招商局置地有限公司
CHINA MERCHANTS LAND LIMITED

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(Incorporated with limited liability in the Cayman Islands)

(Stock Code: 978)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the "Board") of directors (the "Directors") of China Merchants Land Limited (the "Company") (formerly known as "Tonic Industries Holdings Limited") announces the consolidated results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2013, together with the comparative figures for the year ended 31 December 2012, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	**2013** ***RMB'000***	2012 *RMB'000* (restated) *(Note 2)*
Revenue	*4*	**6,927,871**	4,362,053
Cost of sales		**(4,125,212)**	(1,920,137)
Gross profit		**2,802,659**	2,441,916
Other income	*6*	**106,387**	36,209
Net foreign exchange gains		**73,593**	6,457
Selling and marketing expenses		**(131,253)**	(119,953)
Administrative expenses		**(89,235)**	(45,158)
Finance costs	*7*	**(85,596)**	(65,232)
Profit before tax	*9*	**2,676,555**	2,254,239
Income tax expense	*8*	**(1,261,736)**	(1,214,434)
Profit for the year		**1,414,819**	1,039,805

	NOTE	2013 RMB'000	2012 RMB'000 (restated) (Note 2)
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(1,518)**	4,603
Profit and total comprehensive income for the year		**1,413,301**	1,044,408
Profit for the year attributable to:			
Owners of the Company		**458,890**	428,780
Non-controlling interests		**955,929**	611,025
		1,414,819	1,039,805
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		**457,372**	433,383
Non-controlling interests		**955,929**	611,025
		1,413,301	1,044,408
Earnings per share			
Basic (RMB cents)	*11*	**11.13**	11.93

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

		At 31 December		At 1 January
		2013	2012	2012
	NOTES	***RMB'000***	*RMB'000*	*RMB'000*
			(restated)	(restated)
			(Note 2)	
NON-CURRENT ASSETS				
Property, plant and equipment		**31,242**	12,392	13,378
Investment properties		**22,281**	34,359	36,065
Goodwill		**160,210**	160,210	–
Deferred tax assets		**362,020**	298,240	139,470
Other receivables		**888,950**	1,328,584	1,157,770
		1,464,703	1,833,785	1,346,683
CURRENT ASSETS				
Properties for sale		**15,188,406**	15,212,165	12,349,946
Deposit paid for acquisitions of land use rights		**3,019,783**	–	–
Trade and other receivables	*12*	**1,704,386**	3,789,730	1,591,327
Tax recoverable		**165,587**	312,410	87,056
Restricted bank deposits		**–**	14,704	12,475
Bank balances and cash		**6,618,086**	2,134,944	1,663,365
		26,696,248	21,463,953	15,704,169
CURRENT LIABILITIES				
Deposits received in respect of pre-sale of properties		**5,886,447**	5,996,707	4,285,419
Deposit received for partial disposal of a subsidiary		**160,830**	–	–
Trade and other payables	*13*	**3,252,384**	7,172,861	4,645,047
Loans from equity holders – due within one year		**–**	4,794,164	4,175,820
Tax payable		**258,849**	543,707	124,669
Bank and other borrowings – due within one year		**2,000,000**	101,000	–
		11,558,510	18,608,439	13,230,955
NET CURRENT ASSETS		**15,137,738**	2,855,514	2,473,214
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,602,441**	4,689,299	3,819,897

	At 31 December		At 1 January
	2013	2012	2012
	RMB'000	*RMB'000*	*RMB'000*
		(restated)	(restated)
		(Note 2)	
NON-CURRENT LIABILITIES			
Loans from equity holders – due after one year	**339,358**	1,169,960	1,169,960
Bank and other borrowings – due after one year	**1,700,000**	109,351	–
Bonds payable – due after one year	**3,003,383**	–	–
Deferred tax liabilities	**103,389**	34,136	15,022
	5,146,130	1,313,447	1,184,982
NET ASSETS	**11,456,311**	3,375,852	2,634,915
CAPITAL AND RESERVES			
Issued equity	**39,132**	8,710	366,783
Reserves	**5,178,158**	1,414,740	497,088
Equity attributable to owners of the Company	**5,217,290**	1,423,450	863,871
Non-controlling interests	**6,239,021**	1,952,402	1,771,044
TOTAL EQUITY	**11,456,311**	3,375,852	2,634,915

NOTES:

1. GENERAL

China Merchants Land Limited (formally known as Tonic Industries Holdings Limited) (the "Company", together with its subsidiaries, collectively referred to as the "Group") is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are development and sales of properties and property leasing and trading of electronic and electrical products and building related materials and equipment.

On 24 April 2012, a sales and purchase agreement was entered into between Success Well Investments Limited ("Success Well") and Skill China Limited ("Skill China") in connection with the acquisition of approximately 66.18% of the aggregate issued share capital of the Company. On 27 April 2012, a sales and purchase agreement was entered into between Success Well and Greatest Mark Limited ("Greatest Mark") in connection with 4% of the aggregate issued share capital of the Company (the above said acquisitions hereinafter collectively referred to as the "Acquisition"). The Acquisition was completed on 7 May 2012 (the "Completion") and after the Completion, the Company's immediate holding company became Success Well, which is a limited liability company incorporated in the British Virgin Islands (the "BVI") and is indirectly wholly-owned by Eureka Investment Company Limited ("Eureka"), which became the intermediate holding company of the Company. Eureka is directly owned by China Merchants Property Development Co., Ltd. ("CMPD"), which is established in the People's Republic of China (the "PRC") and listed on the Shenzhen Stock Exchange Limited and Singapore Stock Exchange Limited. The ultimate holding company of the Company became China Merchants Group Limited ("CMG"). CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and CMG is owned and controlled by the PRC government.

Prior to the Acquisition, Skill China was the immediate and ultimate holding company of the Company.

2. MERGER ACCOUNTING AND RESTATEMENTS

The Group accounts for all its business combinations involving entities under common control using the principles of merger accounting. On 24 April 2013, the Company (as the purchaser), Eureka (as the seller) and CMPD entered into an agreement, which was amended and supplemented on 22 September 2013, pursuant to which the Company has conditionally agreed to acquire, and Eureka has conditionally agreed to sell: (i) 50% of the issued share capital of Harpen Company Limited ("Harpen") and all the issued share capital of Converge Holdings Limited ("Converge"), Sino Action Investments Limited ("Sino Action") and Happy City Investments Limited ("Happy City") (hereinafter, collectively referred to as the "Sales Shares") from Eureka, and (ii) the shareholder's loans outstanding and owing by each of Harpen, Converge, Sino action and Happy City ("Shareholder's Loans") (hereinafter, Harpen, Converge, Sino Actions and Happy City and their subsidiaries are collectively referred to as the "Target Group"). The consideration is approximately RMB5,302,945,000, including approximately RMB2,182,956,000 for the Sales Shares and approximately RMB3,119,989,000 for the Shareholder's Loans. To satisfy the consideration, the Company issued new shares at issue price of HK$2.05 per share of which 2,897,028,703 consideration shares were issued to the seller for aggregate consideration of HK$5,938,909,000 (equivalent to RMB4,708,962,000) and 939,760,297 placing shares were issued to new investors for aggregate consideration of HK$1,926,509,000 (equivalent to RMB1,527,529,000) of which proceeds from issuance of 365,428,529 placing shares amounting to RMB593,983,000 was utilised to settle the consideration. The details of the transaction was set out in the Company's circular dated 10 October 2013 (the "Transaction"). The Transaction was completed on 1 November 2013.

As the Company and its subsidiaries (before the completion of the Transaction, hereinafter collectively referred to as the "Existing Group") and the Target Group are under the common control of Eureka both before and after the Transaction and Eureka's control of the Company and Target Group is not transitory, the Transaction is considered as combination of business under common control and accounted for under merger basis. In applying merger accounting, the Existing Group is deemed to have been acquired at the date of Completion and the consolidated financial statements have been prepared on the following bases:

(i) The assets and liabilities of the Target Group are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Existing Group are recognised and measured initially at their fair values on the date of Completion; and

(iii) The comparative figures presented in these consolidated financial statements are restated to include the Target Group for the whole of the year ended 31 December 2012.

In preparing these consolidated financial statements, the acquisition method of accounting is applied to account for the acquisition of the Existing Group under the Acquisition. In applying the acquisition method, the consideration of the Acquisition paid by Success Well is the deemed consideration paid to acquire the Existing Group as at the date of Completion. The separately identifiable assets and liabilities of the Existing Group recognised in the consolidated statement of financial position were at their fair value as at the date of Completion. Goodwill arising on the acquisition of the Existing Group was recognised as at the date of Completion. The results of the Existing Group are consolidated to the Company's consolidated financial statements from the date of Completion.

Upon the completion of the Transaction, the functional currency of the Company has changed from Hong Kong Dollars ("HK$") to Renminbi ("RMB") as the primary economic environment of the Company changed to a PRC business environment. Following the change of functional currency of the Company, the Company changed the presentation currency of its consolidated financial statements from HK$ to RMB. The directors of the Company are in the opinion that this could simplify the financial reporting process and it could provide users with more comparable information with other companies in similar industries. Comparative figures have been restated in RMB.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK(SIC) Int-12 Consolidation — Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

The directors of the Company made an assessment as to whether or not the Group has control over those 50% owned subsidiaries in accordance with the new definition of control and the related guidance set out in HKFRS 10. The directors of the Company concluded that it has control over those subsidiaries as the Company has the power to cast the majority of votes at meetings of the board of directors of those subsidiaries that has the ability to affect the returns of these subsidiaries.

HKFRS 13 "Fair Value Measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad. The fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

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

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

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" may be renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two consecutive statements.

In addition, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle[2]
HKFRS 9	Financial instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	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, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted.

3 Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

The directors of the Company anticipate that the application of other HKFRSs will have no material impact on the results and the financial positions of the Group.

4. REVENUE

An analysis of the Group’s revenue by major products and service categories for the year is as follows:

	2013	2012
	RMB’000	*RMB’000*
		(restated)
Sales of properties for sale	**6,838,789**	4,285,512
Sales of electronic and electrical related products	**34,659**	64,192
Sales of building related materials and equipment	**48,884**	9,350
Rental income from investment properties	**5,539**	2,999
	6,927,871	4,362,053

5. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision maker is the Company’s directors and prior to the completion of the Transaction, the chief operating decision maker is the directors of Eureka.

For the management purpose, the Group is currently organised into the following two operating and reportable segments: (i) Development and sales of properties and property leasing (“Properties Segment”); and (ii) sales of electronic and electrical related products and building related materials and equipment (“Trading Segment”).

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2013			
Segment revenue – external	83,543	6,844,328	6,927,871
Segment results	2,268	2,630,343	2,632,611
Net foreign exchange gains			102,953
Finance costs			(8,683)
Interest income			60
Unallocated corporate expenses			(50,386)
Profit before tax			2,676,555

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2012 (restated)			
Segment revenue – external	73,542	4,288,511	4,362,053
Segment results	(1,041)	2,248,213	2,247,172
Net foreign exchange gains			11,547
Finance costs			(12)
Interest income			1
Unallocated corporate expenses			(4,469)
Profit before tax			2,254,239

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit earned/loss incurred by each segment without allocation of unallocated corporate costs, finance costs, interest income and certain net foreign exchange gains. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2013			
Segment assets	32,192	24,870,799	24,902,991
Goodwill			160,210
Other unallocated assets			3,097,750
Total assets			28,160,951
Segment liabilities	20,189	13,655,416	13,675,605
Other unallocated liabilities			3,029,035
Total liabilities			16,704,640

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
At 31 December 2012 (restated)			
Segment assets	42,393	23,094,772	23,137,165
Goodwill			160,210
Other unallocated assets			363
Total assets			23,297,738
Segment liabilities	42,391	15,083,404	15,125,795
Other unallocated liabilities			4,796,091
Total liabilities			19,921,886

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

- all assets, other than goodwill and assets of the investment holding companies, are allocated to reportable and operating segments; and

- all liabilities, other than bonds payable, loans from equity holders and liabilities of the investment holding companies, are allocated to reportable and operating segments.

Other information

Amounts included in the measure of segment profit or loss or segment assets.

	Trading Segment *RMB'000*	Properties Segment *RMB'000*	Consolidated *RMB'000*
For the year ended 31 December 2013			
Addition to non-current assets *(note)*	85	20,948	21,033
Interest income	–	33,569	33,569
Gross rental income	–	11,616	11,616
Depreciation of property, plant and equipment	10	2,189	2,199
Depreciation of investment properties	–	511	511
Reversal of written down on properties for sale	–	(154,000)	(154,000)
For the year ended 31 December 2012 (restated)			
Addition to non-current assets *(note)*	96	1,214	1,310
Interest income	–	28,552	28,552
Gross rental income	–	2,999	2,999
Depreciation of property, plant and equipment	–	2,290	2,290
Depreciation of investment properties	–	1,706	1,706
Reversal of written down on properties for sale	–	(28,000)	(28,000)

Note: Non-current assets exclude deferred tax assets and financial assets.

The Group's revenue from external customers is substantially derived from the PRC. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

Substantially all of the Group's non-current assets which exclude deferred tax assets of the Group are located in the PRC.

Geographical informations

The Group's Properties Segment are located in Foshan, Guangzhou, Nanjing and Chongqing.

Information about the revenue from external customers of Properties Segment and the assets of Properties Segment is presented based on the location of the assets.

	Revenue from external customers		**Segment assets**	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000* (restated)	***RMB'000***	*RMB'000* (restated)
Foshan	**4,382,964**	1,202,762	**11,027,424**	9,612,731
Guangzhou	**859,480**	2,571,538	**1,936,324**	4,269,737
Nanjing	**1,075,471**	514,211	**5,089,187**	4,014,533
Chongqing	**526,413**	–	**6,817,864**	5,197,771
	6,844,328	4,288,511	**24,870,799**	23,094,772

6. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
		(restated)
Bank interest income	**31,288**	21,531
Interest income from an intermediate holding company	**2,341**	7,022
Gain on disposal of investment properties	**43,213**	–
Others	**29,545**	7,656
	106,387	36,209

7. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
		(restated)
Interest on bank and other borrowings wholly repayable within five years		
– bank and other borrowings	**143,380**	8,139
– amount due to intermediate holding company	**38,293**	237,826
– amounts due to non-controlling equity holders of subsidiaries of the Group	**24,256**	38,540
– bonds	**8,638**	–
Total borrowing costs	**214,567**	284,505
Less: Amount capitalised	**(128,971)**	(219,273)
	85,596	65,232

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective specific borrowings.

8. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
		(restated)
The charge (credit) comprises:		
PRC Enterprise Income Tax ("EIT")		
– Current year	**558,923**	535,872
– (Over)underprovision in prior years	**(1,210)**	1,353
Dividend withholding tax	**–**	5,000
LAT	**698,550**	811,865
	1,256,263	1,354,090
Deferred tax	**5,473**	(139,656)
	1,261,736	1,214,434

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by PRC entities that are owned by non-PRC entities within the Group.

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

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for both years.

9. PROFIT BEFORE TAX

	2013	2012
	RMB'000	*RMB'000*
		(restated)
Profit before tax has been arrived at after charging (crediting):		
Employee benefits expenses (including directors' remuneration):		
Salaries and other allowances	**110,970**	118,395
Pension scheme contributions	**14,904**	9,997
Total staff costs	**125,874**	128,392
Less: Amount capitalised to properties under development for sale	**(76,990)**	(75,740)
	48,884	52,652
Gross rental income from investment properties	**(5,539)**	(2,999)
Less: Direct operating expenses incurred	**1,171**	2,088
	(4,368)	(911)
Cost of inventories recognised as an expense	**80,748**	70,418
Cost of properties recognised as an expense	**4,198,464**	1,877,719
Reversal of written down on properties for sale (included in cost of sales) *(Note)*	**(154,000)**	(28,000)
Depreciation of investment properties	**511**	1,706
Depreciation of property, plant and equipment	**2,199**	2,290

Note: The reversal is made upon the pre-sales of the properties held for sale.

10. DIVIDENDS

During the year ended 31 December 2012, two subsidiaries within the Target Group declared dividends totalling RMB35,000,000 and RMB429,667,000 to Eureka and the non-controlling equity holders, respectively.

During the year ended 31 December 2013, a subsidiary within the Target Group declared dividends of RMB288,000,000 to its shareholders, of which RMB144,000,000 was paid to its non-controlling equity holder.

Other than as disclosed above, no dividend was paid or proposed to be paid by the Company during the year ended 31 December 2013 (2012: Nil).

11. EARNINGS PER SHARE

The weighted average number of shares used for the purpose of calculating basic earnings per share for the both years has been adjusted as if the issue of the consideration shares was at 1 January 2012, on the basis that the consolidated financial statements are prepared as if the combined entity represented by the Existing Group and the Target Group had existed together from the dates when these groups came under the control of the common controlling party.

The calculation of the basic earnings per share is based on the profit attributable to equity holders of the Company of approximately RMB458,890,000 (2012: RMB428,780,000) and the weighted average number of 4,122,553,393 (2012: 3,594,744,707) ordinary shares in issue during the year.

Diluted earnings per share is not presented for the year ended 31 December 2013 nor for the year ended 2012 as there is no potential ordinary shares outstanding during the year or at the end of reporting periods.

12. TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
		(restated)
Trade receivables	**20,006**	39,184

Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 60 days from the date of agreement. At the end of the both reporting periods, there were no outstanding trade receivables from Properties Segment.

The Group's credit terms with its trade customers is generally 0 to 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk.

The aging analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

	2013	2012
	RMB'000	*RMB'000*
		(restated)
30 days or less	**2,926**	15,287
31 to 60 days	**19**	11,658
61 to 90 days	**–**	3,465
Over 90 days	**17,061**	8,774
	20,006	39,184

13. TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
		(restated)
Trade payables		
– Trading Segment	**20,189**	34,276
– Properties Segment	**1,653,670**	2,437,563
	1,673,859	2,471,839

Trade payables from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress measured by the Group and the average credit period of these trade payables is 60 days. The average credit period on purchase of goods is generally from 30 days extending up to 90 days for major suppliers from Trading Segment. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
		(restated)
0 to 60 days	**181,137**	1,913,985
61 to 180 days	**498,505**	232,119
181 to 365 days	**799,708**	179,966
Over 365 days	**194,509**	145,769
	1,673,859	2,471,839

FINAL DIVIDEND

The Board recommend the payment of a final dividend of HK$0.012 (equivalent to approximately RMB0.009) per share in respect of the year ended 31 December 2013 (31 December 2012: Nil). Subject to the passing of the relevant resolution at the annual general meeting (the "Annual General Meeting") of the Company to be held on 12 May 2014, the final dividend will be payable on or about 3 June, 2014 to shareholders whose names appear on the register of members of the Company on 19 May, 2014.

For the purpose of ascertaining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from 16 May 2014 to 19 May 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at 26/F, 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 no later than 4:30 p.m. on 15 May 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

CHINA PROPERTY MARKET REVIEW

Driven by abundance of liquidity and rising of demand, the global economy gradually got over from the Financial Crisis gloom in 2013 and maintained a steady and positive growth. The developed economies continued to recover whilst the emerging markets encountered a slowdown. The PRC economy has experienced an all-time high growth after the country carried out reform over more than 30 years and entered the stage of stable development. The Central Government not only endeavored to prevent the risks of economic downturn, but put more emphasis on promoting economic restructuring, improving the quality and efficiency of economic development. It aimed to keep balance on the measures of "steady growth, structure adjustment and reform".

In 2013, the PRC property market was generally stable. The growth of all key indicators rebound. The area of commodity housing sold in China was 1,305.51 million sq.m. and sales amounted to RMB8,142.8 billion, reaching the historic high level with an increase of 17.3% and 26.3%, respectively as compared with last year. Under the ongoing recovery of sales, the developers' investment sentiment further boosted and the area of newly constructed property throughout the year showed a strong growth as well as the land area acquired. However, the competition for land was fierce. As a result, the land cost had been rising gradually. The changes in the market called for transformation of the sector. The property enterprises began to seek a new driver for development in the new industry landscape.

FINANCIAL REVIEW

The Group has completed the acquisition of 11 projects in November 2013. Therefore, the restatement of financial figures for 2012 will be needed. For 2013, the Group recorded turnover of RMB6,927,871,000 (2012: RMB4,362,053,000), representing an increase of 59% as compared with last year. Profit for the year amounted to RMB1,414,819,000 (2012: RMB1,039,805,000), representing an increase of 36% as compared with last year. The profit attributable to owners of the Company was RMB458,890,000 (2012: RMB428,780,000), representing an increase of 7% as compared with last year. Basic earnings per share was RMB11.13 cents (2012: RMB11.93 cents). The Group's aggregate contracted sales amounted to RMB7,339.8 million, representing an increase of 16% over that of last year. Aggregate contracted sales area was 516,755 sq.m., up 5% over last year. The average selling price was approximately RMB14,204 per sq.m., representing an increase of 10% over that of last year.

The Group recorded gross profit of RMB2,802,659,000 for 2013, an increase of 15%, compared to RMB2,441,916,000 for 2012, which was mainly attributable to the increase in turnover. The gross profit margin for 2013 was 40%, compared to 56% over the same period of 2012. The decrease in gross profit margin was primarily due to the structure of recognised items in the year had changed, and the gross profit margins of Jinshan Valley and Evian Water Bank projects in 2012 were 62.7% and 65.8% respectively and their recognized revenue accounted for 83% of the total recognized revenue in this year and the percentage was only 52% in 2013.

In 2013, projects in Foshan, Guangzhou, Chongqing and Nanjing accounted for 63%, 12%, 8% and 16%, respectively, of the total revenue of the Group.

BUSINESS REVIEW

As the only offshore listing platform of CMPD, the controlling shareholder of the Company, and benefited from the brand, goodwill and operating system which CMPD has established over the years of cultivation, the Group has made concerted effort to achieve fast growth on the property development.

Property Development Business

As at 31 December 2013, the Group's current portfolio of property development projects consists of 15 projects in Foshan, Guangzhou, Chongqing and Nanjing, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops. The saleable GFA of the properties comprising the projects which had not been sold or pre-sold as at 31 December 2013 (the "saleable GFA in the future" or "land bank") was 5,590,000 sq.m..

In 2013, contracted sales, contracted sales area and contracted average selling price ("ASP") realised by the Group are set out in the table below:

Project		Contracted Sales (RMB million) 2013	Contracted Sales Area (sq.m.) 2013	Contracted ASP (RMB/sq.m.) 2013
Foshan:				
I.	Evian Water Bank	**1,018.3**	**84,450**	**12,058**
II.	Evian Upper City	**894.4**	**89,926**	**9,946**
III.	Evian Tianhui	**1,288.3**	**97,370**	**13,231**
IV.	Evian Xicheng	**697.2**	**70,948**	**9,827**
Guangzhou:				
V.	Jinshan Valley	**907.8**	**30,217**	**30,043**
Chongqing:				
VI.	Changjiahui	**551**	**61,558**	**8,951**
Nanjing:				
VII.	Zijinshan No. 1	**458.6**	**23,679**	**19,367**
VIII.	Yonghuafu	**1,524.2**	**58,607**	**26,007**
Total		**7,339.8**	**516,755**	**14,204**

As at 31 December 2013, total GFA of the Group's 15 projects in the following 4 cities was approximately 8,930,000 sq.m. Details are as follows:

Foshan

In 2013, contracted sales in Foshan were RMB3,898.2 million and contracted sales area was 342,694 sq.m. As at 31 December 2013, total GFA of the Group's projects in Foshan reached 3,208,000 sq.m. and the saleable GFA in the future was 1,802,000 sq.m.

In 2013, strong sales of the Group's projects in Foshan mainly comprise of Evian Tianhui, Evian Water Bank, Evian Upper City and Evian Xicheng:

– Evian Tianhui is a residential and commercial complex located in Nanhai District of Foshan, close to the Qiandenghu Park to the west with an attractive natural environment with greenery and lakes. The project site is conveniently adjacent to line 1 of Foshan subway and is easily accessible by various transportation routes;

– Evian Water Bank is a high-end residential and commercial complex located in the Shunde District of Foshan. It is within the Dongping New City area earmarked by the Foshan government as a development focus, and enjoys a river view of the Dongping River to the north. The project site is close to a riverside park to the north and the Foshan Park to the southeast, and also adjacent to various major transportation routes and lines 2 and 6 of Foshan subway;

– Evian Upper City is a residential and commercial complex located in Chancheng District in Foshan, with the view of the Dongping River to the south and the Foshan Asia Arts Park to the west. The site is also conveniently accessible by major highways and transportation routes; and

– Evian Xicheng is a residential and commercial complex located in Nanhai District of Foshan, enjoying the view of Bo Ai Lake to the south.

Guangzhou

In 2013, contracted sales in Guangzhou were RMB907.8 million and contracted sales area was 30,217 sq.m. As at 31 December 2013, total GFA of the Group's projects in Guangzhou reached 1,356,000 sq.m. and the saleable GFA in the future was 649,000 sq.m.

In 2013, the Group's project in Guangzhou was Jinshan Valley, which is a high-end residential and commercial complex located in Panyu District of Guangzhou. It is conveniently adjacent to various major expressways in the area and is within 15 minutes' driving distance from the Pearl River New City, the central business district of Guangzhou.

Chongqing

In 2013, contracted sales in Chongqing were RMB551 million and contracted sales area was 61,558 sq.m. As at 31 December 2013, total GFA of the Group's projects in Chongqing reached 3,973,000 sq.m. and the saleable GFA in the future was 2,975,000 sq.m.

In 2013, the Group's project in Chongqing was Changjiahui, which is an upper-class multi-purpose urban complex located at the Danzishi area in the south central business district of Chongqing, which is one of the key developing areas. Facing the junction of Yangtze River and Jialing River, Changjiahui enjoys a panoramic river view and has high growth potential for property development.

Nanjing

In 2013, contracted sales in Nanjing were RMB1,982.8 million and contracted sales area was 82,286 sq.m. As at 31 December 2013, total GFA of the Group's projects in Nanjing reached 393,000 sq.m. and the saleable GFA in the future was 164,000 sq.m.

In 2013, strong sales of the Group's projects in Nanjing mainly comprise of Yonghuafu and Zijinshan No. 1:

– Yonghuafu is a residential complex located in Jianye District of Nanjing which consists of high-rise, middle-to large-size residential apartments; and

– Zijinshan No. 1 is located in Qixia District of Nanjing and close to the scenic area of Zijin mountain. The project site is conveniently located at the line 2 of Nanjing subway and is easily accessible by various bus routes in the city of Nanjing.

Land Bank

With healthy financial position, the Group made efforts in seizing the opportunities in the land market. After Asset Restructuring, the Group acquired five pieces of land in total through the Company's non wholly-owned subsidiaries. Total land cost of the five pieces of land was RMB7,791.1 million, total site area is approximately 646,836 sq.m. and the total saleable GFA reaches 1,887,377 sq.m. Details of each piece of land acquired are as follows:

Date	**Location**	**Total land cost** *(RMB million)*	**Total site area** *Sq.m.*	**Saleable GFA** *Sq.m.*
November 2013	Nanhai District, Foshan City	357.4	68,072	238,252
November 2013	Shancheng District, Foshan City	920.3	59,363	148,408
November 2013	Yubei District, Chongqing City	4,010.6	402,305	1,101,426
December 2013	Nanhai District, Foshan City	1,042.8	99,317	297,951
January 2014	Panyu District, Guangzhou City	1,460	17,779	101,340

As at 31 December 2013, the land bank held by the Group was approximately 5,590,000 sq.m. The management believes that the existing land bank is sufficient for the Company's project development in the coming around three years. The Group will insist on the strategy of positive but prudent expansion and select the quality land which is suitable for the Group's investment.

Electronic Trading Business and Property Related Procurement Business

In 2013, the turnover of the Group, representing the trading of electronic and electrical products and related components and property related procurement business, was approximately RMB83,543,000 and recorded profit of approximately RMB2,268,000. In the future, the Group will balance the synergies in property related procurement business and the main business in property development business to determine the resources to be allocated to the trading procurement business.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2013, the net assets attributable to shareholders of the Group were approximately RMB11,456,311,000 (2012: approximately RMB3,375,852,000).

In November 2013, the Group completed the reverse takeover from CMPD and placing of shares to the public. The net proceeds was HKD1,819 million. Subsequently, in December 2013, the Group completed the issuance of five-year term credit enhanced bonds in the aggregate principal amount of US$500,000,000 bearing interest rate of 4.021% per annum ("Bond"). The rate of the Bond, which is fixed and unchanged during its subsisting period, bears single interest rather than compound interest and is payable half-yearly. The Bond was listed on the Hong Kong Stock Exchange with effect from 12 December 2013. The fund raised from the issuance of the Bond is for the purpose of general corporate use. On 31 December 2013, total debt of the Group was RMB7,042,741,000 (2012: RMB4,676,386,000). Bank balances and cash was RMB6,618,086,000 (2012: RMB2,134,944,000). In terms of maturity, the outstanding total debt (excluding the Bonds) can be divided into RMB2,000,000,000 to be repaid within one year and RMB2,039,358,000 to be repaid after one year but within two years. In terms of currency denomination, the outstanding total debt can be divided into RMB4,039,358,000 in Renminbi and RMB3,048,450,000 in United States dollars.

At the end of 2013, the Group's net interest-bearing debt to equity ratio (including non-controlling interests) (the "net gearing ratio") was 4% (2012: 75%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio on the industry average level.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, United States dollars ("USD") and HKD. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimized via balancing the monetary assets versus monetary liabilities. As the Bonds were denominated in USD, while the Group conducts its sales, receivables, payables and expenditures in RMB for its PRC property development business, the management will closely monitor the volatility between RMB and USD exchange rates and might consider hedging should the need arises.

MANAGEMENT REVIEW

In 2013, the Group not only stepped on a new stage in the contract sales, but also focused on developing abilities in project design, construction, cost control, marketing and customer services by adopting KPI and BSC, a double-hundred-score assessment mechanism, which promotes results improvement while making efforts to build up the operating and management ability of our team so as to ensure the Group can continue to grow healthily. After years of experience, subsidiaries of the Group in different cities have gradually established their core competitiveness with own characteristics. For example, Guangzhou Company made an effective attempt in green property and achieved an outstanding result. Jinshan Valley project, developed by Guangzhou Company, the vice chairman company of Guangzhou Association of Energy Efficiency and Technology in Building (廣州市建築節能科技協會副會長單位) and member company of Guangzhou Low Carbon Industry Association (廣州市低碳產業協會會員單位), was awarded "2014 Top Ten high-end community in Guangzhou 2014 (2014年廣州十大高端社區)". Foshan Company put their efforts in establishing three core competitiveness — "Excellent Products, Quality Services, Rapid Development" And the comprehensive operational management capability was ranked first in the CMPD, which was an outstanding result. Our major sales project in 2013, Evian Xicheng, won an award in "Yangcheng Evening News — 2013 trendy property selection in Pearl River Delta, China" as the favorite property on the internet (羊城晚報－2013年中國珠三角風向標樓盤評選中榮獲珠三角最佳網絡人氣樓盤)".

Staff is a valuable asset of the Group. Thus the Group also gives care to them to manifest the vision of "家在情在". In 2013, the Group organized "健康體育節" to enrich the cultural life of the staff in their free time, strengthen their body, activate combating spirit in the team and deliver positive energy. Also, the Group started to tell the staff's story, "我愛招商的N個瞬間" in order to spread positive energy at all times. We launched an activity called "運動一小時" to promote healthy lifestyle among us. We also held various activities to show our deep care to the staff, such as "親情時光", "三八節慰問", "夏日送關懷", "驚喜生日會", "美食總動員".

In addition, the Group emphasized on the corporate social responsibility. Last year, we held "綠色公益日活動", Green Love Auction "低碳生活•愛心之約", "綠絲帶" of "築愛行動", an charity activity caring children with special needs, in which the impoverished student assisting activity "感動華園" was upgraded to a charity activity of CMG.

NON-COMPETITION DEED

To minimize actual and potential competition, the Group and CMPD entered into a deed of non-competition dated 19 June 2013 as amended and supplemented on 4 October 2013 (the "Non-Competition Deed"), pursuant to which (i) CMPD and its subsidiaries (excluding the Group) ("CMPD Group") will not compete with the Group in the cities of Foshan, Guangzhou, Chongqing and Nanjing ("Target Cities") except for certain operation transitional assets ("Operation Transitional Assets") located in three out of the four Target Cities ("Overlapping Target Cities") which would be retained by CMPD Group but managed by the Group under certain operation agreement entered into between the Group and CMPD; (ii) the Group will not compete with CMPD in 21 other cities in the PRC ("CMPD Cities"); (iii) and the Group will have a right of first refusal to conduct property business in any city in which neither CMPD nor the Group has any property business as at the date of the Non-Competition Deed. For details of the Non-Competition Deed, the Overlapping Target Cities, Operation Transitional Assets and the CMPD Cities, please refer to the section headed "Relationship with the Controlling Shareholders" in the circular of the Company dated 10 October 2013.

Pursuant to the Non-Competition Deed, the Company and CMPD had carried out an annual review for the year ended 31 December 2013 jointly the respective portfolios of property projects of the Company and CMPD in the Target Cities and the CMPD Cities. As a result of such review, the Company and CMPD noted that there had not been any material change in their respective properties portfolios or in the geographical delineation between the Company and CMPD and had determined that no adjustment or amendment to the Non-Competition Deed was necessary.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the quarterly reports prepared by the Company's management containing latest information on the respective property projects portfolios of CMPD Group and the Group; (ii) carried out a review on the implementation of and compliance with the Non-Competition Deed by CMPD Group and the Group during the year ended 31 December 2013; and (iii) confirmed that the terms of the Non-Competition Deed had been complied with by CMPD Group and the Group during the year ended 31 December 2013.

The Group will continue focusing on developing its property business in the four Target Cities and will select other cities carefully for investment and development should appropriate opportunities arise.

OUTLOOK AND PROSPECTS

Looking forward to 2014, the Group will keep on monitoring the market and be prudent and pragmatic against market change. We will develop in-depth in the Target cities, namely, Foshan, Guangzhou, Chongqing and Nanjing, and will consider entering into second-tier cities which have huge population, strong potential economic development, such as Xian. Meanwhile, the Group will actively explore and expand the opportunities in the overseas market by leveraging on experience and advantages of China Merchants Group in the overseas development.

It is anticipated that the aggregate construction area of property projects developed by the Group will reach 1,800,000 sq.m. with approximately 15 saleable projects in 2014, providing an abundant supply of stock.

As the only offshore listing platform for the flagship enterprise under China Merchants Group's property business, the Group will fully capitalize the experience and resources of CMPD in project design, operation and property management and expand its business scale and capacity by leveraging on its function as an offshore listing platform in order to create value to investors.

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 December 2013, the Group had 343 (2012: 342 employees in the PRC and Hong Kong) employees in the PRC and Hong Kong.

The Group's total expenses on salaries and allowances (including directors' remuneration) for the year ended 31 December 2013 was approximately RMB125,874,000 (2012: RMB128,392,000). Apart from basic salaries, fringe benefits such as contributions to the state-managed retirement benefit schemes and MPF scheme and group medical insurance also offered to the employees. A share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the "2011 Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 December 2013.

CONTINGENT LIABILITIES

The Group has contingent liabilities amounted to RMB464,153,000 as at 31 December 2013 (31 December 2012: RMB29,466,000).

PLEDGE OF ASSETS

As at 31 December 2013, the Group did not have any charges on its property, plant and equipment.

As at 31 December 2012, the Group had pledged the properties under development for sale amounted to RMB554,429,000 to secure the bank borrowing and banking facilities granted to the Group.

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

During the year ended 31 December 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee comprises two independent non-executive directors and one non-executive director. Dr. Wong Wing Kuen, Albert, chairman of the Audit Committee, has the appropriate professional qualification and experience in financial matters as required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). This committee is authorized by the Board and is responsible for reviewing the financial reports, internal control principles and for maintaining an appropriate relationship with the Company's auditors. The Audit Committee has reviewed the Group's consolidated financial statement for the year ended 31 December 2013, including the accounting principles and practices adopted by the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures above in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in this preliminary results announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CORPORATE GOVERNANCE CODE

In the opinion of the Board, save as mentioned below, the Company had complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules during the year ended 31 December 2013.

During the year ended 31 December 2013, the Company had the following deviations from the CG Code:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. During the year ended 31 December 2013, the Company had not appointed an individual to be the chief executive officer and the roles of the chief executive officer have been performed collectively by all the executive Directors. The Board considers that this arrangement allows contributions from all executive Directors with different expertise and is beneficial to the continuity of the Company's policies and strategies. Prior to the appointment of Mr. He Jianya as a non-executive Director and chairman of the Board on 8 August 2013, the chairman of the Board was an executive Director, i.e., Mr. Huang Peikun, who resigned from all such positions with effect from 8 August 2013. As a result of the appointment of a non-executive Director to be the chairman of the Board, the Board considers that the Company has since 8 August 2013 complied with Code Provision A.2.1.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment. However, all of them are subject to the requirement to retire by rotation at least once every 3 years at annual general meetings under the Company's articles of association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Dr. Shi Xinping, an independent non-executive Director, did not attend the extraordinary general meeting of the Company held on 2 July 2013 due to other business engagement. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2013.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on Monday, 12 May 2014. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 12 May 2014, the register of members of the Company will be closed from 9 May 2014 to 12 May 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, Tricor Tengis Limited, at 26/F, 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 no later than 4:30 p.m. on 8 May 2014.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company for the year ended 31 December 2013 containing all information required by the Listing Rules will be despatched to the Company's shareholders and published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at ir.cmland.hk.

On behalf of the Board
He Jianya
Chairman

Hong Kong, 7 March 2014

As at the date of this announcement, the Board comprises Dr. So Shu Fai, Mr. Hu Jianxin, Mr. Liu Zhuogen and Mr. Yu Zhiliang as Executive Directors; Mr. He Jianya, Ms. Wu Zhenqin and Ms. Liu Ning as Non-executive Directors and Dr. Wong Wing Kuen, Albert, Ms. Chen Yanping, Dr. Shi Xinping and Mr. He Qi as Independent Non-executive Directors.