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AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

AND

CHANGE OF ADDRESS OF BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

HIGHLIGHTS

Financial Highlights	For the year ended 31 December		
	<u>2013</u>	<u>2012</u> <i>Restated</i>	<u>Change</u>
Revenue (RMB million)	35,436	29,892	+18.5%
Gross profit (RMB million)	12,615	12,436	+1.4%
Net profit (RMB million)	5,862	5,147	+13.9%
Profit attributable to shareholders of the Company (RMB million)	4,827	5,000	-3.5%
Basic earnings per share (RMB)	1.400	1.450	-3.4%
Distributed interim dividend per share (HK cents)	14.5	14.5	-
Proposed final dividend per share (HK cents)	33.0	23.9	+38.1%
Full year dividend per share (HK cents)	47.5	38.4	+23.7%

Operational Highlights

- During the year, the Group's pre-sales was RMB40,340 million, representing an increase of 22% when compared with last year. The GFA presold 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. During the year, a total of 13 new projects were launched and over 60 projects were available for sales.
- 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. As at 31 December 2013, the Group's outstanding land premium payable was RMB4,151 million and is expected to be fully paid by the end of 2014. In January 2014, the Group entered into partnership with PJ Development Holdings Berhad to acquire a property project in Kuala Lumpur of Malaysia, which is the Group's first project in overseas markets.
- As at 28 March 2014, the Group had a land bank of total planned GFA of 42.54 million sq.m. in over 40 cities and districts. Average land cost was RMB1,178 per sq.m. only.
- During the year, Raffles Hainan (formerly known as Raffles Sanya Clearwater Bay) commenced operations. Sheraton Bailuhu Resort Huizhou (formerly known as Sheraton Egret Lake Resort Huizhou) also commenced its operations in early 2014.
- During the year, the Company successfully issued US\$700 million (equivalent to RMB4,393 million) 8.25% Subordinated Perpetual Capital Securities, and obtained a 3-year syndicated loan in an aggregate amount of HK\$5,628 million in offshore capital markets. 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.
- As at 31 December 2013, the total cash and bank balances of the Group were RMB13,033 million, while the undrawn borrowing facilities were RMB5,382 million.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report the audited consolidated results of Agile Property Holdings Limited (“Agile” or the “Company”) and its subsidiaries (collectively, 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.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (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 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 presold 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 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 in Tengchong was well received by the market following its launch during the year. Agile Pure Moon Bay Hainan, which was launched for sale during the year, became one of the best selling projects in Wenchang. Given the continuous improvement in people's 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 the further implementation of the strategies of 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.

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 Group believes such measures will drive the growth of results as well as improving the morale of the staff.

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

Hong Kong, 28 March 2014

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2013	2012
			<i>Restated</i>
			<i>(note 1(a))</i>
	Note	(RMB'000)	(RMB'000)
Revenue	2	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	7	174,277	178,428
Other income	3	224,851	132,057
Other expenses		(131,743)	(212,552)
Exchange (losses)/gains, net		(93,687)	32,800
Operating profit		9,981,026	10,467,105
Fair value gains on embedded financial derivatives		295,748	199,769
Finance income/(costs), net	4	488,214	(46,294)
Share of post-tax loss of an associate		(59,537)	(87,024)
Share of post-tax profit/(loss) of joint ventures		7,124	(1,950)
Profit before income tax		10,712,575	10,531,606
Income tax expenses	5	(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		342,497	-
Non-controlling interests		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	6	1.400	1.450
- Diluted	6	1.210	1.305
		Year ended 31 December	
		2013	2012
		(RMB'000)	(RMB'000)
Dividends		1,298,001	1,068,511

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2013	2012
		<i>Restated</i>
		<i>(note 1(a))</i>
	(RMB'000)	(RMB'000)
Profit for the year	5,862,355	5,146,651
Other comprehensive income	-	-
Total comprehensive income for the year	<u>5,862,355</u>	<u>5,146,651</u>
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	<u>692,951</u>	<u>146,169</u>
	<u>5,862,355</u>	<u>5,146,651</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			Restated (note 1(a))	Restated (note 1(a))
	Note	(RMB'000)	(RMB'000)	(RMB'000)
ASSETS				
Non-current assets				
Property, plant and equipment		6,476,432	5,222,680	3,573,015
Land use rights		2,554,162	2,810,175	2,455,028
Properties under development		16,146,189	14,790,727	13,865,049
Intangible assets		57,428	61,263	19,192
Investment properties	7	5,793,800	5,589,600	5,248,000
Interest in an associate		58,201	117,738	204,762
Interest in joint ventures		1,030,282	943,158	943,466
Available-for-sale financial assets		117,500	-	-
Prepayments for acquisition of equity interests		-	102,850	102,850
Deferred income tax assets		316,209	268,564	162,068
		32,550,203	29,906,755	26,573,430
Current assets				
Properties under development		33,480,753	33,775,215	30,298,717
Completed properties held for sale		13,083,771	7,935,975	3,637,562
Prepayments for acquisition of land use rights		9,910,669	2,949,391	7,993,747
Trade and other receivables	8	12,424,997	6,596,434	4,813,013
Prepaid income taxes		51,430	57,059	68,887
Restricted cash		6,249,740	3,880,085	2,644,128
Cash and cash equivalents		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 reserves attributable to the shareholders of the Company				
Share capital and premium		3,642,725	3,658,542	3,658,542
Other reserves		1,298,093	1,190,094	946,992
Retained earnings				
- Proposed final dividend		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		4,486,025	-	-
Non-controlling interests		2,715,083	2,298,344	2,082,310
Total equity		36,567,296	27,911,807	23,756,843

CONSOLIDATED BALANCE SHEET (Continued)

		As at 31 December 2013	As at 31 December 2012	As at 1 January 2012
			Restated (note 1(a))	Restated (note 1(a))
	Note	(RMB'000)	(RMB'000)	(RMB'000)
LIABILITIES				
Non-current liabilities				
Borrowings		24,646,168	18,452,325	12,170,458
Convertible Bonds - debt component		2,491,719	2,370,111	2,200,997
Convertible Bonds - embedded financial derivatives		364,980	660,728	860,497
Deferred income tax liabilities		1,649,261	1,753,072	1,549,574
		29,152,128	23,236,236	16,781,526
Current liabilities				
Borrowings		12,353,678	6,192,561	6,608,260
Trade and other payables	9	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

Notes:

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.

(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 2012 and 1 January 2012 and the consolidated income statement for the year ended 31 December 2012. There was no effect on the net assets, net profit and earnings per share of the Group.

**Impact on consolidated balance sheet
Increase/(decrease)**

	As at 31 December 2012 <u>(RMB'000)</u>	As at 1 January 2012 <u>(RMB'000)</u>
ASSETS		
Non-current assets		
Property, plant and equipment	(718)	(787)
Interest in joint ventures	943,158	943,466
Deferred income tax assets	<u>(11,928)</u>	<u>(11,278)</u>
	<u>930,512</u>	<u>931,401</u>
Current assets		
Properties under development	(2,488,898)	(1,993,135)
Trade and other receivables	737,770	(1,458)
Prepaid income taxes	(6,185)	(1,832)
Restricted cash	(5,545)	-
Cash and cash equivalents	<u>(55,195)</u>	<u>(101,123)</u>
	<u>(1,818,053)</u>	<u>(2,097,548)</u>
Total assets	<u>(887,541)</u>	<u>(1,166,147)</u>
LIABILITIES		
Non-current liabilities		
Borrowings	<u>(550,000)</u>	<u>-</u>
Current liabilities		
Borrowings	-	(1,051,450)
Trade and other payables	(204,473)	(114,697)
Advanced proceeds received from customers	<u>(133,068)</u>	<u>-</u>
	<u>(337,541)</u>	<u>(1,166,147)</u>
Total liabilities	<u>(887,541)</u>	<u>(1,166,147)</u>

**Impact on consolidated income statement
Increase/(decrease)**

	Year ended 31 December 2012 (RMB'000)
Revenue	(182,297)
Cost of sales	(175,704)
Gross profit	(6,593)
Selling and marketing costs	(5,830)
Administrative expenses	(4,310)
Other income	(947)
Operating profit	2,600
Share of post-tax loss of joint ventures	1,950
Profit before income tax	650
Income tax expense	650
Profit for the year	-

(b) Amendments to existing 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 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.
- 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.
- 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 2009-2011 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.

(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 (Amendment)	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 Companies Ordinances	The New Companies 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.

2 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 segments' 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
	(RMB'000)	<i>Restated</i> (RMB'000)
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

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

Year ended 31 December 2013

	<u>Property development</u> (RMB'000)	<u>Property management</u> (RMB'000)	<u>Hotel operations</u> (RMB'000)	<u>Property investment</u> (RMB'000)	<u>Elimination</u> (RMB'000)	<u>Group</u> (RMB'000)
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 7)	-	-	-	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	(59,537)	-	-	-	-	(59,537)
Share of post-tax profit of joint ventures	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						295,748
Finance income, net (note 4)						488,214
Profit before income tax						10,712,575
Income tax expenses (note 5)						(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	58,201	-	-	-		58,201
Interest in joint ventures	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

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	<u>Assets</u> <i>(RMB'000)</i>	<u>Liabilities</u> <i>(RMB'000)</i>
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	<u>114,535,206</u>	<u>77,967,910</u>

Year ended 31 December 2012

<i>Restated</i>	<u>Property development</u> (RMB'000)	<u>Property management</u> (RMB'000)	<u>Hotel operations</u> (RMB'000)	<u>Property investment</u> (RMB'000)	<u>Elimination</u> (RMB'000)	<u>Group</u> (RMB'000)
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 7)	-	-	-	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	(87,024)	-	-	-	-	(87,024)
Share of post-tax loss of joint ventures	(1,950)	-	-	-	-	(1,950)
Segment results	10,348,078	(14,351)	(144,833)	189,237	-	10,378,131
Fair value gains on embedded financial derivatives						199,769
Finance costs, net (note 4)						(46,294)
Profit before income tax						10,531,606
Income tax expenses (note 5)						(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	117,738	-	-	-		117,738
Interest in joint ventures	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

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	<u>Assets</u> <i>Restated</i> (RMB'000)	<u>Liabilities</u> <i>Restated</i> (RMB'000)
Segment assets/liabilities	90,523,888	23,652,902
Unallocated:		
Deferred income taxes	268,564	1,753,072
Prepaid taxes	57,059	-
Current income 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	<u>90,849,511</u>	<u>62,937,704</u>

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, 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, investment properties and intangible assets.

3 Other income

	2013 (RMB'000)	2012 <i>Restated</i> (RMB'000)
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	<u>37,319</u>	<u>43,087</u>
	<u>224,851</u>	<u>132,057</u>

4 Finance income/(costs), net

	2013 (RMB'000)	2012 Restated (RMB'000)
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
	<u>488,214</u>	<u>(46,294)</u>

5 Income tax expenses

	2013 (RMB'000)	2012 Restated (RMB'000)
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		
- PRC enterprise income tax	(151,456)	97,002
	<u>4,850,220</u>	<u>5,384,955</u>

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.

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.

6 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 (RMB'000)	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 basic earnings per shares, 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 (RMB'000)	4,826,907	5,000,482
Interest expenses charged to the income statement for the year (RMB'000)	-	-
Exchange gains on debt component (RMB'000)	(75,983)	(5,747)
Fair value gains on embedded financial derivatives (RMB'000)	(295,748)	(199,769)
Profit used to determine diluted earnings per share (RMB'000)	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

7 Investment properties

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

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) 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.

8 Trade and other receivables

	2013 (RMB'000)	2012 <i>Restated</i> (RMB'000)
Trade receivables (note (a))	4,999,848	1,933,595
Other receivables due from:		
- An associate	2,039,716	1,139,716
- Joint ventures	1,926,150	987,921
- Third parties	1,731,586	1,656,764
Prepaid business taxes and other taxes	186,834	305,644
Deposits for acquisition of land use rights	1,275,060	375,320
Prepayments	<u>265,803</u>	<u>197,474</u>
	<u>12,424,997</u>	<u>6,596,434</u>

Generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Company'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.

Note:

- (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:

	2013 (RMB'000)	2012 Restated (RMB'000)
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
	<u>4,999,848</u>	<u>1,933,595</u>

9 Trade and other payables

	2013 (RMB'000)	2012 Restated (RMB'000)
Trade payables (note (a))	13,483,490	11,189,613
Other payables due to:		
- Related parties	1,075,469	349,485
- Third parties	3,533,777	1,317,056
Staff welfare benefit payable	37,603	33,629
Accruals	898,310	793,846
Other taxes payable	495,812	286,969
	<u>19,524,461</u>	<u>13,970,598</u>

Note:

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

	2013 (RMB'000)	2012 Restated (RMB'000)
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
	<u>13,483,490</u>	<u>11,189,613</u>

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

Land parcel name	City / District	Attributable Interest (%)	GFA (sq.m.)
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

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 capitalized 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.

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.

	As at 31 December 2013	As at 31 December 2012
		<i>Restated</i>
Repayment schedule	(RMB million)	(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 and the senior notes 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.

DIVIDEND

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.

CLOSURE OF REGISTER OF MEMBERS

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 annual general meeting (the "2014 AGM")

Latest time for lodging transfer	: 4:00 pm on Monday, 9 June 2014
Periods of closure of register of members	: Tuesday, 10 June to Friday, 13 June 2014 (both 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 of members	: Thursday, 19 June to Monday, 23 June 2014 (both dates inclusive)
Record date	: Monday, 23 June 2014

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 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration not later than the corresponding latest time for lodging transfer as stated above.

ANNUAL GENERAL MEETING

The 2014 AGM of the Company will be held on Friday, 13 June 2014. Notice of 2014 AGM will be published on the websites of the Company (www.agile.com.cn), Hong Kong Exchanges and Clearing Limited ("HKEx") (www.hkex.com.hk) and Singapore Exchange Limited ("SGX") (www.sgx.com) and dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

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.

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 as at the date of this announcement.

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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. 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.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2013, the Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, and complied with certain recommended best practices.

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	<u>Repurchase price per share</u>		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.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, HONG KONG EXCHANGES AND CLEARING LIMITED AND SINGAPORE EXCHANGE LIMITED

This announcement is published on the websites of the Company (www.agile.com.cn), HKEx (www.hkex.com.hk) and SGX (www.sgx.com). The annual report of the Company for the year ended 31 December 2013 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

CHANGE OF ADDRESS OF BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

The Board hereby announces that with effect from 31 March 2014, the branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the “Branch Share Registrar and Transfer Office”), will change its address from 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong to Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong. All telephone and facsimile numbers of the Branch Share Registrar and Transfer Office will remain unchanged.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises twelve members, of which Mr. Chen Zhuo Lin (the Chairman and President), Mr. Chan Cheuk Hung, Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhongqi are the executive directors; Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are non-executive directors and Dr. Cheng Hon Kwan, Mr. Kwong Che Keung and Mr. Cheung Wing Yui are the independent non-executive directors.

By Order of the Board
Agile Property Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 28 March 2014

Scope of work of PricewaterhouseCoopers

The figures in respect of this preliminary announcement of the Group’s results for the year ended 31 December 2013 have been agreed by the Company’s auditors, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.