中國奧園地產集團股份有限公司
China Aoyuan Property Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3883)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

HIGHLIGHTS

- Aoyuan achieved encouraging results in 2013. The Group recorded unaudited contracted sales of RMB10.04 billion in 2013 with total sales area of approximately 1,072,000 sq.m., representing a significant increase of approximately 91% when compared to 2012. The Group achieved 118% of the revised full year contracted sales target of RMB8.5 billion for the year ended 31 December 2013.
- The Group's recognized revenue for the year ended 31 December 2013 was RMB5,729.3 million representing a substantial increase of RMB1,786.1 million or 45.3% as compared to 2012. Gross profit increased by 48.2% to RMB1,758.6 million and gross profit margin also increased to 30.7% in 2013.
- Net profit of the Group for the year amounted to RMB752.1 million in 2013, while core net profit (excluding after tax fair value gain on investment properties and non-recurring income) for the year amounted to approximately RMB672.9 million in 2013, representing a substantial increase of approximately 344.1% as compared to 2012. Basic earnings per share were RMB27.42 cents in 2013.
- As of 31 December 2013, the Group had bank balances of RMB4,711.6 million with a net gearing ratio of 64.0%. The Group successfully issued new US$300 million senior notes in January 2014.
- With successful land acquisitions in including Chongqing, Foshan and Guangzhou in 2013, Aoyuan's land bank was increased to 11.18 million sq.m. GFA as of 31 December 2013 with average land cost of approximately RMB1,090 per sq.m..
- Recommended a final dividend of RMB8.0 cents per share.

The board of directors (the "Board") of China Aoyuan Property Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2013

		2013	2012
	NOTES	***RMB'000***	*RMB'000*
Revenue	*3*	**5,729,267**	3,943,205
Cost of sales		**(3,970,717)**	(2,756,665)
Gross profit		**1,758,550**	1,186,540
Other income and gains	*5*	**115,034**	102,138
Impairment loss on property, plant and equipment		**–**	(125,000)
Change in fair value of investment properties		**84,991**	183,310
Gain on disposal of a joint venture		**–**	858,179
Share of result of a joint venture		**(75)**	(7,404)
Gain on disposal of a subsidiary		**20,682**	–
Selling and distribution expenses		**(319,168)**	(236,736)
Administrative expenses		**(350,885)**	(369,840)
Finance costs	*6*	**(44,048)**	(66,006)
Profit before tax	*7*	**1,265,081**	1,525,181
Income tax expense	*8*	**(512,945)**	(592,537)
Profit and total comprehensive income for the year		**752,136**	932,644
Profit and total comprehensive income for the year attributable to:			
– Owners of the Company		**735,824**	930,272
– Non-controlling interests		**16,312**	2,372
		752,136	932,644
Earnings per share			
Basic (RMB cents)	*9*	**27.42**	35.57
Diluted (RMB cents)	*9*	**27.40**	35.57

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2013

	NOTES	2013 RMB'000	2012 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**415,336**	375,826
Prepaid lease payments		**167,527**	3,046
Investment properties		**2,419,399**	1,949,434
Interest in a joint venture		**4,925**	–
Available-for-sale investment		**25,000**	25,000
Deposits paid for acquisition of land use rights		**–**	1,705,435
Deferred tax assets		**118,214**	70,549
		3,150,401	4,129,290
CURRENT ASSETS			
Properties for sale		**19,437,238**	11,547,814
Deposits paid for acquisition of land use rights		**1,063,890**	1,116,940
Trade and other receivables	*10*	**1,063,515**	735,421
Amounts due from non-controlling shareholders of subsidiaries		**193,506**	32,904
Amounts due from related parties		**164,113**	–
Tax recoverable		**146,863**	107,139
Prepaid lease payments		**415**	69
Restricted bank deposits		**1,899,230**	762,481
Bank balances and cash		**2,812,335**	2,380,983
		26,781,105	16,683,751
CURRENT LIABILITIES			
Trade and other payables	*11*	**2,952,522**	2,298,530
Deposits received for sale of properties		**6,463,074**	4,244,228
Amounts due to non-controlling shareholders of subsidiaries		**185,552**	156,174
Amount due to a related party		**68,002**	–
Tax liabilities		**1,488,462**	1,205,957
Bank and other borrowings		**2,411,281**	1,674,685
Provisions		**1,394,404**	525,032
		14,963,297	10,104,606
NET CURRENT ASSETS		**11,817,808**	6,579,145
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,968,209**	10,708,435

	2013	2012
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Amounts due to non-controlling shareholders of subsidiaries	–	45,000
Bank and other borrowings	**5,741,996**	2,497,952
Deferred tax liabilities	**331,790**	311,472
Senior notes	**1,370,567**	750,326
	7,444,353	3,604,750
	7,523,856	7,103,685
CAPITAL AND RESERVES		
Share capital	**26,347**	25,015
Reserves	**7,192,699**	6,926,320
Equity attributable to owners of the Company	**7,219,046**	6,951,335
Non-controlling interests	**304,810**	152,350
	7,523,856	7,103,685

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following new and revised IFRSs issued by the International Accounting Standards Board (the "IASB") for the first time in the current year.

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2012 Cycle, except for the amendments IAS 1
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
IFRIC-Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised IFRSs 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.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of net realisable value of properties under development for sale and completed properties for sale

Properties under development for sale and completed properties for sale are stated at the lower of the cost and net realisable value. Cost of each unit in each phase of development is determined using the weighted average cost method. The net realisable value is the estimated selling price less estimated selling expenses and estimated cost of completion (if any), which are estimated based on best available information. Where there is any decrease in the estimated selling price arising from any changes to the property market conditions in the PRC, there may be written down on the properties under development for sale and completed properties for sale. As at 31 December 2013, the carrying amount of properties under development and completed properties for sale amounted to approximately RMB19,437,238,000 (net of write-down of RMB58,596,000) (2012: carrying amount of RMB11,547,814,000, net of write-down of RMB33,951,000).

Impairment of hotel assets included in property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed annually and adjusted for impairment in accordance with IAS 36 whenever certain events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of the assets is the higher of fair value less costs to sell and value in use. In assessing fair value less costs to sell, a combination of the market approach and depreciated replacement cost approach was adopted in assessing the land portion and the buildings structures of the hotel respectively, taking into account of discount for vacancy and cost to sell the hotel property.

Land appreciation tax ("LAT")

The Group is subject to LAT in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their land appreciation tax calculations and payments with any local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of Land and its related income tax provisions. The Group recognised the LAT tax based on management's best estimates. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Income taxes

As at 31 December 2013, a deferred tax asset of RMB81,187,000 (2012: RMB35,892,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of RMB363,190,000 (2012: RMB423,234,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Fair value measurements and valuation processes

The investment properties of the Group are measured at fair value for financial reporting purposes. The board of directors of the Company has set up a property valuation team, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an investment property, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified property valuers to perform the valuation. The property valuation team works closely with the qualified external property valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the property valuation team's findings to the board of directors of the Company half a year to explain the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of investment properties.

Provision for land acquired

The provision for land acquired have been determined by the directors based on their best estimates. The directors of the Company estimated this liability for land acquired based upon detailed calculations of the amount and timing of future cash flows spending on the properties development, escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability, such that the provision reflects the present value of the costs expected to be required to settle the obligation. However, in so far as the effect on the land and properties development becomes apparent in future periods, the estimate of the associated costs may be subject to change in the near term. The provision is reviewed regularly such that it properly reflects the present value of the obligation arising from the current and past properties development.

3. REVENUE

The Group is principally engaged in the property development and property investment in the PRC. An analysis of the Group's revenue for the year is as follows:

	2013	2012
	RMB'000	*RMB'000*
Sales of properties	**5,599,797**	3,865,079
Rental Income	**48,706**	31,211
Hotel, consulting and management income	**80,764**	46,915
	5,729,267	3,943,205

4. SEGMENT INFORMATION

Information regularly reported to the Group's chief executive officer (the chief operating decision maker) for the purposes of resource allocation and assessment of performance focuses on the type of operation. The Group's reportable and operating segments under IFRS 8 are as follows:

Property development – development and sale of properties

Property investment – lease of investment properties

Others – hotel operation, provision of consulting and management services

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

	Year ended 31 December 2013			
	Property development	**Property investment**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
External segment revenue	**5,599,797**	**48,706**	**80,764**	**5,729,267**
Segment profit (loss)	**1,186,494**	**105,346**	**(32,071)**	**1,259,769**
Other income and gains				**115,034**
Unallocated corporate expenses				**(65,599)**
Finance costs				**(44,048)**
Share of result of a joint venture				**(75)**
Profit before tax				**1,265,081**

	Year ended 31 December 2012			
	Property development	Property investment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(restated)			(restated)
External segment revenue	3,865,079	31,211	46,915	3,943,205
Segment profit (loss)	717,445	190,363	(188,405)	719,403
Other income and gains				102,138
Unallocated corporate expenses				(81,129)
Finance costs				(66,006)
Share of result of a joint venture				(7,404)
Gain on disposal of a joint venture				858,179
Profit before tax				1,525,181

Notes:

(a) There is no inter-segment revenue in both years.

(b) The segment measurement of the unallocated corporate expenses has been changed during the year ended 31 December 2013. Therefore, the comparative figures of the unallocated corporate expenses and segment profit under property development segment for the year ended 31 December 2012 has been restated so as to conform to current year's presentation.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit generated or loss incurred by each segment without allocation of central administration costs including directors' salaries, head office operating expenses, bank interest and other income, finance costs, share of result of a joint venture and gain on disposal of a joint venture. This is the measure reported to Group's chief executive officer for the purposes of resource allocation and performance assessment.

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

Segment assets

	2013	2012
	RMB'000	*RMB'000*
Property development	**21,930,148**	15,142,817
Property investment	**2,461,676**	1,994,928
Others	**191,241**	147,639
Total segment assets	**24,583,065**	17,285,384
Unallocated assets:		
Available-for-sale investment	**25,000**	25,000
Interest in a joint venture	**4,925**	–
Deferred tax assets	**118,214**	70,549
Tax recoverable	**146,863**	107,139
Restricted bank deposits	**1,899,230**	762,481
Bank balances and cash	**2,812,335**	2,380,983
Others	**341,874**	181,505
Consolidated assets	**29,931,506**	20,813,041

Segment liabilities

	2013	2012
	RMB'000	*RMB'000*
Property development	**10,977,354**	7,165,673
Property investment	**47,659**	34,665
Others	**36,268**	27,230
Total segment liabilities	**11,061,281**	7,227,568
Unallocated liabilities:		
Bank and other borrowings	**8,153,277**	4,172,637
Senior notes	**1,370,567**	750,326
Tax liabilities	**1,488,462**	1,205,957
Deferred tax liabilities	**331,790**	311,472
Others	**2,273**	41,396
Consolidated liabilities	**22,407,650**	13,709,356

For the purposes monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than interest in a joint venture, AFS investment, deferred tax assets, tax recoverable, restricted bank deposits, bank balances and cash and other assets not attributable to respective segment.

- all liabilities are allocated to reportable and operating segments other than tax liabilities, bank and other borrowings, senior notes, deferred tax liabilities and other liabilities not attributable to respective segment.

Other information

	Year ended 31 December 2013				
	Property development	**Property investment**	**Others**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Amounts included in the measure of segment profit or loss or segment assets:					
Addition of property, plant and equipment	**9,257**	**–**	**3,669**	**23,699**	**36,625**
Addition of investment properties	**–**	**439,178**	**–**	**–**	**439,178**
Depreciation of property, plant and equipment	**4,838**	**–**	**14,131**	**14,932**	**33,901**
Release of prepaid lease payments	**69**	**–**	**–**	**–**	**69**
Loss on disposal of property, plant and equipment	**380**	**–**	**3,005**	**–**	**3,385**
Change of fair value of investment properties	**–**	**84,991**	**–**	**–**	**84,991**
Write-down on properties for sale	**24,645**	**–**	**–**	**–**	**24,645**

	Year ended 31 December 2012				
	Property development	Property investment	Others	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Addition of property, plant and equipment	2,421	–	16,604	6,111	25,136
Addition of investment properties	–	393,681	–	–	393,681
Depreciation of property, plant and equipment	3,468	–	13,577	13,458	30,503
Release of prepaid lease payments	2,987	–	–	–	2,987
Impairment loss on property, plant and equipment	–	–	125,000	–	125,000
Loss on disposal of property, plant and equipment	110	–	1,655	105	1,870
Change of fair value of investment properties	–	183,310	–	–	183,310
Write-down on properties for sale	29,236	–	–	–	29,236

Geographical information

The Group's operation and location of non-current assets are in the PRC only.

Information about major customers

There is no individual customer who contributed over 10% of the total revenue of the Group during the years ended 31 December 2013 and 2012.

5. OTHER INCOME AND GAINS

	2013	2012
	RMB'000	*RMB'000*
Other income and gains comprises of:		
Exchange gain	**37,999**	–
Bank interest income	**21,748**	75,622
Dividend income from available-for-sale investments	**2,800**	–
Reversal of accruals *(note a)*	**–**	20,515
Other interest income	**16,663**	–
Others *(note b)*	**35,824**	6,001
	115,034	102,138

Notes:

(a) The accrual of construction costs outstanding over 3 years were not required to pay and reversed as other income accordingly.

(b) Others mainly represents the government subsidy received at RMB25,000,000 (2012: nil) during the year ended 31 December 2013.

6. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest on:		
Bank and other borrowings		
– wholly repayable within five years	**625,618**	440,667
– not wholly repayable within five years	**15,741**	28,458
Senior notes	**189,979**	11,756
Amounts due to non-controlling shareholders of subsidiaries	**16,998**	3,234
Total borrowing costs	**848,336**	484,115
Less: amounts capitalised to properties under development for sale	**(804,288)**	(418,109)
	44,048	66,006

Interest capitalised arose on the general borrowing pool of the Group was calculated by applying a capitalisation rate of approximately 10.80% (2012: 8.26%) per annum to expenditure on the qualifying assets.

7. PROFIT BEFORE TAX

	2013	2012
	RMB'000	*RMB'000*
Profit before tax has been arrived at after charging (crediting):		
Auditors' remuneration	**3,580**	3,000
Director's emoluments	**13,306**	15,557
Staff salaries	**226,448**	221,193
Retirement benefit scheme contributions	**10,342**	10,224
Total staff costs	**250,096**	246,974
Less: amounts capitalised to properties under development for sales	**(40,069)**	(22,118)
	210,027	224,856
Release of prepaid lease payments	**69**	2,987
Depreciation of property, plant and equipment	**33,901**	30,503
Loss on disposal of property, plant and equipment	**3,385**	1,870
Rental expenses in respect of rented premises under operating leases	**20,604**	12,087
Gross rental income in respect of investment properties	**(48,706)**	(31,211)
Less: direct operating expenses from investment properties that generated rental income during the year	**16,583**	10,374
	(32,123)	(20,837)
Impairment loss of property, plant and equipment	**–**	125,000
Write-down on properties for sale	**24,645**	29,236
Exchange (gain) loss	**(37,999)**	14,686

8. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
Income tax expense recognised comprises of:		
Current tax:		
Enterprise Income Tax ("EIT")	**340,249**	292,243
Land Appreciation Tax ("LAT")	**192,701**	143,398
	532,950	435,641
Deferred tax	**(20,005)**	156,896
Income tax expense for the year	**512,945**	592,537

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Under the Provisional Regulations of the People's Republic of China on Land Appreciation Tax (the "LAT Provisional Regulations") and Implementation Regulation of the LAT Provisional Regulations, the tax rate of the PRC subsidiaries 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 rights and all property development expenditures.

Under the EIT Law, withholding income tax is imposed on dividends relating to profits earned in year ended 31 December 2008 onwards to foreign investors for the companies established in the PRC. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to accumulated profits of the PRC subsidiaries amounting to approximately RMB2,296,117,000 (2012: RMB1,487,796,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. The Group has provided deferred tax charge amounting to approximately RMB30,000,000 (2012: RMB15,000,000) related to the undistributed profit of PRC subsidiaries based on the Group's dividend plan.

No provision for taxation has been made in the consolidated financial statements as the Group's income neither arises in, nor is derived from, Hong Kong.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2013	2012
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	**735,824**	930,272

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,683,811**	2,615,500
Effect of dilutive potential ordinary shares:		
– Share options	**1,383**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,685,194**	2,615,500

The computation of diluted earnings per share for the year ended 31 December 2013 has accounted for the effect of those share options granted where the exercise price of the options was lower than the average market price of the Company's shares. The computation of diluted earnings per share for the year ended 31 December 2012 has not accounted for the effect of the share options granted because the exercise price of the options was higher than the average market price of the Company's shares.

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**169,096**	19,425
Rental receivables	**40,606**	25,009
Other receivables	**317,865**	312,143
Advances to constructors and suppliers	**82,121**	68,441
Deposits paid to respective local governments for granting the rights to purchase land by auction	**201,900**	115,000
Other tax prepayments	**251,927**	195,403
	1,063,515	735,421

The following is the aged analysis of trade receivables determined based on the date of the properties delivered and sales were recognised:

	2013	2012
	RMB'000	*RMB'000*
0 to 60 days	**84,437**	7,694
61 to 180 days	**79,101**	9
181 to 365 days	**1,971**	1,036
1 to 2 years	**–**	4,836
2 to 3 years	**88**	5,287
Over 3 years	**3,499**	563
	169,096	19,425

11. TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
Trade payables	**2,355,170**	1,863,564
Other payables	**557,036**	363,243
Other taxes payables	**40,316**	71,723
	2,952,522	2,298,530

Trade payables principally comprise amounts outstanding for payments to constructors and purchases of construction materials. The average credit period for trade purchases is from 6 months to 1 year. The management closely monitors the payments of the payable to ensure that all payables are paid within the credit timeframe.

The following is an aged analysis of trade payables determined based on the invoice date:

	2013	2012
	RMB'000	*RMB'000*
Age:		
0 to 60 days	**1,052,076**	948,494
61 to 180 days	**576,594**	493,574
181 to 365 days	**311,033**	125,238
1 to 2 years	**279,103**	180,065
2 to 3 years	**98,657**	112,760
Over 3 years	**37,707**	3,433
	2,355,170	1,863,564

At 31 December 2013, the balance of trade payables with age over 1 year include retention money of RMB237,750,000 (2012: RMB153,054,000) to the sub-contractors of property development projects, which relates to 5% to 10% of the contract prices.

According to the construction contracts, the retention money is interest-free, and would be paid to the sub-contractors after 1 to 3 years from the completion of development of the properties.

Included in other payable is an interest-free balance of RMB6,059,000 (2012: RMB32,701,000) payable to a former non-controlling shareholder of a subsidiary acquired in 2011 and is expected to be settled within a year. The remaining balances of other payable mainly represent deposits received, payable for staff salaries, staff welfare and operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year the Group insisted on a market-based orientation, created outstanding contracted sales results, and achieved approximately 118% of the 2013 revised contracted sales target of RMB8.5 billion, total contracted sales amounted to approximately RMB10.038 billion, a substantial growth of approximately 91% compared with that of year 2012. Total contracted gross floor area ("GFA") for the year were approximately 1,072,000 sq. m., or a year-on-year increase of approximately 27%; the average selling price was RMB 9,364 per sq. m., or a year-on-year increase of approximately 50%, of which commercial properties for year contributed to approximately 45% of the total contracted sales.

In 2013 our sales contribution mainly came from the following projects: Guangzhou Aoyuan City Plaza, Guangzhou Aoyuan Spring Garden, Guangzhou Aoyuan Health Plaza, Chongqing Aoyuan The Metropolis, Guangzhou Aoyuan Beyond Era, Shenyang Aoyuan Convention Plaza and Zhuzhou Aoyuan Shennong Health Plaza etc.

Details of contracted sales breakdown of the Group by major projects are as follows:

Project	**Contracted Sales** *(RMB million)*	**Area** *(sq.m.)*
Guangzhou Aoyuan City Plaza	1,387	43,800
Guangzhou Aoyuan Spring Garden	1,273	93,600
Guangzhou Aoyuan Health Plaza	839	62,900
Chongqing Aoyuan The Metropolis	758	66,000
Guangzhou Aoyuan Beyond Era	742	35,000
Shenyang Aoyuan Convention Plaza	688	95,600
Zhuzhou Aoyuan Shennong Health Plaza	544	63,400
Jiangmen Aoyuan Yicheng International Plaza	456	63,200
Zhongshan Aoyuan	428	84,700
Shenyang Aoyuan • The Metropolis	419	66,000
Others	2,504	397,800
Total	10,038	1,072,000

From 2013 Aoyuan entered into a period of rapid development. With sound financial position, the Group continued to expand with the optimization of land bank. In respect of investment and acquisitions the Group had excellent performance, altogether acquired a total of eight high quality residential and commercial projects in Guangzhou, Chongqing, Foshan, Jiangmen, Yangjiang and Meizhou, which added new area for development of approximately 2,130,000 sq. m. of GFA. Among them, three of the projects had already commenced presales during the year with excellent sales contributions to the Group. It is expected that the new projects will further enhance the sales growth of 2014, further fulfilled the development strategy of "rapid development and rapid sales" of Aoyuan.

The Group adopts a strategy of maintaining quality land bank at reasonable cost. On 31 December 2013, the Group had land bank with GFA of approximately 11.18 million sq.m. at average cost of approximately RMB1,090 per sq.m GFA. The lands were mainly located in Guangdong, Shenyang, Hunan, Chongqing and Guangxi, of which 49% was located in Guangdong. The management believes that the existing abundant land bank can meet the needs of the Group's project development in the coming five to seven years.

FINANCIAL REVIEW

Operating Results

The revenue is primarily generated from two business segments: property development and other revenue such as hotel operation. In 2013, the Group's total revenue was RMB5,729.3 million, representing an increase of RMB1,786.1 million or 45.3% over RMB3,943.2 million in 2012. Property development revenue, other revenue such as hotel operation and property investment revenue accounted for 97.7%, 1.4% and 0.9% respectively.

In 2013, the Group's revenue generated from property development amounted to RMB5,599.8 million, representing an increase of RMB1,734.7 million or 44.9% over RMB3,865.1 million in 2012. The GFA of delivered properties increased by 67.5% to 815,614 sq.m. from 486,931 sq.m. in 2012, while the average selling price decreased by 13.5% to RMB6,866 per square meter from RMB7,938 per square meter in 2012. This was mainly attributable to a lower proportion of the revenue in 2013 of 5.7% was derived from a relative high average selling price of low-density residential projects against 13.9% in 2012. Overall, the revenue generated from property development of Guangzhou Aoyuan Health Plaza (commercial apartment and retail shops), Shenyang Aoyuan The Metropolis (residential apartment, retail shops and low-density residential integrated project), Zhongshan Aoyuan (residential apartment, retail shops and low-density residential integrated project) and Chongqing Aoyuan Jinyu (residential apartment and retail shops project) were the main source of property development revenue for the Group, with sales revenue amounting to RMB3,083.1 million in total. The revenue generated from property development attributable to Guangzhou, Shenyang, Zhongshan, Chongqing and other cities accounted for 31%, 24%, 17%, 11% and 17% respectively.

Breakdown of property development revenue in 2013 by product type:

	Sold and Delivered	
Product	**Revenue** *(RMB million)*	**Area** *('000 sq.m.)*
Residential apartments	3,120.7	606.0
Commercial apartments	700.8	64.0
Retail shops and others	1,460.2	107.0
Low-density residential	318.1	38.6
Total	5,599.8	815.6

Gross Profit and Margin

In 2013, the gross profit of the Group was RMB1,758.6 million, representing an increase of 48.2% over RMB1,186.5 million in 2012. Though the average selling price for the revenue recognised from property development decreased to RMB6,866 per square meter from RMB7,938 per square meter in 2012, the gross margin slightly increased to 30.7%. The gross margin of the Group which remained stable and increased slightly was attributable to the success of the Group's stringent cost control and increased efforts in central procurement.

Other Income and Gains

In 2013, the other income and gains of the Group was RMB115.0 million, representing an increase of 12.6% over RMB102.1 million in 2012. Other income mainly included exchange gain of RMB38.0 million, interest income of RMB38.4 million, government subsidy of RMB25.0 million and other income of RMB13.6 million.

Gain on Disposal of a Joint Venture

In 2012, the Group recorded gain on disposal of a joint venture amounted to RMB858.2 million, which was the gain from disposing Century Profit Zone Investments Limited (Beijing Project). There was no such gain and loss in 2013.

Selling and Administrative Expenses

In 2013, total selling and distribution expenses of the Group were RMB319.2 million, representing an increase of 34.9% from RMB236.7 million in 2012, which is attributable to the increase in the corresponding staff cost owing to the significant increase in total contracted sales and delivery of properties. Total administrative expenses decreased by 5.1% from RMB369.8 million in 2012 to RMB350.9 million, mainly due to the Group's adoption of strict control in respect of administrative expenses budget in 2013. At the same time, the management focused on optimization of production process, and enhanced the utilization of human resources and other resources.

Taxation

Income tax expense comprised of PRC enterprise income tax, land appreciation tax and deferred taxation. The effective tax rate of 40.5% is higher than the standard PRC enterprise income tax rate of 25%, primarily due to land appreciation tax of approximately RMB192.7 million.

Profit Attributable to Owners of the Company

In 2013, profit attributable to owners of the Company was RMB735.8 million (2012: RMB930.3 million). Profit attributable to owners of the Company decreased mainly due to disposal of a joint venture in 2012, and recorded gain before tax amounted to RMB858.2 million, while in 2013 there was no such non-recurring income.

Core net profit for the year 2013 was RMB672.9 million, representing a significant increase of 344% compared with the same period of 2012. Details of core net profit are as follows.

	2013	2012
	RMB'000	*RMB'000*
Profit and total comprehensive income for the year	**752,136**	932,644
Adjustments:		
Less: Change in fair value of investment properties, net of tax	**63,744**	137,482
Less: Gain on disposal of a joint venture, net of tax	–	643,634
Less: Gain on disposal of a subsidiary, net of tax	**15,511**	–
Core net profit	**672,881**	151,528

Financial Position

As at 31 December 2013, the Group's total assets amounted to RMB29,931.5 million (as at 31 December 2012: RMB20,813.0 million) and total liabilities were RMB22,407.7 million (as at 31 December 2012: RMB13,709.4 million).

Current ratio was 1.8 as at 31 December 2013 (as at 31 December 2012: 1.7).

Financial Resources and Liquidity

In 2013, the Group's sources of fund primarily included income generated from business operations, cash from bank borrowings and issuance of senior notes in US dollar, which were used in our business operations and investment and development of projects.

The Group expects that income generated from business operations and borrowings will continue to be the main source of funds in the coming year. Therefore, the Group will continue to strengthen cash flow management, improve the efficiency of capital returns of projects and strictly control the cost and various expenses. In addition, the Group will continue to explore opportunities of cooperation with foreign and domestic investors to provide another source of funding for the expansion of projects and business development.

Cash Position

As at 31 December 2013, the Group had cash and bank deposits of approximately RMB2,812.3 million (as at 31 December 2012: RMB2,381.0 million).

As at 31 December 2013, the Group had restricted bank deposits of approximately RMB1,899.2 million (as at 31 December 2012: RMB762.5 million). Among which, deposits of RMB240.5 million were only for obtaining bank loans while other deposits were only for payments to construction contractors.

As at 31 December 2013, cash, bank deposits and restricted bank deposits of the Group mentioned above totaled RMB4,711.6 million, of which 98.8% was denominated in Renminbi and 1.2% was denominated in other currencies (mainly HK dollar).

Borrowings, Senior Notes and Net Gearing Ratio

Borrowings and Senior Notes

As at 31 December 2013, the Group had bank and other borrowings of approximately RMB8,153.3 million (as at 31 December 2012: RMB4,172.6 million) and senior notes of approximately RMB1,370.6 million (as at 31 December 2012: RMB750.4 million) as follows:

	31 December 2013 *RMB Million*	31 December 2012 *RMB Million*
Repayment period		
Within one year	**2,411.3**	1,674.7
More than one year, but not exceeding two years	**3,672.6**	893.7
More than two years, but not exceeding five years	**3,194.2**	2,034.0
More than five years	**245.8**	320.6
	9,523.9	4,923.0

The majority of bank borrowings of the Group are floating-rate borrowings, of which interest rates are subject to negotiation on annual basis, thus exposing the Group to fair value interest rate risk. The effective interest rate on bank and other borrowings in 2013 was 10.8% per annum, which was higher than 9.5% in 2012. The Group has implemented certain interest rate management policies which mainly included, among others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

In January 2013, the Group successfully issued additional offshore US$100,000,000 5-year senior notes, which was for general corporate purposes and to fund the Group's existing and new projects.

In January 2014, the Group successfully issued offshore US$300,000,000 5-year senior notes, which was for refinancing purposes and for the Group's general corporate purposes.

As at 31 December 2013, the Group had banking facilities of approximately RMB14,294.8 million (as at 31 December 2012: RMB7,408.0 million) for short-term and long-term bank loans, of which approximately RMB2,750.0 million (as at 31 December 2012: RMB503.0 million) were unutilized.

Net Gearing Ratio

Net gearing ratio is measured by the net borrowings (total amount of borrowings and senior notes net of cash and cash equivalents and restricted bank deposits) over the total equity. As at 31 December 2013, the Group's net gearing ratio was 64.0%. The Group has implemented certain loan management policies, which mainly include close monitoring of the gearing ratio and any changes in net gearing ratio, and optimization of the bank credit structure when good pricing opportunities arise.

Contingent Liabilities

As at 31 December 2013, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities provided by banks to purchasers amounting to approximately RMB6,432.6 million (as at 31 December 2012: RMB3,676.5 million).

The contingent liabilities represented the guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is liable to the repayment of outstanding mortgage principals together with accrued interest and penalty owed to the banks by defaulted purchasers, and the Group is entitled to take over the legal title and possession of the related properties. The amounts as at 31 December 2013 were to be discharged upon the earlier of: (i) issuance of the real estate ownership certificate; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

In 2007, a subsidiary of the Group (the "Subsidiary") entered into an agreement with two independent third parties (the "Vendors") for a potential acquisition of a company (the "Target"). However, this acquisition agreement was subsequently terminated by the Subsidiary because of the uncertainty about the validity of the Vendors' shareholding in the Target. The Vendors then claimed against the Subsidiary for compensation of RMB61,096,000. The case is in legal proceeding. No provision has been provided for this case, however, because in the opinion of the executive directors of the Group and the Group's legal counsel, the likelihood that the subsidiary is required to pay the compensation is remote.

Commitments

As at 31 December 2013, the Group had construction cost and land payments contracted but not provided for of approximately RMB8,280.8 million (as at 31 December 2012: RMB5,722.5 million). The Group expects to fund these commitments principally from sale proceeds of the properties, bank borrowings and senior notes.

Foreign Currency Risks

Most of the Group's revenues and operating costs were denominated in Renminbi. Except for the bank deposits denominated in foreign currencies, senior notes denominated in US dollar and bank loans denominated in Hong Kong dollars, the Group's operating cash flow or liquidity is not directly subject to any other material exchange rate fluctuations. The Group did not enter into any foreign exchange hedging arrangements as at 31 December 2013.

Pledge of Assets

As at 31 December 2013, the Group pledged its properties for sales, property, plant and equipment, investment properties and restricted bank deposit of approximately RMB3,395.8 million (as at 31 December 2012: RMB3,299.8 million) to various banks to secure project loans and general banking facilities granted to the Group.

Events After the Reporting Period

(a) On 8 January 2014, the Company entered into an agreement to acquire a parcel of land situated in Foshan, the PRC, at a consideration of RMB344,500,000 through public auction. The Company has paid half of the consideration and remaining balance of RMB172,250,000 is required to pay by the end of July 2014. The land in Foshan is designated for commercial and residential properties for sale.

(b) On 17 January 2014, the Company issued additional senior notes (the "2014 Notes") in an aggregate principal amount of US$300,000,000 (equivalent to RMB1,830,240,000) carry interest of 11.25% per annum and due in 2019. The issue price is 99.254% of the principal amount of the 2014 Notes. Details of terms and conditions are set in at the announcement issued by the Company on 10 January 2014. Up to the date of these consolidated financial statements were authorised for issuance, the net proceeds of approximately US$290,000,000 (equivalent to RMB1,771,407,000) from the issuance of the 2014 Notes have been fully received.

(c) On 15 January 2014, the Company granted share options to 2 employees of the Company to subscribe for a total of 9,000,000 ordinary shares of HK$0.01 each in the Company with exercise price of HK$1.61 per share under the Scheme. Details of the share options granted are set out at the announcement issued by the Company on 15 January 2014. The management of the Company is in the process for the assessment of fair value of share options at the date grant up to the date these consolidated financial statements were authorised for issuance.

Employees and Remuneration

As at 31 December 2013, the Group employed a total of 2,569 employees. In order to encourage and retain excellent staff, the Group has adopted a performance based rewarding system since September 2007 to motivate its staff and such system was reviewed on a regular basis. As at 31 December 2013, share options in respect of a total of 4,568,000 shares of the Company were granted to certain directors. In addition to a basic salary, year-end bonuses will be offered to those staff with outstanding performance. In accordance with the relevant national and local labour laws and regulations, the Group is required to pay employees social insurance and other insurance benefits. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates.

CORPORATE GOVERNANCE

The Group strives to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The Group's corporate governance principles emphasize the importance of a quality Board, effective internal controls and accountability to shareholders.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") as its own code of corporate governance.

The Company has complied with most of the code provisions as set out in the CG Code.

Chairman and Chief Executive Officer

The roles and duties of the Chairman and the Chief Executive Officer of the Company are carried out by different individuals and have been clearly defined in writing.

The Chairman of the Board is Mr. Guo Zi Wen, and the Chief Executive Officer is Mr. Guo Zi Ning. With the support of the company secretary and the senior management, the Chairman is responsible for ensuring that the directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organizational structure, control systems and internal procedures and processes for the Board's approval.

Code provision A.1.3

Code provision A.1.3 stipulates that at least 14 days' notice should be given for a regular Board meeting.

Certain Board meetings held during the year ended 31 December 2013 were convened with less than 14 days' notice. The Company adopted a flexible approach in convening Board meetings and ensuring that sufficient time and adequate information were given to directors for making informed decisions.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders.

Audit Committee

The Audit Committee was established in accordance with the requirements of the Listing Rules for the purposes of reviewing the financial statements and reports and consider any significant or unusual items raised by the internal auditor or external auditors before submission to the Board. Besides, the main duties of the Audit Committee are to review the adequacy and effectiveness of the Company's financial reporting system, internal control system, risk management system, associated procedures and make recommendation to the Board on any material issues in relation thereto. The Audit Committee is also responsible for making recommendation to the Board on the appointment, re-appointment and removal of the external auditors, approving the remuneration and terms of engagement of the external auditors and considering any questions of resignation or dismissal of such auditors. The Audit Committee meets whenever deems necessary with the Company's external auditors to discuss the audit process and accounting issues. Their written terms of reference are in line with the Code provisions.

Throughout the year ended 31 December 2013, the Audit Committee comprises three independent non-executive directors, namely, Mr. Cheung Kwok Keung (chairman of the Committee), Mr. Song Xian Zhong and Mr. Tsui King Fai. Mr. Song Xian Zhong resigned as an independent non-executive director and ceased to be a member of the Audit Committee on 28 February 2014. Mr. Hu Jiang was appointed as an independent non-executive director and a member of the Audit Committee to fill the vacancy on 28 February 2014. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

During the year under review, the Audit Committee reviewed the Group's annual results and annual report for the year ended 31 December 2013, the financial reporting and compliance procedures, the report of the internal auditor on the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors.

Nomination Committee

The Nomination Committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. The Nomination Committee is also responsible for reviewing the structure, size and composition of the Board on a regular basis and is required to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company and assesses the independence of the independent non-executive directors. Throughout the year ended 31 December 2013, the Nomination Committee comprises four members, namely Mr. Guo Zi Wen (chairman of the Committee), Mr. Song Xian Zhong, Mr. Tsui King Fai and Mr. Cheung Kwok Keung, the majority of them are independent non-executive directors. Mr. Song Xian Zhong resigned as an independent non-executive director and ceased to be a member of the Nomination Committee on 28 February 2014. Mr. Hu Jiang was appointed as an independent non-executive director and a member of the Nomination Committee to fill the vacancy on 28 February 2014.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on and approving the remuneration policy and structure and remuneration packages of the executive directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. Their written terms of reference are in line with the Code provisions. Throughout the year ended 31 December 2013, the Remuneration Committee comprises three members, namely, Mr. Tsui King Fai (chairman of the Committee), Mr. Cheung Kwok Keung and Mr. Song Xian Zhong, all of which are independent non-executive directors. Mr. Song Xian Zhong resigned as an independent non-executive director and ceased to be a member of the Remuneration Committee on 28 February 2014. Mr. Hu Jiang was appointed as an independent non-executive director and a member of the Remuneration Committee to fill the vacancy on 28 February 2014.

COMPLIANCE WITH THE MODEL CODE FOR 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 directors' dealings in the Company securities. Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2013.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained the public float as required by the Listing Rules as at the latest practicable date prior to the issue of this announcement.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB8.0 cents per ordinary share to shareholders of the Company for the year ended 31 December 2013. The proposed final dividend will be paid to shareholders whose names appear on the register of members of the Company on Friday, 16 May 2014, amounting to approximately RMB222,628,000, if the proposal is approved by the shareholders at the forthcoming Annual General Meeting ("2014 AGM") (2012: final dividend of RMB5.2 cents per share).

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

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

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

i) from 5 May 2014 to 8 May 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2014 AGM which is scheduled on 8 May 2014, the register of members of the Company will be closed. In order to be eligible to attend and vote at the 2014 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 2 May 2014; and

ii) from 14 May 2014 to 16 May 2014, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 13 May 2014.

ANNUAL GENERAL MEETING

The 2014 AGM will be held on 8 May 2014 and the Notice of 2014 AGM will be sent to the shareholders in the manner as required by the Listing Rules before the 2014 AGM.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures 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 announcement have been agreed by the Group's auditors, 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 this announcement.

APPRECIATION

On behalf of the Board, I would like to express our sincere appreciation for the continuous confidence in and support for the Group from our shareholders, investors, business partners, customers and others who devote attention to the affairs of the Group. I would also like to thank our employees for their hard-working, admirable work ethic and professional performance during the year.

On behalf of the Board
China Aoyuan Property Group Limited
Guo Zi Wen
Chairman

Hong Kong, 17 March 2014

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Yang Zhong and Ms. Xin Zhu; (2) the non-executive director namely Mr. Paul Steven Wolansky; and (3) the independent non-executive directors namely Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.