恒盛地產
GLORIOUS PROPERTY

Glorious Property Holdings Limited
恒盛地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 845)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of Glorious Property Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2013 ("2013 Annual Results"). The 2013 Annual Results have been reviewed by the audit committee of the Company (the "Audit Committee") and approved by the Board on 28 March 2014.

FINANCIAL HIGHLIGHTS

- Revenue decreased by 2.0% to RMB8,217.2 million and the average selling price was RMB8,687 per sq.m.

- Profit attributable to the owners of the Company decreased by 73.0% to RMB292.1 million

- Gearing ratio was 87.4%

- Equity attributable to the owners of the Company increased by 1.6% to RMB18,449.9 million

- The Group achieved property sales of RMB7,311.4 million. The GFA sold was 577,154 sq.m.

- The total land bank of the Group was 15.2 million sq.m. and the average land cost was RMB1,357 per sq.m.

OVERALL RESULTS

For the year ended 31 December 2013, the Group recorded a consolidated revenue of RMB8,217.2 million, representing a decrease of 2.0% compared to RMB8,384.7 million in 2012. The Group's profit attributable to owners of the Company for the year ended 31 December 2013 was RMB292.1 million, representing a decrease of 73.0% compared to RMB1,081.6 million for 2012. Profit attributable to the owners of the Company for the year ended 31 December 2013 (excluding the fair value gain of investment properties and the related tax effect) amounted to RMB151.4 million, representing a decrease of 78.5% from RMB703.4 million for 2012.

Basic earnings per share for the year ended 31 December 2013 was RMB0.04 (2012: RMB0.14).

The Board has resolved not to recommend for shareholders' approval at its forthcoming annual general meeting on Friday, 30 May 2014 the payment of a final dividend for the year ended 31 December 2013.

BUSINESS REVIEW

I. Revenue

For the year ended 31 December 2013, the Group recorded a consolidated revenue of RMB8,217.2 million, representing a decrease of 2.0% from RMB8,384.7 million in 2012. The sold and delivered GFA decreased by 9.3% to 945,952 sq.m. in 2013 from 1,042,891 sq.m. in 2012. The average selling price recognised increased by 8.0% to RMB8,687 per sq.m. in 2013 from RMB8,040 per sq.m. in 2012.

In 2013, the Group recognised revenue for a total of 21 projects. Nine projects located in the first-tier cities (including Shanghai and Beijing) accounted for 47.5% of the Group's total revenue while the other 12 projects located in the second- and third-tier cities accounted for 52.5% of the total revenue. In 2013, 39.8% of the revenue was contributed by projects in the Shanghai Region, 29.3% by projects in the Yangtze River Delta (excluding Shanghai), 11.9% by projects in the Pan Bohai Rim and 19.0% by projects in Northeast China.

Projects sold and delivered in 2013 and 2012 included:

Projects sold and delivered	**City**	**2013**			2012		
		Revenue *(RMB'000)*	**GFA sold and delivered** *(sq.m.)*	**Average selling price recognised** *(RMB per sq.m.)*	Revenue *(RMB'000)*	GFA sold and delivered *(sq.m.)*	Average selling price recognised *(RMB per sq.m.)*
Sunshine Venice	Shanghai	**74,260**	**4,541**	**16,353**	17,669	657	26,893
Chateau De Paris	Shanghai	**416**	**92**	**4,522**	2,217	302	7,341
Shanghai Park Avenue	Shanghai	**790**	**170**	**4,647**	1,168	212	5,509
Shanghai Bay	Shanghai	**1,469,745**	**27,916**	**52,649**	1,057,294	17,284	61,172
Shanghai City Glorious	Shanghai	**1,674,838**	**195,472**	**8,568**	—	—	N/A
Royal Lakefront	Shanghai	**55,058**	**3,848**	**14,308**	462,516	33,850	13,664
Sunshine Bordeaux	Beijing	**21,826**	**2,532**	**8,620**	63,654	8,034	7,923
Glorious Artstyle Townhouse	Beijing	**601,399**	**70,815**	**8,493**	—	—	N/A
Royal Mansion	Beijing	**8,641**	**331**	**26,106**	67,007	2,812	23,830
Sunshine Holiday	Tianjin	**—**	**—**	**N/A**	25,996	2,433	10,686
Tianjin Royal Bay Seaside	Tianjin	**342,655**	**64,821**	**5,286**	—	—	N/A
No.1 City Promotion	Wuxi	**544,241**	**86,646**	**6,281**	6,172	1,028	6,004
Nantong Glorious Chateau	Nantong	**4,348**	**933**	**4,660**	33,655	6,326	5,320
Nantong Villa Glorious	Nantong	**63,095**	**10,725**	**5,883**	1,557,654	186,730	8,342
Nantong Royal Bay	Nantong	**789,244**	**66,814**	**11,813**	836,077	65,390	12,786
Hefei Villa Glorious	Hefei	**601,035**	**94,530**	**6,358**	559,284	87,899	6,363
Hefei Royal Garden	Hefei	**404,735**	**78,613**	**5,148**	781,114	152,977	5,106
Sunny Town	Shenyang	**135,357**	**18,014**	**7,514**	510,724	74,737	6,834
Harbin Villa Glorious	Harbin	**334,657**	**46,113**	**7,257**	618,475	84,759	7,297
Harbin Royal Garden	Harbin	**288,873**	**38,595**	**7,485**	1,007,834	129,521	7,781
Changchun Villa Glorious (East)	Changchun	**36,838**	**8,957**	**4,113**	775,971	187,940	4,129
Dalian Villa Glorious	Dalian	**765,143**	**125,474**	**6,098**	—	—	N/A
Subtotal		**8,217,194**	**945,952**	**8,687**	8,384,481	1,042,891	8,040
Other revenue		**—**			259		
Total		**8,217,194**			8,384,740		

II. Property Sales

In 2013, the Group achieved property sales of RMB7,311.4 million, representing a year-on-year ("YOY") decrease of 33.1%. The GFA sold was 577,154 sq.m., representing a YOY decrease of 54.7%.

Yangtze River Delta was the region that achieved the largest amount of the Group's property sales in 2013. It accounted for 45.0% of the Group's total property sales, amounting to RMB3,293.5 million and representing a YOY increase of 39.8%. Properties of Nanjing Royal Bay were firstly launched in current year and contributed a significant portion of the property sales to the Yangtze River Delta in 2013. Property sales of Shanghai Region although decreased by 42.2% as compared to 2012, it still contributed RMB2,590.4 million to the Group's total property sales, which represented approximately 35.4% of the Group's total property sales for 2013. Property sales of Northeast China decreased by 69.4% as compared to 2012 as there was no major launch of new projects in 2013.

Property sales for 2013 from the first-tier cities (Shanghai and Beijing) and second- and third-tier cities amounted to RMB2,863.5 million and RMB4,447.9 million respectively, accounted for 39.2% and 60.8% to the Group's total property sales for 2013.

Property sales and GFA sold by region in 2013 and 2012 are as follows:

Region	**Property sales** ***(RMB'000)***			**GFA sold** ***(sq.m.)***		
	2013	2012	Change (%)	**2013**	2012	Change (%)
Shanghai Region	**2,590,440**	4,481,590	-42.2%	**94,051**	305,092	-69.2%
Yangtze River Delta	**3,293,479**	2,355,261	39.8%	**264,878**	335,114	-21.0%
Pan Bohai Rim	**398,826**	737,649	-45.9%	**47,770**	105,087	-54.5%
Northeast China	**1,028,692**	3,355,924	-69.4%	**170,455**	529,309	-67.8%
Total	**7,311,437**	10,930,424	-33.1%	**577,154**	1,274,602	-54.7%

In 2014, the Group expects to launch properties from 22 projects to the market for sale with a total saleable GFA of approximately 1.6 million sq.m..

Shanghai Region, Yangtze River Delta, Pan Bohai Rim and Northeast China accounts for 14.3%, 41.5%, 11.6% and 32.6% respectively of the Group's saleable GFA which are expected to be available for sale in 2014. In terms of saleable area, Yangtze River Delta and Northeast China will be the major regions in contributing to the sales of the Group in 2014.

Details of the projects which are expected to be available for sale in 2014 are as follows:

City		Project	Saleable GFA *(sq.m.)*	Interests attributable to the Group
Shanghai Region				
1	Shanghai	Shanghai Bay	12,038	100%
2	Shanghai	Sunshine Venice	27,170	100%
3	Shanghai	Shanghai City Glorious	108,016	100%
4	Shanghai	Shanghai Xinyamingdi Project	81,760	100%
	Subtotal		228,984	
Yangtze River Delta				
5	Nanjing	Nanjing Royal Bay	132,411	60%
6	Nantong	Nantong Villa Glorious	56,425	100%
7	Nantong	Nantong Glorious Chateau	98,791	100%
8	Nantong	Nantong Royal Bay	131,302	100%
9	Hefei	Hefei Villa Glorious	3,617	100%
10	Hefei	Hefei Royal Garden	27,080	100%
11	Hefei	Hefei Bashangjie Project	77,540	100%
12	Wuxi	No.1 City Promotion	135,432	100%
	Subtotal		662,598	
Pan Bohai Rim				
13	Beijing	Royal Mansion	467	100%
14	Beijing	Sunshine Bordeaux	13,500	100%
15	Tianjin	Sunshine Holiday	69,957	100%
16	Tianjin	Tianjin Royal Bay Seaside	101,000	100%
	Subtotal		184,924	
Northeast China				
17	Shenyang	Sunny Town	15,143	100%
18	Dalian	Dalian Villa Glorious	20,102	100%
19	Dalian	Dalian Plot No. 200	218,921	70%
20	Changchun	Changchun Villa Glorious	177,076	100%
21	Harbin	Harbin Villa Glorious	49,533	100%
22	Harbin	Harbin Royal Garden	41,033	100%
	Subtotal		521,808	
Total			**1,598,314**	

III. Construction and Development

In 2013, the total residential GFA completed by the Group was approximately 1.3 million sq.m.. Projects under construction in all regions progressed as planned, adding another approximately 0.6 million sq.m. to the new construction area.

During the year, the Group entirely fostered the establishment of standardisation system and further strengthened its project management, construction management, cash flow management and capital management. The management efficiency and project control were further enhanced. By reinforcing the management capabilities of the cost management center and project management center and establishing a sturdy mechanism in project quality management, the Group endeavored to strike a sustainable balance between project quality enhancement and progress of projects.

IV. Land Bank

The Group maintained a prudent investment strategy in acquiring land and reasonably acquired new land based on the condition of cash flow and financial resources. In November 2013, the Group acquired a new parcel of land in Shanghai at the land cost of approximately RMB1,245 million, with a total area for development of 81,760 sq.m..

As at 31 December 2013, the total land bank of the Group was 15.2 million sq.m., which was sufficient to meet its development need over the next five years. The average land cost was RMB1,357 per sq.m.. The relatively low-cost land bank provided the Group with a strong foundation in maintaining its sustainable development and generating higher profit margins in the future. The Group's land bank was evenly distributed over first-, second- and third-tier cities, of which 20.9% in first-tier cities and 79.1% in second- and third-tier cities.

Details of land bank by project as at 31 December 2013 were as follows:

	Project	City	Location	Use	Land bank *(sq.m.)*	Average land cost *(RMB per sq.m.)*	Interests attributable to the Group
Shanghai Region							
1	Shanghai Bay	Shanghai	Xuhui District	Residential, hotel, serviced apartment, office and commercial	709,802	611	100%
2	Sunshine Venice	Shanghai	Putuo District	Residential, hotel and commercial	41,757	554	100%
3	Royal Lakefront	Shanghai	Fengxian District	Residential and commercial	137,551	1,870	100%
4	Shanghai City Glorious	Shanghai	Baoshan District	Residential and commercial	583,561	923	100%
5	Caohejing Project	Shanghai	Xuhui District	Office, hotel and commercial	121,300	9,703	100%
6	Zhongcao Xincun Project	Shanghai	Xuhui District	Serviced apartment and commercial	91,000	9,703	100%
7	Shanghai Xinyamingdi Project	Shanghai	Fengxian District	Residential	81,760	15,228	100%
	Subtotal				1,766,731	2,580	
Yangtze River Delta							
8	Nantong Glorious Chateau	Nantong	New District, Rugao Port Zone	Residential and commercial	4,144,373	322	100%
9	Nantong Royal Garden	Nantong	Rugao Town	Residential and commercial	388,859	1,282	100%
10	Nantong Glorious Plaza	Nantong	New District	Hotel, office and commercial	297,486	348	100%
11	Nantong Royal Bay	Nantong	Chongchuan District	Residential, office and commercial	544,705	4,719	100%
12	No.1 City Promotion	Wuxi	Wuxi New District	Residential, hotel and commercial	238,094	679	100%
13	Classical Life	Suzhou	Changshu New District	Residential and commercial	10,052	1,446	100%
14	Hefei Bashangjie Project	Hefei	Yaohai District	Residential, hotel, office and commercial	1,347,100	881	100%
15	Hefei Royal Garden	Hefei	Luyang District	Residential, hotel and commercial	211,254	1,207	100%
16	Nanjing Royal Bay	Nanjing	Xiaguan District	Residential and commercial	663,913	6,013	60%
	Subtotal				7,845,836	1,289	

Project		City	Location	Use	Land bank *(sq.m.)*	Average land cost *(RMB per sq.m.)*	Interests attributable to the Group
Pan Bohai Rim							
17	Sunshine Holiday	Tianjin	Hedong District East	Residential, hotel and commercial	72,281	799	100%
18	Tianjin Royal Bay Seaside	Tianjin	Dagang District	Residential, hotel and commercial	841,727	1,396	100%
19	Tianjin Royal Bay Lakeside	Tianjin	Tuanbohu District	Residential and commercial	1,567,303	1,225	70%
20	Royal Mansion	Beijing	Haidian District	Residential and commercial	90,406	3,395	100%
21	Sunshine Bordeaux	Beijing	Daxing District	Residential and commercial	1,320,752	493	100%
	Subtotal				3,892,469	1,056	
Northeast China							
22	Harbin Villa Glorious	Harbin	Qunli New District	Residential and commercial	27,453	979	100%
23	Sunny Town	Shenyang	Yuhong District	Residential and commercial	120,023	1,133	100%
24	Changchun Villa Glorious (East)	Changchun	New and High-tech District	Residential and commercial	358,471	868	100%
25	Changchun Villa Glorious (West)	Changchun	New and High-tech District	Residential and commercial	845,088	1,004	100%
26	Dalian Plot No. 200	Dalian	Jinzhou New District	Residential and commercial	344,000	1,497	70%
	Subtotal				1,695,035	1,084	
Total					**15,200,071**	**1,357**	

V. Development of Commercial Properties

The Group will steadily foster the development of its commercial properties. As at 31 December 2013, the Group has completed commercial properties of approximately 276,000 sq.m., and around 826,000 sq.m. of commercial property projects were still under construction.

Retail commercial properties, high-end office buildings and high-end hotels account for 61.6%, 20.7% and 17.7% of the total commercial properties of the Group respectively. The Group plans to retain the ownership of most of the commercial properties to secure stable rental income.

FUTURE OUTLOOK

In 2014, the global economy will end its downturn period over the three years and enter into a new phase of weak recovery and growth. The real global GDP growth rate was 2.4% in 2013, and the global GDP growth rate is expected to be 3.1% in the coming year and tends to be stable. Despite facing an optimistic environment, 2014 will be a year for the quantitative easing policies to exit. It is expected that the global and Chinese economy will experience increase in interest rate and capital volatility. The stronger economic recovery momentum of developed countries together with the gradual exit of quantitative easing policies of the U.S. Federal Reserve has created a more stringent external financial environment for the emerging economies which are already facing considerable uncertainties. The uncertainties in liquidity may also increase, further exerting impact on economic growth of certain emerging countries, and hence, volatility risk still exists.

In light of the complicated domestic and international environment, the growth of Chinese economy will further slow down. The Central Government of China will lay great emphasis on providing guidance to different areas and regard the long-term mechanism as its focus of austerity measures. As the gradual implementation of advanced measures such as confirmation of ownership of collectively-owned land, real estate registration and financial liberalisation, the development of property market will start a new chapter. In addition, with an increase in residential land and supply in residential house, imbalance between supply and demand is expected to ease and the development of the industry tends to be more rational. However, the segregation among different regional markets will further intensify and the Central Government of China will adopt a more differentiated approach to austerity measures on the property industry. Its direction towards curbing the investment and speculative demand will not change, with a view to optimising the long-term mechanism of austerity measures on property market, thereby fostering the healthy development of the property market in China.

Under the conditions of steady macroeconomic growth and robust monetary policies, it is expected that the property market will maintain its stable development in 2014, and the property prices will rise steadily. The Group expects that the market concentration rate in the property market will elevate and the industry consolidation will intensify. Property developers have to reasonably assess risks and opportunities in various markets and optimise the layout in different cities according to their respective market positioning and strategic planning. Meanwhile, it is necessary to pay close attention to market changes, to have insights into future trends and to grasp the policy trends so as to deliver products of reasonable prices that can fulfill the market demand.

Market Strategy

The Group will closely monitor changes of market conditions and proactively respond to market and policy changes. Project development, sales of existing projects and delivery of new projects will be accelerated, so as to speed up cash inflows from sales. Quality projects will be developed to satisfy the self-use demand of the market. In terms of pricing, the Group will determine reasonable prices for projects based on the latest trend in the market. The Group will continue to maintain its leading position in Shanghai region and further expedite its development in regions including Northeast China and Yangtze River Delta. The implementation of the development strategy regarding city penetration will be continued, and emphasis will be put on cities and regions where sound sales performance was achieved.

Investment Strategy

The Group will continue to adhere to its investment strategy of "balancing inflows and outflows". It will appropriately acquire quality land bank according to the conditions of sales and cash inflows, the requirements to maintain a sound financial position and the total amount, distribution and layout of the Group's land bank. In addition, the Group will continue to maintain its leading position in Shanghai region and will also moderately increase investment in first- and second-tier major cities and optimise land portfolio in order to establish a solid foundation for a steady development in the future. In 2014, more emphasis will be attached to projects of lower cost, higher turnover and those which can fulfill the rigid demand.

Operational Strategy

The Group will adopt its operation philosophy of "Progress while Preserving Stability" to speed up the development of existing projects and delivery of new projects so as to provide sufficient resources available for sale. It will also foster product standardisation and endeavor to increase the asset turnover. To enhance the execution capability of the Group, the Group will strive to establish a more professional operations management team to steadily advance the enhancement of its management model, systems and mechanisms as well as the operating efficiency. Meanwhile, the Group will continue to intensify the control over cost and quality in order to constantly uplift the performance-to-price ratio of its products.

Financial Strategy

The Group will continue to adhere to its prudent financial policy, enhance cash flow management, and control its total borrowings at a reasonable level so as to effectively manage and control its financial risks. The Group will further improve its debt structure and capital structure by adopting a more diversified approach to financing through multiple platforms and channels. Meanwhile, capital expenditure budgeting management will be stringently implemented.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

RMB'000	*Note*	**2013**	2012
Revenue	*2*	**8,217,194**	8,384,740
Cost of sales		**(7,166,239)**	(6,463,366)
Gross profit		**1,050,955**	1,921,374
Other income	*3*	**101,634**	82,043
Other gains, net	*4*	**298,587**	520,077
Selling and marketing expenses		**(269,759)**	(235,457)
Administrative expenses		**(471,108)**	(405,582)
Finance costs	*5*	**(2,548)**	(8,326)
Share of loss of an associate		**(2,879)**	(1,704)
Share of loss of a joint venture		**(7,068)**	(3,382)
Profit before income tax		**697,814**	1,869,043
Income tax expenses	*6*	**(409,284)**	(790,855)
Profit for the year		**288,530**	1,078,188
Profit for the year attributable to:			
— the owners of the Company		**292,074**	1,081,631
— non-controlling interests		**(3,544)**	(3,443)
		288,530	1,078,188
Other comprehensive income		**—**	—
Total comprehensive income for the year		**288,530**	1,078,188
Total comprehensive income for the year attributable to:			
— the owners of the Company		**292,074**	1,081,631
— non-controlling interests		**(3,544)**	(3,443)
		288,530	1,078,188
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share)			
— Basic	*7*	**0.04**	0.14
— Diluted	*7*	**0.04**	0.14

CONSOLIDATED BALANCE SHEET
As at 31 December 2013

RMB'000	*Note*	**2013**	2012
Non-current assets			
Property, plant and equipment		**1,385,038**	1,102,115
Investment properties		**12,278,106**	10,607,946
Intangible assets		**1,800**	2,305
Investment in an associate		**1,606**	4,485
Investment in a joint venture		**15,317**	22,385
Loan to a joint venture		**1,843,081**	1,978,997
Deferred income tax assets		**430,833**	312,487
		15,955,781	14,030,720
Current assets			
Properties under development		**21,794,177**	22,256,445
Completed properties held for sale		**5,643,228**	5,044,360
Inventories		**5,143**	7,275
Trade and other receivables and prepayments	*9*	**7,310,623**	7,774,301
Prepaid taxes		**312,990**	213,886
Restricted cash		**1,405,492**	2,307,440
Cash and cash equivalents		**1,547,289**	992,749
		38,018,942	38,596,456
Total assets		**53,974,723**	52,627,176
Current liabilities			
Advanced proceeds received from customers		**4,365,089**	5,668,013
Trade and other payables	*10*	**4,599,206**	5,606,416
Income tax payable		**4,423,563**	4,454,249
Borrowings	*11*	**5,316,571**	6,094,505
Obligations under finance lease		**868**	868
		18,705,297	21,824,051
Net current assets		**19,313,645**	16,772,405
Total assets less current liabilities		**35,269,426**	30,803,125

RMB'000	*Note*	**2013**	2012
Non-current liabilities			
Borrowings	*11*	**13,768,808**	9,689,677
Deferred income tax liabilities		**1,745,788**	1,654,072
Obligations under finance lease		**17,758**	17,571
		15,532,354	11,361,320
Net assets		**19,737,072**	19,441,805
EQUITY			
Capital and reserves attributable to the owners of the Company			
Share capital		**68,745**	68,745
Share premium		**7,822,982**	7,822,982
Reserves		**10,558,154**	10,259,343
		18,449,881	18,151,070
Non-controlling interests		**1,287,191**	1,290,735
Total equity		**19,737,072**	19,441,805

NOTES:

1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared in accordance with the HKFRSs under the historical cost convention, as modified by the revaluation of investment properties.

For the year ended 31 December 2013, the Group's operating cash outflow was RMB2,589,351,000 (2012: RMB156,113,000). In view of the operating cash outflows for consecutive years, the directors have reviewed the working capital forecast for the next twelve months from the date of this report in order to assess whether the preparation of these financial statements on a going concern basis is appropriate. In assessing whether this forecast is reasonable, one of the key factors that the directors have considered is the sufficiency of bank financing to be made available to the Group. The directors have reviewed the Group's past banking relationships with the banks and the bank financing available to the Group as at 31 December 2013, they are of the view that the Group has been in good relationship with the major banks as reflected by the fact that the Group was able to obtain new bank loans or have the existing loans extended and/or renewed throughout 2013 and up to the date of this report. Besides, also considering the fact that as at 31 December 2013, the Group's short-term debt ratio (defined as current borrowings as a percentage to the Group's total borrowings) was only 27.9%, the directors consider it is a reasonable expectation that the Group will have sufficient funds to meet its financial obligations as and when they fall due and the Group will continue its operation for the foreseeable future. Accordingly, the directors consider the preparation of the consolidated financial statements on a going concern basis is appropriate.

(i) Effect of adopting new standards, amendments to standards and interpretation

The following new standards, amendments to standards and interpretation are mandatory for the Group's financial year beginning on 1 January 2013:

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

The adoption of the above new standards and amendments has no significant impact to the Group's financial position for all periods presented in this report.

(ii) ***New Standards, amendments to standards and interpretation that have been issued but are not effective***

The following amendments to standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group:

HKAS 19 (Amendment)	Defined Benefit Plans – Employee Contributions
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 9	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HK (IFRIC) – Int 21	Levies
HKFRSs Amendment	Annual Improvements 2010–2012 Cycle
HKFRSs Amendment	Annual Improvements 2011–2013 Cycle

2 Segment information

The Executive Directors have been identified as the chief operating decision-maker. Management determines the operating segments based on the Group's internal reports, which are submitted to the Executive Directors for performance assessment and resources allocation.

The Executive Directors consider the business from geographical perspective and assesses the performance of property development in four reportable operating segments, namely Shanghai Region, Yangtze River Delta (excluding Shanghai), Pan Bohai Rim and Northeast China. "Others" segment represents corporate support functions.

The Executive Directors assess the performance of the operating segments based on a measure of segment results. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Other information provided, except as noted below, to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

Total segment assets excluded deferred income tax assets and other unallocated corporate assets. Other unallocated corporate assets represent interest expenses incurred at corporate which have been capitalised on qualifying assets of the subsidiaries.

Sales between segments are carried out in terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the Executive Directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Total**
Year ended 31 December 2013						
Total revenue	**3,281,836**	**2,406,698**	**974,521**	**1,560,868**	**—**	**8,223,923**
Inter-segment revenue	**(6,729)**	**—**	**—**	**—**	**—**	**(6,729)**
Revenue (from external customers)	**3,275,107**	**2,406,698**	**974,521**	**1,560,868**	**—**	**8,217,194**
Segment results	**1,152,228**	**(61,316)**	**(292,091)**	**(22,024)**	**17,748**	**794,545**
Depreciation and amortisation	**(9,654)**	**(3,657)**	**(3,108)**	**(2,433)**	**(1,962)**	**(20,814)**
Fair value changes of investment properties	**42,432**	**255,449**	**80,538**	**(190,916)**	**—**	**187,503**
Provision for impairment of properties under development and completed properties held for sale	**(14,471)**	**(161,971)**	**(109,111)**	**—**	**—**	**(285,553)**
Provision for impairment of other receivables and prepayments	**—**	**—**	**(30,000)**	**—**	**(15,000)**	**(45,000)**
Interest income	**39,967**	**27,014**	**830**	**780**	**1,090**	**69,681**
Finance costs	**(2,501)**	**(3)**	**—**	**(44)**	**—**	**(2,548)**
Income tax expenses	**(442,237)**	**(64,673)**	**62,584**	**35,042**	**—**	**(409,284)**
Year ended 31 December 2012						
Total revenue	1,545,099	3,773,956	156,657	2,913,004	—	8,388,716
Inter-segment revenue	(3,976)	—	—	—	—	(3,976)
Revenue (from external customers)	1,541,123	3,773,956	156,657	2,913,004	—	8,384,740
Segment results	402,519	652,552	(42,050)	475,931	(77,850)	1,411,102
Depreciation and amortisation	(12,757)	(3,764)	(4,404)	(2,743)	(1,951)	(25,619)
Fair value changes of investment properties	222,975	287,151	1,574	(7,420)	—	504,280
Provision for impairment of properties under development and completed properties held for sale	—	—	(54,173)	—	—	(54,173)
Interest income	2,702	36,573	1,075	651	778	41,779
Finance costs	(2,838)	(1,347)	(60)	(4,081)	—	(8,326)
Income tax expenses	(229,999)	(358,519)	8,896	(211,233)	—	(790,855)

RMB'000	**Shanghai Region**	**Yangtze River Delta (excluding Shanghai)**	**Pan Bohai Rim**	**Northeast China**	**Others**	**Elimination**	**Total**
At 31 December 2013							
Total segment assets	**33,377,638**	**26,085,406**	**6,037,854**	**6,626,588**	**8,305,395**	**(31,517,270)**	**48,915,611**
Total segment assets include:							
Investment in an associate	**1,606**	**—**	**—**	**—**	**—**	**—**	**1,606**
Investment in a joint venture	**15,317**	**—**	**—**	**—**	**—**	**—**	**15,317**
Deferred income tax assets							**430,833**
Other unallocated corporate assets							**4,628,279**
Total assets							**53,974,723**
Additions to:							
Property, plant and equipment	**314,891**	**1,512**	**78**	**51**	**30**	**—**	**316,562**
Investment properties	**362,528**	**697,551**	**159,662**	**262,916**	**—**	**—**	**1,482,657**
At 31 December 2012							
Total segment assets	30,552,726	26,397,719	7,952,848	7,373,071	8,218,177	(32,197,311)	48,297,230
Total segment assets include:							
Investment in an associate	4,485	—	—	—	—	—	4,485
Investment in a joint venture	22,385	—	—	—	—	—	22,385
Deferred income tax assets							312,487
Other unallocated corporate assets							4,017,459
Total assets							52,627,176
Additions to:							
Property, plant and equipment	407,364	406	51	1,324	266	—	409,411
Investment properties	611,219	718,849	18,426	197,509	—	—	1,546,003

RMB'000	**2013**	2012
Segment results	**794,545**	1,411,102
Fair value changes of investment properties	**187,503**	504,280
Depreciation and amortisation	**(20,814)**	(25,619)
Provision for impairment of properties under development and completed properties held for sale	**(285,553)**	(54,173)
Provision for impairment of other receivables and prepayments	**(45,000)**	—
Operating profit	**630,681**	1,835,590
Interest income	**69,681**	41,779
Finance costs	**(2,548)**	(8,326)
Profit before income tax	**697,814**	1,869,043

Analysis of revenue by category

RMB'000	**2013**	2012
Sales of properties	**8,217,194**	8,384,481
Others	**—**	259
Total	**8,217,194**	8,384,740

3 Other income

RMB'000	**2013**	2012
Interest income	**69,681**	41,779
Rental income	**29,818**	30,430
Others	**2,135**	9,834
	101,634	82,043

4 Other gains, net

RMB'000	**2013**	2012
Fair value changes of investment properties	**187,503**	504,280
Exchange gains, net	**111,084**	15,797
	298,587	520,077

5 Finance costs

RMB'000	**2013**	2012
Interest expenses for borrowings wholly repayable within 5 years:		
— Bank borrowings	**1,839,334**	1,519,148
— Senior Notes due 2015	**250,847**	254,732
— Senior Notes due 2018	**271,034**	—
— others	**133,467**	36,959
Interest expenses for borrowings wholly repayable after 5 years:		
— Bank borrowings	**6,787**	42,505
Total interest expenses	**2,501,469**	1,853,344
Less: interest capitalised on qualifying assets	**(2,498,921)**	(1,845,018)
	2,548	8,326

6 Income tax expenses

RMB'000	**2013**	2012
Current income tax		
— PRC corporate income tax	**300,194**	363,990
— PRC land appreciation tax	**286,623**	253,492
Overprovision in prior year		
— PRC land appreciation tax and the effect on the PRC corporate income tax, net	**(150,903)**	—
	435,914	617,482
Deferred income tax		
— Origination and reversal of temporary differences	**(26,630)**	173,373
	(26,630)	173,373
	409,284	790,855

PRC corporate income tax is provided at the rate of 25% for each of the years ended 31 December 2012 and 2013 of the profits for the PRC statutory financial reporting purpose, adjusted for those items which are not assessable or deductible for the PRC corporate income tax purpose.

No Hong Kong profits tax has been provided for the years ended 31 December 2012 and 2013 as there is no assessable profit for these years.

PRC land appreciation tax ("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 lease charges of land use rights and all property development expenditures, which is included in the consolidated statement of comprehensive income as income tax. The Group has estimated the tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

7 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2013	2012
Profit attributable to the owners of the Company (RMB'000)	**292,074**	1,081,631
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646

(b) Diluted

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. For each of the years ended 31 December 2012 and 2013, the Company's share options had no dilutive effect, as the relevant exercise price was higher than the average market price of the Company's shares for the period when the options are outstanding.

	2013	2012
Earnings		
Profit attributable to the owners of the Company (RMB'000)	**292,074**	1,081,631
Number of Shares		
Weighted average number of ordinary shares in issue (thousands)	**7,792,646**	7,792,646
Adjustment for share options (thousands)	**—**	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**7,792,646**	7,792,646

8 Dividend

The Board has resolved not to recommend for shareholders' approval at its forthcoming annual general meeting on 30 May 2014 the payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

9 Trade and other receivables and prepayments

RMB'000	**2013**	2012
Trade receivables due from third parties (a)	**411,243**	52,781
Other receivables due from third parties (b)	**1,332,110**	1,280,982
Prepayments for construction costs:	**1,990,114**	2,084,762
Related parties	**1,069,946**	1,013,083
Third parties	**920,168**	1,071,679
Prepayments for land premium	**3,360,586**	4,095,324
Prepaid business tax and other taxes	**216,570**	260,452
	7,310,623	7,774,301

(a) Trade receivables mainly arise from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements and customers are generally required to settle the receivables within 30 days after the date of signing the sales and purchase agreements. The ageing analysis of trade receivables at the balance sheet dates based on revenue recognition date is as follows:

RMB'000	**2013**	2012
Within 6 months	**374,547**	16,912
Between 7 and 12 months	**13,280**	11,898
Between 13 months and 3 years	**23,416**	23,971
	411,243	52,781

As at 31 December 2013, trade receivables of RMB411,243,000 (2012: RMB52,781,000) were overdue but not impaired, including an amount of RMB341,548,000 (2012: Nil) due from a local government authority upon recognising the revenue relating to certain relocation and resettlement housing. The remaining trade receivables that are past due but not impaired relate to certain customers that have a good track record with the Group. Based on past experience, management believes that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully receivable.

(b) During 2012, a deposit of RMB240,000,000 was paid pursuant to a memorandum of intent to acquire a company which had obtained a piece of land in Shanghai. During 2013, the acquisition was cancelled and according to the memorandum of intent, the deposit for acquisition has become a loan to the target company and bears interest at 10% per annum for year ended 31 December 2013. Pursuant to a supplemental agreement entered into during 2013, the loan will bear interest at 14.5% per annum for the year ending 31 December 2014 and the loan and the related interest shall be fully repayable to the Group on 31 December 2014.

10 Trade and other payables

RMB'000	**2013**	2012
Trade payables (a):	**3,247,555**	3,827,317
Related parties	**12,063**	3,965
Third parties	**3,235,492**	3,823,352
Other payables due to third parties:	**1,190,784**	1,622,050
Acquisition consideration payable	**310,000**	310,000
Other payables and accrued expenses	**880,784**	1,312,050
Other taxes payable	**160,867**	157,049
	4,599,206	5,606,416

(a) The ageing analysis of trade payables at the balance sheet date is as follows:

RMB'000	**2013**	2012
Within 6 months	**2,842,594**	2,855,994
Between 7 and 12 months	**27,499**	48,443
Between 13 months and 5 years	**377,462**	922,880
	3,247,555	3,827,317

11 Borrowings

RMB'000	**2013**	2012
Borrowings included in non-current liabilities:		
Bank borrowings — secured	**9,398,595**	7,788,653
Senior Notes due 2015 — secured	**1,838,899**	1,901,024
Senior Notes due 2018 — secured	**2,514,314**	—
Other borrowings — unsecured	**17,000**	—
	13,768,808	9,689,677
Borrowings included in current liabilities:		
Bank borrowings — secured	**5,108,371**	5,446,715
Other borrowings — unsecured	**47,800**	567,680
Other borrowings — secured	**160,400**	80,110
	5,316,571	6,094,505
Total borrowings	**19,085,379**	15,784,182

The maturities of the Group's borrowings at the balance sheet date are as follows:

RMB'000	**2013**	2012
Amounts of borrowing that are repayable:		
— Within 1 year	**5,316,571**	6,094,505
— After 1 and within 2 years	**6,423,597**	6,365,956
— After 2 and within 5 years	**7,305,211**	2,762,047
— After 5 years	**40,000**	561,674
	19,085,379	15,784,182

FINANCIAL REVIEW

For the year ended 31 December 2013, the Group recorded a consolidated revenue of RMB8,217.2 million, representing a decrease of 2.0% compared to RMB8,384.7 million in 2012. The Group's profit attributable to the owners of the Company for the year ended 31 December 2013 was RMB292.1 million, representing a decrease of 73.0% compared to RMB1,081.6 million for 2012. The decrease in profit attributable to the owners of the Company was mainly due to the decrease in gross profit margin of the properties sold and delivered in the current year and the lower fair value gains of the investment properties, as well as the inclusion of the provision for impairment of the Group's properties for the current year. Profit attributable to the owners of the Company for the year ended 31 December 2013 (excluding the fair value gain of investment properties and the related tax effect) amounted to RMB151.4 million, representing a decrease of 78.5% from RMB703.4 million for 2012.

During the year, the Group delivered properties of 945,952 sq.m., as compared to 1,042,891 sq.m. for the year ended 31 December 2012. Due to the higher proportion of properties delivered in the first-tier cities in current year, average selling price recognised increased by 8.0% from RMB8,040 per sq.m. in 2012 to RMB8,687 per sq.m. in 2013. Four projects including Shanghai City Glorious, Dalian Villa Glorious, Glorious Artstyle Townhouse in Beijing and Tianjin Royal Bay Seaside started to contribute revenue to the Group's consolidated revenue for the first time in 2013, amounting to RMB1,674.8 million, RMB765.1 million, RMB601.4 million and RMB342.7 million respectively, representing 20.4%, 9.3%, 7.3% and 4.2% of the Group's consolidated revenue for 2013, ranking first, fourth, fifth and ninth of all of the Group's projects in 2013. Shanghai Bay in Shanghai continued to contribute revenue to the Group's revenue in 2013 with RMB1,469.7 million, ranking second in the Group's consolidated revenue.

The cost of sales for the year ended 31 December 2013 was RMB7,166.2 million, representing an increase of 10.9% compared to RMB6,463.4 million in 2012. The cost of sales for the year ended 31 December 2013 included the provision for impairment of the Group's certain property development projects which amounted to RMB285.6 million (2012: RMB54.2 million). Excluding the provision for impairment, the Group's average cost of sales in 2013 was RMB7,274 per sq.m., which was 18.4% higher than that of RMB6,145 per sq.m. in 2012. The higher average cost of sales was mainly due to higher construction costs associated with the properties from the new projects that were sold and delivered 2013.

The Group's consolidated gross profit for 2013 was RMB1,051.0 million, representing a decrease of 45.3% from a gross profit of RMB1,921.4 million in 2012. The Group's gross profit margin was 12.8% for the year ended 31 December 2013, as compared to 22.9% for 2012. The consolidated gross profit and gross profit margin was lower mainly because the increase in the average selling price was smaller than the increase in the average cost of sales for the properties sold and delivered in the current year, as well as due to inclusion of the provision for impairment of the Group's properties for the current year.

Other income for the year ended 31 December 2013 was RMB101.6 million (2012: RMB82.0 million), mainly included interest income of RMB69.7 million (2012: RMB41.8 million).

Other gains, net for the year ended 31 December 2013 were RMB298.6 million (2012: RMB520.1 million), which primarily included a fair value gain on the Group's investment properties of RMB187.5 million and an exchange gain of RMB111.1 million (2012: RMB504.3 million and RMB15.8 million).

Gross finance costs for the year ended 31 December 2013 were RMB2,501.4 million, representing an increase of 35.0% from RMB1,853.3 million for 2012. For the year ended 31 December 2013, finance costs of RMB2,498.9 million (2012: RMB1,845.0 million) have been capitalised, leaving RMB2.5 million (2012: RMB8.3 million) charged directly to the consolidated statement of comprehensive income.

The Group's profit before income tax for the year ended 31 December 2013 was RMB697.8 million, representing a decrease of 62.7% compared to RMB1,869.0 million for 2012. The lower profit before income tax for 2013 was primarily due to the decrease in gross profit margin of the properties sold and delivered in the current year and the lower fair value gains of the investment properties. Besides, the provision for impairment of the Group's properties for the current year also caused the profit before income tax to decrease significantly.

The Group's profit attributable to the owners of the Company for the year ended 31 December 2013 was RMB292.1 million, representing a decrease of 73.0% compared to RMB1,081.6 million for 2012. The decrease in profit attributable to the owners of the Company was mainly due to the decrease in gross profit margin of the properties sold and delivered in the current year and the lower fair value gains of the investment properties, as well as the inclusion of the provision for impairment of the Group's properties for the current year. Profit attributable to the owners of the Company for the year ended 31 December 2013, excluding fair value gains from investment properties and the related tax effect, amounted to RMB151.4 million, which was 78.5% lower than RMB703.4 million for 2012.

Current assets and liabilities

As at 31 December 2013, the Group held total current assets of approximately RMB38,018.9 million (2012: RMB38,596.5 million), comprising mainly properties under development, trade and other receivables and prepayments and completed properties held for sale. Properties under development decreased slightly by 2.1% from RMB22,256.4 million as at 31 December 2012 to RMB21,794.2 million as at 31 December 2013. Despite the continuous progress of the Group's property development projects that have resulted in an increase in the carrying value of properties under development in 2013, the increase has been offset by the decrease in the carrying value of properties under development that has been recognised as cost of sales upon completion and delivery of properties during the year. Trade and other receivables and prepayments decreased slightly by 6.0% from RMB7,774.3 million as at 31 December 2012 to RMB7,310.6 million as at 31 December 2013, mainly comprised prepayments for land premium for which the relevant land use right certificates were yet to be obtained and prepayment for construction costs. Completed properties held for sale increased by 11.9% from RMB5,044.4 million as at 31 December 2012 to RMB5,643.2 million as at 31 December 2013. The higher balance of completed properties held for sale was mainly due to completion of four new projects in 2013 that the completed but unsold properties were reclassified as completed properties held for sale.

Total current liabilities as at 31 December 2013 amounted to RMB18,705.3 million, compared with RMB21,824.1 million as at 31 December 2012, for which the decrease was mainly due to decrease in advanced proceeds received from customers and trade and other payables.

As at 31 December 2013, the current ratio (calculated as the total current assets divided by the total current liabilities) was 2.0 (2012: 1.8). The higher current ratio in 2013 was mainly resulted from the lower level of current borrowings.

Liquidity and Financial Resources

During the year ended 31 December 2013, the Group funded its property development projects principally from proceeds from pre-sales of properties and bank loans.

As at 31 December 2013, the Group had cash and cash equivalents of RMB1,547.3 million as compared to RMB992.7 million as at 31 December 2012.

As at 31 December 2013, the Group's total borrowings amounted to RMB19,085.4 million, representing an increase of 20.9% compared to RMB15,784.2 million as at 31 December 2012.

The Group monitors its capital on the basis of the gearing ratio and short-term debt ratio. Gearing ratio is calculated as net debt divided by total equity attributable to the owners of the Company. Net debt is calculated as total borrowings less cash and bank balances (including cash and cash equivalents and restricted cash). The gearing ratios as at 31 December 2013 and 2012 were as follows:

RMB'000	**2013**	2012
Total borrowings	**19,085,379**	15,784,182
Less: cash and bank balances	**(2,952,781)**	(3,300,189)
Net debt	**16,132,598**	12,483,993
Total equity attributable to the owners of the Company	**18,449,881**	18,151,070
Gearing ratio	**87.4%**	68.8%

The gearing ratio for 2013 was higher than that for 2012 as a result of the increase in the Group's total borrowings.

Short-term debt ratio is calculated as current borrowings divided by total borrowings. As at 31 December 2013, the Group's short-term debt ratio was 27.9% (2012: 38.6%).

Foreign Exchange Risk

The Group's property development projects are all located in the PRC and substantially all of the related transactions are settled in RMB. The Company and certain of the investment holding companies within the Group operate in Hong Kong have recognised assets and liabilities in currencies other than RMB, including the US$300.0 million Senior Notes due 2015 issued by the Company in October 2010 and the US$400.0 million Senior Notes due 2018 issued by the Company in March 2013. Apart from the Senior Notes due 2015 and the Senior Notes due 2018 that may cause the Group being exposed to a higher level of foreign exchange risk, the Group's exposures to foreign exchange risk in relation to other assets and liabilities are considered to be insignificant.

During the year ended 31 December 2013, the Group had not entered into any foreign currency hedging arrangements. As at 31 December 2013, if RMB had strengthened/weakened by 5% against other currencies with all other variables held constant, post-tax profit for the year ended 31 December 2013 would have been RMB218.3 million higher/lower (2012: RMB188.7 million higher/lower).

Interest Rate Risk

As the Group has no significant interest-bearing assets except for the cash at bank and certain bank deposits, loan to a joint venture and certain other receivables, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's receivables that carry at fixed interest rates may expose the Group to fair value interest rate risk. The Group's exposures to changes in interest rates are mainly attributable to its borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates may expose the Group to fair value interest rate risk. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

As at 31 December 2013, the Group's total borrowings amounted to RMB19,085.4 million (2012: RMB15,784.2 million), of which RMB12,845.4 million (2012: RMB7,013.6 million) bears fixed interest rate.

As at 31 December 2013, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been RMB7.7 million (2012: RMB12.5 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Pledge of Assets

As at 31 December 2013, the Group had construction in progress, investment properties, properties under development and completed properties held for sale of an aggregate carrying value of RMB15,517.8 million (2012: RMB17,438.3 million) which had been pledged for the Group's borrowings. Besides, the Group had also pledged the equity interest of certain of its subsidiaries and a joint venture and certain bank deposits for its borrowings.

Financial Guarantee

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure the repayment obligations of such purchasers. As at 31 December 2013, the amount of outstanding guarantees for mortgages was RMB6,866.0 million (2012: RMB6,404.4 million).

EMPLOYEES

As at 31 December 2013, the Group had a total of 1,170 employees (2012: 1,305). Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include provident fund, insurance, medical cover as well as share option scheme.

In order to attract, retain and motivate executives and key employees serving any members of the Group or other persons contributing to the Group, the Company had adopted a share option scheme (the "Share Option Scheme") on 9 September 2009 in addition to a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") which was adopted by the Company on the same day. As at 31 December 2013, there were 74,000,000 share options that were granted to the directors and employees of the Company under the Pre-IPO Share Option Scheme and remained outstanding. For the year ended 31 December 2013, there was no share option granted under the Share Option Scheme.

CORPORATE GOVERNANCE

Compliance with Corporate Governance Code

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the year ended 31 December 2013.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed, following specific enquiries being made by the Company, that they have complied with the required standard set out in the Model Code during the year ended 31 December 2013.

Audit Committee

The Audit Committee was established on 9 September 2009 with written terms of reference, which comprises four independent non-executive directors, namely, Mr. Yim Ping Kuen (chairman of the Audit Committee), Mr. Liu Shun Fai, Mr. Wo Rui Fang and Mr. Han Ping.

The Audit Committee has reviewed with management the 2013 Annual Results and took the view that the Company was in full compliance with all applicable accounting standards and regulations and has made adequate disclosure.

ANNUAL GENERAL MEETING AND DATES OF CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company for 2014 will be held at Forum Room I, B2 Level, Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 30 May 2014 at 2:30 p.m..

The register of members of the Company will be closed from Tuesday, 27 May 2014 to Friday, 30 May 2014, both days inclusive, during which period no transfer of shares in the Company will be effected. In order to qualify for the right to attend and vote at the annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2014.

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

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

PUBLICATION OF ANNUAL REPORT

The 2013 annual report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.gloriousphl.com.cn in due course.

By Order of the Board
Glorious Property Holdings Limited
Cheng Li Xiong
Chairman

Hong Kong, 28 March 2014

As at the date of this announcement, the executive directors of the Company are Messrs. Cheng Li Xiong, Ding Xiang Yang, Xia Jing Hua, Yan Zhi Rong and Yu Xiu Yang; the independent non-executive directors of the Company are Messrs. Yim Ping Kuen, Liu Shun Fai, Wo Rui Fang and Han Ping.