subsidiaries of the Group are set out below: (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB123,000,000	100%	Property development/ PRC
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$21,690,000	100%	Property development/ PRC
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$117,500,000	100%	Property development/ PRC
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (note (i)) (formerly named Zhongshan Agile Property Management Services Co., Ltd.)	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Property management/ PRC
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$118,900,000	100%	Property development/ PRC
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$270,000,000	100%	Property development/ PRC
冠金投資有限公司 Crown Golden Investments Limited (note 45(b))	BVI/wholly foreign owned enterprise	US\$100	70%	Investment holding/ BVI

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company (Continued)

(a) Particulars of principal subsidiaries of the Group are set out below: (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. ("Hainan Agile")(note (i))(note 45(b))	PRC/foreign invested enterprise	HK\$2,100,000,000	70%	Property development/ PRC
海南雅恒房地產發展有限公司 Hainan Yaheng Real Estate Development Co., Ltd. ("Hainan Yaheng")(note (i)) (note 45(b))	PRC/foreign invested enterprise	HK\$1,000,000,000	70%	Property development/ PRC
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$570,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$780,000,000	100%	Property development/ PRC
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$220,000,000	100%	Property development/ PRC
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB210,000,000	100%	Property development/ PRC
上海靜安城投重慶市置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company (Continued)

(a) Particulars of principal subsidiaries of the Group are set out below: (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (formerly named Shanghai Jinchang Real Estate Development Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	RMB810,000,000	100%	Property development/ PRC
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/PRC
佛山市雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$10,000,000	100%	Hotel operation/PRC
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$99,900,000	100%	Property development/ PRC
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB220,000,000	100%	Property development/ PRC
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB350,000,000	100%	Property development/ PRC
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB100,000,000	100%	Property development/ PRC
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB310,000,000	100%	Property development/ PRC
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	HK\$100,000,000	100%	Property development/ PRC

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company (Continued)

(a) Particulars of principal subsidiaries of the Group are set out below: (Continued)

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	HK\$100,000,000	100%	Property development/ PRC
佛山市三水雅居樂雍景園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/limited liability company	RMB200,000,000	100%	Property development/ PRC
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (i))	PRC/limited liability company	RMB30,000,000	100%	Property development/ PRC
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	US\$119,800,000	100%	Property development/ PRC
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	US\$59,990,000	100%	Property development/ PRC
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (i))	PRC/limited liability company	RMB650,000,000	100%	Property development/ PRC
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB300,000,000	100%	Property development/ PRC

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

45 Investments in subsidiaries — Company (Continued)

(b) Material non-controlling interests

Crown Golden Investments Limited (“Crown Golden”) is incorporated in the British Virgin Islands, the principle activity is investment holding. The subsidiaries of Crown Golden are certain project development companies in the PRC. As at 31 December 2013, the total non-controlling interests is RMB2,715,083,000, of which RMB2,141,294,000 is for 30% non-controlling interests in Crown Golden. The remaining non-controlling interests are not material.

Summarised financial information on subsidiaries with material non-controlling interests

	2013	2012
Total assets	23,115,702	20,836,865
Total liabilities	(15,978,052)	(14,941,788)
Total net assets	7,137,650	5,895,077
Accumulated non-controlling interests	2,141,294	1,768,523
	2013	2012
Post-tax profit from continuing operations	2,296,612	410,587
Total comprehensive income	2,296,612	410,587
Total comprehensive income allocated to non-controlling interests	688,983	123,176
Dividends paid to non-controlling interests	316,212	170,331
	2013	2012
Net cash generated from operating activities	981,918	810,180
Net cash used in investing activities	(853,844)	(962,744)
Net cash generated from financing activities	124,322	54,804
Exchange losses on cash and cash equivalents	(30)	–
Net increase/(decrease) in cash and cash equivalents	252,366	(97,760)

The information above is the amount before inter-company eliminations.

Five-year Financial Summary

Consolidated Assets, Equity and Liabilities

	31 December 2013 RMB'000	31 December 2012 RMB'000 Restated	31 December 2011 RMB'000	31 December 2010 RMB'000	31 December 2009 RMB'000 Restated
ASSETS					
Non-current assets	32,550,203	29,906,755	25,642,029	17,038,594	12,958,385
Current assets	81,985,003	60,942,756	56,136,193	52,839,739	31,219,797
Total assets	114,535,206	90,849,511	81,778,222	69,878,333	44,178,182
EQUITY AND LIABILITIES					
Total equity	36,567,296	27,911,807	23,756,843	20,335,159	15,073,179
Non-current liabilities	29,152,128	23,236,236	16,781,526	17,543,356	10,860,297
Current liabilities	48,815,782	39,701,468	41,239,853	31,999,818	18,244,706
Total liabilities	77,967,910	62,937,704	58,021,379	49,543,174	29,105,003
Total equity and liabilities	114,535,206	90,849,511	81,778,222	69,878,333	44,178,182

* In 2010, the Group changed its accounting policies for land use rights which are held for development and subsequent sale, comparative figures in 2009 were restated accordingly.

** In 2013, the Group changed its accounting policies for interest in joint ventures, comparative figures in 2012 were restated accordingly.

Five-year Financial Summary (Continued)

Consolidated Income Statement

	2013 RMB'000	2012 RMB'000 Restated	2011 RMB'000	2010 RMB'000	2009 RMB'000
Revenue	35,436,404	29,891,751	22,944,566	20,520,192	13,330,783
Cost of sales	(22,821,680)	(17,456,231)	(10,590,392)	(11,131,277)	(8,376,704)
Gross profit	12,614,724	12,435,520	12,354,174	9,388,915	4,954,079
Selling and marketing costs	(1,522,821)	(974,519)	(835,042)	(694,639)	(537,179)
Administrative expenses	(1,284,575)	(1,124,629)	(876,565)	(718,340)	(611,793)
Fair value gains on investment properties	174,277	178,428	96,418	3,198,208	–
Other income	224,851	132,057	200,220	113,656	244,435
Other expenses	(131,743)	(212,552)	(105,322)	(397,612)	(326,545)
Exchange (losses)/gains, net	(93,687)	32,800	(152,867)	(125,327)	(2,235)
Operating profit	9,981,026	10,467,105	10,681,016	10,764,861	3,720,762
Fair value gains on embedded financial derivatives	295,748	199,769	176,922	–	–
Finance income/(costs), net	488,214	(46,294)	644,608	269,217	(57,682)
Share of post-tax (loss)/profit of an associate	(59,537)	(87,024)	120,938	–	–
Share of post-tax profit/(loss) of joint ventures	7,124	(1,950)	–	–	–
Profit before income tax	10,712,575	10,531,606	11,623,484	11,034,078	3,663,080
Income tax expenses	(4,850,220)	(5,384,955)	(6,389,804)	(4,615,482)	(1,661,129)
Profit for the year	5,862,355	5,146,651	5,233,680	6,418,596	2,001,951
Attributable to:					
Shareholders of the Company	4,826,907	5,000,482	4,105,255	5,975,707	1,865,160
Holders of Perpetual Capital Securities	342,497	–	–	–	–
Non-controlling interests	692,951	146,169	1,128,425	442,889	136,791
	5,862,355	5,146,651	5,233,680	6,418,596	2,001,951
Earnings per share for profit attributable to the shareholders of the Company during the year (expressed in RMB per share)					
— Basic	1.400	1.450	1.184	1.707	0.518
— Diluted	1.210	1.305	1.067	1.707	0.518
Dividends	1,298,001	1,068,511	960,408	850,059	556,675

* In 2013, the Group changed its accounting policies for interest in joint ventures, comparative figures in 2012 were restated accordingly.

Corporate Information

Board of Directors

Executive Directors

Mr. Chen Zhuo Lin (*Chairman and President*)
Mr. Chan Cheuk Hung
Mr. Huang Fengchao (appointed on 28 March 2014)
Mr. Liang Zhengjian (appointed on 28 March 2014)
Mr. Chen Zhongqi (appointed on 28 March 2014)

Non-executive Directors

Mr. Chan Cheuk Yin (re-designated on 28 March 2014)
Ms. Luk Sin Fong, Fion (re-designated on 28 March 2014)
Mr. Chan Cheuk Hei (re-designated on 28 March 2014)
Mr. Chan Cheuk Nam (re-designated on 28 March 2014)

Independent Non-executive Directors

Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Kwong Che Keung, Gordon
Mr. Cheung Wing Yui *BBS*

Board Committees

Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)
Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Cheung Wing Yui *BBS*

Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairperson*)
Mr. Kwong Che Keung, Gordon
Mr. Cheung Wing Yui *BBS*
Ms. Luk Sin Fong, Fion

Nomination Committee

Mr. Cheung Wing Yui *BBS* (*Committee Chairperson*)
Dr. Cheng Hon Kwan *GBS, OBE, JP*
Mr. Kwong Che Keung, Gordon
Ms. Luk Sin Fong, Fion

Company Secretary

Ms. Wai Ching Sum

Authorised Representatives

Ms. Luk Sin Fong, Fion
Ms. Wai Ching Sum

Auditors

PricewaterhouseCoopers

Legal Advisors

as to Hong Kong law:

Sidley Austin LLP
lu, Lai & Li Solicitors & Notaries

as to PRC law:

Jingtian & Gongcheng

as to BVI and Cayman Islands law:

Conyers Dill & Pearman

as to the US and English law:

Sidley Austin LLP

Principal Bankers

Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
Agricultural Bank of China Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Information

Principal Place of Office in the PRC

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Guangzhou International Finance Center
No. 5 Zhujiang Xi Road
Zhujiang New Town
Tianhe District, Guangzhou City
Guangdong Province
PRC
Postal Code: 510623

Principal Place of Business in Hong Kong

33rd Floor
Citibank Tower
3 Garden Road
Central
Hong Kong

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Investor Relations

Capital Market Department

E-mail	:	ir@agile.com.cn
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Facsimile	:	(852) 2780 8822 (86) 20 8883 9999

Website

www.agile.com.cn

Listing Information

Equity Securities Listing

The Company's ordinary shares are listed on the Main Board of Hong Kong Stock Exchange (Stock Code: 3383).

Debt Securities Listing

The Company's debt securities are listed on the Main Board of Hong Kong Stock Exchange:

- 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017 (Stock Code: 85950).
- 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 (Stock Code: 6026).

The Company's debt securities are listed on the Official List of The Singapore Exchange Securities Trading Limited:

- 8.875% senior notes in an aggregate principal amount of US\$650 million due 2017
- 9.875% senior notes in an aggregate principal amount of US\$700 million due 2017
- 4% Convertible Bonds in an aggregate principal amount of US\$500 million due 2016

Capital Securities Listing

The Company's subordinated Perpetual Capital Securities in an aggregate principal amount of US\$700 million are listed on the Main Board of Hong Kong Stock Exchange (Stock Code: 4593).

Financial Calendar

2013 annual general meeting	20 May 2013
Interim results announcement	15 August 2013
Payment of interim dividend	18 September 2013
Annual results announcement	28 March 2014
2014 AGM	13 June 2014
Payment of final dividend	on or about 30 June 2014

Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following periods:

To determine the identity of Shareholders who are entitled to attend and vote at the 2014 AGM

Latest time for lodging transfer	:	4:00 pm on Monday, 9 June 2014
Periods of closure of register	:	Tuesday, 10 June to Friday, 13 June 2014 (both of members dates inclusive)

To determine the Shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend	:	Tuesday, 17 June 2014
Latest time for lodging transfer	:	4:00 pm on Wednesday, 18 June 2014
Period of closure of register	:	Thursday, 19 June to Monday, 23 June 2014 (both of members dates inclusive)
Record date	:	Monday, 23 June 2014

Corporate Information

To qualify for attending and voting at the 2014 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer as stated above.

The proposed final dividend will be paid on or about Monday, 30 June 2014 to Shareholders whose names appear on the register of members of the Company on Monday, 23 June 2014 upon approval by the Shareholders in the 2014 AGM.

Annual General Meeting

The 2014 AGM will be held on Friday, 13 June 2014. Notice of 2014 AGM will be set out in the Company's circular and will be despatched together with this annual report to the Shareholders. Notice of 2014 AGM and the proxy form will be published on the Agile's website (www.agile.com.cn), HKEx's website (www.hkex.com.hk) and SGX's website (www.sgx.com).

Dividends

Interim dividend	HK14.5 cents per Share
Proposed final dividend	HK33.0 cents per Share

Despatch of Corporate Communications

This annual report is printed in both English and Chinese versions. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This annual report is also published on Agile's website (www.agile.com.cn), HKEx's website (www.hkex.com.hk) and SGX's website (www.sgx.com). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares of the Company are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view the contents of this annual report posted on the aforesaid websites.

Agile or Company	Agile Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
ASP	average selling price
2014 AGM	annual general meeting of the Company to be held on 13 June 2014
BBS	Bronze Bauhinia Star
Board	board of Directors of the Company
BVI	British Virgin Islands
Chen's Family Trust	a family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Directors	directors of the Company
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam
GBS	Gold Bauhinia Star
GDP	gross domestic product
GFA	gross floor area
Group or Agile Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
HKEx	Hong Kong Exchanges and Clearing Limited
HKFRS(s)	Hong Kong Financial Reporting Standards

Glossary

Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
INED(s)	Independent Non-executive Director(s) of the Company
JP	Justice of the Peace
LIBOR	London Interbank Offered Rate
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NED(s)	Non-executive Director(s) of the Company
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Share Award Scheme	share award scheme of the Company adopted on 10 December 2013
Shareholder(s)	holder(s) of Shares
SGX	Singapore Exchange Limited
Takeovers Code	The Codes on Takeovers and Mergers and Share Repurchases
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the trustee of Chen's Family Trust
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of the United States of America
%	per cent



www.agile.com.cn

