合景泰富地產

KWG PROPERTY HOLDING LIMITED
合景泰富地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1813)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

HIGHLIGHTS

- Revenue for the year ended 31 December 2013 amounted to RMB9,468.0 million, a slight decrease of 2.2% as compared with the financial year of 2012.
- Profit attributable to owners of the Company amounted to RMB2,749.8 million, a growth of 14.3% as compared with the financial year of 2012.
- Gross profit margin and net profit margin were 36.2% and 29.0%, respectively.
- Earnings per share increased by 14.5% to RMB95 cents as compared with the financial year of 2012.
- Proposed to declare final dividend of RMB29 cents per ordinary share.

The board of directors (the "Board") of KWG Property Holding Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2013. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
REVENUE	6	**9,468,002**	9,676,422
Cost of sales		**(6,035,968)**	(6,140,564)
Gross profit		**3,432,034**	3,535,858
Other income and gains, net	6	**75,295**	73,709
Selling and marketing expenses		**(261,138)**	(250,981)
Administrative expenses		**(753,026)**	(642,557)
Other operating expenses, net		**(898)**	(1,318)
Fair value gains on investment properties, net		**541,468**	643,153
Finance costs	7	**(214,291)**	(70,375)
Share of profits and losses of:			
Associates		**(3,121)**	(1,877)
Joint ventures		**887,480**	480,375
PROFIT BEFORE TAX	8	**3,703,803**	3,765,987
Income tax expenses	9	**(954,550)**	(1,333,017)
PROFIT FOR THE YEAR		**2,749,253**	2,432,970
Attributable to:			
Owners of the Company		**2,749,769**	2,406,368
Non-controlling interests		**(516)**	26,602
		2,749,253	2,432,970
Earnings per share attributable to owners of the Company — Basic and diluted	11	**RMB95 cents**	RMB83 cents

Details of the dividends proposed for the year are disclosed in note 10.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	2013	2012
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**2,749,253**	2,432,970
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**163,442**	7,045
Share of exchange differences on translation of associates	**23,308**	2,938
Share of exchange differences on translation of joint ventures	**32,038**	7,394
NET OTHER COMPREHENSIVE INCOME TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**218,788**	17,377
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,968,041**	2,450,347
Attributable to:		
Owners of the Company	**2,968,557**	2,423,745
Non-controlling interests	**(516)**	26,602
	2,968,041	2,450,347

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	2013 *RMB'000*	2012 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	12	**3,176,236**	2,688,047
Investment properties		**6,134,630**	5,254,772
Land use rights		**858,546**	1,055,911
Long term prepayments		**—**	251,870
Interests in associates		**744,506**	641,975
Interests in joint ventures		**13,229,965**	8,306,895
Deferred tax assets		**995,798**	966,263
Total non-current assets		**25,139,681**	19,165,733
CURRENT ASSETS			
Properties under development		**18,923,966**	17,950,793
Completed properties held for sale		**4,036,430**	3,987,615
Trade receivables	13	**166,695**	86,414
Prepayments, deposits and other receivables		**2,309,263**	1,094,206
Due from a joint venture		**23**	—
Taxes recoverable		**155,600**	135,273
Restricted cash		**1,444,243**	1,517,229
Cash and cash equivalents		**9,414,483**	4,927,197
Total current assets		**36,450,703**	29,698,727
CURRENT LIABILITIES			
Trade payables	14	**3,333,315**	3,107,723
Other payables and accruals		**8,452,278**	6,858,708
Due to joint ventures		**6,401,540**	2,454,234
Interest-bearing bank and other borrowings		**3,065,010**	3,100,173
Taxes payable		**3,735,200**	3,374,145
Total current liabilities		**24,987,343**	18,894,983
NET CURRENT ASSETS		**11,463,360**	10,803,744
TOTAL ASSETS LESS CURRENT LIABILITIES		**36,603,041**	29,969,477
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**17,840,356**	13,090,415
Deferred tax liabilities		**909,523**	814,683
Deferred revenue		**11,000**	711,000
Total non-current liabilities		**18,760,879**	14,616,098
NET ASSETS		**17,842,162**	15,353,379

	Notes	2013 RMB'000	2012 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**280,485**	280,485
Reserves		**16,698,009**	14,567,073
Proposed final dividends	10	**839,014**	433,973
		17,817,508	15,281,531
Non-controlling interests		**24,654**	71,848
TOTAL EQUITY		**17,842,162**	15,353,379

Notes:

1. CORPORATE INFORMATION

KWG Property Holding Limited is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the year, the Group was involved in the following principal activities in the People's Republic of China (the "PRC"):

- property development
- property investment
- hotel operation
- provision of property management services

In the opinion of the directors, the immediate and ultimate holding company of the Company is Plus Earn Consultants Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 *— Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009–2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in Annual Improvements 2009–2011 Cycle, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11, and concluded that all of the Group's investment previously classified as jointly-controlled entities under HKAS 31, should be reclassified as joint ventures under HKFRS 11 and be accounted for using the equity method. The change in accounting for investments in joint ventures has been applied retrospectively.

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities.

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied prospectively where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(f) The HKAS 1 Amendments change the grouping of items presented in OCI. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

(g) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurements for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(h) Annual Improvements 2009–2011 Cycle issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

4. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[3]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39[3]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*[1]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits — Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 No mandatory effective date yet determined but is available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

In December 2013, the HKICPA added to HKFRS 9 the requirements related to hedge accounting and made some related changes to HKAS 39 and HKFRS 7 which include the corresponding disclosures about risk management activity for applying hedge accounting. The amendments to HKFRS 9 relax the requirements for assessing hedge effectiveness which result in more risk management strategies being eligible for hedge accounting. The amendments also allow greater flexibility on the hedged items and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments. In addition, the amendments to HKFRS 9 allow an entity to apply only the improved accounting for own credit risk-related fair value gains and losses arising on FVO liabilities as introduced in year of 2010 without applying the other HKFRS 9 requirements at the same time.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for the subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into four reportable operating segments as follows:

(a) Property development: Sale of properties

(b) Property investment: Leasing of properties

(c) Hotel operation: Operation of hotels

(d) Property management: Provision of property management services

The property development projects undertaken by the Group during the year are all located in the PRC.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

The Group's revenue from external customers is derived solely from its operations in the PRC, and no non-current assets of the Group are located outside the PRC.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2013

	Property development *RMB'000*	Property investment *RMB'000*	Hotel operation *RMB'000*	Property management *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales to external customers	**8,976,887**	**144,735**	**203,120**	**143,260**	**9,468,002**
Segment results	**3,674,955**	**685,274**	**78,904**	**(1,788)**	**4,437,345**
Reconciliation:					
Interest income and unallocated income					**75,295**
Unallocated expenses					**(594,546)**
Finance costs					**(214,291)**
Profit before tax					**3,703,803**
Income tax expenses					**(954,550)**
Profit for the year					**2,749,253**
Other segment information:					
Depreciation and amortisation	**56,055**	**2,390**	**12,175**	**753**	**71,373**
Fair value gains on investment properties, net	**—**	**541,468**	**—**	**—**	**541,468**
Share of profits and losses of:					
Associates	**(3,121)**	**—**	**—**	**—**	**(3,121)**
Joint ventures	**887,480**	**—**	**—**	**—**	**887,480**

Year ended 31 December 2012

	Property development *RMB'000*	Property investment *RMB'000*	Hotel operation *RMB'000*	Property management *RMB'000*	Total *RMB'000*
Segment revenue:					
Sales to external customers	9,330,231	143,315	83,886	118,990	9,676,422
Segment results	3,500,751	784,963	(6,309)	11,049	4,290,454
Reconciliation:					
Interest income and unallocated income					73,709
Unallocated expenses					(527,801)
Finance costs					(70,375)
Profit before tax					3,765,987
Income tax expenses					(1,333,017)
Profit for the year					2,432,970
Other segment information:					
Depreciation and amortisation	40,379	2,565	37,304	650	80,898
Fair value gains on investment properties, net	—	643,153	—	—	643,153
Share of profits and losses of:					
Associates	(1,877)	—	—	—	(1,877)
Joint ventures	480,375	—	—	—	480,375

6. REVENUE, OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the gross proceeds, net of business tax, from the sale of properties, gross rental income received and receivable from investment properties, gross revenue from hotel operation and property management fee income during the year.

An analysis of revenue, other income and gains, net is as follows:

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**8,976,887**	9,330,231
Gross rental income	**144,735**	143,315
Hotel operation income	**203,120**	83,886
Property management fees	**143,260**	118,990
	9,468,002	9,676,422
Other income and gains, net		
Bank interest income	**42,848**	47,530
Foreign exchange differences, net	**3,702**	—
Others	**28,745**	26,179
	75,295	73,709

7. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**1,893,751**	1,618,184
Less: Interest capitalised	**(1,679,460)**	(1,547,809)
	214,291	70,375

8. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2013 *RMB'000*	2012 *RMB'000*
Cost of properties sold	**5,943,332**	6,110,846
Less: Government grant released	**(1,076)**	(49,528)
	5,942,256	6,061,318
Depreciation	**69,020**	76,399
Amortisation of land use rights	**18,675**	29,662
Less: Amount capitalised in assets under construction	**(16,322)**	(25,163)
	2,353	4,499
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**419,298**	332,803
Pension scheme contributions	**30,713**	23,776
Equity-settled share option expense	**1,126**	1,649
Less: Amounts capitalised in assets under construction, properties under development and investment properties under development	**(127,654)**	(106,924)
	323,483	251,304
Loss on disposal of investment properties, net	**139**	697
Loss on disposal of items of property, plant and equipment	**11**	31

9. INCOME TAX EXPENSES

	2013 *RMB'000*	2012 *RMB'000*
Current — PRC		
Corporate income tax ("CIT")	**520,084**	804,665
Land appreciation tax ("LAT")	**369,244**	605,867
	889,328	1,410,532
Deferred	**65,222**	(77,515)
Total tax charge for the year	**954,550**	1,333,017

Hong Kong profits tax

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2013 and 2012.

PRC Corporate Income Tax

PRC CIT in respect of operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2013 and 2012, based on existing legislation, interpretations and practices in respect thereof.

PRC Land Appreciation Tax

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

10. DIVIDENDS

	2013	2012
	RMB'000	*RMB'000*
Proposed final scrip dividend (with a cash option) — RMB29 cents (2012: cash dividend of RMB15 cents) per ordinary share	**839,014**	433,973

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting ("2013 AGM").

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 2,893,150,000 (2012: 2,893,150,000) in issue during the year.

For the year ended 31 December 2013, the calculation of diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation of 2,893,150,000 (2012: 2,893,150,000) plus the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares of 611,805 (2012: 7,637).

The calculation of basic and diluted earnings per share is based on:

	2013	2012
	RMB'000	*RMB'000*
Earnings		
Profit attributable to owners of the Company	**2,749,769**	2,406,368

	Number of shares	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings per share calculation	**2,893,150,000**	2,893,150,000
Effect of dilution — share options	**611,805**	7,637
Weighted average number of ordinary shares used in diluted earnings per share calculation	**2,893,761,805**	2,893,157,637

12. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2013, the Group incurred approximately RMB606,271,000 (2012: approximately RMB1,042,085,000) on additions of property, plant and equipment.

13. TRADE RECEIVABLES

Trade receivables mainly consist of receivables from the sale of properties, rentals under operating leases and provision of property management services. The payment terms of the sale of properties are stipulated in the relevant sale and purchase agreements. An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	2013	2012
	RMB'000	*RMB'000*
Within 3 months	**152,260**	41,359
4 to 6 months	**854**	8,482
7 to 12 months	**2,119**	19,899
Over 1 year	**11,462**	16,674
	166,695	86,414

14. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period is as follows:

	2013	2012
	RMB'000	*RMB'000*
Due within one year or on demand	**3,333,315**	3,107,723

The trade payables are non-interest-bearing and are normally settled on terms of three to six months.

15. SUBSEQUENT EVENT

(a) On 7 January 2014, the Company issued 8.975% senior notes with an aggregate principal amount of US$600,000,000 (equivalent to approximately RMB3,662,520,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 14 January 2019. The senior notes carry interest at a rate of 8.975% per annum, which is payable semi-annually in arrears on 14 July and 14 January of each year commencing on 14 July 2014. For further details on the senior notes, please refer to the related announcements of the Company dated 7 January 2014, 8 January 2014 and 14 January 2014.

(b) On 28 February 2014, the Company announced that the outstanding 12.75% senior notes due 2016 will be redeemed in full on 30 March 2014 at a redemption price to 106.375% of the principal amount thereof, plus accrued and unpaid interest to (but not including) 30 March 2014. For further details, please refer to the related announcement of the Company dated 28 February 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Revenue of the Group comprises primarily the (i) gross proceeds, net of business tax, from the sale of properties, (ii) gross recurring revenue received and receivable from investment properties, (iii) gross revenue from hotel room rentals, food and beverage sales and other ancillary services when the services are rendered and (iv) property management fee income. The revenue is primarily generated from its four business segments: property development, property investment, hotel operation and provision of property management services.

The revenue amounted to approximately RMB9,468.0 million in 2013, representing a slight decrease of 2.2% from approximately RMB9,676.4 million in 2012.

In 2013, the revenue generated from property development, property investment, hotel operation and property management services were approximately RMB8,976.9 million, RMB144.7 million, RMB203.1 million and RMB143.3 million, respectively.

Property development

Revenue generated from property development slightly decreased by 3.8% to approximately RMB8,976.9 million in 2013 from approximately RMB9,330.2 million in 2012, primarily due to a decrease in the recognised average selling price to RMB9,582 per sq.m. from RMB11,716 per sq.m. in 2012. The decrease in the recognised average selling price was principally attributable to the relatively lower recognised selling price recorded in the delivery of certain properties to the ex-owner of The Summit in Guangzhou in exchange for the equity interest in Guangzhou Lihe Property Development Limited ("Guangzhou Lihe"), and also attributable to the increase in the delivery of mid-end properties in 2013. The effect of decrease in recognised average selling price is offset by an increase in the total gross floor area ("GFA") delivered to 936,869 sq.m. in 2013 from 796,370 sq.m. in 2012.

Property investment

Revenue generated from the property investment slightly increased by 1.0% to approximately RMB144.7 million in 2013 from approximately RMB143.3 million in 2012.

Hotel operation

Revenue generated from hotel operation increased by 142.1% to approximately RMB203.1 million in 2013 from approximately RMB83.9 million in 2012, primarily attributable to our W Hotel commenced its launch in May 2013.

Provision of property management services

Revenue generated from the provision of property management services increased by 20.4% to approximately RMB143.3 million in 2013 from approximately RMB119.0 million in 2012, primarily attributable to an increase in the number of properties under management.

Cost of sales

Cost of sales of the Group primarily represents the costs we incur directly for the Group's property development activities. The principal component of cost of sales is cost of properties sold, which includes the direct cost of construction, cost of obtaining land use rights and capitalised borrowing costs on related borrowed funds during the period of construction.

Cost of sales slightly decreased by 1.7% to approximately RMB6,036.0 million in 2013 from approximately RMB6,140.6 million in 2012.

Land cost per sq.m. decreased from RMB2,337 in 2012 to RMB1,907 in 2013, principally due to the delivery of certain properties in exchange for the equity interest in Guangzhou Lihe to the ex-owner of The Summit in Guangzhou with relatively lower land costs, and also due to the increase in the delivery of mid-end properties in 2013 with relatively lower land costs.

Construction cost per sq.m. decreased from RMB4,660 in 2012 to RMB3,875 in 2013, principally due to the delivery of certain properties in exchange for the equity interest in Guangzhou Lihe to the ex-owner of The Summit in Guangzhou with relatively lower construction costs, and also due to the increase in the delivery of mid-end properties in 2013 with relatively lower construction costs.

Gross profit

Gross profit of the Group slightly decreased by 2.9% to approximately RMB3,432.0 million in 2013 from approximately RMB3,535.9 million in 2012. The Group reported a gross profit margin of 36.2% for 2013 as compared with 36.5% for 2012.

Other income and gains, net

Other income and gains slightly increased by 2.2% to approximately RMB75.3 million in 2013 from approximately RMB73.7 million in 2012, mainly comprising interest income of approximately RMB42.8 million.

Selling and marketing expenses

Selling and marketing expenses of the Group slightly increased by 4.0% to approximately RMB261.1 million in 2013 from approximately RMB251.0 million in 2012.

Administrative expenses

Administrative expenses of the Group increased by 17.2% to approximately RMB753.0 million in 2013 from approximately RMB642.6 million in 2012, primarily attributable to increased headcounts to catch up with the rapid development of the Group in various regional offices in order to achieve its long term goal. The Group believes that people are key elements for future growth and grasping the opportunities ahead. The Group also provided extensive training, built incentive schemes as well as a teamwork-oriented corporate culture with high sense of belonging to retain experienced employees. The launch of our W Hotel in 2013 as discussed earlier also contributed to the increment in 2013.

Other operating expenses, net

Other operating expenses of the Group was approximately RMB0.9 million in 2013 (2012: approximately RMB1.3 million), mainly comprising operating costs of facilities at our residential development such as clubhouses and dining facilities.

Fair value gains on investment properties, net

The Group reported net fair value gains on investment properties of approximately RMB541.5 million for 2013 (2012: approximately RMB643.2 million), mainly related to various leaseable commercial properties in various regions. The fair value gains attributable to those leaseable commercial properties, including International Finance Place ("IFP"), The Vision of the World, Biological Island II and Global Metropolitan Plaza, were approximately RMB500.5 million for 2013.

Finance costs

Finance costs of the Group being approximately RMB214.3 million in 2013 (2012: approximately RMB70.4 million), related to the borrowing costs on certain general corporate loans and partial senior notes. Since such borrowings were not earmarked for project development, thus they have not been capitalised.

Income tax expenses

Income tax expenses decreased by 28.4% to approximately RMB954.6 million in 2013 from approximately RMB1,333.0 million in 2012, primarily due to a decrease in the provision for LAT on the properties delivered in 2013.

Profit for the year

The Group reported profit for the year of approximately RMB2,749.3 million for 2013 (2012: approximately RMB2,433.0 million). Net profit margin increased to 29.0% for 2013 from 25.1% for 2012, as a result of the cumulative effect of the foregoing factors.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2013, the carrying amounts of the Group's cash and bank balances were approximately RMB10,858.7 million (31 December 2012: approximately RMB6,444.4 million), representing an increase of 68.5% as compared to that as at 31 December 2012.

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place a certain amount of pre-sales proceeds received at designated bank accounts as guarantee deposits for construction of the relevant properties. As at 31 December 2013, the carrying amount of the restricted cash was approximately RMB1,444.2 million (31 December 2012: approximately RMB1,517.2 million).

Borrowings and charges on the Group's assets

As at 31 December 2013, the Group's bank and other loans and senior notes were approximately RMB13,090.5 million and RMB7,814.9 million respectively. Amongst the loans, approximately RMB3,065.0 million will be repayable within 1 year, approximately RMB7,502.4 million will be repayable between 2 and 5 years and approximately RMB2,523.1 million will be repayable over 5 years. Amongst the senior notes, approximately RMB6,010.8 million will be repayable between 2 and 5 years and approximately RMB1,804.1 million will be repayable over 5 years.

As at 31 December 2013, the Group's bank and other loans of approximately RMB12,090.5 million were secured by buildings, land use rights, investment properties, properties under development and completed properties held for sale of the Group with total carrying value of approximately RMB14,929.4 million and properties under development of a joint venture with total carrying value of approximately RMB457.6 million, and equity interests of certain subsidiaries of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares.

The carrying amounts of all the Group's bank and other loans were denominated in RMB except for certain loan balances with an aggregate amount of approximately HK$922.4 million and US$14.7 million as at 31 December 2013 which were denominated in Hong Kong dollar and U.S. dollar respectively. All of the Group's bank and other loans were charged at floating interest rates except for loan balances with an aggregate amount of RMB1,750.0 million which were charged at fixed interest rates as at 31 December 2013. The Group's senior notes were denominated in U.S. dollar and charged at fixed interest rates as at 31 December 2013.

Gearing ratio

The gearing ratio is measured by the net borrowings (total borrowings net of cash and cash equivalents and restricted cash) over the total equity. As at 31 December 2013, the gearing ratio was 56.3% (31 December 2012: 63.5%).

Risk of exchange rate fluctuation

The Group mainly operates in the PRC, so most of its revenues and expenses are measured in RMB. The value of RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in the PRC's political and economic conditions. The conversion of RMB into foreign currencies, including the U.S. dollar and the Hong Kong dollar, has been based on rates set by the People's Bank of China.

During 2013, the exchange rates of RMB against the U.S. dollar and the Hong Kong dollar maintained a relatively stable level and the Board expects that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

CONTINGENT LIABILITIES

(i) As at 31 December 2013, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB4,846.4 million (31 December 2012: approximately RMB4,578.4 million). This represented the guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interests and penalties owed by the defaulting 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 period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Board considers that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made in the financial statements as at 31 December 2013 and 2012 for the guarantees.

(ii) As at 31 December 2013 and 2012, the Group had provided guarantees in respect of certain bank loans for joint ventures.

(iii) As at 31 December 2013, the Group had provided a guarantee in respect of a bank loan for an associate.

(iv) As at 31 December 2012 , the Group had provided a guarantee in respect of a bank loan of RMB700.0 million for the ex-owner of The Summit in Guangzhou, PRC.

MARKET REVIEW

China property market has witnessed a year of strong growth both in terms of transaction volume and average selling price ("ASP") in 2013. According to the report of National Bureau of Statistics as at 31 December 2013, sales of commodity properties for the year increased by 16.3% and 17.3% in terms of value and GFA, respectively, as compared to the previous year. To curb growing property prices, the government announced "New Five Measures of the State Council" in March, including a 20% individual income tax to restrain speculative trading in the secondary market. In October and November, a number of cities have introduced detailed austerity measures, including regulations requiring a higher percentage of down payment to be paid for second homes. Such austerity measures were aimed to curb investment activities in the property space. Transactions in primary market remained strong and purchases by end-users increased.

BUSINESS REVIEW

During the first half of 2013, the Group was focused on solidifying its business in cities where it had already established presence, launching new batches or blocks in existing projects such as Chengdu Sky Ville, Fragrant Seasons in Beijing, Amazing Bay in Shanghai and Suzhou Emerald. During the second half of the year, the Group responded to market changes and made timely adjustments to launch brand new projects such as Top Plaza (commercial portion of Tian Hui Plaza) in Guangzhou, The Eden in Guangzhou, Suzhou Jade Garden, Moon Bay Project in Hainan, Leader Plaza in Suzhou and Global Metropolitan Plaza in Guangzhou, featuring a diverse range of product types including exquisitely fitted residential units, serviced apartments, villas and Grade A+ offices. As at 31 December 2013, the Group reported attributable pre-sales amount of approximately RMB16,300.0 million, representing sales contribution from a total of 24 projects.

The Product Development Centre established in 2012 was officially commissioned in 2013. The Group acquired The Eden at Da Tan Sha, Guangzhou and Suzhou Jade Garden at Cao Hu, Suzhou in January and March, respectively. At the initial stage of project development, budget and fitout schemes appropriate for the projects were selected based on cost and profit estimates and design intentions. The two projects were officially launched in October. The implementation of cost standardisation has resulted in significantly faster project development from land acquisition through pre-sale, which took just about 8 to 10 months.

The Group sought to meet the needs of consumers by introducing different types of products at appropriate times in response to market changes. The Group continued to promote The Summit in Guangzhou during the year, offering a diverse range of products such as fitted residential units with GFA of 88–210 sq.m., small serviced apartments with GFA of 45 sq.m. or below, as well as villas with GFA of 160–250 sq.m. Because of their desirable location, befitting layouts and competitive prices, these new batches or blocks were met with sound responses at their launch. During the year, we continued to market exquisitely fitted flats in Chengdu Cosmos with GFA of 180–360 sq.m. To meet the increasing demand from end-users in Chengdu, fitted serviced apartments in Chengdu Cosmos with GFA of 37–123 sq.m. were also launched towards the end of the year, with the smaller units being increasingly popular.

While actively identifying appropriate sites to replenish its land bank, the Group was always mindful of following a prudent land policy. In addition to bidding in auctions, the Group also endeavoured to cooperate with the government or third-party developers, so as to reduce land costs. During the year, the Group acquired 13 sites, located variously in Guangzhou, Beijing, Suzhou, Nanning, Tianjin and Hangzhou, at reasonable prices to manage overall land acquisition costs. The Group entered into a joint-venture agreement with Shimao Properties to develop two sites in Fangshan of Beijing in the beginning of the year. The acquisition of several adjacent sites in Hangzhou Science City and Tianjin Shuanggang in the open market has also generated synergies conducive to resource consolidation. As at 31 December 2013, the Group held a land bank with an aggregate GFA of approximately 10.0 million sq.m.

While enhancing management of construction and cost control, the Group also sought to maintain a stable financial system with sufficient capital to meet development needs. In early 2013, the Group replenished its working capital in a timely manner to lower financial costs by issuing a US$300 million senior notes with a 7-year term at a lower coupon rate. The Group and its partner borrowed development loans for Jinnan New Town in Tianjin from offshore banks at reasonable interest rates in May and October 2013, with amounts of RMB1 billion and HK$2.7 billion, respectively. During the year, the Group also borrowed RMB loans with lower interest rates from onshore banks and applied such funds to repay certain bank borrowings incurred at higher costs during the previous years. We secured ample liquidity by tapping a variety of financing means.

Investment Properties and Hotels

For the year ended 31 December 2013, turnover of the Group from its investments in office premises and leasing of retail properties amounted to approximately RMB144.7 million (2012: approximately RMB143.3 million).

1) *Hotels*

   Our W Hotel, located along the main road of Pearl River New Town, Guangzhou, officially commenced operation in May 2013 as the first W Hotel in Mainland China. W Hotel is a high-end luxury label under the Starwood Hotels & Resorts Worldwide, Inc. The reputation of W hotel has been greatly enhanced following the launch of various promotional campaigns in connection with room reservation, Chinese and Western dining, leisure activities and entertainment, according to different seasons and festivities. After nearly 7 months in operation, W Hotel has won wide recognition among consumers for its unique and novel design, tailor-made premium services, relaxing environment and fine cuisines.

   With contributions from W Hotel, Four Points by Sheraton Guangzhou, Dongpu (opened since 2009) and Sheraton Guangzhou Huadu Resort (opened since 2011), the Group's hotel business is growing profitably.

2) *Investment properties completed and available for lease*

   IFP is one of our major investment properties with a prestigious location at the heart of Pearl River New Town. Since its opening in 2007, IFP has been very popular with banks and Guangzhou headquarters of multinational corporations, which have been attracted by its top-notch property management and services, premium office environment and convenient transportation. As at 31 December 2013, the occupancy rate of IFP stood at 99%. Leading tenants included a host of domestic and international banks such as Mizuho Bank, Bank of China, and Industrial and Commercial Bank of China, the Italian Consulate and Guangzhou offices of multinational corporations, such as Oracle Guangzhou Branch.

BUSINESS OUTLOOK

In 2014, the Group will launch brand new projects in various cities, such as Beijing Apex and La Villa in Beijing, Top of World (formerly called Guangzhou Knowledge City), Vision of the World in Shanghai (formerly called Shanghai Fengxian Nanqiao), Hangzhou Science City I and The Core of Center in Nanning (formerly called Wuxiang New District Project). Meanwhile, the latter phases of existing projects will also be launched to offer residential units, serviced apartments and offices.

The Group will also endeavour to improve its cost control and financial systems, optimise its internal resources, upgrade the management standards of its hotel and investment properties and enhance operating efficiency in general.

OVERVIEW OF THE GROUP'S PROPERTY DEVELOPMENT

As at 31 December 2013, the Group's major projects are located in Guangzhou, Suzhou, Chengdu, Beijing, Hainan, Shanghai, Tianjin, Nanning and Hangzhou.

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest	Interest Attributable to the Group
				('000 sq.m.)	*(%)*
1.	The Summit	Guangzhou	Residential / villas / serviced apartments / office / retail	2,163	100
2.	L7	Guangzhou	Serviced apartments / retail	17	100
3.	Global Metropolitan Plaza (formerly called J2-2 Project)	Guangzhou	Office / retail	73	50
4.	Tian Hui Plaza (included The Riviera and Top Plaza)	Guangzhou	Serviced apartments / office / hotel / retail	113	33.3
5.	Oriental Bund (formerly called Foshan Project)	Guangzhou	Residential / retail / serviced apartments / office / hotel	560	20
6.	The Regent (formerly called Biological Island I)	Guangzhou	Serviced apartments / retail	115	100
7.	Biological Island II	Guangzhou	Office / retail	84	100
8.	Top of World (formerly called Guangzhou Knowledge City)	Guangzhou	Villas / serviced apartments / office / retail / hotel	645	100
9.	The Eden (formerly called Guangzhou Da Tan Sha)	Guangzhou	Residential / retail	138	50
10.	Zengcheng Gua Lv Lake	Guangzhou	Villas / hotel	43	100
11.	Guangzhou Ta Gang Project	Guangzhou	Residential / villas / retail	344	100
12.	International Finance Place	Guangzhou	Office / retail	61	100
13.	Four Points by Sheraton Guangzhou, Dongpu	Guangzhou	Hotel	35	100
14.	Sheraton Guangzhou Huadu Resort	Guangzhou	Hotel	25	100
15.	W Hotel / W Serviced Apartments	Guangzhou	Hotel / serviced apartments	80	100
16.	The Sapphire	Suzhou	Residential / hotel / serviced apartments / retail	228	100
17.	Suzhou Apex	Suzhou	Residential / hotel / serviced apartments / retail	238	90
18.	Suzhou Emerald	Suzhou	Residential / retail	160	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest (’000 sq.m.)	Interest Attributable to the Group (%)
19.	Leader Plaza (formerly called Suzhou Industrial Park)	Suzhou	Serviced apartments / office / retail	37	51
20.	Suzhou CRH New City	Suzhou	Office / retail	60	100
21.	Suzhou Jade Garden (formerly called Suzhou Cao Hu Project)	Suzhou	Residential / retail	85	100
22.	The Vision of the World	Chengdu	Residential / serviced apartments / retail	55	100
23.	Chengdu Cosmos	Chengdu	Residential / office / serviced apartments / retail / hotel	606	100
24.	Chengdu Sky Ville	Chengdu	Residential / office / serviced apartments / retail / hotel	450	50
25.	Fragrant Seasons	Beijing	Residential / villas / serviced apartments / retail	170	100
26.	La Villa (formerly called Beijing Fangshan I)	Beijing	Residential / retail	100	50
27.	Beijing Apex (formerly called Beijing Fangshan II)	Beijing	Residential / villas / office / retail	105	50
28.	Chong Wen Men	Beijing	Retail	16	100
29.	Beijing Haidian Project	Beijing	Residential / villas	27	100
30.	Pearl Coast	Hainan	Villas / residential / hotel	264	100
31.	Moon Bay Project	Hainan	Villas / residential / retail / hotel	479	100
32.	Pudong Project	Shanghai	Office / retail	78	100
33.	The Core of Center	Shanghai	Residential / serviced apartments / retail / office	52	50
34.	Shanghai Apex	Shanghai	Residential / serviced apartments / retail / hotel / office	83	100
35.	Shanghai Sapphire	Shanghai	Serviced apartments / hotel / retail	115	100
36.	Shanghai Emerald	Shanghai	Residential / retail	85	100
37.	Amazing Bay	Shanghai	Residential / office / retail / serviced apartments / hotel	118	50
38.	Vision of the World (formerly called Shanghai Fengxian Nanqiao)	Shanghai	Residential / serviced apartments / retail	236	100
39.	Jinnan New Town	Tianjin	Residential / villas / retail	714	25
40.	Tianjin Shuanggang Project I	Tianjin	Residential / retail	55	100
41.	Tianjin Shuanggang Project II	Tianjin	Residentia / villas / retail	32	100
42.	The Core of Center (formerly called Wuxiang New District Project)	Nanning	Residential / office / retail	589	87
43.	Guangxi International Finance Place	Nanning	Office	62	87
44.	Hangzhou Science City I	Hangzhou	Residential	47	100
45.	Hangzhou Science City II	Hangzhou	Residential / villas	58	100

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2013, the Group employed a total of approximately 4,700 employees. The total staff costs incurred was approximately RMB451.1 million during the financial year ended 31 December 2013. The remuneration of employees was determined based on their performance, skill, experience and prevailing industry practices. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment to be commensurate with the pay level in the industry. In addition to basic salary, the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees), employees may be offered with discretionary bonus and cash awards based on individual performance.

During the year ended 31 December 2013, total of 1,238,000 share options were cancelled and no share options were granted, exercised or lapsed as at the date of approval of this results announcement. Details of share option movement for the year ended 31 December 2013 will be stated in the coming annual report.

DIVIDEND

The Board of the Company has proposed the payment of a final scrip dividend (with a cash option) of RMB29 cents per ordinary share for the year ended 31 December 2013. The proposed final scrip dividend (with a cash option), if approved by the shareholders at the 2013 AGM, will be paid on or before 29 July 2014 to the shareholders whose names appear on the register of members of the Company on 17 June 2014.

The proposed final scrip dividend (with a cash option) shall be declared in RMB and paid in Hong Kong dollars. The final scrip dividend (with a cash option) payable in Hong Kong dollars will be converted from RMB at the average closing rate of the five business days preceding the date of declaration of dividend as announced by the People's Bank of China.

Payment of the final dividend is subject to (1) the approval of the proposed final scrip dividend (with a cash option) at the 2013 AGM of the Company to be held on 6 June 2014; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular giving full details of the proposed scrip dividend together with the relevant form of election will be sent to the shareholders on or around 26 June 2014. It is expected that the final dividend warrants and certificates for the new shares will be dispatched to shareholders on or around 29 July 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed for the following periods:

(a) For the purpose of determining the shareholders who are entitled to attend and vote at the 2013 AGM to be held on 6 June 2014, the register of members of the Company will be closed on Monday, 2 June 2014 to Friday, 6 June 2014, both days inclusive. In order to qualify for attending and voting at the 2013 AGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 30 May 2014.

(b) For the purpose of determining the shareholders who qualify for the final dividend, the register of members of the Company will be closed on Friday, 13 June 2014 to Tuesday, 17 June 2014, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 12 June 2014.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its code of conduct regarding directors' securities transactions. Specific enquiries have been made with all directors of the Company regarding any non-compliance with the Model Code and all directors of the Company confirmed that they have complied with the provisions of the Model Code for the financial year ended 31 December 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group believes that sound and good corporate governance practices are not only key elements in enhancing investor confidence and the Company's accountability and transparency but also important to the Company's long-term success. The Group, therefore, strives to attain and maintain effective corporate governance practices and procedures. The Company has complied with the code provisions in the Corporate Governance Code (the "Code Provision") as set out in Appendix 14 to the Listing Rules for the year ended 31 December 2013.

Audit Committee

The Audit Committee was established with written terms of reference in accordance with the Code Provision as set out in Appendix 14 to the Listing Rules. The Audit Committee reports to the Board and is delegated by the Board to assess matters related to the financial statements and to perform the duties, including but not limited to, reviewing the Company's financial controls and internal control, financial and accounting policies and practices and the relationship with the external auditor.

As at 31 December 2013, the Audit Committee comprises four members who are Independent Non-executive Directors of the Company, namely Mr. Tam Chun Fai (Chairman), Mr. Lee Ka Sze Carmelo *JP*, Mr. Dai Feng and Mr. Li Bin Hai. Mr. Dai Feng resigned as a member of the Audit Committee on 28 February 2014.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 December 2013.

Remuneration Committee

The Remuneration Committee was established with written terms of reference in accordance with the Code Provision as set out in Appendix 14 to the Listing Rules. The principal responsibilities of the remuneration committee include but not limited to formulate and make recommendations on remuneration policy and remuneration package of the directors and members of senior management to the Board. As at 31 December 2013, the Remuneration Committee comprises an Executive Director, namely Mr. Kong Jian Min, and three Independent Non-executive Directors, namely Mr. Tam Chun Fai, Mr. Dai Feng (Chairman) and Mr. Li Bin Hai. Mr. Dai Feng resigned as the Chairman of Remuneration Committee on 28 February 2014 and Mr. Tam Chun Fai was taken up the place on the same date.

Nomination Committee

The Nomination Committee was established on 11 June 2007. The Nomination Committee is responsible for, including but not limited to, reviewing the structure, size and composition of the Board and making recommendations to the Board on selection of candidates for directorships. As at 31 December 2013, the Nomination Committee comprises an Executive Director, namely Mr. Kong Jian Min (Chairman), and three Independent Non-executive Directors, namely Mr. Tam Chun Fai, Mr. Dai Feng and Mr. Li Bin Hai. Mr. Dai Feng resigned as a member of Nomination Committee on 28 February 2014.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Board confirms that the Company has maintained a sufficient public float as required by the Listing Rules during the year under review.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

The results announcement of the Company for the year ended 31 December 2013 is published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.kwgproperty.com.

2013 AGM

The 2013 AGM of the Company will be held on Friday, 6 June 2014 and the notice of annual general meeting will be published and dispatched in the manner as required by the Listing Rules.

By Order of the Board
KWG Property Holding Limited
Kong Jian Min
Chairman

Hong Kong, 17 March 2014

As at the date of this announcement, the Executive Directors are Mr. Kong Jian Min (Chairman), Mr. Kong Jian Tao, Mr. Kong Jian Nan, Mr. Li Jian Ming, Mr. Tsui Kam Tim and Mr. He Wei Zhi; and the Independent Non-executive Directors are Mr. Lee Ka Sze, Carmelo JP, Mr. Tam Chun Fai and Mr. Li Bin Hai.