



碧桂園控股有限公司

COUNTRY GARDEN HOLDINGS COMPANY LIMITED

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code:2007



碧桂園金海灣實景

Photo of Country Garden Danga Bay

2013年報

ANNUAL REPORT

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A large, modern building with a curved glass facade, reflecting the sky. The building has a prominent logo on the left side. In front of the building, there is a paved plaza with many people walking and some palm trees. The sky is a mix of blue and orange, suggesting sunset or sunrise. There are decorative blue wavy lines at the top of the page.

— Country Garden Danga Bay

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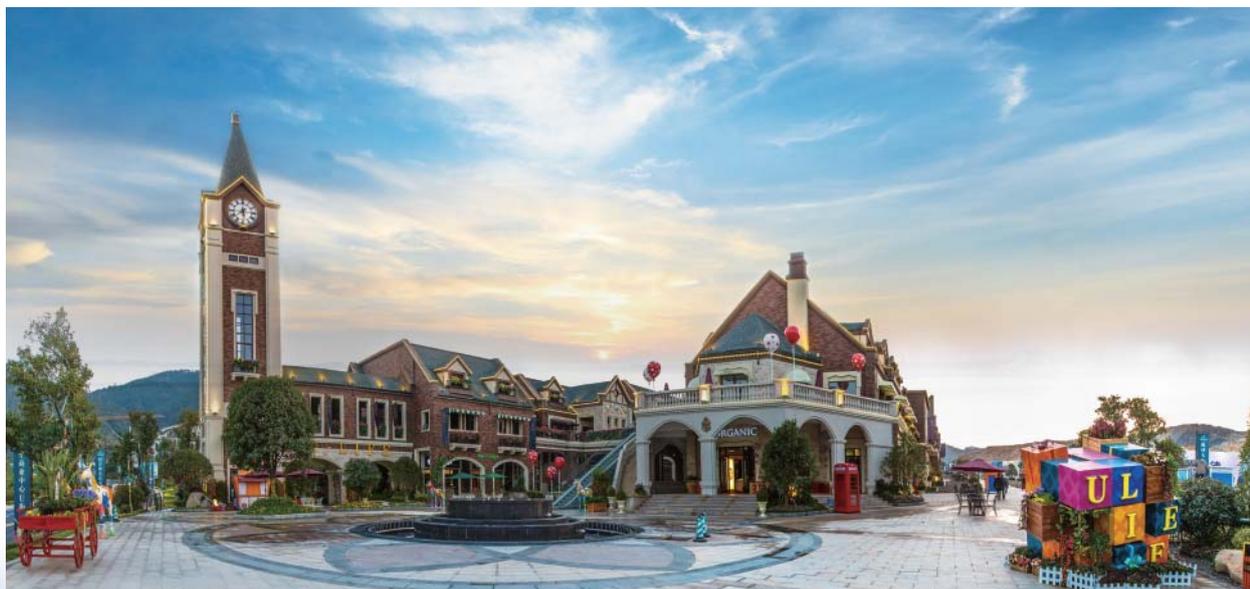
Corporate Profile

Country Garden Holdings Company Limited (“Country Garden” or the “Company”) together with its subsidiaries, (collectively, the “Group”) (stock code: 2007.HK) is one of China’s leading integrated property developers. The Group runs a centralized and standardized business model that comprises construction, decoration, project development, property management, as well as hotel development and management. Country Garden offers a broad range of products to cater for diverse market demands. Its various products include residential projects such as townhouses, apartment buildings, as well as car-parks and retail shops. The Group also develops and manages hotels within some of its projects to enhance the potential for property value appreciation. The Group’s brand was named by the People’s Republic of China (the “PRC”) State Administration for Industry and Commerce in 2006 as “China’s Well-known Trademarks”.

Country Garden was listed on the Main Board of the Hong Kong Stock Exchange on 20 April 2007. The listing not only provided the Group with additional funding to sustain healthy growth in the future, but it also assisted the Group to establish its foothold in the international capital market. Country Garden was well recognized by the market post listing. It was included in the MSCI Global Standard Index on 1 September 2007. It also became a constituent stock of the Hang Seng Composite Index, Hang Seng Mainland Composite Index and Hang Seng Mainland Freefloat Index on 10 September 2007. All these symbolized the capital market’s recognition of Country Garden as a major component of the Hong Kong stock market and also strengthened the Group’s benchmarking position in the international capital markets.

Since its inception, Country Garden has been benefiting from the flourishing economy of the PRC, and in recent years, it has also expanded its business territories out of Guangdong into other high economic growth regions nationwide. As at 31 December 2013, Country Garden had operations in a number of strategically selected locations beyond Guangdong Province, including Hunan Province, Fujian Province, Jiangxi Province, Jiangsu Province, Hubei Province, Henan Province, Hebei Province, Liaoning Province, Anhui Province, Heilongjiang Province, Gansu Province, Guizhou Province, Yunnan Province, Sichuan Province, Hainan Province, Zhejiang Province, Shandong Province, Chongqing Municipality, Tianjin Municipality, Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region of China as well as Malaysia. The associated strategic acquisitions further reinforced the Group’s leading position in Guangdong Province and strengthened its developments in other regions, demonstrating the excellent execution ability and the strong replication potential of the Group’s successful business model.

Looking ahead, Country Garden will continue to focus on developing high quality property projects in the suburban areas of first tier cities as well as second and third tier cities in China with promising economic growth potential. Besides, the Group will also critically select suitable projects for development in overseas markets that Chinese people are interested to invest in. Leveraging on its unique competitive strengths, and under the direction and guidance of government’s macro policies, Country Garden will further replicate its successful business model into new high growth regions through strategic selection of project locations, a short project development schedule characterized by fast asset turnover and excellent execution ability, as well as innovative product offering closely in line with market demand, all with a view to developing the Group into a leading large-scale residential property developer with a national presence and a well recognized brand name.



— Sanming Country Garden

Chairman's Statement

HIGHLIGHTS

- Total revenue for the year ended 31 December 2013 amounted to approximately RMB62.68 billion, representing an increase of approximately 49.6% compared with the year 2012; recognized GFA reached approximately 9.24 million sq. m., representing an increase of approximately 50.0% compared with the year 2012.
- Profit attributable to owners of the Company amounted to approximately RMB8.51 billion, representing an increase of approximately 24.2% compared with the year 2012.
- Country Garden Danga Bay in Malaysia, as the Group's first overseas venture, achieved enormous success.
- Successfully issued senior notes twice with aggregate amount of US\$1,500 million during the year.
- Earnings per share amounted to approximately RMB46.65 cents, increased by approximately 22.6% compared with the year 2012.
- Proposed final dividend per share is RMB16.83 cents (in the form of cash and/or shares at the choice of shareholders), increased by approximately 21.4% compared with the year 2012.

Dear Shareholders,

I am pleased to present the annual results of Country Garden Holdings Company Limited ("Country Garden" or the "Company", together with its subsidiaries, the "Group") for the year ended 31 December 2013.

The Group's total revenue reached approximately RMB62,681.9 million, representing a year-on-year increase of approximately 49.6%. Profit attributable to owners of the Company rose to approximately RMB8,514.1 million, posting a year-on-year increase of approximately 24.2%. The Board recommends the payment of final dividend of RMB16.83 cents per share for the year ended 31 December 2013.

During the year under review, Country Garden, as always, in accordance with national policies, actively responded to the market changes and made timely adjustments to its development and sales plan, offered high value-for-money products to suit the user-oriented demand. Facing the ever-changing market environment, while the Group continued to further enhance the environmental features, ancillary facilities of its projects and its product quality, it also adopted various active and flexible sales strategies and marketing activities which promoted sales and also benefited the Group's long-term sustainable development. For the year of 2013, the Group successfully entered the "Hundred Billion Club" with contracted sales of approximately RMB106 billion, and contracted gross floor area ("GFA") of approximately 15.93 million sq. m., representing year-on-year growth of approximately 123% and 109% respectively. In 2013, the Company launched a total of 37 new projects, of which the majority of the new projects were outside Guangdong Province (of which only 7 in Guangdong Province).

Chairman's Statement

While the Group continued to achieve healthy growth in Guangdong Province, its core market, the recognition of Country Garden's brand name has been continuously rising outside Guangdong. We have become a leading brand in many of our operations outside Guangdong, which not only diversifies the Group's geographical coverage of business, but also sets a solid foundation for the long-term development of the Group. The ratio of the contracted sales from the projects outside Guangdong Province (including overseas) to that of the Group has increased from approximately 24% in 2008 to approximately 56% in 2013, which verifies that the Group's successful business model in Guangdong Province is replicable in places outside Guangdong Province.

With the steady development in China, Country Garden made its first venture overseas last year and has reaped enormous success. Country Garden Danga Bay, located in Johor Bahru of Malaysia and also closely accessible to Singapore, being our firstly launched overseas project, has received overwhelming response from buyers from Malaysia, Singapore and China. It has achieved contracted sales of approximately RMB7 billion equivalent in 2013 and was the highest contracted sales contributor for the Group during the year. The success of Country Garden Danga Bay has given the Group precious experience and further enhanced its confidence in further overseas business expansion. The Group's first project outside Asia, namely Country Garden Ryde Garden, located in the suburban of Sydney, Australia, is planned to be launched soon, and the Group is confident that it can also achieve excellent sales performance there. The Group is confident that its overseas business can generate very satisfactory return.

As of 31 December 2013, the Group had 171 projects under different stages of development, including 75 in Guangdong. Attributable GFA with land use right certificates, development and operation rights or land title was approximately 72.27 million sq. m. (approximately 38% in Guangdong), among which attributable GFA with construction permits was around 30.18 million sq. m..

Alongside the continuing expansion in property development and sales, the Group's hotel business broadened its recurring income stream from non-residential developments, diversifying the Group's property income portfolio. As of 31 December 2013, the Group operated 37 five-star hotels or five-star standard hotels, as well as 2 four-star hotels, with a total of 11,387 guest rooms. Most of the Group's hotels are located within the Group's property projects. The development of five-star standard hotels within these property projects assists in sales promotion and enhances the ancillary value of the projects.

In the aspect of internal management, the Group further consolidated and continued to fine-tune its organization structure, management processes and the result-oriented performance appraisal system, meanwhile maintained a close monitoring of the various pre-determined performance indicators imposed on its projects. With a more precise process management, the project execution efficiency and product quality have been greatly enhanced. In addition, the Group has introduced a result-oriented project incentive scheme (including granting cash awards and share options), in order to make it more incentivized and to allow our staff (including executive directors) to better share and enjoy the achievement with the Group together.

In addition, the Company has appointed five executive directors during the year. Of which, Mr. Zhu Rongbin, the Associate President, had 19 years of rich experience in property development and related business, and is a national registered supervisor engineer, a national registered cost engineer and a senior engineer. He was director, assistant general manager and general manager (eastern China region) of China Overseas Property Group Company Limited, and vice president and general manager (southern China region) of Guangzhou R&F Properties Co., Ltd.. The other four executive directors, Mr. Xie Shutai, Mr. Song Jun, Mr. Liang Guokun, and Mr. Su Baiyuan, are long-servicing outstanding senior management promoted internally who have made enormous contribution to the Group during their services. Mr. Zhang Yaoyuan has resigned as an executive director of the Company due to his reaching of the retirement age. On behalf of the Group, I would like to express our sincere gratitude to Mr. Zhang for his valuable contributions to the Group over the years. The Group has a strong and effective leadership possessing with expertise in various aspects of property development and corporate governance, which is beneficial for its long-term and sustainable development and healthy growth.

Chairman's Statement

With regards to financial management, on top of its strong bank financing capabilities with major commercial banks, the Group successfully took advantage of the good market opportunities and issued US\$750 million senior notes with 10-year tenor and 7.5% coupon rate in January 2013. This issuance has a longer tenor than the Company's previous issuances but at a much lower coupon rate. Subsequently in October 2013, the Group further issued US\$750 million senior notes with 7.5-year tenor and 7.25% coupon rate, and continued to record oversubscription. In addition, Moody's has upgraded our issuer's credit rating from Ba3 to Ba2, and Standard & Poor's also upgraded the ratings outlook of our BB issuer's credit rating from Stable to Positive during the year. The Group's operation model and financial strength have been further recognized by the investment community.

Looking forward, Country Garden will continue to adhere with national development strategies and the macroeconomic environment to select and develop property projects. Together with our fast track development, strong project execution capabilities, continuously enhanced product quality as well as gardening facilities, property management services with attention to details, we are committed to offering high value-for-money property products and living experience, achieving another year of sales success both in China and overseas, creating value for the society and generating satisfactory returns for our shareholders.

APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude as always to the entire management team and every staff member of Country Garden. The growth of Country Garden would not have been possible without your dedication and contribution. The Group would also like to thank the local governments for their continued support in making possible the smooth progress of our various projects. We would also like to express our appreciation to investors, customers and business partners for their strong support and confidence in the Group. The management and staff of Country Garden will continue to dedicate their professional knowledge with excellent team spirit to overcome every difficulty ahead so as to achieve more outstanding results.

YEUNG Kwok Keung

Chairman

Foshan, Guangdong Province, PRC
12 March 2014



— Country Garden Center

Business Overview

PROPERTY DEVELOPMENT

As of 31 December 2013, the Group had 171 projects at various stages of development. 75 of the projects are located in Guangdong Province including 14 in Guangzhou city, 13 in Jiangmen city, 9 in Foshan city, 7 in each of Dongguan city and Zhaoqing city, 5 in each of Qingyuan city and Meizhou city, 3 in each of Shaoguan city and Maoming city, 2 in each of Huizhou city, Yunfu city and Shanwei city, 1 in each of Yangjiang city, Heyuan city and Zhongshan city. Another 96 projects are located as the following: 4 in Changsha city and 1 in each of Yiyang city, Zhangjiajie city, Xiangtan city, Chenzhou city, Hengyang city in Hunan Province, 3 in each of Wuhan city and Xianning city, 1 in each of Suizhou city, Jingmen city, Ezhou city, Huanggang city and Huangshi city in Hubei Province, 4 in Wuxi city, 3 in Nantong city, 2 in each of Taizhou city and Zhenjiang city, 1 in each of Nanjing city, Yancheng city and Yangzhou city in Jiangsu Province, 2 in each of Hefei city and Chuzhou city, 1 in each of Anqing city, Chizhou city, Maanshan city, Huangshan city, Wuhu city and Xuancheng city in Anhui Province, 5 in Shenyang city and 1 in Anshan city in Liaoning Province, 1 in each of Hulunbeier city, Xing'anmeng and Tongliao city in Inner Mongolia Autonomous Region, 4 in Chongqing Municipality, 3 in Tianjin Municipality, 1 in each of Yulin city, Baise city and Wuzhou city in Guangxi Zhuang Autonomous Region, 2 in Lin'gao county and 1 in Wenchang city in Hainan Province, 1 in each of Ji'nan city, Yantai city, Weihai city, Weifang city and Zibo city in Shandong Province, 2 in Hangzhou city, 1 in each of Jiaxing city, Ningbo city, Quzhou city, Shaoxing city and Wenzhou city in Zhejiang Province, 2 in Quanzhou city and 1 in Sanming city in Fujian Province, 1 in each of Anyang city, Luoyang city and Zhoukou city in Henan Province, 1 in each of Pingxiang city and Yichun city in Jiangxi Province, 1 in each of Guangyuan city and Nanchong city in Sichuan Province, 1 in Lanzhou city in Gansu Province, 1 in Guiyang city in Guizhou Province, 1 in Suihua city in Heilongjiang Province, 1 in Tangshan city in Hebei Province, 1 in Qujing city in Yunnan Province as well as 2 in the State of Selangor and 1 in the State of Johor in Malaysia.

As of 31 December 2013, the Group's 171 projects had an aggregate completed GFA of 45,731,794 sq.m., and aggregate GFA under development of 33,304,855 sq.m., and aggregate GFA of 39,082,290 sq.m. relating to properties held for future development.

PROPERTY MANAGEMENT

Through a wholly-owned property service subsidiary of the Company, Guangdong Country Garden Property Service Co. Ltd. ("Guangdong Service Co."), the Group provides post sales property management and services to the residents of each of the projects developed.



— Country Garden Phoenix Hotel, Maoming

As of 31 December 2013 the Group had approximately 23,825 staff working for its 140 property service branches. The Group aims to continue to provide property management and services, including public security and assisting the management of public order, maintenance of public facilities, cleaning of public areas, domestic assistance, gardening and landscaping, intra-community shuttle bus operations and other customer services. The Group has established a market reputation for the quality of these services. For example, Guangdong Service Co. has been certified by the Ministry of Construction as a class-one property service company, the highest level a PRC property service company can achieve.

HOTEL OPERATION

The Group has developed and currently operated 7 five-star hotels and 2 four-star hotels, as well as 30 hotels which have been developed to the five-star rating standard under the “Star-Rating Standard for Tourist Hotels”. In addition, the Group has 12 hotels that are under construction in accordance with the five-star rating standard and 3 hotels that is under construction in accordance with the four-star rating standard of the “Star-Rating Standard for Tourist Hotels”.

The development status of the Group’s hotel properties as at 31 December 2013 is as follow:

Name of Hotel	Location	Actual/ *Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Country Garden Holiday Resorts (順德碧桂園度假村)	Shunde Country Garden, Foshan, Guangdong Province	February 2000	201	Four-Star (in operation)
Phoenix City Hotel, Guangzhou (廣州鳳凰城酒店)	Country Garden Phoenix City, Guangzhou, Guangdong Province	November 2003	573	Five-Star (in operation)
Country Garden Holiday Islands Hotel (碧桂園假日半島酒店)	Qingyuan Holiday Islands Country Garden, Qingyuan, Guangdong Province	December 2004	225	Five-Star (in operation)
Country Garden Phoenix Hotel, Heshan (鶴山碧桂園鳳凰酒店)	Heshan Country Garden, Jiangmen, Guangdong Province	July 2005	282	Five-Star (in operation)
Country Garden Phoenix Hotel, Yangjiang (陽江碧桂園鳳凰酒店)	Yangdong Country Garden, Yangjiang, Guangdong Province	May 2007	342	Five-Star (in operation)
Country Garden Phoenix Hotel, Taishan (台山碧桂園鳳凰酒店)	Taishan Country Garden, Jiangmen, Guangdong Province	November 2007	337	Five-Star (in operation)
Country Garden Phoenix Hot Spring Hotel, Xianning (咸寧碧桂園鳳凰溫泉酒店)	Country Garden — Hot Spring City, Xianning, Hubei Province	November 2009	328	Five-Star (in operation)
Country Garden Phoenix Hotel, Gaoming (高明碧桂園鳳凰酒店)	Gaoming Country Garden, Foshan, Guangdong Province	November 2009	336	Five-Star (in operation)
Country Garden Phoenix Hotel, Jingmen (荊門碧桂園鳳凰酒店)	Jingmen Country Garden, Jingmen, Hubei Province	October 2010	138	Four-Star (in operation)
Country Garden Phoenix Hotel, Wuyi (五邑碧桂園鳳凰酒店)	Wuyi Country Garden, Jiangmen, Guangdong Province	December 2005	95	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Changsha (長沙碧桂園鳳凰酒店)	Changsha Country Garden, Changsha, Hunan Province	October 2007	343	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Zhaoqing (肇慶碧桂園鳳凰酒店)	Zhaoqing Country Garden, Zhaoqing, Guangdong Province	February 2009	285	According to five-star rating standard (in operation)

Business Overview

Name of Hotel	Location	Actual/ *Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Country Garden Phoenix Hotel, Xinhui (新會碧桂園鳳凰酒店)	Xinhui Country Garden, Jiangmen, Guangdong Province	March 2009	374	According to five-star rating standard (in operation)
Country Garden Pheonix Hotel, Changshou, Chongqing (重慶長壽碧桂園鳳凰酒店)	Changshou Country Garden, Changshou, Chongqing Municipality	September 2010	335	According to five-star rating standard (in operation)
Maritim Hotel, Wuhu (蕪湖碧桂園瑪麗蒂姆酒店)	Wuhu Country Garden, Wuhu, Anhui Province	December 2010	602	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Wuhan (武漢碧桂園鳳凰酒店)	Wuhan Country Garden, Wuhan, Hubei Province	January 2011	331	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Binhu City (濱湖城碧桂園鳳凰酒店)	Country Garden Lakeside City, Hefei, Anhui Province	January 2011	336	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Huangshan (黃山碧桂園鳳凰酒店)	Huangshan Country Garden, Huangshan, Anhui Province	March 2011	378	According to five-star rating standard (in operation)
Country Garden Holiday Hotel, Shenyang (瀋陽碧桂園假日酒店)	Shenyang Country Garden, Shenyang, Liaoning Province	May 2011	50	According to five-star rating standard (in operation)
Maritim Hotel, Shenyang (瀋陽碧桂園瑪麗蒂姆酒店)	Country Garden — Galaxy Palace, Shenyang, Liaoning Province	July 2011	631	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Tianjin (天津碧桂園鳳凰酒店)	Tianjin Country Garden, Balitai, Tianjin Municipality	August 2011	249	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Shaoguan (韶關碧桂園鳳凰酒店)	Shaoguan Country Garden, Shaoguan, Guangdong Province	August 2011	335	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Suizhou (隨州碧桂園鳳凰酒店)	Suizhou Country Garden, Suizhou, Hubei Province	October 2011	378	According to five-star rating standard (in operation)
Country Garden Hill Lake Phoenix Hotel (碧桂園如山湖鳳凰酒店)	Country Garden — Hill Lake City, Maanshan, Anhui Province	November 2011	454	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Lechang (樂昌碧桂園鳳凰酒店)	Lechang Country Garden, Shaoguan, Guangdong Province	November 2011	129	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Ningxiang (寧鄉碧桂園鳳凰酒店)	Country Garden — Hill Lake Palace, Changsha, Hunan Province	December 2011	129	According to five-star rating standard (in operation)
Country Garden Europe City Phoenix Hotel (碧桂園歐洲城鳳凰酒店)	Country Garden — Europe City, Chuzhou, Anhui Province	December 2011	333	According to five-star rating standard (in operation)
Country Garden Holiday Hot Spring Hotel, Fogang (佛岡碧桂園假日溫泉酒店)	Country Garden Spring City, Qingyuan, Guangdong Province	April 2012	11	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Chizhou (池州碧桂園鳳凰酒店)	Chizhou Country Garden, Chizhou, Anhui Province	June 2012	338	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Tongliao (通遼碧桂園鳳凰酒店)	Tongliao Country Garden, Tongliao, Inner Mongolia	July 2012	321	According to five-star rating standard (in operation)
Country Garden Phoenix Hot Spring Hotel, Taizhou (泰州碧桂園鳳凰溫泉酒店)	Taizhou Country Garden, Taizhou, Jiangsu Province	July 2012	331	According to five-star rating standard (in operation)

Business Overview

Name of Hotel	Location	Actual/ *Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Country Garden Phoenix City Hotel (碧桂園鳳凰城酒店)	Country Garden — Phoenix City, Zhenjiang, Jiangsu Province	September 2012	334	According to five-star rating standard (in operation)
Country Garden Silver Beach Hotel (碧桂園十里銀灘酒店)	Country Garden — Ten Miles Beach, Huizhou, Guangdong Province	October 2012	336	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Chaohu (巢湖碧桂園鳳凰酒店)	Chaohu Country Garden, Hefei, Anhui Province	November 2012	336	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Anqing (安慶碧桂園鳳凰酒店)	Anqing Country Garden, Anqing, Anhui Province	December 2012	336	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Huiyang (惠陽碧桂園鳳凰酒店)	Huiyang Country Garden, Huizhou, Guangdong Province	December 2012	118	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Yunfu (雲浮碧桂園鳳凰酒店)	Yunfu Country Garden, Yunfu, Guangdong Province	March 2013	129	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Xing'anmeng (興安盟碧桂園鳳凰酒店)	Xing'anmeng Country Garden, Xing'anmeng, Inner Mongolia	July 2013	134	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Haicheng (海城碧桂園鳳凰酒店)	Haicheng Country Garden, Anshan, Liaoning Province	December 2013	134	According to five-star rating standard (in operation)
Country Garden Phoenix Hotel, Maoming (茂名碧桂園鳳凰酒店) ⁽²⁾	Country Garden City Garden, Maoming, Guangdong Province	*2014	199	According to five-star rating standard (under construction)
Hilton Wuhan Optics Valley (武漢光谷希爾頓酒店) ⁽³⁾	Country Garden — Eco City, Wuhan, Hubei Province	*2014	510	According to five-star rating standard (under construction)
Hilton Tianjin Binhai (天津濱海希爾頓酒店)	Independent Hotel, Tanggu, Tianjin Municipality	*2014	1,238	According to five-star rating standard (under construction)
Country Garden Phoenix Hotel, Beiliu (北流碧桂園鳳凰酒店)	Beiliu Country Garden, Yulin, Guangxi Zhuang Autonomous Region	*2014	209	According to five-star rating standard (under construction)
Country Garden Phoenix Hotel, Yangshan (陽山碧桂園鳳凰酒店)	Yangshan Country Garden, Qingyuan, Guangdong Province	*2014	129	According to five-star rating standard (under construction)
Hilton Foshan (佛山希爾頓酒店)	Country Garden City Garden, Foshan, Guangdong Province	*2014	600	According to five-star rating standard (under construction)
Country Garden International Resort, Zhangjiajie (張家界碧桂園鳳凰國際度假酒店)	Zhangjiajie Country Garden, Zhangjiajie, Hunan province	*2014	1,047	According to five-star rating standard (under construction)
Country Garden Holiday Hotel, Meizhou (梅州碧桂園假日酒店)	Shejiang Country Garden, Meizhou, Guangdong Province	*2014	50	According to four-star rating standard (under construction)
Country Garden Phoenix Hotel, Kaiping (開平碧桂園鳳凰酒店)	Country Garden — Jade Bay, Jiangmen, Guangdong Province	*2014	290	According to five-star rating standard (under construction)
Country Garden Golden Beach Hotel, Hainan (海南碧桂園金沙灘酒店)	Country Garden — Golden Beach, Lin'gao, Hainan Province	*2014	84	According to five-star rating standard (under construction)

Business Overview

Name of Hotel	Location	Actual/ *Estimated Opening Date	Number of Rooms	Star-rating ⁽¹⁾
Country Garden Spring Town Holiday Hotel, Hainan (碧桂園海南小城之春 假日酒店)	Country Garden Spring Town, Lin'gao, Hainan Province	*2014	113	According to four-star rating standard (under construction)
Country Garden Phoenix Hotel, Shenyang (瀋陽碧桂園鳳凰酒店)	Country Garden — Phoenix City, Shenyang, Liaoning Province	*2014	134	According to five-star rating standard (under construction)
Country Garden Phoenix Hotel, Longjiang (龍江碧桂園鳳凰酒店)	Country Garden Grand Palace, Foshan, Guangdong Province	*2014	193	According to five-star rating standard (under construction)
Country Garden Phoenix Hotel, Xilian (韶關西聯碧桂園鳳凰酒店)	Shaoguan Country Garden — Sun Palace, Shaoguan, Guangdong Province	*2014	129	According to five-star rating standard (under construction)
Airport Hotel, Huadu (花都空港酒店)	Country Garden Airport Plaza, Guangzhou, Guangdong Province	*2014	209	According to four-star rating standard (under construction)

Notes:

- (1) Hotels are only allowed to apply for star hotel certification after one year of operation.
- (2) Country Garden Phoenix Hotel, Maoming commenced partial trial operation on 31 October 2013.
- (3) Hilton Wuhan Optics Valley commenced partial trial operation on 31 December 2013.

The following map shows where the 168 projects in China of the Group as of 31 December 2013 were located:



Business Overview

Guangdong

1. Country Garden East Court
2. Shawan Country Garden
3. Huanan Country Garden — Phases One to Five and Phase Seven
4. Huanan Country Garden — Phase Six
5. Licheng Country Garden
6. Country Garden Phoenix City
7. Nansha Country Garden
8. Holiday Islands — Huadu
9. Shunde Country Garden — including Country Garden West Court
10. Jun'an Country Garden
11. Peninsula Country Garden
12. Gaoming Country Garden
13. Nanhai Country Garden
14. Heshan Country Garden
15. Wuyi Country Garden
16. Xinhui Country Garden
17. Taishan Country Garden
18. Yangdong Country Garden
19. Zhaoqing Lanling Residence
20. Zhaoqing Country Garden
21. Shaoguan Country Garden
22. Huiyang Country Garden
23. Lechang Country Garden
24. Enping Country Garden
25. Shanwei Country Garden
26. Shaoguan Country Garden — Sun Palace
27. Sihui Country Garden
28. Maoming Country Garden
29. Yangshan Country Garden
30. Country Garden — Lychee Park
31. Zhaoqing Country Garden — Hill Lake Palace
32. Country Garden — Park Prime
33. Country Garden — Grand Garden
34. Country Garden — Sunshine Coast
35. Holiday Islands — Qingyuan
36. Country Garden Wonderland
37. Dalang Country Garden
38. Country Garden Grand Palace
39. Huaiji Country Garden
40. Country Garden City Garden
41. Country Garden Grand Palace
42. Deqing Country Garden
43. Yunfu Country Garden
44. Jianghai Country Garden
45. Xinhui Country Garden — Phase Four
46. Country Garden City Garden
47. Country Garden — Ten Miles Beach
48. Country Garden Spring City
49. Country Garden Grand Lake
50. Fengkai Country Garden
51. Haifeng Country Garden
52. Country Garden — Hill Lake Grand Palace
53. Ronggui Country Garden
54. Country Garden — Dongjiang Phoenix City
55. Meiji Country Garden
56. Country Garden Grand Garden
57. Shilou Country Garden
58. Country Garden — Jade Bay
59. Country Garden Forest Hill Garden
60. Shejiang Country Garden
61. Country Garden Shine Hill Lake City
62. Country Garden — Hill Lake Bay
63. Country Garden Hill Lake Bay
64. Country Garden — Jade Bay
65. Country Garden Times City
66. Country Garden Spring City — Phase Two

67. Wuhua Country Garden
68. Xingning Country Garden
69. Country Garden Airport Plaza
70. Country Garden — Forest Lake
71. Country Garden — City Garden
72. Country Garden Phoenix City
73. Changping Country Garden
74. Qishi Dingfeng Country Garden
75. Country Garden — Parklane Bay

Guangxi

76. Beiliu Country Garden
77. Pingguo Country Garden
78. Country Garden — Phoenix City (Wuzhou)

Hunan

79. Changsha Country Garden
80. Country Garden — Hill Lake Palace
81. Yiyang Country Garden
82. Liuyang Country Garden
83. Xiangtan Country Garden
84. Zhangjiajie Country Garden
85. Country Garden — Wonderland
86. Country Garden — Jade Hill
87. Hengyang Country Garden

Chongqing

88. Changshou Country Garden
89. Qianjiang Country Garden
90. Dianjiang Country Garden
91. Country Garden — Jade City

Hubei

92. Wuhan Country Garden
93. Xianning Country Garden
94. Suizhou Country Garden
95. Country Garden — Hot Spring City
96. Jingmen Country Garden
97. Country Garden — Eco City
98. Wuhan Country Garden Phase Three
99. Country Garden Holiday Islands
100. Country Garden Zishan Lake
101. Country Garden — Riverside City
102. Daye Country Garden

Jiangsu

103. Taizhou Country Garden
104. Country Garden — Phoenix City
105. Country Garden Triumph Palace
106. Yixing Country Garden
107. Rudong Country Garden
108. Danyang Country Garden
109. Jingjiang Country Garden
110. Jiangyin Country Garden
111. Rugao Country Garden
112. Gaochun Country Garden
113. Nantong Country Garden
114. Baoying Country Garden
115. Dongtai Country Garden
116. Country Garden Triumph Palace District C

Zhejiang

117. Hangzhou Country Garden
118. Quzhou Country Garden
119. Zhuji Country Garden
120. Tonglu Country Garden
121. Haining Country Garden
122. Cixi Country Garden
123. Wenzhou Country Garden

Anhui

124. Country Garden Lakeside City
125. Chizhou Country Garden
126. Huangshan Country Garden
127. Wuhu Country Garden
128. Country Garden — Hill Lake City
129. Chaohu Country Garden
130. Anqing Country Garden
131. Country Garden — Europe City
132. Country Garden — City Garden
133. Xuancheng Country Garden

Tianjin

134. Tianjin Country Garden
135. Country Garden — Deyu Office Building
136. Country Garden — Seashore City

Liaoning

137. Shenyang Country Garden
138. Country Garden — Phoenix City
139. Country Garden — Sun Palace
140. Country Garden — Galaxy Palace
141. Haicheng Country Garden
142. Country Garden Grand Garden

Inner Mongolia

143. Manzhouli Country Garden
144. Xing'anmeng Country Garden
145. Tongliao Country Garden

Heilongjiang

146. Suihua Country Garden

Hainan

147. Country Garden — Palm City
148. Country Garden Spring Town
149. Country Garden — Golden Beach

Shandong

150. Country Garden — Phoenix City
151. Country Garden — Ten Miles Golden Beach
152. Country Garden — Jade Bay
153. Zibo Country Garden
154. Wendeng Country Garden

Fujian

155. Yongchun Country Garden
156. Nan'an Country Garden
157. Sanming Country Garden

Gansu

158. Country Garden — Lanzhou New City

Guizhou

159. Huaxi Country Garden

Hebei

160. Qian'an Country Garden

Henan

161. Zhoukou Country Garden
162. Luoyang Country Garden
163. Anyang Country Garden

Jiangxi

164. Yichun Country Garden
165. Pingxiang Country Garden

Sichuan

166. Guangyuan Country Garden
167. Nanchong Country Garden

Yunnan

168. Qujing Country Garden

In addition, the Group had 2 projects in the State of Selangor and 1 project in the State of Johor of Malaysia as of 31 December 2013.

Business Overview

Completed property developments

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable GFA sold and delivered ⁽¹⁾ sq.m.	Total saleable GFA pre-sold pending delivery ⁽¹⁾ sq.m.	Completion date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	240,550	238,860	235,251	—	29/Jun/02
Shawan Country Garden (沙灣碧桂園)	Guangzhou (Panyu)	278,834	100%	278,834	273,702	273,702	—	31/Dec/09
Huanan Country Garden — Phases One to Five and Phase Seven (華南碧桂園——一至五期及七期)	Guangzhou (Panyu)	1,075,096	100%	1,075,096	960,457	960,305	—	19/Dec/11
Huanan Country Garden — Phase Six (華南碧桂園—六期)	Guangzhou (Panyu)	424,231	50%	408,391	407,552	407,552	—	20/Dec/07
Licheng Country Garden (荔城碧桂園)	Guangzhou (Zengcheng)	568,729	100%	568,729	550,765	545,920	—	30/Jun/10
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,693,969	100%	4,406,011	4,176,961	4,039,459	575	20/Nov/13
Nansha Country Garden (南沙碧桂園)	Guangzhou (Nansha)	515,889	100%	515,889	491,002	489,304	—	28/Jun/10
Holiday Islands — Huadu (假日半島—花都)	Guangzhou (Huadu)	444,821	100%	418,169	403,637	350,143	1,169	18/Oct/12
Shunde Country Garden — including Country Garden West Court (順德碧桂園(含碧桂園西苑))	Foshan (Shunde)	2,845,362	100%	2,376,565	2,192,825	2,109,522	—	29/Sep/13
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	254,510	90%	224,458	214,110	214,110	—	20/Jun/11
Peninsula Country Garden (半島碧桂園)	Foshan (Shunde)	294,330	100%	294,330	287,042	287,042	—	16/Apr/08
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,950	100%	917,070	906,185	884,343	18,746	26/Dec/13
Nanhai Country Garden (南海碧桂園)	Foshan (Nanhai)	553,574	100%	553,574	542,780	541,545	—	30/Mar/11
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,072,266	100%	1,867,297	1,794,733	1,745,866	1,137	28/Apr/13
Wuyi Country Garden (五邑碧桂園)	Jiangmen (Pengjiang)	954,912	100%	954,912	912,193	907,594	—	18/Dec/13
Xinhui Country Garden (新會碧桂園)	Jiangmen (Xinhui)	588,519	100%	588,519	578,358	577,969	—	28/Dec/12
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,327,529	100%	906,795	883,200	810,790	802	9/Dec/13
Yangdong Country Garden (陽東碧桂園)	Yangjiang (Yangdong)	390,847	100%	390,847	370,201	370,201	—	21/Dec/10
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,319,816	100%	860,317	813,965	785,398	—	18/May/12
Zhaoqing Lanling Residence (肇慶藍領公寓)	Zhaoqing (Gaoxin)	185,721	100%	185,721	105,861	6,655	—	26/Jun/09
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	466,375	51%	417,584	401,176	380,529	20,186	26/Dec/13
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,500,325	100%	1,566,686	1,504,872	1,315,642	114,630	30/Dec/13
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	735,385	100%	721,430	668,423	584,891	1,063	29/Nov/13
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	975,943	90%	561,367	541,267	391,082	25,702	30/Dec/13
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,596,813	100%	159,232	157,680	108,538	3,931	29/Oct/13
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	1,581,124	100%	340,722	334,691	273,652	—	20/Nov/13
Country Garden — Sun Palace (碧桂園•太陽城)	Shenyang (Daoyi)	1,044,873	100%	396,253	389,277	347,875	11,332	29/Nov/13
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,302,248	100%	340,292	333,520	271,005	2,361	10/Aug/12
Country Garden — Galaxy Palace (碧桂園•銀河城)	Shenyang (Yuhong)	2,637,187	100%	985,071	964,545	856,055	5,190	28/Oct/13
Country Garden — Phoenix City (碧桂園•鳳凰城)	Shenyang (Suijiaun)	2,082,571	100%	730,878	722,045	667,538	10,197	29/Oct/13
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	292,134	100%	282,166	275,462	274,533	421	9/Aug/13
Country Garden — Hill Lake Palace (碧桂園•山湖城)	Changsha (Ningxiang)	560,617	100%	314,292	286,805	204,180	250	26/Aug/12
Country Garden Lakeside City (碧桂園濱湖城)	Hefei (Chaohu)	986,114	100%	752,268	738,979	691,327	363	14/Nov/13
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	720,473	100%	390,409	378,340	378,340	—	19/Jun/13
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	760,689	100%	490,381	469,769	375,994	11,783	11/Dec/13
Shaoguan Country Garden — Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Xilian)	4,881,243	100%	489,165	482,251	467,539	22	26/Nov/13
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	369,901	100%	112,028	107,435	102,257	—	17/Dec/13
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianq)	1,235,742	100%	359,705	349,011	268,540	45,789	30/Oct/13
Chizhou Country Garden (池州碧桂園)	Chizhou (Zhanqian)	418,094	100%	322,038	318,136	313,495	—	30/Aug/12
Country Garden — Hill Lake City (碧桂園•如山湖城)	Maanshan (Hexian)	1,096,159	100%	649,923	625,407	298,654	—	21/Oct/11
Sihui Country Garden (四會碧桂園)	Zhaoqing (Sihui)	47,102	100%	47,102	45,492	44,225	—	30/Jun/10
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	707,340	100%	352,959	333,290	287,827	7,495	30/Dec/13

Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable GFA sold and delivered ⁽¹⁾ sq.m.	Total saleable GFA pre-sold pending delivery ⁽¹⁾ sq.m.	Completion date
Country Garden – Hot Spring City (碧桂園•溫泉城)	Xianning (Xian'an)	1,121,480	100%	389,299	388,108	354,125	12,646	20/Nov/13
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,552,339	100%	505,125	499,855	427,295	34,651	9/Nov/13
Changshou Country Garden (長壽碧桂園)	Chongqing (Changshou)	631,705	100%	434,195	412,993	382,261	562	15/Oct/13
Tongliao Country Garden (通遼碧桂園)	Tongliao (Keerqin)	1,749,189	100%	425,219	410,289	395,881	6,326	29/Nov/13
Huangshan Country Garden (黃山碧桂園)	Huangshan (Tunxi)	330,953	100%	330,024	311,671	296,199	–	26/Nov/12
Anqing Country Garden (安慶碧桂園)	Anqing (Yingjiang)	2,865,463	100%	829,203	737,672	717,156	–	22/Aug/13
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,104,268	100%	822,392	769,932	629,525	386	29/Oct/12
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	1,298,915	100%	400,516	396,087	210,924	154,730	3/Dec/13
Chaohu Country Garden (巢湖碧桂園)	Hefei (Chaohu)	740,764	100%	457,124	418,573	364,860	1,575	15/Dec/13
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	1,105,795	100%	349,832	344,980	220,224	89,822	17/Sep/13
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	439,274	100%	344,538	328,746	301,195	6,044	19/Jul/13
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	845,727	100%	225,621	223,631	207,080	–	20/Mar/13
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	271,731	100%	149,298	148,875	145,574	489	27/Jul/12
Tianjin Country Garden (天津碧桂園)	Tianjin (Baítai)	1,000,357	100%	432,583	401,781	357,159	1,418	31/Dec/13
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	1,278,354	100%	324,749	323,494	315,604	970	29/Nov/13
Country Garden – Lychee Park (碧桂園•荔園)	Guangzhou (Zengcheng)	88,837	100%	88,837	87,590	85,870	–	26/May/10
Zhaoqing Country Garden – Hill Lake Palace (肇慶碧桂園•山湖城)	Zhaoqing (Gaoyao)	261,079	51%	261,079	255,764	252,998	–	28/Apr/13
Country Garden – Park Prime (碧桂園•公園1號)	Jiangmen (Heshan)	237,723	100%	158,504	155,948	155,948	–	30/Aug/12
Country Garden – Grand Garden (碧桂園•豪園)	Guangzhou (Zengcheng)	1,105,356	100%	585,640	531,078	521,991	2,213	26/Nov/13
Country Garden – Sunshine Coast (碧桂園•陽光水岸)	Jiangmen (Kaiping)	48,718	100%	48,718	48,446	46,846	–	15/Dec/10
Holiday Islands – Qingyuan (假日半島 – 清遠)	Qingyuan (Qingcheng)	435,667	100%	435,667	433,927	433,273	–	30/Nov/12
Country Garden Wonderland (碧桂園山水桃源)	Foshan (Nanhai)	144,508	100%	144,508	143,410	116,927	613	19/Jan/12
Dalang Country Garden (大朗碧桂園)	Dongguan (Dalang)	377,760	100%	377,760	368,636	357,295	–	17/May/13
Country Garden Grand Palace (碧桂園豪庭)	Guangzhou (Nansha)	167,152	100%	167,152	155,977	155,146	–	17/May/13
Huaiji Country Garden (懷集碧桂園)	Zhaoqing (Huajij)	241,390	100%	138,569	137,426	135,121	2,305	5/Nov/13
Country Garden City Garden (碧桂園城市花園)	Foshan (Chancheng)	450,726	90%	450,448	434,705	373,618	632	6/Dec/13
Country Garden Grand Palace (碧桂園豪庭)	Foshan (Shunde)	369,867	100%	369,867	365,179	350,973	76	21/Nov/12
Deqing Country Garden (德慶碧桂園)	Zhaoqing (Deqing)	195,723	100%	195,723	192,351	184,277	230	30/May/13
Yunfu Country Garden (雲浮碧桂園)	Yunfu (Jinshan)	524,033	100%	212,466	211,952	203,186	5,929	27/Nov/13
Beiliu Country Garden (北流碧桂園)	Yulin (Beiliu)	426,362	100%	192,971	189,349	167,749	14,185	20/Dec/13
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	502,711	100%	216,335	206,296	162,456	36,337	30/Jul/13
Xinhui Country Garden – Phase Four (新會碧桂園 – 四期)	Jiangmen (Xinhui)	598,976	100%	229,259	227,449	200,233	22,574	25/Dec/13
Country Garden City Garden (碧桂園城市花園)	Maoming (Dianbai)	1,432,615	100%	115,055	114,494	68,005	42,152	20/Dec/13
Country Garden – Ten Miles Beach (碧桂園•十里銀灘)	Huizhou (Huidong)	5,136,572	100%	990,226	932,124	873,431	4,490	26/Dec/13
Country Garden Spring City (碧桂園清泉城)	Qingyuan (Fogang)	588,781	100%	241,822	241,766	228,240	–	20/Dec/13
Country Garden Grand Lake (碧桂園秀麗湖)	Zhongshan (Wuguishan)	79,849	100%	79,849	74,534	54,307	–	31/Oct/12
Country Garden – Phoenix City (碧桂園•鳳凰城)	Zhenjiang (Jurong)	4,712,463	100%	753,479	721,868	489,447	26,674	10/Dec/13
Country Garden – Europe City (碧桂園•歐洲城)	Chuzhou (Nanqiao)	1,465,001	100%	343,975	332,685	205,589	4,076	15/Nov/13
Fengkai Country Garden (封開碧桂園)	Zhaoqing (Fengkai)	183,554	100%	156,687	150,966	133,285	905	13/Dec/13
Country Garden Grand Garden (碧桂園豪園)	Shenyang (Qipanshan)	171,243	100%	72,531	72,498	34,143	–	10/Sep/12
Haifeng Country Garden (海豐碧桂園)	Shanwei (Haifeng)	340,319	100%	316,493	313,878	274,105	23,876	18/Dec/13
Country Garden Triumph Palace (碧桂園凱旋華庭)	Wuxi (Xishan)	301,550	100%	177,356	170,608	149,436	–	29/Oct/13

Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	Completed GFA ⁽¹⁾ sq.m.	Total completed saleable GFA ⁽¹⁾ sq.m.	Total saleable GFA sold and delivered ⁽¹⁾ sq.m.	Total saleable GFA pre-sold pending delivery ⁽¹⁾ sq.m.	Completion date
Country Garden – Hill Lake Grand Palace (碧桂園•山水豪園)	Jiangmen (Heshan)	746,886	80%	166,103	164,709	154,781	–	29/Nov/13
Xiangtan Country Garden (湘潭碧桂園)	Xiangtan (Xiangtan)	623,331	100%	172,741	147,784	115,658	230	10/Sep/13
Ronggui Country Garden (容桂碧桂園)	Foshan (Shunde)	303,604	100%	170,589	165,043	12,675	27,343	10/Dec/13
Country Garden – City Garden (碧桂園•城市花園)	Chuzhou (Laian)	1,549,780	100%	332,622	324,918	257,482	17,743	30/Aug/13
Country Garden – Dongjiang Phoenix City (碧桂園•東江鳳凰城)	Heyuan (Yuancheng)	919,611	100%	242,921	239,958	216,777	3,184	21/Oct/13
Meizhou Country Garden (梅江碧桂園)	Meizhou (Meizhou)	856,269	100%	300,401	290,489	264,664	8,165	30/Sep/13
Country Garden Grand Garden (碧桂園豪園)	Dongguan (Tangxia)	291,910	70%	53,540	44,098	13,998	–	30/Sep/13
Country Garden – Jade Bay (碧桂園•翡翠灣)	Jiangmen (Kaiping)	867,862	100%	136,741	134,945	122,349	4,940	30/May/13
Zhangjiajie Country Garden (張家界碧桂園)	Zhangjiajie (Yongding)	263,058	100%	23,685	–	–	–	28/Sep/10
Country Garden – Wonderland (碧桂園•山水桃源)	Changsha (Ningxiang)	119,682	100%	93,246	90,636	55,491	–	28/Nov/13
Country Garden Forest Hill Garden (碧桂園天麓山花園)	Dongguan (Tangxia)	446,787	100%	58,958	58,958	56,635	–	28/Jun/13
Shejiang Country Garden (滄江碧桂園)	Meizhou (Meixian)	236,359	100%	42,501	42,244	14,063	–	15/Jun/13
Country Garden Shine Hill Lake City (碧桂園新亞山湖城)	Qingyuan (Qingcheng)	1,083,173	100%	104,478	104,478	91,908	–	13/Dec/13
Country Garden – Eco City (碧桂園•生態城)	Wuhan (Hongshan)	831,889	55%	107,485	107,059	81,056	643	26/Nov/13
Country Garden – Jade Hill (碧桂園•翡翠山)	Chenzhou (Suxian)	471,642	100%	38,779	38,779	35,843	336	30/Oct/13
Country Garden – Phoenix City (碧桂園•鳳凰城)	Ji'nan (Zhangqiu)	601,966	100%	138,098	130,983	–	116,531	10/Dec/13
Country Garden – Seashore City (碧桂園•濱海城)	Tianjin (Binhai New Area)	120,844	100%	22,889	22,519	–	21,540	24/Dec/13
Country Garden – Palm City (碧桂園•椰城)	Wenchang (Tanniu)	129,337	100%	48,796	40,225	17,896	8,150	18/Nov/13
Country Garden – Hill Lake Bay (碧桂園•山湖灣)	Jiangmen (Xinhui)	321,764	100%	133,514	123,307	105,562	–	20/Nov/13
Pingguo Country Garden (平果碧桂園)	Baise (Pingguo)	201,479	100%	86,798	77,806	58,716	10,056	28/Oct/13
Qianjiang Country Garden (黔江碧桂園)	Chongqing (Qianjiang)	199,401	100%	86,918	83,519	17,602	26,122	31/Oct/13
Country Garden – Jade Bay (碧桂園•翡翠灣)	Meizhou (Jiaoling)	372,285	100%	80,174	70,546	61,283	1,397	15/Oct/13
Country Garden Times City (碧桂園時代城)	Dongguan (Tangxia)	125,023	51%	125,023	119,544	43,411	75,938	31/Dec/13
Country Garden Spring Town (碧桂園小城之春)	Lin'gao (Lin'gao)	37,375	51%	37,375	36,363	16,609	–	29/Oct/13
Country Garden – Golden Beach (碧桂園•金沙灘)	Lin'gao (Lin'gao)	465,152	51%	63,153	62,429	55,016	–	1/Dec/13
Country Garden – Parklane Bay (碧桂園•柏麗灣)	Dongguan (Shatian)	237,458	50%	109,547	109,547	71,705	–	21/Nov/13
Total:		99,392,355		45,731,794	43,750,739	39,126,526	1,102,348	

Note:

(1) Those are based on the surveying reports relevant government departments.

Properties under development — Projects in China

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA under development ⁽¹⁾ sq.m.	Total saleable GFA under development ⁽¹⁾ sq.m.	Actual commencement date	Total saleable GFA pre-sold ⁽¹⁾ sq.m.	Actual/Estimated pre-sale commencement date	Estimated completion date
Huanan Country Garden – Phase Six (華南碧桂園 – 六期)	Guangzhou (Panyu)	424,231	50%	15,840	–	15/Oct/04	–	–	4th Quarter, 2014
Country Garden Phoenix City (碧桂園鳳凰城)	Guangzhou (Zengcheng)	4,693,969	100%	287,958	269,910	29/Apr/07	175,935	30/Apr/08	4th Quarter, 2015
Holiday Islands – Huadu (假日半島 – 花都)	Guangzhou (Huadu)	444,821	100%	5,691	–	11/May/06	–	–	4th Quarter, 2014
Shunde Country Garden – including Country Garden West Court (順德碧桂園(含碧桂園西苑))	Foshan (Shunde)	2,845,362	100%	304,552	209,549	25/Aug/08	49,875	23/Aug/13	2nd Quarter, 2015
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,950	100%	56,880	56,454	31/May/06	20,297	24/Apr/13	3rd Quarter, 2014
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,072,266	100%	28,147	27,817	9/Aug/12	8,184	4/Dec/13	4th Quarter, 2014
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,327,529	100%	284,022	276,134	29/Feb/08	105,632	27/Dec/12	1st Quarter, 2015
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,319,816	100%	275,365	267,605	15/May/13	–	17/Sep/13	4th Quarter, 2015
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	466,375	51%	48,484	48,484	1/Mar/13	21,832	22/Aug/13	4th Quarter, 2014
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,500,325	100%	767,269	742,593	17/Jan/07	178,847	28/Apr/13	2nd Quarter, 2015
Taizhou Country Garden (泰州碧桂園)	Taizhou (Hailing)	735,385	100%	13,955	11,085	27/Jun/07	–	10/Dec/13	4th Quarter, 2014
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	975,943	90%	68,902	61,083	30/Jun/09	26,577	31/Jan/13	4th Quarter, 2014
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,596,813	100%	224,378	213,199	23/Jul/07	9,553	13/Sep/11	2nd Quarter, 2015
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	1,581,124	100%	69,962	55,584	27/Jan/11	6,383	9/Aug/13	4th Quarter, 2014
Country Garden – Sun Palace (碧桂園•太陽城)	Shenyang (Daoyi)	1,044,873	100%	142,354	122,540	28/Jul/09	70,763	20/Jul/12	4th Quarter, 2015
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,302,248	100%	108,621	106,675	8/Sep/07	8,105	26/Jul/13	3rd Quarter, 2015
Country Garden – Galaxy Palace (碧桂園•銀河城)	Shenyang (Yuhong)	2,637,187	100%	1,112,969	1,048,878	23/Mar/12	835,590	14/Aug/12	4th Quarter, 2015
Country Garden – Phoenix City (碧桂園•鳳凰城)	Shenyang (Suijiatun)	2,082,571	100%	637,370	619,942	26/Jun/08	104,846	28/Jun/13	4th Quarter, 2015
Country Garden – Hill Lake Palace (碧桂園•山湖城)	Changsha (Ningxiang)	560,617	100%	221,613	221,113	9/Jul/13	8,043	10/Sep/13	4th Quarter, 2014
Country Garden Lakeside City (碧桂園濱湖城)	Hefei (Chaohu)	986,114	100%	138,734	134,069	13/Dec/07	15,226	25/Sep/13	4th Quarter, 2014
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	720,473	100%	161,444	161,444	20/Aug/12	62,095	30/Nov/12	1st Quarter, 2015
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	760,689	100%	182,352	161,073	30/Jan/08	34,004	13/Jan/11	1st Quarter, 2014
Shaoguan Country Garden – Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Xilian)	4,881,243	100%	766,177	736,502	28/Dec/09	206,177	28/Jun/13	1st Quarter, 2015
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	369,901	100%	120,901	118,802	20/Oct/11	60,858	3/Nov/11	4th Quarter, 2014

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Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	1,235,742	100%	219,037	209,383	29/Sep/12	34,854	29/Sep/12	4th Quarter, 2014
Chizhou Country Garden (池州碧桂園)	Chizhou (Zhanqian)	418,094	100%	96,056	86,525	24/Aug/12	63,726	23/Nov/12	4th Quarter, 2014
Country Garden – Hill Lake City (碧桂園•如山湖城)	Maanshan (Hexian)	1,096,159	100%	79,628	79,308	17/Jul/12	14,359	30/Sep/13	3rd Quarter, 2014
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	707,340	100%	136,085	135,020	27/Jul/12	36,415	5/Feb/13	4th Quarter, 2014
Country Garden – Hot Spring City (碧桂園•溫泉城)	Xianning (Xian'an)	1,121,480	100%	216,224	215,049	19/May/11	53,521	28/Apr/13	4th Quarter, 2014
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,552,339	100%	236,644	236,267	21/May/08	83,542	18/Dec/12	4th Quarter, 2014
Tongliao Country Garden (通遼碧桂園)	Tongliao (Keerqin)	1,749,189	100%	291,349	289,008	19/Sep/12	84,065	25/Sep/12	3rd Quarter, 2016
Huangshan Country Garden (黃山碧桂園)	Huangshan (Tunxi)	330,953	100%	929	–	28/Sep/11	–	–	2nd Quarter, 2014
Anqing Country Garden (安慶碧桂園)	Anqing (Yingjiang)	2,865,463	100%	842,960	807,942	19/Jun/08	247,484	30/Jan/13	4th Quarter, 2015
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,104,268	100%	344,054	321,062	27/Jun/08	50,485	29/Jul/13	1st Quarter, 2015
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	1,298,915	100%	280,197	278,470	5/Aug/13	77,987	30/Aug/13	1st Quarter, 2015
Chaohu Country Garden (巢湖碧桂園)	Hefei (Chaohu)	740,764	100%	122,335	119,011	11/Aug/08	49,764	3/Apr/13	4th Quarter, 2014
Liuyang Country Garden (瀏陽碧桂園)	Changsha (Liuyang)	1,105,795	100%	97,830	97,582	6/Dec/12	25,293	7/Dec/12	4th Quarter, 2014
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	439,274	100%	90,276	87,278	10/Dec/11	18,455	23/Apr/12	4th Quarter, 2014
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	845,727	100%	117,814	115,474	30/Nov/12	38,543	23/Apr/13	4th Quarter, 2014
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	271,731	100%	107,839	96,787	10/Nov/12	68,874	19/Nov/12	1st Quarter, 2015
Tianjin Country Garden (天津碧桂園)	Tianjin (Balitai)	1,000,357	100%	239,764	232,524	15/Mar/11	114,655	28/Apr/13	1st Quarter, 2015
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	1,278,354	100%	294,569	281,352	4/Jul/11	136,806	13/Jan/12	4th Quarter, 2014
Country Garden – Park Prime (碧桂園•公園1號)	Jiangmen (Heshan)	237,723	100%	79,219	77,209	6/Feb/13	27,229	29/Nov/13	1st Quarter, 2015
Country Garden – Grand Garden (碧桂園•豪園)	Guangzhou (Zengcheng)	1,105,356	100%	394,490	366,303	5/Jul/13	190,437	29/Jul/13	4th Quarter, 2014
Huaiji Country Garden (懷集碧桂園)	Zhaoqing (Huaji)	241,390	100%	102,821	99,031	24/Feb/13	56,306	8/Jun/13	4th Quarter, 2014
Country Garden City Garden (碧桂園城市花園)	Foshan (Chancheng)	450,726	90%	278	–	2/Sep/11	–	–	2nd Quarter, 2014
Yunfu Country Garden (雲浮碧桂園)	Yunfu (Jinshan)	524,033	100%	268,516	253,007	24/Feb/11	146,927	28/Mar/13	2nd Quarter, 2015
Beiliu Country Garden (北流碧桂園)	Yulin (Beiliu)	426,362	100%	91,321	86,267	21/Oct/11	53,934	29/Sep/12	4th Quarter, 2014
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	502,711	100%	263,317	252,437	18/Jan/11	46,515	15/Aug/12	2nd Quarter, 2015
Xinhui Country Garden – Phase Four (新會碧桂園 – 四期)	Jiangmen (Xinhui)	598,976	100%	171,968	169,532	7/Jan/11	163,296	11/Apr/12	4th Quarter, 2014
Country Garden City Garden (碧桂園城市花園)	Maoming (Dianbai)	1,432,615	100%	292,650	289,541	31/Dec/11	189,337	23/Apr/13	4th Quarter, 2014
Country Garden – Ten Miles Beach (碧桂園•十里銀灘)	Huizhou (Huidong)	5,136,572	100%	2,032,502	1,965,024	14/Jun/11	541,408	23/Mar/12	2nd Quarter, 2015

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Country Garden Spring City (碧桂園清東城)	Qingyuan (Fogang)	588,781	100%	141,261	141,091	3/Nov/11	10,968	7/Nov/11	4th Quarter, 2014
Country Garden – Phoenix City (碧桂園•鳳凰城)	Zhenjiang (Jurong)	4,712,463	100%	1,378,246	1,368,418	11/Jan/11	577,799	29/Apr/11	4th Quarter, 2014
Country Garden – Europe City (碧桂園•歐洲城)	Chuzhou (Nanqiao)	1,465,001	100%	397,677	386,806	19/Nov/10	166,525	9/Dec/11	2nd Quarter, 2015
Fengkai Country Garden (封開碧桂園)	Zhaoqing (Fengkai)	183,554	100%	26,867	26,665	9/Aug/11	14,187	14/Aug/12	1st Quarter, 2015
Country Garden Grand Garden (碧桂園)	Shenyang (Qipanshan)	171,243	100%	27,512	26,654	12/Apr/11	4,035	8/Jul/11	1st Quarter, 2015
Haifeng Country Garden (海豐碧桂園)	Shanwei (Haifeng)	340,319	100%	23,826	8,793	29/Aug/11	429	25/Nov/13	4th Quarter, 2014
Hangzhou Country Garden (杭州碧桂園)	Hangzhou (Xiasha)	184,651	100%	184,651	180,642	14/Apr/12	82,035	13/Dec/12	2nd Quarter, 2014
Country Garden Triumph Palace (碧桂園凱旋華庭)	Wuxi (Xishan)	301,550	100%	124,194	117,460	16/Oct/12	94,081	27/Dec/12	2nd Quarter, 2015
Country Garden – Hill Lake Grand Palace (碧桂園•山水豪園)	Jiangmen (Heshan)	746,886	80%	78,663	74,207	15/Mar/13	6,963	30/Jul/13	1st Quarter, 2015
Xiangtan Country Garden (湘潭碧桂園)	Xiangtan (Xiangtan)	623,331	100%	216,790	216,532	25/Jun/13	46,514	5/Jun/13	4th Quarter, 2014
Ronggui Country Garden (容桂碧桂園)	Foshan (Shunde)	303,604	100%	133,015	129,312	28/Jun/11	10,549	6/Mar/13	4th Quarter, 2014
Country Garden – City Garden (碧桂園•城市花園)	Chuzhou (Lai'an)	1,549,780	100%	985,605	955,231	11/Sep/12	400,864	24/Sep/12	4th Quarter, 2014
Country Garden – Dongjiang Phoenix City (碧桂園•東江鳳凰城)	Heyuan (Yuancheng)	919,611	100%	379,984	371,537	31/May/11	271,141	26/Sep/12	2nd Quarter, 2015
Meijiang Country Garden (梅江碧桂園)	Meizhou (Meijiang)	856,269	100%	472,361	468,101	26/Aug/11	199,805	28/Jun/13	2nd Quarter, 2015
Country Garden Grand Garden (碧桂園豪園)	Dongguan (Tangxia)	291,910	70%	238,370	224,418	19/Mar/12	223,423	14/Dec/12	3rd Quarter, 2014
Shilou Country Garden (石樓碧桂園)	Guangzhou (Panyu)	168,808	100%	144,808	133,865	29/Dec/11	83,260	1/May/12	1st Quarter, 2014
Country Garden – Jade Bay (碧桂園•翡翠灣)	Jiangmen (Kaiping)	867,862	100%	301,112	291,962	30/Sep/11	188,885	13/Nov/12	3rd Quarter, 2014
Zhangjiajie Country Garden (張家界碧桂園)	Zhangjiajie (Yongding)	263,058	100%	53,792	53,184	20/Jul/12	4,552	5/Nov/12	2nd Quarter, 2015
Country Garden – Wonderland (碧桂園•山水桃源)	Changsha (Ningxiang)	119,682	100%	26,436	26,353	30/May/13	–	12/Aug/13	4th Quarter, 2014
Country Garden Forest Hill Garden (碧桂園天籟山花園)	Dongguan (Tangxia)	446,787	100%	387,829	354,024	20/Mar/12	313,647	24/Dec/12	2nd Quarter, 2015
Shejiang Country Garden (舍江碧桂園)	Meizhou (Meixian)	236,359	100%	223	–	15/Nov/11	–	–	1st Quarter, 2014
Country Garden Shine Hill Lake City (碧桂園新亞山湖城)	Qingyuan (Qingcheng)	1,083,173	100%	159,000	154,451	19/Jul/13	80,119	13/Aug/13	4th Quarter, 2014
Country Garden – Eco City (碧桂園•生態城)	Wuhan (Hongshan)	831,889	55%	688,723	660,454	4/Sep/12	386,461	29/Oct/12	4th Quarter, 2014
Country Garden – Jade Hill (碧桂園•翡翠山)	Chenzhou (Suxian)	471,642	100%	432,863	425,690	15/Feb/12	231,496	9/Aug/12	1st Quarter, 2015
Country Garden Hill Lake Bay (碧桂園山湖灣)	Guangzhou (Nansha)	505,302	100%	505,302	491,586	28/Jun/12	295,897	30/Nov/12	2nd Quarter, 2015
Country Garden – Phoenix City (碧桂園•鳳凰城)	Ji'nan (Zhangqiu)	601,966	100%	154,148	146,137	30/Jul/12	43,716	27/Sep/13	3rd Quarter, 2014
Country Garden – Seashore City (碧桂園•濱海城)	Tianjin (Binhai New Area)	120,844	100%	97,955	91,069	11/Dec/12	35,353	24/Jun/13	4th Quarter, 2014
Country Garden – Hill Lake Bay (碧桂園•山湖灣)	Jiangmen (Xinhui)	321,764	100%	103,261	101,671	19/Apr/13	6,750	15/Sep/13	4th Quarter, 2014

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Pingguo Country Garden (平果碧桂園)	Baise (Pingguo)	201,479	100%	13,231	13,231	20/Mar/13	7,508	31/May/13	2nd Quarter, 2014
Country Garden Zishan Lake (碧桂園梓山湖)	Xianning (Xian'an)	499,963	51%	198,195	187,600	19/Sep/13	134,640	25/Sep/13	3rd Quarter, 2014
Qianjiang Country Garden (黔江碧桂園)	Chongqing (Qianjiang)	199,401	100%	95,465	95,465	9/Aug/13	32,430	9/Aug/13	3rd Quarter, 2014
Country Garden – Jade Bay (碧桂園•翡翠灣)	Meizhou (Jiaoling)	372,285	100%	195,778	184,569	27/Apr/13	74,640	29/Jul/13	4th Quarter, 2014
Wuhan Country Garden Phase Three (武漢碧桂園三期)	Wuhan (Hannan)	594,489	52%	200,696	198,632	17/Jun/13	12,157	16/Jul/13	4th Quarter, 2014
Country Garden – Golden Beach (碧桂園•金沙灘)	Lin'gao (Lin'gao)	465,152	51%	401,999	384,027	8/Nov/12	234,463	28/Nov/12	1st Quarter, 2015
Rudong Country Garden (如東碧桂園)	Nantong (Rudong)	227,343	100%	227,343	222,658	27/Apr/13	90,829	23/May/13	1st Quarter, 2015
Dianjiang Country Garden (墊江碧桂園)	Chongqing (Dianjiang)	354,731	100%	354,731	334,761	7/Feb/13	196,513	7/Feb/13	4th Quarter, 2014
Yixing Country Garden (宜興碧桂園)	Wuxi (Yixing)	200,080	100%	200,080	198,275	31/Dec/12	70,634	28/Apr/13	2nd Quarter, 2015
Danyang Country Garden (丹陽碧桂園)	Zhenjiang (Danyang)	477,861	100%	477,861	463,133	10/May/13	276,687	23/May/13	1st Quarter, 2015
Country Garden Spring City – Phase Two (碧桂園清泉城 – 二期)	Qingyuan (Fogang)	171,490	95%	142,702	141,823	28/Nov/12	99,919	30/Nov/12	2nd Quarter, 2014
Xuancheng Country Garden (宣城碧桂園)	Xuancheng (Xuanzhou)	342,867	100%	334,257	326,682	4/May/13	211,736	27/Aug/13	3rd Quarter, 2015
Jingjiang Country Garden (靖江碧桂園)	Taizhou (Jingjiang)	308,762	100%	308,762	289,983	9/Jun/13	136,631	18/Sep/13	2nd Quarter, 2015
Jiangyin Country Garden (江陰碧桂園)	Wuxi (Jiangyin)	68,819	100%	68,819	65,982	30/Aug/13	45,234	30/Sep/13	4th Quarter, 2014
Rugao Country Garden (如皋碧桂園)	Nantong (Rugao)	185,787	100%	184,164	184,137	29/Jun/13	46,366	18/Sep/13	2nd Quarter, 2015
Country Garden – Ten Miles Golden Beach (碧桂園•十里金灘)	Yantai (Haiyang)	1,076,797	90%	625,541	618,409	4/Jul/13	230,999	29/Sep/13	2nd Quarter, 2014
Wuhua Country Garden (五華碧桂園)	Meizhou (Wuhua)	218,938	100%	218,623	215,832	26/Jul/13	208,763	13/Aug/13	2nd Quarter, 2015
Yongchun Country Garden (永春碧桂園)	Quanzhou (Yongchun)	194,505	100%	194,505	181,939	31/May/13	117,610	13/Sep/13	3rd Quarter, 2014
Xingning Country Garden (興寧碧桂園)	Meizhou (Xingning)	203,660	100%	203,108	186,079	17/Jun/13	173,905	5/Sep/13	1st Quarter, 2015
Yichun Country Garden (宜春碧桂園)	Yichun (Yuanzhou)	431,920	100%	431,920	424,619	31/Jul/13	175,631	2/Aug/13	2nd Quarter, 2015
Country Garden – Forest Lake (碧桂園•天麓湖)	Jiangmen (Heshan)	410,440	100%	31,115	30,923	16/Dec/13	–	1st Quarter, 2014	1st Quarter, 2015
Country Garden – Riverside City (碧桂園•江灣城)	Huanggang (Xishui)	279,691	100%	279,691	278,836	8/Jun/13	145,620	13/Sep/13	4th Quarter, 2014
Country Garden – City Garden (碧桂園•城市花園)	Yunfu (Yuncheng)	401,136	100%	141,055	131,575	30/Jul/13	38,525	22/Nov/13	1st Quarter, 2015
Country Garden Airport Plaza (碧桂園空港廣場)	Guangzhou (Huadu)	114,982	100%	114,982	105,967	18/Jun/13	102	1/Nov/13	3rd Quarter, 2014
Country Garden – Jade Bay (碧桂園•翡翠灣)	Weifang (Linqu)	139,722	51%	139,722	138,269	15/Nov/13	–	16/Nov/13	4th Quarter, 2015
Quzhou Country Garden (衢州碧桂園)	Quzhou (Donggang)	296,923	100%	238,427	235,334	18/Sep/13	140,518	27/Sep/13	4th Quarter, 2014
Guangyuan Country Garden (廣元碧桂園)	Guangyuan (Lizhou)	357,864	100%	357,864	343,834	26/Sep/13	115,736	16/Oct/13	1st Quarter, 2015
Country Garden – Lanzhou New City (碧桂園•蘭州新城)	Lanzhou (Chengguan)	716,835	100%	643,306	637,454	29/Oct/13	58,956	22/Sep/13	3rd Quarter, 2016

Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA under development ⁽¹⁾ sq.m.	Total saleable GFA under development ⁽¹⁾ sq.m.	Actual commencement date	Total saleable GFA pre-sold ⁽¹⁾ sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date
Nan'an Country Garden (南安碧桂園)	Quanzhou (Nan'an)	131,400	100%	131,400	122,243	28/Nov/13	–	29/Nov/13	4th Quarter, 2015
Zibo Country Garden (濰博碧桂園)	Zibo (Zhoucun)	301,710	100%	301,710	291,360	17/Sep/13	144,641	30/Oct/13	3rd Quarter, 2015
Country Garden Phoenix City (碧桂園鳳凰城)	Maoming (Gaozhou)	271,501	100%	217,555	209,419	17/Sep/13	41,029	3/Dec/13	1st Quarter, 2015
Huaxi Country Garden (花溪碧桂園)	Guiyang (Huaxi)	702,224	100%	551,677	501,035	29/Oct/13	–	9/Nov/13	4th Quarter, 2015
Country Garden – Jade City (碧桂園•翡翠城)	Chongqing (Bishan)	376,802	100%	267,074	257,197	13/Dec/13	–	10/Dec/13	3rd Quarter, 2015
Nanchong Country Garden (南充碧桂園)	Nanchong (Jialing)	515,596	100%	515,596	508,161	18/Dec/13	–	24/Dec/13	4th Quarter, 2015
Zhuji Country Garden (諸暨碧桂園)	Shaoxing (Zhuji)	135,276	51%	135,276	132,923	9/Dec/13	–	25/Dec/13	4th Quarter, 2014
Tonglu Country Garden (桐廬碧桂園)	Hangzhou (Tonglu)	120,974	100%	120,974	118,756	30/Nov/13	–	1st Quarter, 2014	1st Quarter, 2015
Gaochun Country Garden (高淳碧桂園)	Nanjing (Gaochun)	339,738	100%	238,423	226,186	22/Nov/13	–	27/Dec/13	3rd Quarter, 2015
Pingxiang Country Garden (萍鄉碧桂園)	Pingxiang (Anyuan)	222,197	100%	222,197	214,676	28/Nov/13	–	2nd Quarter, 2014	4th Quarter, 2015
Hengyang Country Garden (衡陽碧桂園)	Hengyang (Yanfeng)	436,851	51%	246,867	241,957	26/Dec/13	–	20/Dec/13	3rd Quarter, 2015
Nantong Country Garden (南通碧桂園)	Nantong (Chengnan)	185,242	100%	185,242	177,465	18/Dec/13	–	21/Dec/13	3rd Quarter, 2015
Country Garden – Phoenix City (Wuzhou) (碧桂園•鳳凰城「梧州」)	Wuzhou (Cangwu)	328,221	80%	110,732	110,328	3/Sep/12	10,293	25/Sep/13	2nd Quarter, 2015
Baoying Country Garden (寶應碧桂園)	Yangzhou (Baoying)	284,384	100%	9,687	–	31/Dec/13	–	–	4th Quarter, 2015
Country Garden Triumph Palace District C (碧桂園凱旋華庭C區)	Wuxi (Xishan)	176,304	100%	91,750	87,626	18/Dec/13	–	20/Dec/13	4th Quarter, 2015
Country Garden – Parklane Bay (碧桂園•柏麗灣)	Dongguan (Shatian)	237,458	50%	127,911	119,843	27/Sep/12	113,834	27/Apr/13	4th Quarter, 2014
Total:		103,693,122		31,917,099	30,682,444		11,789,042		

Properties under development – Projects in Malaysia

Project	State (City)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA under development ⁽¹⁾ sq.m.	Total saleable GFA under development ⁽¹⁾ sq.m.	Actual commencement date	Total saleable GFA pre-sold ⁽¹⁾ sq.m.	Actual/ Estimated pre-sale commencement date	Estimated completion date
Country Garden Diamond City (碧桂園鑽石城)	Selangor (Semenyih)	306,379	55%	137,388	131,138	4/Jul/13	16,870	4/Sep/13	1st Quarter, 2016
Country Garden Danga Bay (碧桂園金海灣)	Johor (Johor Bahru)	1,250,368	100%	1,250,368	611,733	4/Jul/13	396,590	6/Aug/13	2nd Quarter, 2017
Total:		1,556,747		1,387,756	742,871		413,460		

Note:

(1) Those are based on the actual measurements by the project management department of the Group.

Business Overview

Properties for future development-Projects in China

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Country Garden East Court (碧桂園東苑)	Guangzhou (Panyu)	269,222	100%	28,672	1st Quarter, 2014	—	2nd Quarter, 2015
Holiday Islands – Huadu (假日半島 – 花都)	Guangzhou (Huadu)	444,821	100%	20,961	1st Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2015
Shunde Country Garden – including Country Garden West Court (順德碧桂園(含碧桂園西苑))	Foshan (Shunde)	2,845,362	100%	164,245	2nd Quarter, 2014	4th Quarter, 2014	4th Quarter, 2016
Jun'an Country Garden (均安碧桂園)	Foshan (Shunde)	254,510	90%	30,052	1st Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2015
Gaoming Country Garden (高明碧桂園)	Foshan (Gaoming)	986,950	100%	13,000	2nd Quarter, 2014	—	2nd Quarter, 2015
Heshan Country Garden (鶴山碧桂園)	Jiangmen (Heshan)	2,072,266	100%	176,822	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015
Taishan Country Garden (台山碧桂園)	Jiangmen (Taishan)	2,327,529	100%	1,136,712	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2017
Changsha Country Garden (長沙碧桂園)	Changsha (Changsha)	1,319,816	100%	184,134	2nd Quarter, 2014	4th Quarter, 2014	1st Quarter, 2016
Zhaoqing Country Garden (肇慶碧桂園)	Zhaoqing (Gaoyao)	466,375	51%	307	1st Quarter, 2014	—	4th Quarter, 2014
Shaoguan Country Garden (韶關碧桂園)	Shaoguan (Zhenjiang)	3,500,325	100%	1,166,370	4th Quarter, 2014	4th Quarter, 2015	4th Quarter, 2017
Huiyang Country Garden (惠陽碧桂園)	Huizhou (Huiyang)	975,943	90%	345,674	1st Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2016
Manzhouli Country Garden (滿洲里碧桂園)	Hulunbeier (Manzhouli)	1,596,813	100%	1,213,203	2nd Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2024
Lechang Country Garden (樂昌碧桂園)	Shaoguan (Lechang)	1,581,124	100%	1,170,440	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Country Garden – Sun Palace (碧桂園•太陽城)	Shenyang (Daoyi)	1,044,873	100%	506,266	1st Quarter, 2014	3rd Quarter, 2014	2nd Quarter, 2017
Shenyang Country Garden (瀋陽碧桂園)	Shenyang (Huashan)	1,302,248	100%	853,335	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2017
Country Garden – Galaxy Palace (碧桂園•銀河城)	Shenyang (Yuhong)	2,637,187	100%	539,147	2nd Quarter, 2014	3rd Quarter, 2014	3rd Quarter, 2017
Country Garden – Phoenix City (碧桂園•鳳凰城)	Shenyang (Suijiaun)	2,082,571	100%	714,323	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2017
Enping Country Garden (恩平碧桂園)	Jiangmen (Enping)	292,134	100%	9,968	1st Quarter, 2014	—	4th Quarter, 2014
Country Garden – Hill Lake Palace (碧桂園•山湖城)	Changsha (Ningxiang)	560,617	100%	24,712	2nd Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2015
Country Garden Lakeside City (碧桂園濱湖城)	Hefei (Chaohu)	986,114	100%	95,112	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Shanwei Country Garden (汕尾碧桂園)	Shanwei (Shanwei)	720,473	100%	168,620	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Wuhan Country Garden (武漢碧桂園)	Wuhan (Hannan)	760,689	100%	87,956	4th Quarter, 2014	3rd Quarter, 2015	2nd Quarter, 2016
Shaoguan Country Garden – Sun Palace (韶關碧桂園•太陽城)	Shaoguan (Xilian)	4,881,243	100%	3,625,901	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2024
Haicheng Country Garden (海城碧桂園)	Anshan (Haicheng)	369,901	100%	136,972	2nd Quarter, 2014	3rd Quarter, 2014	3rd Quarter, 2016
Xing'anmeng Country Garden (興安盟碧桂園)	Xing'anmeng (Keyouqianqi)	1,235,742	100%	657,000	2nd Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2018
Country Garden – Hill Lake City (碧桂園•如山湖城)	Maanshan (Hexian)	1,096,159	100%	366,608	2nd Quarter, 2014	4th Quarter, 2014	4th Quarter, 2016
Xianning Country Garden (咸寧碧桂園)	Xianning (Xian'an)	707,340	100%	218,296	2nd Quarter, 2014	3rd Quarter, 2014	3rd Quarter, 2016
Country Garden – Hot Spring City (碧桂園•溫泉城)	Xianning (Xian'an)	1,121,480	100%	515,957	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2016
Suizhou Country Garden (隨州碧桂園)	Suizhou (Chengnan)	1,552,339	100%	810,570	2nd Quarter, 2014	4th Quarter, 2014	4th Quarter, 2017
Changshou Country Garden (長壽碧桂園)	Chongqing (Changshou)	631,705	100%	197,510	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Tongjiao Country Garden (通遼碧桂園)	Tongjiao (Keerqin)	1,749,189	100%	1,032,621	2nd Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2016
Anqing Country Garden (安慶碧桂園)	Anqing (Yingjiang)	2,865,463	100%	1,193,300	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2017
Wuhu Country Garden (蕪湖碧桂園)	Wuhu (Sanshanqu)	2,104,268	100%	937,822	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2017
Yiyang Country Garden (益陽碧桂園)	Yiyang (Yiyang)	1,298,915	100%	618,202	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2017
Chaohu Country Garden (巢湖碧桂園)	Hefei (Chaohu)	740,764	100%	161,305	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
LiuYang Country Garden (瀏陽碧桂園)	Changsha (LiuYang)	1,105,795	100%	658,133	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2016
Maoming Country Garden (茂名碧桂園)	Maoming (Maonan)	439,274	100%	4,460	2nd Quarter, 2014	—	3rd Quarter, 2015
Yangshan Country Garden (陽山碧桂園)	Qingyuan (Yangshan)	845,727	100%	502,292	2nd Quarter, 2014	3rd Quarter, 2014	2nd Quarter, 2017
Suihua Country Garden (綏化碧桂園)	Suihua (Beilin)	271,731	100%	14,594	2nd Quarter, 2014	3rd Quarter, 2014	1st Quarter, 2016
Country Garden – Deyu Office Building (碧桂園•德域大廈)	Tianjin (Tanggu)	114,504	100%	114,504	1st Quarter, 2014	—	1st Quarter, 2016
Tianjin Country Garden (天津碧桂園)	Tianjin (Balitai)	1,000,357	100%	328,010	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2017
Jingmen Country Garden (荊門碧桂園)	Jingmen (Duodao)	1,278,354	100%	659,036	4th Quarter, 2014	2nd Quarter, 2015	4th Quarter, 2017
Country Garden – Grand Garden (碧桂園•豪園)	Guangzhou (Zengcheng)	1,105,356	100%	125,226	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2016
Yunfu Country Garden (雲浮碧桂園)	Yunfu (Jinshan)	524,033	100%	43,051	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Beiliu Country Garden (北流碧桂園)	Yulin (Beiliu)	426,362	100%	142,070	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Jianghai Country Garden (江海碧桂園)	Jiangmen (Jianghai)	502,711	100%	23,059	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2015

Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Xinhui Country Garden – Phase Four (新會碧桂園 – 四期)	Jiangmen (Xinhui)	598,976	100%	197,749	1st Quarter, 2014	3rd Quarter, 2014	2nd Quarter, 2016
Country Garden City Garden (碧桂園城市花園)	Maoming (Dianbai)	1,432,615	100%	1,024,910	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2016
Country Garden – Ten Miles Beach (碧桂園 • 十里銀灘)	Huizhou (Huidong)	5,136,572	100%	2,113,844	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Country Garden Spring City (碧桂園清泉城)	Qingyuan (Fogang)	588,781	100%	205,698	1st Quarter, 2014	3rd Quarter, 2014	3rd Quarter, 2016
Country Garden – Phoenix City (碧桂園 • 鳳凰城)	Zhenjiang (Jurong)	4,712,463	100%	2,580,738	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2017
Country Garden – Europe City (碧桂園 • 歐洲城)	Chuzhou (Nanqiao)	1,465,001	100%	723,349	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015
Country Garden Grand Garden (碧桂園)	Shenyang (Qipanshan)	171,243	100%	71,200	3rd Quarter, 2014	4th Quarter, 2014	1st Quarter, 2016
Country Garden – Hill Lake Grand Palace (碧桂園 • 山水豪園)	Jiangmen (Heshan)	746,886	80%	502,120	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2017
Xiangtan Country Garden (湘潭碧桂園)	Xiangtan (Xiangtan)	623,331	100%	233,800	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015
Country Garden – City Garden (碧桂園 • 城市花園)	Chuzhou (Lai'an)	1,549,780	100%	231,553	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Country Garden – Dongjiang Phoenix City (碧桂園 • 東江鳳凰城)	Heyuan (Yuancheng)	919,611	100%	296,706	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Meijiang Country Garden (梅江碧桂園)	Meizhou (Meijiang)	856,269	100%	83,507	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2015
Shilou Country Garden (石樓碧桂園)	Guangzhou (Panyu)	168,808	100%	24,000	1st Quarter, 2014	–	1st Quarter, 2015
Country Garden – Jade Bay (碧桂園 • 翡翠灣)	Jiangmen (Kaiping)	867,862	100%	430,009	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Zhangjiajie Country Garden (張家界碧桂園)	Zhangjiajie (Yongding)	263,058	100%	185,581	1st Quarter, 2014	2nd Quarter, 2014	1st Quarter, 2015
Shejiang Country Garden (翁江碧桂園)	Meizhou (Meixian)	236,359	100%	193,635	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Country Garden Shine Hill Lake City (碧桂園新亞山湖城)	Qingyuan (Qingcheng)	1,083,173	100%	819,695	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2017
Country Garden – Eco City (碧桂園 • 生態城)	Wuhan (Hongshan)	831,889	55%	35,681	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2015
Country Garden – Phoenix City (碧桂園 • 鳳凰城)	Ji'nan (Zhangqiu)	601,966	100%	309,720	2nd Quarter, 2014	3rd Quarter, 2014	3rd Quarter, 2016
Country Garden – Palm City (碧桂園 • 椰城)	Wenchang (Tanniu)	129,337	100%	80,541	1st Quarter, 2014	1st Quarter, 2014	1st Quarter, 2015
Country Garden – Hill Lake Bay (碧桂園 • 山湖灣)	Jiangmen (Xinhui)	321,764	100%	84,989	1st Quarter, 2014	1st Quarter, 2014	3rd Quarter, 2015
Pingguo Country Garden (平果碧桂園)	Baise (Pingguo)	201,479	100%	101,450	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Country Garden Holiday Islands (碧桂園假日半島)	Ezhou (Wutonghu)	120,857	51%	120,857	2nd Quarter, 2014	4th Quarter, 2014	4th Quarter, 2015
Country Garden Zishan Lake (碧桂園梓山湖)	Xianning (Xian'an)	499,963	51%	301,768	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2016
Qianjiang Country Garden (黔江碧桂園)	Chongqing (Qianjiang)	199,401	100%	17,018	1st Quarter, 2014	2nd Quarter, 2014	1st Quarter, 2015
Country Garden – Jade Bay (碧桂園 • 翡翠灣)	Meizhou (Jiaoling)	372,285	100%	96,333	1st Quarter, 2014	4th Quarter, 2014	4th Quarter, 2015
Wuhan Country Garden Phase Three (武漢碧桂園三期)	Wuhan (Hannan)	594,489	52%	393,793	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2016
Country Garden Spring City – Phase Two (碧桂園清泉城 – 二期)	Qingyuan (Fogang)	171,490	95%	28,788	1st Quarter, 2014	1st Quarter, 2014	3rd Quarter, 2015
Xuancheng Country Garden (宣城碧桂園)	Xuancheng (Xuanzhou)	342,867	100%	8,610	1st Quarter, 2014	1st Quarter, 2014	3rd Quarter, 2015
Rugao Country Garden (如皋碧桂園)	Nantong (Rugao)	185,787	100%	1,623	1st Quarter, 2014	–	2nd Quarter, 2015
Country Garden – Ten Miles Golden Beach (碧桂園 • 十里金灘)	Yantai (Haiyang)	1,076,797	90%	451,256	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015
Wuhua Country Garden (五華碧桂園)	Meizhou (Wuhua)	218,938	100%	315	1st Quarter, 2014	–	4th Quarter, 2014
Xingning Country Garden (興寧碧桂園)	Meizhou (Xingning)	203,660	100%	552	1st Quarter, 2014	–	4th Quarter, 2014
Country Garden – Forest Lake (碧桂園 • 天麓湖)	Jiangmen (Heshan)	410,440	100%	379,325	1st Quarter, 2014	1st Quarter, 2014	2nd Quarter, 2016
Country Garden – City Garden (碧桂園 • 城市花園)	Yunfu (Yuncheng)	401,136	100%	260,081	1st Quarter, 2014	1st Quarter, 2014	3rd Quarter, 2015
Quzhou Country Garden (衢州碧桂園)	Quzhou (Donggang)	296,923	100%	58,496	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015
Country Garden – Lanzhou New City (碧桂園 • 蘭州新城)	Lanzhou (Chengguan)	716,835	100%	73,529	1st Quarter, 2014	2nd Quarter, 2014	3rd Quarter, 2016
Country Garden Phoenix City (碧桂園鳳凰城)	Maoming (Gaozhou)	271,501	100%	53,946	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Huaxi Country Garden (花溪碧桂園)	Guiyang (Huaxi)	702,224	100%	150,547	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Country Garden – Jade City (碧桂園 • 翡翠城)	Chongqing (Bishan)	376,802	100%	109,728	1st Quarter, 2014	4th Quarter, 2014	4th Quarter, 2015
Changping Country Garden (常平碧桂園)	Dongguan (Changping)	91,788	100%	91,788	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2015
Sanming Country Garden (三明碧桂園)	Sanming (Meilie)	48,451	100%	48,451	1st Quarter, 2014	1st Quarter, 2014	4th Quarter, 2015

Business Overview

Project	City (District)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completion date
Gaochun Country Garden (高淳碧桂園)	Nanjing (Gaochun)	339,738	100%	101,315	1st Quarter, 2014	1st Quarter, 2014	3rd Quarter, 2015
Wendeng Country Garden (文登碧桂園)	Weihai (Wendeng)	32,365	100%	32,365	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2015
Hengyang Country Garden (衡陽碧桂園)	Hengyang (Yanfeng)	436,851	51%	189,984	1st Quarter, 2014	2nd Quarter, 2014	2nd Quarter, 2016
Anyang Country Garden (安陽碧桂園)	Anyang (Tangying)	129,222	100%	129,222	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Zhoukou Country Garden (周口碧桂園)	Zhoukou (Dongxin)	500,822	51%	500,822	1st Quarter, 2014	1st Quarter, 2014	1st Quarter, 2016
Daye Country Garden (大冶碧桂園)	Huangshi (Daye)	299,860	100%	299,860	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Country Garden – Phoenix City (Wuzhou) (碧桂園•鳳凰城(梧州))	Wuzhou (Cangwu)	328,221	80%	217,489	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Qijing Country Garden (曲靖碧桂園)	Qijing (Qilin)	333,837	100%	333,837	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Qishi Dingfeng Country Garden (企石鼎峰碧桂園)	Dongguan (Qishi)	106,605	55%	106,605	1st Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2015
Qian'an Country Garden (遷安碧桂園)	Tangshan (Qian'an)	456,058	90%	456,058	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Baoying Country Garden (寶應碧桂園)	Yangzhou (Baoying)	284,384	100%	274,697	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Luoyang Country Garden (洛陽碧桂園)	Luoyang (Yibin)	425,108	51%	425,108	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2016
Dongtai Country Garden (東台碧桂園)	Yancheng (Dongtai)	34,730	100%	34,730	1st Quarter, 2014	2nd Quarter, 2014	1st Quarter, 2016
Haining Country Garden (海寧碧桂園)	Jiaxing (Haining)	150,875	100%	150,875	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Cixi Country Garden (慈溪碧桂園)	Ningbo (Cixi)	217,030	100%	217,030	1st Quarter, 2014	3rd Quarter, 2014	1st Quarter, 2016
Wenzhou Country Garden (溫州碧桂園)	Wenzhou (Longwan)	137,706	100%	137,706	1st Quarter, 2014	3rd Quarter, 2014	4th Quarter, 2015
Country Garden Triumph Palace District C (碧桂園凱旋華庭C區)	Wuxi (Xishan)	176,304	100%	84,554	1st Quarter, 2014	2nd Quarter, 2014	4th Quarter, 2015
Total:		92,196,247		38,606,066			

Properties for future development – Projects in Malaysia

Project	State (City)	Aggregate GFA for entire project sq.m.	Interest attributable to the Company (%)	GFA for future development ⁽¹⁾ sq.m.	Estimated commencement date	Estimated pre-sale commencement date	Estimated completed date
Serendah Project (雙文丹項目)	Selangor (Serendah)	304,169	55%	304,169	1st Quarter, 2014	3rd Quarter, 2014	1st Quarter, 2017
Country Garden Diamond City (碧桂園鑽石城)	Selangor (Semenyih)	306,379	55%	172,055	1st Quarter, 2014	1st Quarter, 2014	1st Quarter, 2017
Total:		610,548		476,224			

Note:

(1) GFA for future development for each project is the GFA expected to be built.



— Country Garden — Lanzhou New City

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

Revenue of the Group was primarily comprised of the proceeds from the sales of properties and provision of services after the elimination of transactions among subsidiaries of the Company. Revenue was primarily generated from its four business segments: property development, construction, fitting and decoration, property management and hotel operation. Revenue increased by 49.6% to approximately RMB62,681.9 million in 2013 from approximately RMB41,891.0 million in 2012, primarily attributable to the increase in sales of properties. Revenues generated from property development, construction, fitting and decoration, property management and hotel operation are approximately RMB60,043.3 million, RMB866.9 million, RMB777.1 million and RMB994.5 million, respectively.

Property development

Revenue generated from property development increased by 50.1% to RMB60,043.3 million in 2013 from RMB40,012.0 million in 2012; primarily attributable to a 50.0% increase in total gross floor area (“GFA”) recognized to 9,239,765 sq. m. in 2013 from 6,158,231 sq. m. in 2012. The recognized average selling price of property is approximately RMB6,498 per sq. m. in 2013, compared to approximately RMB6,497 per sq. m. in 2012.

Construction, fitting and decoration

Revenue generated from construction, fitting and decoration increased by 175.8% to RMB866.9 million in 2013 from RMB314.3 million in 2012, primarily due to an increase in the volume of construction, fitting and decoration services rendered to third parties of the Group.

Property management

Revenue generated from property management increased by 31.2% to RMB777.1 million in 2013 from RMB592.3 million in 2012, primarily due to an increase in the cumulative GFA under management resulting from construction completion and delivery of our properties in line with the expansion of our operations.

Hotel operation

Revenue generated from hotel operation increased by 2.3% to RMB994.5 million in 2013 from RMB972.4 million in 2012, primarily due to increased revenues from existing hotels and the opening of new hotels.

Cost of sales

Cost of sales of the Group represented primarily the costs incurred directly by the property development activities which included construction, decoration and design costs, land use rights cost and business taxes.

Cost of sales of the Group increased by 64.6% to RMB43,713.3 million in 2013 from RMB26,551.5 million in 2012. The increase in cost of sales was in line with the increase in revenue.

Gross profit

Gross profit (before land appreciation tax provision) of the Group increased by 23.7% to RMB18,968.6 million in 2013 from RMB15,339.5 million in 2012. The gross profit margin in 2013 decreased to 30.3% from 36.6% in 2012, primarily attributable to the increase of property development costs while the recognized average selling price remained stable.

Other gains – net

Other gains – net of the Group decreased by 37.8% to RMB64.3 million in 2013 from RMB103.3 million in 2012, primarily due to a decrease of refund of land usage tax to RMB3.9 million in 2013 from RMB25.1 million in 2012 and a decrease of forfeiture of deposits received from customers to RMB15.3 million in 2013 from RMB26.8 million in 2012.

Selling and marketing costs

Selling and marketing costs of the Group increased by 96.9% to RMB4,303.8 million in 2013 from RMB2,186.1 million in 2012. The increase was primarily attributable to an increase in advertising costs from RMB1,273.5 million in 2012 to RMB1,915.4 million in 2013, as well as an increase in commissions we offered to our sales staff during the year.

Management Discussion and Analysis

Administrative expenses

Administrative expenses of the Group increased by 29.6% to RMB2,033.3 million in 2013 from RMB1,568.3 million in 2012, primarily due to an increase of employee benefit expenses to RMB708.9 million in 2013 from RMB515.1 million in 2012 as we increased salaries and bonuses for employees during the year.

Finance costs — net

The Group recorded finance income — net of approximately RMB803.2 million in 2013, compared to finance cost — net of approximately RMB126.4 million in 2012, primarily due to the increase in interest capitalized and net foreign exchange gain as a result of the appreciation of the RMB exchange rate. Total interest expenses increased to approximately RMB4,119.5 million from approximately RMB3,097.1 million in 2012 due to the increase of senior notes and bank and other borrowings; while on the other hand, total capitalized interest expenses increased to approximately RMB4,119.5 million from approximately RMB2,817.4 million in 2012. The Group recorded the net exchange gain of approximately RMB512.5 million in 2013, compared to the net exchange gain of approximately RMB20.9 million in 2012.

Profit attributable to owner of the Company

Profit attributable to owners of the Company in 2013 increased by 24.2% to RMB8,514.1 million from RMB6,852.7 million in 2012. The net profit margin decreased to 13.6% in 2013 from 16.4% in 2012.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

The Group's cash and bank deposits (including the restricted cash) amounted to approximately RMB26,679.6 million as at 31 December 2013 (31 December 2012: approximately RMB16,860.0 million). As at 31 December 2013, 92.2% and 7.8% of the Group's cash and bank deposits were denominated in Renminbi and other currencies (mainly US dollars, HK dollars and Malaysian Ringgit), respectively.

As at 31 December 2013, the carrying amount of the restricted cash was approximately RMB7,769.9 million (31 December 2012: approximately RMB5,050.9 million). Pursuant to relevant regulations, certain of the project companies were required to deposit a portion of proceeds from pre-sales of properties into designated bank accounts. Before the completion of the pre-sold properties, the proceeds deposited in the escrow accounts could only be used for the restricted purposes of purchasing construction materials, equipments, making interim construction payment and paying tax, with the prior approval of the relevant local authorities.

Net current assets and current ratio

The Group had net current assets of approximately RMB31,309.4 million as at 31 December 2013 (31 December 2012: approximately RMB27,203.8 million). The current ratio being current assets over current liabilities was approximately 1.3 as at 31 December 2013, which decreased from 1.4 as at 31 December 2012.

Debt and charges on group assets

The Group had an aggregated debt as at 31 December 2013 of approximately RMB56,248.8 million, including bank and other borrowings of approximately RMB33,189.2 million, and senior notes of approximately RMB23,059.6 million.

For bank and other borrowings, approximately RMB10,086.2 million will be repayable within 1 year, approximately RMB22,432.7 million will be repayable between 2 and 5 years and the remaining approximately RMB670.3 million to be repayable beyond 5 years. As at 31 December 2013, the substantial part of the bank and other borrowings are secured by land use rights and properties of the Group and guaranteed by the Company and certain of its subsidiaries.

Gearing ratio

The gearing ratio is measured by the net debt (total debt net of disposable cash and cash equivalents, which equal to the sum of cash and cash equivalents and the guarantee deposits for construction of pre-sale properties) over the equity attributable to owners of the Company. As at 31 December 2013, the gearing ratio was 67.3% (31 December 2012: 53.9%).

Interest rate risk

The weighted average interest rate of the Group's bank and others borrowings decreased to 7.34% in 2013 from 8.18% in 2012. The Group has implemented certain interest rate management which includes, among the others, close monitoring of interest rate movements and replacing and entering into new banking facilities when good pricing opportunities arise.

Management Discussion and Analysis

Risk of exchange rate fluctuation

The Group mainly operates in the PRC, so most of its revenue and expenses are measured in Renminbi. In 2013, the exchange rates of Renminbi to HK dollars, US dollars and Malaysian Ringgit increased slightly, there was an exchange gain of approximately RMB512.5 million. The directors expect that any fluctuation of Renminbi's exchange rate will not have material adverse effect on the operation of the Group.

Land appreciation tax

According to relevant regulations and laws of the State Administration of Taxation, in the past, the Group has made full provision of land appreciation tax ("LAT") but paid provisional LAT calculated according to certain rates (varying from 0.5% to 5%) over sales amounts assessed by local tax bureau. In 2013, the Group's LAT expenses were approximately RMB1,634.8 million.

Contingent liability

As at 31 December 2013, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB31,443.7 million (31 December 2012: approximately RMB17,776.1 million).

The above guarantees represent 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 responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. As at 31 December 2013, the amount of approximately RMB85.1 million (31 December 2012: approximately RMB72.2 million) was to be discharged two years from the day when the mortgaged loans become due; and approximately RMB31,358.6 million (31 December 2012: approximately RMB17,703.9 million) was to be discharged upon earlier of (i) issuance of the real estate ownership certificate which are generally to be available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgage loan by the purchasers of properties.

In addition, the Group had contingent liabilities of approximately RMB1,184.2 million relating to the guarantee provided to Guangzhou Li He Property Development Company Limited and Zhongshan Yahong Property Development Company Limited for their borrowings.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial statements for the guarantees.

Capital and property development commitments

As at 31 December 2013, the commitments in connection with capital and property development expenditures amounted to approximately RMB49,056.6 million (31 December 2012: approximately RMB25,484.2 million). This amount primarily arose from contracted construction fees or other capital commitments for future property developments. The Group expects to fund these commitments principally from pre-sale proceeds of the properties and partly from bank borrowings.

Employees and remuneration policy

As at 31 December 2013, the Group had approximately 64,772 full-time employees (31 December 2012: 40,243).

The remuneration package of the employees includes salary, bonus and other cash subsidies. The Company has designed an annual review system to assess the performance of the employees, which forms the basis of the determination on salary increase, bonus and promotion. The Group is subject to social insurance contribution plans organized by the PRC local governments. In accordance with the relevant national and local labor and social welfare laws and regulations, the Group is required to pay on behalf of the employees a monthly social insurance premium covering pension insurance, medical insurance, unemployment insurance and housing reserve fund. The Group believes the salaries and benefits that the employees receive are competitive in comparison with market rates. The employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. The Group believes its relationship with the employees is good. As at the date of this announcement, there were no significant labor disputes which adversely affect or likely to have an adverse effect on the operations of the Group.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

YEUNG Kwok Keung (楊國強), aged 59, was appointed as the chairman and an executive Director of the Company in December 2006. Mr. YEUNG is also the chairman of nomination committee and corporate governance committee of the Company, a member of remuneration committee of the Company and a director of various members of the Group. Mr. YEUNG is responsible for the formulation of development strategies, investment planning and overall project planning as well as ensuring the Board functioned properly with good corporate practice and procedures. From 1992 to 1997, Mr. YEUNG was the general manager of Shunde Sanhe Property Development Co., Ltd. (順德市三和物業發展有限公司) (“Shunde Sanhe Co.”). From 1986 to 1997, Mr. YEUNG served as the general manager and the chairman of Shunde Beijiao Construction Company Limited (順德市北濠建築工程有限公司) (“Beijiao Construction Co.”) and also served as the general manager of the Group from 1997 to 2003. He had been the chairman of the Group from 2003 to 2005 and became the chairman of the Company after its formation in 2006. Mr. YEUNG has over 36 years of experience in construction and over 22 years of experience in property development. Mr. YEUNG was recognized as “China Charity Outstanding Contributions Person”, “Top Ten Contributions to China Real Estate” in 2009 and “China Real Estate Entrepreneur Charity Award” and “Person of China Real Estate” in 2010, “Individual under non-collectively own category for helping poverty in Guangdong” in 2011, as well as “2012 China Corporate Social Responsibility Award for Outstanding Entrepreneur” in 2012. Mr. YEUNG is currently a member of the 12th National Committee of the Chinese People’s Political Consultative Conference (全國政協委員). Mr. YEUNG is the father of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, the father of Ms. YANG Ziying, an executive Director of the Company, and the uncle of Mr. YANG Zhicheng and Mr. YANG Yongchao, both being executive Directors of the Company.

YANG Huiyan (楊惠妍), aged 32, was appointed as an executive Director of the Company in December 2006 and the vice chairman of the Company in March 2012. Ms. YANG is also a member of corporate governance committee of the Company and a director of various members of the Group. Ms. YANG graduated from Ohio State University with a degree in marketing and logistic. Ms. YANG joined the Group in 2005 and served as the manager of the procurement department. Currently, she is primarily responsible for the formulation of development strategies of the Group. Ms. YANG was recognized as “China Charity Award Special Contribution Award” in 2008. Ms. YANG is the daughter of Mr. YEUNG Kwok Keung, the chairman and an executive Director of the Company, the sister of Ms. YANG Ziying, an executive Director of the Company, and a cousin of Mr. YANG Zhicheng and Mr. YANG Yongchao, both being executive Directors of the Company.

MO Bin (莫斌), aged 47, was appointed as the president and an executive Director of the Company in July 2010. Mr. MO is also a member of remuneration committee and corporate governance committee of the Company and a director of various members of the Group. Mr. MO graduated from Hengyang Institute of Technology (currently known as University of South China) with an undergraduate degree in industrial and civil architecture, obtained his postgraduate degree from Zhongnan University of Economics and Law and is a professor-grade senior engineer. Mr. MO is primarily responsible for the management of daily operation and general administration of the Group. Prior to joining the Group, Mr. MO was employed by an internationally competitive construction and property group in the mainland, China Construction Fifth Engineering Division Corp., Ltd., in a number of senior positions since 1989, most recently as director and general manager. Mr. MO has over 24 years of extensive experience property development, construction business, construction management, marketing, cost control and corporate management.

ZHU Rongbin (朱榮斌), aged 41, was appointed as the associate president and an executive Director of the Company in May 2013. Mr. ZHU graduated from the Faculty of Civil Engineering of Tsinghua University with a master degree and is a national registered supervisor engineer, a national registered cost engineer and a senior engineer. Mr. ZHU is primarily responsible for the management of investment, commercial and product design of the Group. Mr. ZHU was employed by China Overseas Holdings Limited from 1995 to 2008 responsible for property development and project management in various locations, namely Guangzhou, Hong Kong, Shenzhen, Beijing and Shanghai, most recently as director, assistant general manager and general manager (eastern China region) of China Overseas Property Group Company Limited. From 2008 and before joining the Group, Mr. ZHU worked in Guangzhou R&F Properties Co., Ltd. (“R&F”), most recently as vice president and general manager (southern China region) of R&F. Mr. ZHU has acted as deputy managing president of Guangdong Real Estate Association since 2008. Mr. ZHU had 19 years of experience in property development and related business.

Biographical Details of Directors and Senior Management

YANG Ziying (楊子莹), aged 26, was appointed as an executive Director of the Company in May 2011 and is also a director of various members of the Group. Ms. YANG graduated from Ohio State University with a degree in psychology. Ms. YANG joined the Group in 2008 as an assistant to chairman. Currently, she is primarily responsible for overseeing finances of the Group, including offshore and onshore financing. Prior to joining the Group, Ms. YANG worked in a renowned global investment bank. Ms. YANG is the daughter of Mr. YEUNG Kwok Keung, the chairman and an executive director of the Company, the sister of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, and a cousin of Mr. YANG Zhicheng and Mr. YANG Yongchao, both being executive directors of the Company.

YANG Erzhu (楊貳珠), aged 63, was appointed as an executive Director of the Company in November 2006 and is also a director of various members of the Group. Mr. YANG graduated from the School of Economic Management of Jinan University. Mr. YANG is primarily responsible for auditing the outsourcing of construction and assisting the chairman of the Company in investment planning. From 1994 to 1997, Mr. YANG served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. YANG served as a deputy general manager of Beijiao Construction Co. From 1999 to 2009, Mr. YANG served as a director and deputy general manager of Foshan Shunde Finest Decoration & Design Enterprise and has served as a director and deputy general manager of Guangdong Giant Leap Construction Co., Ltd. ("Giant Leap") and Foshan Shunde Country Garden Property Development Co., Ltd. ("Shunde Country Garden") since 1997. Mr. YANG has over 36 years of experience in construction and approximately 20 years of experience in property development.

SU Rubo (蘇汝波), aged 59, was appointed as an executive Director of the Company in December 2006 and is also a director of various members of the Group. Mr. SU graduated from the School of Economic Management of Jinan University. Mr. SU is primarily responsible for construction management, supervision and coordination of certain property development projects of the Group. From 1994 to 1997, Mr. SU served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. SU served as a deputy general manager of Beijiao Construction Co. and has been serving as a director and a deputy general manager of Giant Leap and Shunde Country Garden since 1997. Mr. SU has over 36 years of experience in construction, approximately 20 years of experience in property development and approximately 17 years of experience in procurement of construction materials.

OU Xueming (區學銘), aged 64, was appointed as an executive Director of the Company in December 2006 and is also a director of various members of the Group. Mr. OU is primarily responsible for construction management, supervision and coordination of certain property development projects of the Group. From 1994 to 1997, Mr. OU served as a deputy general manager of Shunde Sanhe Co.. From 1986 to 1997, Mr. OU served as a deputy general manager of Beijiao Construction Co. and has been serving as a director and a deputy general manager of Giant Leap and Shunde Country Garden since 1997. Mr. OU has over 36 years of experience in construction and approximately 20 years of experience in operation and management of property development.

YANG Zhicheng (楊志成), aged 40, was appointed as an executive Director of the Company in December 2006 and a regional president of the Group. Mr. YANG is primarily responsible for the overall development and management of certain property development projects of the Group. Prior to joining the Group in 1997, Mr. YANG served as a project manager of Shunde Sanhe Co., the general manager of Foshan Shunde Jun'an Country Garden Property Development Co., Ltd. and the project general manager of the Group. Mr. YANG has approximately 20 years of experience in project development. Mr. YANG is a nephew of Mr. YEUNG Kwok Keung, the chairman and an executive Director of the Company, and a cousin of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, Ms. YANG Ziying and Mr. YANG Yongchao, both being executive Directors of the Company.

Biographical Details of Directors and Senior Management

YANG Yongchao (楊永潮), aged 39, was appointed as an executive Director of the Company in December 2006 and the head of the sales centre of the Group. Mr. YANG is primarily responsible for the overall sales management of the Group. Mr. YANG has been responsible for the management of the sales centre of Shunde Country Garden since 1997. Mr. YANG has approximately 17 years of experience in property sales management, market research, project planning proposal, pricing, marketing, sales and customer resource management. Mr. YANG is a nephew of Mr. YEUNG Kwok Keung, the chairman and an executive Director of the Company, and a cousin of Ms. YANG Huiyan, the vice chairman and a controlling shareholder of the Company, and Ms. YANG Ziyang and Mr. YANG Zhicheng, both being executive Directors of the Company.

XIE Shutai (謝樹太), aged 49, was appointed as an executive Director of the Company in May 2013. Mr. XIE graduated from Hunan University (湖南大學) with a degree in civil engineering and is a qualified PRC civil engineer. Mr. XIE is primarily responsible for the overall management and supervision of certain property development projects of the Group, and also responsible for the overall management of the hotels and property management companies of the Group. Prior to joining the Group in 1997, Mr. XIE worked in Hengyang City Construction Institute (衡陽市建築設計研究院) from 1986 to 1991 responsible for structural design work. He also worked in Shunde Sanhe Company from 1992 to 1997 responsible for property management. Since 1997, he has been working in Shunde Country Garden and Guangdong Country Garden Property Management Co., Ltd. responsible for the overall property and hotel management of the Group, and served as vice president of the Company since 2007. Mr. XIE has 22 years of experience in property management and 17 years of experience in hotel management.

SONG Jun (宋軍), aged 46, was appointed as an executive Director of the Company in May 2013. Mr. SONG graduated from Chongqing College of Construction and Architecture (重慶建築工程學院), currently known as Chongqing University (重慶大學), with a degree in architecture and is a qualified PRC architect. Prior to joining the Group in 1997, Mr. SONG worked in Hunan Province Jishou City Construction Institute (湖南省吉首市建築規劃勘察設計院) and Guangdong Elite Architectural Co., Ltd. and was responsible for architectural design work. Since 1997, he served as a project manager and a general manager of Shunde Country Garden and Guangzhou Country Garden, and served as vice president of the Company since 2005, responsible for the management of property project development. Currently, Mr. SONG is responsible for the overall operation, management and sustainable development of property projects in certain regions under his supervision. Mr. SONG has 17 years of experience in the management of property development.

LIANG Guokun (梁國坤), aged 55, was appointed as an executive Director of the Company in May 2013. Mr. LIANG is primarily responsible for landscape design and gardening system management and supervision. Prior to joining the Group in 1999, Mr. LIANG worked in Chung Shan Hot Spring Golf Club (中山溫泉高爾夫球會俱樂部) from 1985 to 1994. He also worked in Dongguan Yin Li Golf Club (東莞銀利外商俱樂部), Shenzhen Mission Hills Golf Club (深圳觀瀾湖高爾夫球會) and Shenzhen Longgang Green Club (深圳龍崗綠色俱樂部), currently known as Citic Green Golf Club (中信綠色高爾夫球會), in a number of senior positions, from 1994 to 1999. Mr. LIANG served as vice president of the Company since 2011. Mr. LIANG had 29 years of experience in golf course design management and landscape design management.

SU Baiyuan (蘇柏垣), aged 48, was appointed as an executive Director of the Company in December 2013. Mr. SU graduated from Guangzhou Normal Institute (廣州師範學院) (currently known as Guangzhou University (廣州大學) majoring in geography and obtained a postgraduate degree in human geography from Sun Yat-Sen University (中山大學). Prior to joining us in 2005, Mr. SU had over 10 years of experiences in land planning and development as well as operational management. Mr. SU was a vice president of the Company and he was primarily responsible for investment development and the overall management of certain property development projects of the Group. Mr. SU resigned as a vice president of the Company in February 2013. Currently, Mr. SU is primarily responsible for overseas development and the management of certain overseas property development projects of the Group.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

LAI Ming, Joseph (黎明), aged 69, was appointed as an independent non-executive Director of the Company in December 2006, the chairman of the Audit Committee and a member of the remuneration committee and nomination committee of the Company. Mr. LAI is a fellow member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”), CPA Australia, the Chartered Institute of Management Accountants (“CIMA”) and the Hong Kong Institute of Directors. Mr. LAI was one of the co-founders of the Hong Kong Branch of CIMA founded in 1973 and was the president in 1974/75 and 1979/80. He was the president of the HKICPA in 1986. Mr. LAI is an independent non-executive director of Shinhint Acoustic Link Holdings Limited, Jolimark Holdings Limited and Guangzhou R&F Properties Co., Limited, all of which are companies whose shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. LAI also holds directorships in several private companies engaging in property development in Canada. He is also an independent non-executive director of Nan Fung Group Holdings Limited.

SHEK Lai Him, Abraham (石禮謙) G.B.S., J.P., aged 68, was appointed as an independent non-executive Director of the Company in December 2006, a member of the audit committee and remuneration committee of the Company. Mr. SHEK graduated from the University of Sydney and holds a Bachelor of Arts degree and a Diploma in Education. Mr. SHEK was appointed a Justice of the Peace in 1995 and was awarded the Gold Bauhinia Star by the Government of the HKSAR in 2013. Mr. SHEK is a member of the Hong Kong Legislative Council representing the Real Estate and Construction Functional Constituency, a member of the Court of Hong Kong University of Science and Technology, a member of Court and Council of University of Hong Kong, and a vice chairman of the Independent Police Complaints Council. Mr. SHEK is an independent non-executive director of Midas International Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, ITC Corporation Limited, ITC Properties Group Limited, Hop Hing Group Holdings Limited, Hsin Chong Construction Group Limited, MTR Corporation Limited, SJM Holdings Limited, Paliburg Holdings Limited, Lai Fung Holdings Limited, Chuang’s Consortium International Limited, China Resources Cement Holdings Limited, Dorsett Hospitality International Limited and Cosmopolitan International Holdings Limited, and the chairman and an independent non-executive director of Chuang’s China Investments Limited, all of which are companies whose shares are listed on the Stock Exchange, as well as a director of The Hong Kong Mortgage Corporation Limited. Mr. SHEK is also an independent non-executive director of Eagle Asset Management (CP) Limited (the manager of Champion Real Estate Investment Trust) and Regal Portfolio Management Limited (the manager of Regal Real Estate Investment Trust), both trusts are listed on the Stock Exchange. Mr. SHEK Lai Him Abraham ceased to be an independent non-executive director of Titan Petrochemicals Group Limited, a company listed in the Stock Exchange with effect from 27 February 2014. Mr. SHEK also holds directorships in Macau Horse Racing Company Limited and Macau Jockey Club, both of which are incorporated in Macau, Jetstar Hong Kong Airways Limited and several property-related private companies.

TONG Wui Tung, Ronald (唐滙棟), aged 63, was appointed as an independent non-executive Director of the Company in December 2006. He is the chairman of the remuneration committee of the Company and a member of the audit committee and nomination committee of the Company. He has been practicing as a solicitor in Hong Kong for over 30 years and is a partner of the law firm Messrs. Cheung Tong & Rosa Solicitors. He is also a Notary Public and a China Appointed Attesting Officer, and was admitted as a solicitor in several other jurisdictions. Mr. TONG is currently a non-executive director of Yip’s Chemical Holdings Limited, a company whose shares are listed on the Stock Exchange.

HUANG Hongyan (黃洪燕), aged 43, was appointed as an independent non-executive Director of the Company in December 2012, a member of audit committee, remuneration committee and nomination committee of the Company. Mr. HUANG graduated from the Department of Finance, the School of Economics of Jinan University and holds a Bachelor of International Finance degree, and is also qualified as a Chinese certified public accountant, a Chinese certified tax agent, a Chinese certified public valuer, a certified internal auditor and a corporate accountant. Currently, Mr. HUANG serves as a general manager of Foshan Yestar Consulting Co., Ltd. and a director of Guangdong Jiayang Investment Co., Ltd. Mr. HUANG is an independent non-executive director of Guangdong Vanward New Electric Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange, and Guangdong Rifeng Electric Cable Co., Ltd..

Biographical Details of Directors and Senior Management

HUANG Xiao (黃曉), aged 46, was appointed as an independent non-executive Director of the Company in December 2012, a member of audit committee, remuneration committee and nomination committee of the Company. Ms. HUANG graduated from Jinan University and holds a Bachelor of Accounting degree. Ms. HUANG has also graduated from University of New South Wales, Australia and holds a Master of Commerce degree with a major in international accounting. Ms. HUANG is qualified as a Chinese certified public accountant and a senior accountant. Currently, Ms. HUANG serves as the officer of the examination and training department of Guangdong Provincial Institute of Certified Public Accountants, a member of registration committee of Guangdong Provincial Institute of Certified Public Accountants and a bidding assessment expert of Stated-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province.

LIU Hongyu (劉洪玉), aged 51, was appointed as an independent non-executive Director of the Company in May 2013. Mr. LIU graduated from Tsinghua University with bachelor degree in structural engineering and a master degree in management engineering, and is a qualified real estate appraiser in the PRC. Mr. LIU was a professor in the Department of Civil Engineering of Tsinghua University from June 1996 to April 2000, and since April 2000, he has been a professor in the Department of Construction Management of Tsinghua University. Since 2010, he has been the director of Hang Lung Center for Real Estate, Tsinghua University. His research focuses on real estate economics, real estate investment and finance, housing policies and land management. From April 2006 to March 2012, Mr. LIU served as an independent director of COFCO Property (Group) Co., Ltd. Currently, Mr. LIU served as an independent director of China Merchants Property Development Co., Ltd, a company whose shares are listed on the Shenzhen Stock Exchange, and an independent non-executive director of Franshion Properties (China) Limited, a company whose shares are listed on the Stock Exchange. Mr. LIU is a vice chairman of the China Institute of Real Estate Appraisers and Agents and a director of Asian Real Estate Society. He is also an honorary professor of the University of Hong Kong and a Fellow of the Royal Institution of Chartered Surveyors of the United Kingdom. Mr. LIU had over 25 years of experience in real estate, construction and engineering.

MEI Wenjue (梅文珺), aged 43, was appointed as an independent non-executive Director of the Company in May 2013. Mr. MEI graduated from Sun Yat-Sen University with bachelor degree in English language and literature and a master degree in public administration, and from School of Management of Cranfield University in United Kingdom with a master of business administration. Mr. MEI served as a director of safety management system office, the secretary of safety committee, safety information manager of China Southern Airline ("CSA"), and the deputy representative of CSA in the safety security and quality functional executives of Skyteam. Currently, Mr. MEI serves as the chief representative of Shenzhen Office of China Europe International Business School. Mr. MEI is an independent non-executive director of Miko International Holdings Limited, a company whose shares are listed on the Stock Exchange.

CHIEF FINANCIAL OFFICER

NG Yi Kum, Estella (伍綺琴), aged 56, was appointed as the chief financial officer of the Company in January 2008. From September 2005 to November 2007, Ms. NG was an executive director of Hang Lung Properties Limited, a company whose shares are listed on the Stock Exchange. Prior to her joining Hang Lung Properties in 2003, she was employed by the Stock Exchange in a number of senior positions, most recently as Senior Vice President of its Listing Division. Prior to that, she gained valuable auditing experience with Deloitte Touche Tohmatsu. Ms. NG is a qualified accountant and holds a Master of Business Administration degree from Hong Kong University of Science and Technology. She is an associate of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Secretaries and Administration and a fellow of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. She has also contributed her time to various public service appointments including being a co-opted member of the Audit Committee of the Hospital Authority.

Biographical Details of Directors and Senior Management

COMPANY SECRETARY

HUEN Po Wah (禰寶華), aged 65, was appointed as the secretary of the Company in March 2007. He is an associate of The Hong Kong Institute of Chartered Secretaries and also an associate of The Institute of Chartered Secretaries and Administrators. Mr. HUEN is also a director of Fair Wind Secretarial Services Limited. He has over 30-year experience in company administration and secretarial fields and has served many listed clients over the years.

SENIOR MANAGEMENT

Wang Shaojun (王少軍), aged 49, is a vice president of our Company. Mr. Wang graduated from Harbin Institute of Architecture and Engineering (哈爾濱建築工程學院) (currently known as Civil Engineering School of Harbin Institute of Technology (哈爾濱工業大學土木工程學院)) with a bachelor degree in industrial and civil architectures and a master degree in structural engineering and is a qualified PRC senior civil engineer. Prior to joining our Group in 2013, Mr. WANG worked in Dalian Wanda Commercial Properties Co., Ltd. as the general manager of its Guangzhou company responsible for property development; and worked in Fantasia Holdings Group Co. Ltd as the executive vice president responsible for the management and operation of property development business. Mr. Wang has 21 years of experience in management of property development.

FAN Jie (樊杰), aged 46, is a vice president of our Company. Mr. FAN graduated from Harbin Institute of Architecture and Engineering (哈爾濱建築工程學院) (currently known as Civil Engineering School of Harbin Institute of Technology (哈爾濱工業大學土木工程學院)) with a bachelor degree of international engineering management and is a qualified PRC senior civil engineer. Prior to joining our Group, Mr. FAN worked in China Overseas Holdings Limited for seven years and worked in various subsidiaries of China Overseas Property Co., Ltd in Shanghai, Tianjin and Zhongshan, etc as general manager responsible for property development. He also worked in Coastal Property Investment (China) Co., Ltd. as general manager of southern region responsible for property development and operation in various cities. Mr. FAN has 23 years of experience in engineering management and property development.

LI Xiaolin (黎曉林), aged 42, is a vice president of our Company. Mr. LI graduated from Department of Civil Engineering of Tsinghua University with a bachelor degree of architecture and structural engineering and Guanghua School of Management of Peking University with EMBA, and is a qualified PRC architecture engineer and a qualified real estate appraiser in PRC. Mr. LI is primarily responsible for the operation and management of some of our property development projects. Prior to joining our Group in 2008, Mr. LI worked in Zhuhai Zhuguang Architecture Design Engineering Company responsible for architecture design, as well as in various property developers, namely New Home (Zhuhai) Real Estate Co. Ltd., Zhongshan Paramount Development Co., Ltd. and China Vanke Co., Ltd., responsible for property development and management. Since 2008, Mr. LI is responsible for the overall operation, management and sustainable development of property projects in certain regions under his supervision. Mr. LI has 17 years of experience in the management of property development.

PENG Zhibin (彭志斌), aged 41, is a vice president of our Company. Mr. PENG graduated from Hefei University of Technology (合肥工業大學) with a bachelor degree of civil engineering in 1996, Wuhan University (武漢大學) with a master degree of Business Administration. Mr. PENG is primarily responsible for the human resources management of our Group. Prior to joining our Group in 2010, Mr. PENG worked in China Railway Siyuan Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司), namely an engineer, a responsible person of professional design, etc. Mr. PENG worked in ZTE Corporation (中興通訊股份有限公司) as a cadre management manager of human resources management center and responsible person of human resources (Middle East region) from 2003 to 2006; worked in Watson Wyatt Worldwide (華信惠悅諮詢公司) as a consultant and a project manager from 2006 to 2008; and worked in COFCO Property (Group) Co., Ltd. (中糧地產(集團)股份有限公司) as a group vice president of human resources and a director of human resources (southern region) from 2008 to 2010. Mr. Peng has 12 years of experience in the human resources management.

WANG Zhidun (王志敦), aged 44, is a vice president of our Company. Mr. WANG graduated from Shantou University (汕頭大學) majoring in international business laws and is a qualified PRC lawyer. Prior to joining the Group in 2003, Mr. WANG was a partner of Guangdong Bowen Law Office from 1996 to 2003. Mr. WANG has left the Group in 2009. Currently, Mr. WANG is responsible for the investment and development of certain overseas property development projects of the Group.

Corporate Governance Report

Country Garden Holdings Company Limited (the “Company”) together with its subsidiaries (the “Group”) continues to improve its corporate governance practices, emphasizing the attainment and maintenance of a quality board, sound risk management and internal controls, and high transparency and accountability to shareholders. The board of Directors (the “Board”) and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. The Board believes that good corporate governance will bring long-term benefits to its shareholders and to the Group.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Corporate Governance Code (the “Code”) as set out 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”) throughout the year ended 31 December 2013, except for the deviation from the code provision E.1.2 of the Code. Under the first part of code provision E.1.2 of the Code, the chairman of the board should attend the annual general meeting. The chairman of the Board was unable to attend the annual general meeting of the Company held on 9 May 2013 (the “Meeting”) due to another business engagement. Mr. MO Bin, the president and executive Director of the Company, chaired the Meeting on behalf of the chairman of the Board and was available to answer questions.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules as the code for dealing in securities of the Company by the Directors. After specific enquiry, all Directors confirmed that they have complied with the required standard of dealings set out therein throughout the year ended 31 December 2013. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

BOARD OF DIRECTORS

Composition

The Board currently consists of 14 executive Directors, namely, Mr. YEUNG Kwok Keung, Ms. YANG Huiyan, Mr. MO Bin, Mr. ZHU Rongbin, Ms. YANG Ziying, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun and Mr. SU Baiyuan; and seven independent non-executive Directors, namely, Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao and Mr. LIU Hongyu and Mr. MEI Wenjue. An updated list of the Directors and their roles and functions is published on the websites of the Stock Exchange and the Company respectively.

Mr. ZHANG Yaoyuan had resigned as an executive Director of the Company and Mr. SU Baiyuan had been appointed as an executive Director of the Company with effect from 13 December 2013.

Ms. YANG Huiyan and Ms. YANG Ziying are daughters of Mr. YEUNG Kwok Keung and Mr. YANG Zhicheng and Mr. YANG Yongchao are nephews of Mr. YEUNG Kwok Keung. Save as disclosed above, none of other Directors has or maintained any family relationship with any of the other Directors.

The independent non-executive Directors are of sufficient number and caliber for their views to carry weight. The functions of independent non-executive Directors include:

- expressing an independent view and judgement at Board meetings;
- taking the lead where potential conflicts of interests arise;
- serving on Board committees if invited; and
- scrutinizing the Company’s performance and monitoring performance reporting.

The independent non-executive Directors have made a positive contribution to the development of the Company’s strategy and policies through independent, constructive and informed comments. They gave the Board and the Board committees the benefit of their skills, expertise, varied backgrounds and qualifications through regular attendance and active participation.

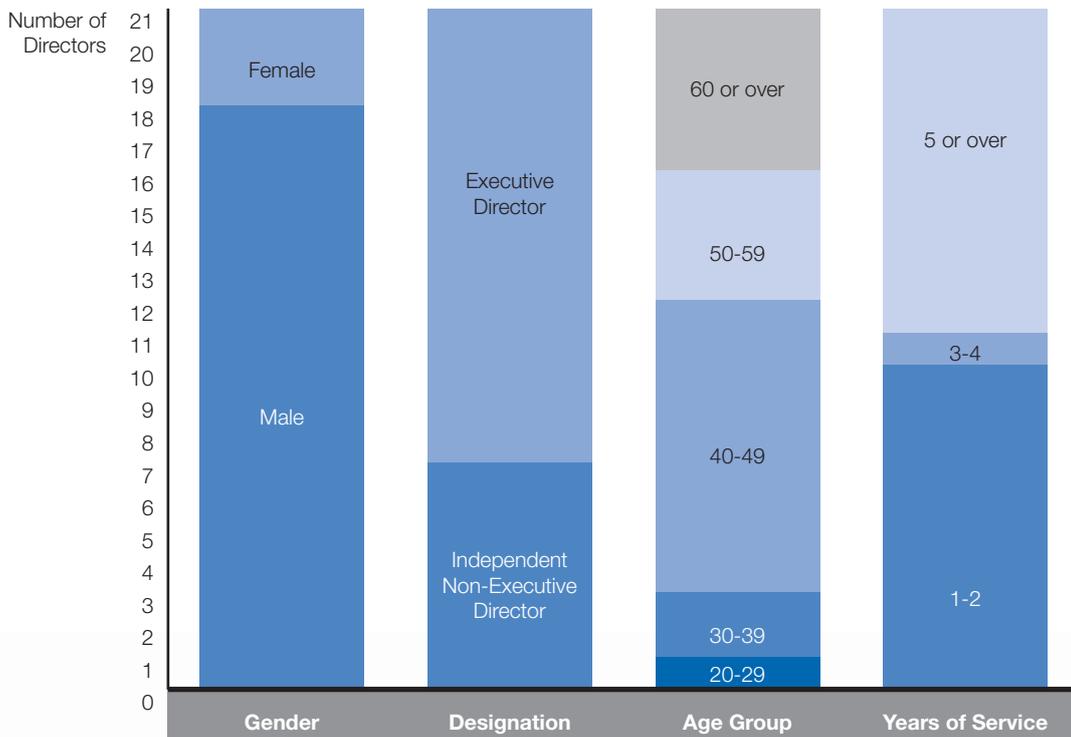
During the year, the Chairman met with the independent non-executive Directors without the executive Directors Present.

Composition of the Board is disclosed, and the independent non-executive Directors are identified, in all corporate communications to shareholders.

Board Diversity Policy

The Board has adopted a board diversity policy effective on 6 August 2013. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, skills, knowledge and length of service. The ultimate selection decision will be based on merit and contribution to the Board.

An analysis of the current Board composition based on the range of diversity perspectives is set out as follows:-



Corporate Governance Report

Each of Board members possessed different skills and knowledge, including property development, construction management, marketing cost control, procurement, administration, property and hotel management, landscape design management, investment development, finance and accounting, and legal etc..The Board is characterized by significant diversity in terms of gender, age, designation, length of service, skills and knowledge.

Confirmation of Independence

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules. Each of the independent non-executive Directors has made an annual written confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independence set out in rule 3.13 of the Listing Rules and are independent.

Role and function of the Board and the management

The Board assumes responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs. The Board is fully responsible for the formulation of business policies and strategies in relation to the business operation of the Group, including dividend policy and risk management strategies. The management are delegated the authority and responsibilities by the Board for the day-to-day management and operation of the Group.

Appointment and re-election of Directors

All executive Directors have entered into service contracts and all independent non-executive Directors have entered into letter of appointments with a specific term of two years setting out key terms and conditions of their appointment. All Directors are subject to retirement in accordance with the articles of association of the Company (the "Articles of Association").

According to the Articles of Association, (i) Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after appointment and be subject to re-election at such meeting; and (ii) at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at an annual general meeting at least once every three years. As such, no Directors have a term of appointment longer than three years.

Board Meetings

The Board holds at least four meetings a year at approximately quarterly intervals. Additional meetings would be arranged, if and when required. All Directors are invited to attend these meetings in persons. For those Directors who are not able to attend these meetings in persons, participation by telephone conference is available.

The company secretary and the compliance officer assist the Chairman in preparing the agenda for the meeting and each Director may request inclusion of matters in the agenda.

Notice of at least 14 days is given of a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice will be given. Agenda and accompanying board papers, which are prepared in a form and quality sufficient to enable the Board to make informed decisions on matters placed, have been sent to all Directors at least 3 days or other agreed period before the intended date of Board meeting. Queries raised by Directors will be given a prompt and full response if possible.

Corporate Governance Report

If a substantial shareholder or a Director has a conflict of interest in a matter which the Board has determined to be material, the matter will be dealt with by a physical Board meeting rather than a written resolution.

The company secretary also prepares detailed minutes of each meeting. After the meeting, draft and final versions of the minutes would be sent to Directors for comments and records respectively as soon as practicable. Minutes of Board meetings and Board committees meetings are kept by the company secretary and are open for inspection by any Director.

During the financial year ended 31 December 2013, the Directors have made active contribution to the affairs of the Group and twelve Board meetings were held to consider, among other things, various transactions contemplated by the Group and to review and approve the interim results and annual results of the Group. According to Article 103(1) of the Articles of Association, a Director shall not be entitled to attend any Board meeting for approving any transaction in which he or his associates is materially interested. Any Board meeting which a Director is not so entitled to attend shall not be taken into account in determining that Director's attendance record.

Details of Directors' attendance record in 2013 are as follows:

Directors	No. of meetings attended/ No. of meetings held
Executive Directors	
Mr. YEUNG Kwok Keung (<i>Chairman</i>)	7/7
Ms. YANG Huiyan (<i>Vice Chairman</i>)	5/7
Mr. MO Bin	10/10
Mr. ZHU Rongbin ^{note 1}	7/7
Ms. YANG Ziyang	3/7
Mr. YANG Erzhu	9/9
Mr. SU Rubo	9/9
Mr. ZHANG Yaoyuan ^{note 2}	6/6
Mr. OU Xueming	9/9
Mr. YANG Zhicheng	6/10
Mr. YANG Yongchao	10/10
Mr. XIE Shutai ^{note 1}	6/7
Mr. SONG Jun ^{note 1}	7/7
Mr. LIANG Guokun ^{note 1}	7/7
Mr. SU Baiyuan ^{note 1}	—
Independent Non-executive Directors	
Mr. LAI Ming, Joseph	11/11
Mr. SHEK Lai Him, Abraham	11/11
Mr. TONG Wui Tung, Ronald	11/11
Mr. HUANG Hongyan	11/11
Ms. HUANG Xiao	10/11
Mr. LIU Hongyu ^{note 1}	7/7
Mr. MEI Wenjue ^{note 1}	7/7

Note 1: no board meeting was held after the appointment of Mr. SU Baiyuan and 8 board meetings were held after the appointment of Mr. ZHU Rongbin, XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun, Mr. LIU Hongyu and Mr. MEI Wenjue in 2013.

Note 2: Mr. ZHANG Yaoyuan resigned as an executive Director of the Company with effect from 13 December 2013.

Corporate Governance Report

Access to information

All Directors are kept informed on a timely basis of major changes that may have affected the Group's business, including relevant rules and regulations and are able to make further enquiries when necessary. Sufficient explanation and information has been provided to the Board to enable the Board to make an informed assessment of financial and other information put before it for approval. They also have unrestricted access to the advices and services of the company secretary and the compliance officer, who are responsible for providing the Directors with board papers and related materials. A monthly update which gives a balanced and concise assessment of the Company's performance, position and prospects in sufficient details is provided to all Directors to enable the Board as a whole and each Director to discharge their duties. The Board has also agreed that the Directors may seek independent professional advice in performing their Directors' duties at the Company's expenses.

Directors' and officers' liability

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

Directors' training and professional development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment. Subsequently, Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills.

All Directors have provided to the Company their record of training received for the year. During the year, Directors have participated continuous professional development ("CPD"). A summary of their records of training is as follows:

Directors	Types of CPD (Note 1)	Subject of CPD (Note 2)
Executive Directors		
Mr. YEUNG Kwok Keung (<i>Chairman</i>)	1, 2	A, B
Ms. YANG Huiyan (<i>Vice Chairman</i>)	1, 2	A, B
Mr. MO Bin	1, 2	A, B
Mr. ZHU Rongbin	1, 2	A, B
Ms. YANG Ziyi	1, 2	A, B
Mr. YANG Erzhu	1, 2	A
Mr. SU Rubo	1, 2	A
Mr. OU Xueming	1, 2	A
Mr. YANG Zhicheng	1, 2	A
Mr. YANG Yongchao	1, 2	A
Mr. XIE Shutai	1, 2	A
Mr. SONG Jun	1, 2	A
Mr. LIANG Guokun	1, 2	A
Mr. SU Baiyuan ^{Note 3}	1, 2	A
Independent Non-executive Directors		
Mr. LAI Ming, Joseph	1, 2	B
Mr. SHEK Lai Him, Abraham	1, 2	B
Mr. TONG Wui Tung, Ronald	1, 2	B
Mr. HUANG Hongyan	1, 2	B
Ms. HUANG Xiao	1, 2	B
Mr. LIU Hongyu	1, 2	B
Mr. MEI Wenjue	1, 2	B

Corporate Governance Report

Note 1:

- 1: Attending in-house briefings/training, seminars, conference or forums
- 2: Reading newspapers, journals and updates

Note 2:

- A. Businesses related to the Company
- B. Laws, rules and regulations, accounting standards

Note 3: Mr. SU Baiyuan had been appointed as an executive Director of the Company with effect from 13 December 2013.

CHAIRMAN AND PRESIDENT

The roles of the Chairman and the president of the Company are segregated to reinforce independence, accountability and responsibility. Mr. YEUNG Kwok Keung, being the Chairman, is responsible for the formulation of the development strategies, investment planning, overall project planning of the Group and providing leadership for the Board and ensuring that the Board functions properly and effectively, whilst Mr. MO Bin, the president of the Company, is responsible for the management of daily operation and general administration of the Group. Their respective responsibilities are clearly established and defined by the Board in writing.

In performing the role of Chairman, Mr. YEUNG Kwok Keung is responsible for, among other things:

- ensuring that good corporate governance practices and procedures are established;
- ensuring that all Directors are properly briefed on issues arising at Board meetings and that all Directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable;
- encouraging all Directors to make a full and active contribution to the Board's affair and to voice their concerns even with different views, allowing sufficient time for discussion of issues, ensuring that board decisions fairly reflect Board consensus, and taking the lead to ensure that it acts in the best interests of the Group;
- ensuring that appropriate steps are taken to provide effective communication with shareholders and their views are communicated to the Board as a whole; and
- promoting a culture of openness and debate by facilitating the effective contribution of independent non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.

BOARD COMMITTEES

The Board has established four committees with specific written terms of reference to oversee particular aspects of the Company's affairs.

Audit Committee

The Audit Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and the Company respectively. The members of the Audit Committee are all of the independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao. Mr. LAI Ming, Joseph who has appropriate professional accounting qualifications and financial management expertise as required under the Listing Rules, was appointed as the chairman of the Audit Committee. None of the members of the Audit Committee are former partners of the auditors of the Company.

Corporate Governance Report

The principal duties of the Audit Committee include, among other things:

- overseeing the relationship with the Company's auditor;
- reviewing the Company's financial information; and
- reviewing the Company's financial report system and internal control procedures.

The Audit Committee may seek any necessary information from employees within its scope of duties and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary.

The Audit Committee met five times in 2013, among other things, to review the Group's significant internal controls and financial matters as set out in the Audit Committee's term of reference with senior management, consultants and external auditor of the Company. The committee's review covers the audit plans and findings of external auditor, external auditor's independence, the Group's accounting principles and practices, Listing Rules and statutory compliance, internal controls, risk management and financial reporting matters (including the interim and annual financial statements for the Board's approval).

Attendance of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. LAI Ming, Joseph (<i>Chairman</i>)	5/5
Mr. SHEK Lai Him, Abraham	5/5
Mr. TONG Wui Tung, Ronald	5/5
Mr. HUANG Hongyan	5/5
Ms. HUANG Xiao	5/5

Nomination Committee

The Nomination Committee was established in March 2012 with written terms of reference, which are posted on the websites of the Stock Exchange and the Company respectively. The Nomination Committee is being chaired by Mr. YEUNG Kwok Keung and consists of five members, of whom one is executive Director being Mr. YEUNG Kwok Keung, and four are independent non-executive Directors being Mr. LAI Ming, Joseph, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao.

The principal duties of the Nomination Committee include, among other things:

- reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of independent non-executive Directors; and
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Corporate Governance Report

The Nomination Committee has been provided sufficient resources to perform its duties and may seek independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary.

The Nomination Committee met three times in 2013 including but not limited to review the structure, size and composition (including the skills, knowledge and experience) of the Board, to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to nominate executive Directors and independent non-executive directors and to review the board diversity policy.

Attendance of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. YEUNG Kwok Keung (<i>Chairman</i>)	3/3
Mr. LAI Ming, Joseph	3/3
Mr. TONG Wui Tung, Ronald	3/3
Mr. HUANG Hongyan	3/3
Ms. HUANG Xiao	3/3

Remuneration Committee

The Remuneration Committee was established in December 2006 with written terms of reference, which are posted on the websites of the Stock Exchange and the Company respectively. The Remuneration Committee is being chaired by Mr. TONG Wui Tung, Ronald and consists of seven members, of whom two are executive Directors being Mr. YEUNG Kwok Keung and Mr. MO Bin, and five are independent non-executive Directors being Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan and Ms. HUANG Xiao.

The principal duties of the Remuneration Committee include, among other things:

- making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management of the Group;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- making recommendations to the Board on the remuneration packages of individual Directors and senior management.

The Remuneration Committee may consult the Chairman or the president of the Company about their remuneration proposals for other executive Directors, seek any necessary information from employees within its scope of duties and obtain independent professional advice, at the Company's expense, to perform its responsibilities if it considers necessary.

The remuneration of the member of the senior management by band for the year ended 31 December 2013 is set out below:

HKD	Number of senior management
Below 1,000,000	1
1,000,001 to 1,500,000	1
2,000,001 to 2,500,000	2
2,500,001 to 3,000,000	1

Corporate Governance Report

During the year, the Remuneration Committee held four meetings. It includes but not limited to review the remuneration package of the Directors and senior management and to consider the terms of director service agreements and appointment letters to be entered with the executive Directors and independent non-executive Director.

Attendance of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. TONG Wui Tung, Ronald (<i>Chairman</i>)	4/4
Mr. YEUNG Kwok Keung	4/4
Mr. MO Bin	4/4
Mr. LAI Ming, Joseph	4/4
Mr. SHEK Lai Him, Abraham	4/4
Mr. HUANG Hongyan	4/4
Ms. HUANG Xiao	4/4

Corporate Governance Committee

The Corporate Governance Committee was established in March 2012 with written terms of reference. The members of the Corporate Governance Committee are all of the executive Directors, namely Mr. YEUNG Kwok Keung, Ms. YANG Huiyan and Mr. BO Min. Mr. YEUNG Kwok Keung was appointed as the chairman of the Corporate Governance Committee.

The principal duties of the Corporate Governance Committee include, among other things:

- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the Group's employees and Directors; and
- reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report.

The Corporate Governance Committee met twice in 2013 including but not limited to, approve a policy for disclosure of inside information and other corporate governance policies.

Attendance of the members is set out below:

Members	No. of meetings attended/ No. of meetings held
Mr. YEUNG Kwok Keung (<i>Chairman</i>)	2/2
Ms. YANG Huiyan	2/2
Mr. MO Bin	2/2

Corporate Governance Report

COMPANY SECRETARY

Mr. HUEN Po Wah, who is a director of Fair Wind Secretarial Services Limited providing professional services to various listed companies, was appointed as the company secretary of the Company. Although Mr. HUEN is not a full time employee of the Company, he is responsible for advising the Board on governance matters. Mr. HUEN has confirmed that he has taken no less than 15 hours of relevant professional training during 2013. The primary contact person of the Company with the Company Secretary is Ms. NG Chi Man, the compliance officer of the Company.

INTERNAL CONTROLS

The Board has the overall responsibility for maintaining sound and effective internal control systems to safeguard the Group's assets and shareholders' interests, as well as, with Audit Committee, for reviewing the effectiveness of these systems. The internal audit department is delegated to ensuring and maintaining sound internal control functions by continuously reviewing and monitoring the internal control systems and procedures so as to ensure that they can provide reasonable assurance against misstatement or loss and to manage risks of failure in the Group's operational systems. In addition, the Company has engaged independent consultants to conduct review of the internal control system and risk management of the Group.

The Board, in conjunction with the Audit Committee, annually assessed and reviewed the effectiveness of the internal control systems and procedures and considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financing reporting function, and their training programmes and budget. During the year, the Audit Committee has reviewed reports from internal audit department and independent consultants with their findings and recommendations for improving the internal control system of the Group and is satisfied that there is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

WHISTLEBLOWER POLICY

The Group has established a whistleblower policy to facilitate the raising of concerns by employees since 2008. Procedures are established for employees to report complaints and internal malpractice to the head of Legal Department, who will review complaints and determine the mode of investigation and subsequent action.

AUDITOR'S REMUNERATION

For the year ended 31 December 2013, the remuneration paid/payable to the auditor of the Company is set out as follows:

Service rendered	RMB '000
Statutory audit services for 2013	6,900
Statutory audit services for two subsidiaries	60
Non-statutory audit services in relation to:	
The issuance of senior notes	850
Agree upon procedures	50
Advice on internal control	1,120
Advice on tax	65

Corporate Governance Report

DIRECTORS' RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2013, which were prepared in accordance with statutory requirements and applicable accounting standards. The Board aims to present a balanced, clear and understandable assessment of the Group's position and prospects in annual report and interim reports and other financial disclosures required by the Listing Rules.

The reporting responsibility of the external auditor of the Company on the consolidated financial statements of the Group are set out in the independent auditor's report on pages 57 to 58 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Board adopted a Shareholders' Communication Policy reflecting the current practices of the Company for communication with its shareholders, which is posted on the websites of the Company.

The general meeting of the Company provides a platform for shareholders to exchange views with the Board. Details of Directors' attendance record in 2013 are as follows:

Directors	No. of general meetings attended/ No. of general meetings held
Executive Directors	
Mr. YEUNG Kwok Keung (<i>Chairman</i>)	0/1
Ms. YANG Huiyan (<i>Vice Chairman</i>)	0/1
Mr. MO Bin	1/1
Mr. ZHU Rongbin ^{note 2}	—
Ms. YANG Ziyang	0/1
Mr. YANG Erzhu	0/1
Mr. SU Rubo	0/1
Mr. ZHANG Yaoyuan ^{note 1}	0/1
Mr. OU Xueming	0/1
Mr. YANG Zhicheng	0/1
Mr. YANG Yongchao	0/1
Mr. XIE Shutai ^{note 2}	—
Mr. SONG Jun ^{note 2}	—
Mr. LIANG Guokun ^{note 2}	—
Mr. SU Baiyuan ^{note 2}	—
Independent Non-executive Directors	
Mr. LAI Ming, Joseph	1/1
Mr. SHEK Lai Him, Abraham	1/1
Mr. TONG Wui Tung, Ronald	1/1
Mr. HUANG Hongyan	1/1
Ms. HUANG Xiao	1/1
Mr. LIU Hongyu ^{note 2}	—
Mr. MEI Wenjue ^{note 2}	—

Note 1: Mr. ZHANG Yaoyuan resigned as an executive Director of the Company with effect from 13 December 2013.

Note 2: No general meeting was held after the appointment of Messrs. ZHU Rongbin, XIE Shutai, SONG Jun, LIANG Guokun, SU Baiyuan, LIU Hongyu and MEI Wenjue in 2013.

Corporate Governance Report

SHAREHOLDERS' RIGHT

Shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company can make a written requisition to the Board or the secretary of the Company to require an extraordinary general meeting to be convened pursuant to article 58 of the Company's articles of association. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the registered office of the Company at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, in addition to the principal place of business in Hong Kong at Rooms 901-904, 9/F., Manulife Provident Funds Place, 345 Nathan Road, Kowloon, Hong Kong.

If within 21 days of the deposit of the requisition the Board fails to proceed to convene an extraordinary general meeting, the relevant shareholder(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the relevant shareholder(s) as a result of the failure of the Board shall be reimbursed to the relevant shareholder(s) by the Company.

There are no provisions under the Company's articles of association or the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands regarding procedures for shareholders to put forward proposals at general meetings other than a proposal of a person for election as director. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Board or the Company Secretary at the principal place of business in Hong Kong or by email to ir@countrygarden.com.cn.

INVESTOR RELATIONS

The Group also has a proactive investor relations programme that keeps investors and shareholders abreast the Group's latest development and discloses relevant information to the public in a timely manner. During the year, we held various meetings with investors, organized site visit to our projects and participated in investor conferences.

The Group's newsletter outlines the latest projects development and sales performance on a regular basis. Up-to-date information on the Group's projects development, corporate activities, news, financial data, and stock information are available at the Group's website <http://www.countrygarden.com.cn>.

During the year, there is no change in the Company's constitutional documents.



Report of the Directors

The Directors are pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the property development, construction, fitting and decoration, property management and hotel operation.

An analysis of the Group’s revenue and operating results for the year by principal activities is set out in note 5 to the consolidated financial statements of the Group.

RESULTS

The results of the Group for the year ended 31 December 2013 are set out in the consolidated statement of comprehensive income of the Group on pages 63 to 64 of this annual report.

DIVIDENDS

The Directors recommend the payment of a final dividend of RMB16.83 cents (2012: RMB13.86 cents) per share for the year ended 31 December 2013 to shareholders (the “Shareholders”) whose name appear on the register of members of the Company on 28 May 2014, with the Shareholders being given an option to elect to receive such proposed final dividend all in new shares or partly in new shares and partly in cash (the “Scrip Dividend Scheme”).

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People’s Bank of China for the period from 22 May 2014 to 28 May 2014.

The Scrip Dividend Scheme is subject to (1) the approval of the proposed final dividend at the annual general meeting of the Company to be held on 21 May 2014; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

A circular giving full details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Shareholders on or around 16 June 2014. It is expected that the final dividend warrants and certificates for the new Shares will be dispatched to Shareholders on or around 11 July 2014.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment during the year are set out in note 6 to the consolidated financial statements of the Group.

BORROWINGS

Details of the borrowings during the year are set out in note 25 to the consolidated financial statements of the Group.

RESERVES

Details of the movements in reserves during the year are set out in note 22 to the consolidated financial statements of the Group.

As at 31 December 2013, the distributable reserve of the Company amounted to approximately RMB3,205,941,000 (2012: approximately RMB2,870,910,000).

DONATIONS

The donations made by the Group during the year amounted to approximately RMB125,966,000 (2012: approximately RMB80,868,000).

FINANCIAL SUMMARY

A financial summary of the Group is set out on page 162 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2013, revenue attributable to the largest customer of the Group amounted to approximately 0.40% of the total revenue in the year and the five largest customers of the Group accounted for less than 30% of the Group's revenue in the year.

For the year ended 31 December 2013, purchases attributable to the largest supplier of the Group amounted to approximately 1.09% of the total purchases in the year and the five largest suppliers of the Group accounted for less than 30% of the Group's purchases in the year.

DIRECTORS AND SHAREHOLDERS INTERESTS IN SUPPLIERS AND CUSTOMERS OF THE GROUP

During the year ended 31 December 2013, so far as the Directors are aware, the following persons who are Directors and their associates (herein after-mentioned) and are interested in more than 5% of the issued share capital of the Company had direct interest or indirect interest in the five largest customers and suppliers of the Group as follows:

Name of Director and person interested in more than 5% of the Company's share capital	Name of customer of the Group	Type of interest
Ms. YANG Huiyan	Qingyuan Country Garden Property Development Co., Ltd. ("Qingyuan CG")	52% equity interest
Mr. YANG Erzhu	Qingyuan CG	12% equity interest
Mr. SU Rubo	Qingyuan CG	12% equity interest
Mr. ZHANG Yaoyuan	Qingyuan CG	12% equity interest
Mr. OU Xueming	Qingyuan CG	12% equity interest

Name of Director and person interested in more than 5% of the Company's share capital	Name of supplier of the Group	Type of interest
Ms. YANG Huiyan	Guangdong Elite Architectural Co., Ltd. ("Elite Architectural")	52% equity interest
Mr. YANG Erzhu	Elite Architectural	12% equity interest
Mr. SU Rubo	Elite Architectural	12% equity interest
Mr. ZHANG Yaoyuan	Elite Architectural	12% equity interest
Mr. OU Xueming	Elite Architectural	12% equity interest
Mr. YEUNG Kwok Keung	Guangdong Grand Pipe Pile Co., Ltd. ("Grand Pipe")	52% equity interest
Mr. YANG Erzhu	Grand Pipe	12% equity interest
Mr. SU Rubo	Grand Pipe	12% equity interest
Mr. ZHANG Yaoyuan	Grand Pipe	12% equity interest
Mr. OU Xueming	Grand Pipe	12% equity interest

Grand Pipe is a non-wholly owned subsidiary of Foshan Shunde Lida Investment Co., Ltd ("Lida Investment"). Lida Investment is owned as to 52% by Ms. YANG Meirong (a sister of Mr. YEUNG Kwok Keung), as to 12% by Mr. YANG Minsheng (a son of Mr. YANG Erzhu), as to 12% by Mr. SU Zhixian (a son of Mr. SU Rubo), as to 12% by Mr. ZHANG Chibiao (a son of Mr. ZHANG Yaoyuan) and as to 12% by Ms. OU Jieping (a daughter of Mr. OU Xueming). As Grand Pipe is owned as to 73.6% of its total equity interest by Lida Investment, an associate of Mr. YEUNG Kwok Yeung, Grand Pipe is thus an associate of a connected person of the Company.

Report of the Directors

Other than disclosed above, the Directors, their associates or any Shareholders of the Company (which to the knowledge of the Directors own more than 5% of the issued share capital of the Company) did not have any interests in the five largest customers and suppliers of the Group for the year ended 31 December 2013.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 20 to the consolidated financial statements of the Group.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year up to the date of this annual report are:

Executive Directors

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan (*Vice Chairman*)
Mr. MO Bin
Mr. ZHU Rongbin (appointed on 29 May 2013)
Ms. YANG Ziyang
Mr. YANG Erzhu
Mr. SU Rubo
Mr. ZHANG Yaoyuan (resigned on 13 December 2013)
Mr. OU Xueming
Mr. YANG Zhicheng
Mr. YANG Yongchao
Mr. XIE Shutai (appointed on 29 May 2013)
Mr. SONG Jun (appointed on 29 May 2013)
Mr. LIANG Guokun (appointed on 29 May 2013)
Mr. SU Baiyuan (appointed on 13 December 2013)

Independent non-executive Directors

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung, Ronald
Mr. HUANG Hongyan
Ms. HUANG Xiao
Mr. LIU Hongyu (appointed on 29 May 2013)
Mr. MEI Wenjue (appointed on 29 May 2013)

In accordance with Article 86(3) of the Articles of Association, Mr. ZHU Rongbin, Mr. XIE Shutai, Mr. SONG Jun, Mr. LIANG Guokun, Mr. SU Baiyuan, Mr. LIU Hongyu and Mr. MEI Wenjue shall hold office until the forthcoming annual general meeting and shall then be eligible for re-election. In accordance with Article 87 of the Articles of Association, Ms. YANG Huiyan, Mr. MO Bin, Ms. YANG Ziyang, Mr. YANG Zhicheng, Mr. YANG Yongchao, Mr. SHEK Lai Him, Abraham and Mr. TONG Wui Tung, Ronald shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

All executive Directors have entered into service contracts with the Company. Other than Messrs. ZHU Rongbin, XIE Shutai, SONG Jun, LIANG Guokun and SU Baiyuan whose contracts take effect from their respective appointment dates, all other Executive Directors have their service contract dates effective from 1 January 2013 to 31 December 2014. For independent non-executive Directors, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. LIU Hongyu and Mr. MEI Wenjue, have entered into service contracts with the Company for a period up to 31 December 2014; while Mr. HUANG Hongyan and Ms. HUANG Xiao are appointed for a period up to 19 December 2014.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

Report of the Directors

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, the changes to information required to be disclosed by the Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) between 6 August 2013 (being the date of approval of the Company's Interim Report 2013 and 12 March 2014 (being the date of approval of the Company's 2013 Annual Report) is set out below:

- Mr. SHEK Lai Him, Abraham has been appointed as an independent non-executive director of Cosmopolitan International Holdings Limited, a company listed in the Stock Exchange, with effect from 18 December 2013.
- Mr. MEI Wenjue has been appointed as an independent non-executive director of Miko International Holdings Limited, a company listed in the Stock Exchange, with effect from 15 January 2014.
- Mr. SHEK Lai Him, Abraham ceased to be an independent non-executive director of Titan Petrochemicals Group Limited, a company listed in the Stock Exchange, with effect from 27 February 2014.

DIRECTORS' AND SENIOR MANAGEMENT MEMBERS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2013 are set out in note 30 to the consolidated financial statements of the Group.

Details of the remuneration of the senior management members of the Group for the year ended 31 December 2013 are set out in the Corporate Governance Report contained in this annual report.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under paragraph headed "Continuing Connected Transactions", no contracts of significance in relation to the Company's business to which the Company, any of its subsidiaries, its fellow subsidiaries or its holding companies was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND THEIR ASSOCIATES' INTERESTS IN COMPETING BUSINESS

Ms. YANG Huiyan, Mr. YANG Erzhu, Mr. SU Rubo, Mr. OU Xueming (all being Directors) and Mr. ZHANG Yaoyuan (resigned as an executive Director of the Company with effect from 13 December 2013) respectively owned 52%, 12%, 12%, 12% and 12% interest in each of Qingyuan CG and Qingyuan Country Cultural Development Co., Ltd.. Qingyuan CG is the developer of the Qingyuan Holiday Islands project situated in Qingyuan which offers various types of products including villas, townhouses and low-rise apartments. While Qingyuan Country Cultural Development Co., Ltd. operates the Qingyuan Cultural Park located in Shijiao Town, Qingcheng District in Qingyuan. Save as disclosed above, as at 31 December 2013, none of the Directors are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Report of the Directors

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The following connected transactions and continuing connected transactions were recorded during the year end and up to the date of this annual report:

(a) Connected Transactions

The Company has entered into the following connected transactions, which the Stock Exchange has either granted waivers to or exempted from the independent Shareholders' approval, but subject to disclosure in the annual report under Rule 14A.32 of the Listing Rules. Details of these transactions are set out below:

1. *Share Transfer Agreement – Wuzhou Hefu Property Development Company Limited*

On 30 August 2013, a share transfer agreement (the "Share Transfer Agreement") was entered into between Taishan Country Garden Property Development Company Limited ("Taishan CG"), a wholly-owned subsidiary of the Company, and Foshan Shunde Yayu Property Development Company Limited ("Shunde Yayu"). Pursuant to the Share Transfer Agreement, Taishan CG acquired and Shunde Yayu sold 80% of the equity interest in Wuzhou Hefu Property Development Company Limited for a consideration of RMB347,706,000.

Shunde Yayu is owned as to 90% by Mr. WU Weizong and as to 10% by Mr. WU Tingxuan, both of whom are relatives of Mr. YEUNG Kwok Keung, the chairman and executive Director of the Company. Hence, Shunde Yayu is an associate of a connected person of the Company.

2. *Share Transfer Agreement – Qingyuan Country Garden Xinya Property Development Company Limited*

On 28 October 2013, an equity interest transfer agreement (the "Equity Interest Transfer Agreement") was entered into between Foshan Shunde Country Garden Property Development Company Limited ("Shunde CG"), a wholly-owned subsidiary of the Company, and Qingyuan Xinya Property Development Company Limited ("Qingyuan Xinya"). Pursuant to the Equity Interest Transfer Agreement, Shunde CG acquired and Qingyuan Xinya sold 49% of the equity interest in Qingyuan Country Garden Xinya Property Development Company Limited ("Qingyuan CG Xinya") for a consideration of RMB598,561,000.

Before the transfer, the Company indirectly held 51% of the equity interest in Qingyuan CG Xinya which was a non-wholly owned subsidiary of the Company. Qingyuan Xinya was a substantial shareholder of Qingyuan CG Xinya. Hence, Qingyuan Xinya was a connected person of the Company. After the transfer, Qingyuan CG Xinya is a wholly owned subsidiary of the Company.

(b) Continuing Connected Transactions

The Company has entered into the following continuing connected transactions, which the Stock Exchange has either granted waivers to or exempted from the independent Shareholders' approval, but subject to disclosure in the annual report under Rule 14A.34 of the Listing Rules. Details of these transactions are set out below:

1. *Water Supply Agreement*

Pursuant to the water supply agreement dated 27 March 2007 and the water supply supplemental agreements dated 20 June 2008 and 17 December 2010 (together, the "Jiangkou Water Supply Agreement") between Shunde CG and Foshan Shunde Jiangkou Water Plant Co., Ltd. ("Jiangkou Water Plant Co."), Jiangkou Water Plant Co. shall provide the Group water supply for use in operations in Panyu District and Shunde District. The terms of Jiangkou Water Supply Agreement shall be three years commencing on 1 January 2011 and subject to the annual caps of not exceeding RMB4.5 million for each of the years 2011, 2012 and 2013 respectively. The water supply shall be at rates no more favourable than rates chargeable by other water plants operated by independent third parties in Panyu District and Shunde District. The water fees received by Jiangkou Water Plant Co. during the year amounted to RMB3.49 million.

Report of the Directors

Jiangkou Water Plant Co. is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan (resigned as the executive Director on 13 December 2013). Jiangkou Water Plant Co. is an associate of a connected person of the Company as Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company.

2. Design Services Agreement

Pursuant to the design services agreement dated 27 March 2007 and the design services supplemental agreements dated 20 June 2008, 17 December 2010 and 31 October 2012 (together, the “Design Services Agreements”) entered into between Shunde CG and Elite Architectural, Elite Architectural agreed to provide property design, interior design services and survey work to the Group on term no less favourable than those offered by independent third parties to the Group for comparable services for three years commencing on 1 January 2011 and subject to annual caps of RMB650 million for each of the years 2011, 2012 and 2013 respectively. During the year, the total amount of design services charged by Elite Architectural amounted to RMB638.9 million.

Elite Architectural is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan. Elite Architectural is an associate of a connected person of the Company as Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company.

Design Services Agreements was expired on 31 December 2013. On 13 December 2013, Shunde GC and Elite Architectural entered into a design services supplemental agreement, pursuant to which, Elite Architectural agreed to provide property design, interior design services and survey work to the Group for a term of three years commencing on 1 January 2014 and subject to the annual caps of not exceeding RMB1,500 million, RMB1,800 million and RMB2,000 million for each of the years 2014, 2015 and 2016 respectively.

3. Construction Services Agreement (1)

Pursuant to the construction services agreement dated 10 May 2013 (“Construction Services Agreement”) entered into between Giant Leap and Qingyuan CG, Giant Leap agreed to provide construction services to Qingyuan CG. The terms of Construction Services Agreement shall be two years commencing on 1 January 2013 and subject to the annual caps of not exceeding RMB260 million for each of the years 2013 and 2014 respectively. During the year, the value of construction services provided by Giant Leap amounted to RMB253.1 million.

Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan. Qingyuan CG is an associate of a connected person of the Company as Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company.

4. Construction Services Agreement (2)

Pursuant to the construction services framework agreement dated 10 May 2013 (the “WF Construction Services Agreement”) entered into between Shunde CG and Wanfang Construction Co., Ltd (“Wanfang Construction”), Wanfang Construction agreed to provide construction services including the affixing of stones on external walls, garden construction and interior construction to the Group at the price no less favourable than those offered by Wanfang Construction to independent third parties. The terms of the Construction Services Agreement shall be two years commencing on 1 January 2013 and subject to the annual caps of not exceeding RMB650 million and RMB950 million for the years 2013 and 2014 respectively. During the year, the total amount of supply of construction services charged by Wanfang Construction amounted to RMB181.4 million.

Report of the Directors

Wanfang Construction was originally a non-wholly owned subsidiary of Foshan Shunde Chuangyuan Investment Limited (“Chuangyuan Investment”). Chuangyuan Investment is owned as to 90% by Ms. YANG Ziying and as to 10% by Mr. CHEN Chong. Wanfang Construction was originally an associate of a connected person of the Company as Ms. YANG Ziying is a Director of the Company. On 9 August 2013, Chuangyuan Investment transferred its entire equity interest in Wanfang Construction to Qingyuan CG. Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan. Qingyuan CG is an associate of a connected person of the Company as Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company.

5. *Lighting Supply Agreement*

Pursuant to the lighting sales and supply framework agreement dated 31 October 2012 and the lighting supply supplemental agreements dated 10 May 2013 (together, the “Lighting Supply Agreements”) entered into between Foshan Shunde Country Garden Property Development Co., Ltd. (“Shunde CG”) and Guangdong Shenghui Electronics Holdings Limited (“Guangdong Shenghui”), Guangdong Shenghui agreed to supply lighting equipments, distribution board/control cabinet and provide relevant design and installation work to the Group at the price no less favourable than those offered by independent third parties to the Group commencing from 31 October 2012 to 31 December 2014 and subject to annual cap of RMB100 million, RMB500 million and RMB720 million for each of the years 2012, 2013 and 2014 respectively. During the period from 1 January 2013 to 26 November 2013, the total amount of supply of relevant products and services charged by Guangdong Shenghui amounted to RMB271.4 million.

Guangdong Shenghui was originally a wholly owned subsidiary of Chuangyuan Investment. Chuangyuan Investment is owned as to 90% by Ms. YANG Ziying and as to 10% by Mr. CHEN Chong. Guangdong Shenghui was originally an associate of a connected person of the Company as Ms. YANG Ziying is a Director of the Company. On 26 November 2013, Chuangyuan Investment transferred its entire equity interest in Guangdong Shenghui to independent third parties. Since then, Guangdong Shenghui is no longer an associate of a connected person of the Company.

6. *Stone Supply Agreement*

Pursuant to the stone supply framework agreement dated 10 May 2013 (the “Stone Supply Agreement”) entered into between Shunde CG and Wanfang Stone Co., Ltd (“Wanfang Stone”), Wanfang Stone agreed to supply stones including but not limited to marble and granite to the Group at the price no less favourable than those offered by Wanfang Stone to independent third parties. The terms of the Stone Supply Agreement shall be two years commencing on 1 January 2013 and subject to annual caps of not exceeding RMB348.8 million and RMB396 million for the years 2013 and 2014 respectively. During the year, the amount of supply of stones charged by purchased by Wanfang Stone amounted to RMB46.2 million.

Wanfang Stone was originally a non-wholly owned subsidiary of Chuangyuan Investment. Chuangyuan Investment is owned as to 90% by Ms. YANG Ziying and as to 10% by Mr. CHEN Chong. Wanfang Stone was originally an associate of a connected person of the Company as Ms. YANG Ziying is a Director of the Company. On 9 August 2013, Chuangyuan Investment transferred its entire equity interest in Wanfang Stone to Qingyuan CG. Qingyuan CG is owned as to 52% by Ms. YANG Huiyan, as to 12% by Mr. YANG Erzhu, as to 12% by Mr. SU Rubo, as to 12% by Mr. OU Xueming and as to 12% by Mr. ZHANG Yaoyuan. Qingyuan CG is an associate of a connected person of the Company as Ms. YANG Huiyan is a Director and a substantial Shareholder of the Company.

The above continuing connected transactions are all subject to full reporting and announcement requirements but exempt from the independent Shareholders’ approval under Rule 14A.34 of the Listing Rules.

Report of the Directors

Pursuant to Rule 14A.37 of the Listing Rules, the independent non-executive Directors of the Company, namely Mr. LAI Ming, Joseph, Mr. SHEK Lai Him, Abraham, Mr. TONG Wui Tung, Ronald, Mr. HUANG Hongyan, Ms. HUANG Xiao, Mr. LIU Hongyu and Mr. MEI Wenjue have reviewed the continuing connected transactions and confirmed that the continuing connected transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or, if there were not sufficient comparable transactions to judge whether they were on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

For the purpose of Rule 14A.38 of the Listing Rules, PricewaterhouseCoopers, the auditor of the Company, has provided a letter to the Board, confirmed that the continuing connected transactions:

- (i) have received the approval of the Board;
- (ii) are in accordance with the pricing policies of the Company if the transactions involve provision of goods and services by the Company;
- (iii) have been entered into in accordance with the relevant agreements governing the transactions; and
- (iv) have not exceeded the respective annual caps.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2013, certain Directors and their close family members, and companies controlled by certain Directors and/or their close family members entered into transactions with the Group which are disclosed in note 41 "Related Party Transactions" to the consolidated financial statements of the Group.

SHARE OPTIONS

On 20 March 2007, a share option scheme (the "Share Option Scheme") was adopted and approved by the then Shareholders. A summary of the principal terms of the Share Option Scheme is set out as follow:

(i) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide incentives to the participants.

(ii) Who may join

The participants of the Share Option Scheme are employees including the executive Directors and non-executive Directors of the Company and its subsidiaries.

(iii) Grant of Options

The Board shall be entitled at any time, within 10 years after the date of adoption of the Share Option Scheme to make an offer of the grant to any participant.

(iv) Payment on acceptance of option offer

HK\$1.00 is payable by the participant to the Company on acceptance of the option offer as consideration for the grant.

(v) Subscription Price of Shares

The subscription price of option to subscribe for shares granted pursuant to the Share Option Scheme shall be the highest of:

- the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date on which an offer is made to a participant, which must be a business day;
- the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an offer is made; and
- the nominal value of the shares of the Company.

Report of the Directors

(vi) Maximum number of Shares available for subscription

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company at the date of approval of the Share Option Scheme. The 10% limit may be refreshed with the approval by ordinary resolution of the Shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the issued share capital of the Company from time to time. As at the date of this annual report, a total of 1,636,000,000 shares (including options to subscribe for 9,173,457 shares that have been granted but not yet lapsed or exercised) (representing 8.86% of the issued share capital of the Company at the date of this annual report) are available for issue under the Share Option Scheme.

(vii) Maximum entitlement of Shares of each Participant

The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme to each participant (including both exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Shares issued and to be issued upon exercise of all options granted under the Share Option Scheme (including options exercised, cancelled and outstanding) to a participant who is a substantial Shareholder or an independent non-executive Director in any 12 months period, (1) representing in aggregate more than 0.1% of the total number of Shares in issue and (2) having an aggregate value, based on the closing price of the Shares at the date of each grant in excess of HK\$5,000,000, the proposed grant of option must be approved by the Shareholders by poll in general meeting.

(viii) Time of exercise of option

The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years from the date of grant of the relevant option. The Board has the authority to determine the minimum period for which an option must be held before it can be exercised.

During the year, share options to subscribe for a total of 9,173,457 shares of the Company have been granted and no share option was exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme. Details of movements in the share options under the Share Option Scheme during the year are as follows:

Category and name of grantees	Options to subscribe for shares of the Company			Date of grant	Exercise period	Exercise price per share
	At the beginning of the year	Granted during the year	At the end of the year			
Directors of the Company						
Mr. LAI Ming, Joseph	1,000,000	—	1,000,000	30.11.2012	30.11.2012–29.11.2022	HK\$3.7
Mr. SHEK Lai Him, Abraham	1,000,000	—	1,000,000	30.11.2012	30.11.2012–29.11.2022	HK\$3.7
Mr. TONG Wui Tong, Ronald	1,000,000	—	1,000,000	30.11.2012	30.11.2012–29.11.2022	HK\$3.7
Mr. YANG Zhicheng	—	1,493,845	1,493,845	13.12.2013	13.12.2018–12.12.2023	HK\$4.844
Mr. OU Xueming	—	954,039	954,039	13.12.2013	13.12.2018–12.12.2023	HK\$4.844
	3,000,000	2,447,884	5,447,884			
Employees of the Group	—	3,725,573	3,725,573	13.12.2013	13.12.2018–12.12.2023	HK\$4.844
	—	3,725,573	3,725,573			
	3,000,000	6,173,457	9,173,457			

Report of the Directors

EMPLOYEE INCENTIVE SCHEME

The trust deed in respect of an employee incentive scheme (“Employee Incentive Scheme”) for the benefit of the senior management and employees of the Group which excludes any connected persons of the Company has been approved in principle, while the scheme rules are under preparation for the Board’s approval. The purpose of the Employee Incentive Scheme is to provide the participants with an opportunity to hold a personal stake in the Company so as to motivate such participants and to enhance performance and efficiency. During the year, the Company had not purchased any shares of the Company from the market, but acquired 3,815,811 shares by way of scrip dividend. As of 31 December 2013, the cumulative total number of the shares acquired under the Employee Incentive Scheme were 101,132,446 shares.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office at 31 December 2013 had the following interests in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) at the balance sheet date as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules:

(a) Long positions in the shares, underlying shares and debentures of the Company

Name of Director	Capacity	Number of ordinary shares held	Number of underlying shares held	Percentage to the issued share capital as at		Amount of debentures held
				Total	31.12.2013	
Mr. YEUNG Kwok Keung	Interest of controlled corporation	66,060,000	—	66,060,000 ¹	0.35%	US\$11,300,000 ² US\$11,000,000 ³
Ms. YANG Huiyan	Interest of controlled corporation	10,741,881,162	—	10,741,881,162 ⁴	58.19%	—
Mr. ZHU Rongbin	Beneficial owner	1,350,000	—	1,350,000	0.01%	—
Mr. YANG Erzhu	Interest of controlled corporation	1,019,733,743	—	1,019,733,743 ⁵	5.52%	—
Mr. SU Rubo	Interest of controlled corporation	749,437,312	—	749,437,312 ⁶	4.06%	—
Mr. OU Xueming	Interest of controlled corporation	772,144,068 ⁷	—	—	—	—
	Beneficial owner	—	954,039 ¹²	773,098,107	4.18%	—
Mr. YANG Zhicheng	Beneficial owner	—	1,493,845 ¹²	1,493,845	0.01%	—
Mr. YANG Yongchao	Interest of spouse	3,712,321	—	3,712,321 ⁸	0.02%	—
Mr. XIE Shutai	Interest of spouse	844,937	—	844,937 ⁹	0.01%	—
Mr. LIANG Guokun	Interest of spouse	1,145,254	—	1,145,254 ¹⁰	0.01%	—
Mr. SU Baiyuan	Beneficial owner	436,096	—	855,739	0.01%	—
	Interest of spouse	419,6431 ¹¹	—	—	—	—
Mr. LAI Ming, Joseph	Beneficial owner	—	1,000,000 ¹²	1,000,000	0.01%	—
Mr. SHEK Lai Him, Abraham	Beneficial owner	—	1,000,000 ¹²	1,000,000	0.01%	—
Mr. TONG Wui Tong, Ronald	Beneficial owner	—	1,000,000 ¹²	1,000,000	0.01%	—

Report of the Directors

Notes:

1. These shares represent shares held by Kenpac Investments Limited and Jolly Faith Group Limited in which Mr. YEUNG Kwok Keung beneficially owns 90% and 50% of the issued share capital respectively.
2. These debentures represent the US\$550 million 11.25% senior notes due 2017 held by Joy House Enterprises Limited in which Mr. YEUNG Kwok Keung beneficially owns 99% of the issued share capital.
3. These debentures represent the US\$900 million 11.125% senior notes due 2018 held by Joy House Enterprises Limited and Kenpac Investments Limited in which Mr. YEUNG Kwok Keung beneficially owns 99% and 90% of the issued share capital respectively.
4. These shares and/or underlying shares represent shares and/or underlying shares held by Concrete Win Limited, Golden Value Investments Limited and Jolly Faith Group Limited in which Ms. YANG Huiyan beneficially owns 100%, 100% and 50% of the issued share capital respectively.
5. These shares represent shares held by Automic Group Limited in which Mr. YANG Erzhu beneficially owns the entire issued share capital.
6. These shares represent shares held by Easy Hope Holdings Limited in which Mr. SU Rubo beneficially owns the entire issued share capital.
7. These shares represent shares held by Highlander Group Limited in which Mr. OU Xueming beneficially owns the entire issued share capital.
8. These shares represent shares held by Ms. SU Yuming being the spouse of Mr. YANG Yongchao.
9. These shares represent shares held by Ms. YANG Cong Rong being the spouse of Mr. XIE Shutai.
10. These shares represent shares held by Ms. MA Min Hua being the spouse of Mr. LIANG Guokun.
11. These shares represent shares held by Ms. LIU Qing being the spouse of Mr. SU Baiyuan.
12. The relevant interests are unlisted physically settled options granted pursuant to the Share Options Scheme. Upon exercise of the share options in accordance with the Share Options Scheme, ordinary shares of HK\$0.10 each in the share capital of the Company are issuable. The share options are personal to the respective Directors. Further details of the share options are set out in the "Corporate Governance and Other Information" of this report.

(b) Long positions in the shares of Concrete Win Limited, an associated corporation of the Company

Name of Director	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at 31.12.2013
Ms. YANG Huiyan	Beneficial owner	2	100%

Save as disclosed above, at the balance sheet date, none of the Company's Directors, chief executives or their respective associates had any other personal, family, corporate and other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

At the balance sheet date, according to the register kept by the Company under Section 336 of the SFO, the following companies and persons, other than the Directors or chief executives of the Company, had long positions of 5% or more in the shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in the shares of Company

Name of shareholder	Capacity	Number of ordinary shares held	Percentage to the issued share capital as at 31.12.2013
Concrete Win Limited	Beneficial owner	10,665,232,162 ¹	57.78%
Automic Group Limited	Beneficial owner	1,019,733,743 ²	5.52%

Notes:

1. These shares are held by Concrete Win Limited, the entire issued share capital of which is beneficially owned by Ms. YANG Huiyan.
2. These shares are held by Automic Group Limited, the entire issued share capital of which is beneficially owned by Mr. YANG Erzhu.

Report of the Directors

Save as disclosed above, at the balance sheet date, the Company has not been notified of any other person (other than the Directors and chief executives of the Company) who had an interest or short position of 5% or more in the shares and underlying shares of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities except for those referred to under the section "Employee Incentive Scheme" as set out in this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, being the jurisdiction in which the Company is incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report contained in this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total issued share capital must at all times be held by the public; and (ii) where an issuer has more than one class of securities apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital.

However, the class of securities for which listing is sought must not be less than 15% of the issuer's total issued share capital, and must have an expected market capitalization at the time of listing of not less than HK\$10,000 million.

The Group has applied to the Stock Exchange to request the Stock Exchange to exercise, and the Stock Exchange exercised its discretion under Rule 8.08(1)(d) of the Listing Rules to accept a lower public float percentage of the Company of 15% (assuming the Overallotment Option is not exercised) or such higher percentage of the issued share capital as will be held by the public in the event that the whole or a part of the Overallotment Option is exercised (which discretion may be exercised in respect of issuers with an expected market capitalization at the time of listing of over HK\$10,000 million) on the basis that the Stock Exchange is satisfied that the number of the Shares concerned and the extent of their distribution will enable the market to operate properly with the lower percentage, and on the condition that we will make appropriate disclosure of the lower prescribed percentage of public float in the prospectus of the Company issued on 3 April 2007 and confirm sufficiency of public float in the successive annual reports after listing. At the time of the listing of the Company on 20 April 2007, the market capitalization exceeded HK\$10,000 million.

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Directors confirm that the Company has maintained the amount of public float as required under the Listing Rules.

Report of the Directors

AUDITOR

The consolidated financial statements for the year have been audited by PricewaterhouseCoopers. A resolution for the re-appointment of PricewaterhouseCoopers as the Company's auditor for the ensuing year is to be proposed at the forthcoming annual general meeting.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders of the Company are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to, the Shares, they are advised to consult an expert.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Friday, 16 May 2014 to Wednesday, 21 May 2014, both days inclusive, during which period no transfer of Shares will be registered in order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming annual general meeting of the Company. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 15 May 2014.

Subject to approval of shareholders in the annual general meeting, the proposed final dividend will be payable to shareholders whose names appears on the register of members of the Company on Wednesday, 28 May 2014. The register of members will be closed at Tuesday, 27 May 2014 to Wednesday 28 May 2014, both days inclusive, during which period no transfer of Shares will be registered in order to determine the identity of the shareholders who are qualified for the proposal final dividend. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 26 May 2014.

For and on behalf of the Board

YEUNG Kwok Keung

Chairman

Foshan, Guangdong Province, PRC, 12 March 2014

Independent Auditor's Report



羅兵咸永道

TO THE SHAREHOLDERS OF COUNTRY GARDEN HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Country Garden Holdings Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 59 to 161, which comprise the consolidated and company balance sheets as at 31 December 2013, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report



羅兵咸永道

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 12 March 2014

Consolidated Balance Sheet

	Note	As at 31 December	
		2013 RMB'000	2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	15,828,290	11,613,913
Investment property	7	112,340	118,329
Intangible assets	8	43,477	22,632
Land use rights	9	1,865,068	1,390,218
Properties under development	10	40,080,095	25,700,500
Investment in an associate	11	56,791	114,351
Deferred income tax assets	26	1,800,022	1,449,327
Available-for-sale financial assets	12	206,329	—
Other non-current assets	13	33,333	201,722
		60,025,745	40,610,992
Current assets			
Properties under development	10	67,473,799	39,155,431
Completed properties held for sale	15	18,919,822	18,497,241
Inventories	16	572,863	347,514
Trade and other receivables	17	26,378,400	17,123,921
Prepaid taxes		6,189,210	3,927,083
Restricted cash	18	7,769,870	5,050,935
Cash and cash equivalents	19	18,909,719	11,809,031
		146,213,683	95,911,156
Total assets		206,239,428	136,522,148
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital and premium	20	20,169,019	19,368,755
Other reserves	22	2,194,083	1,901,964
Retained earnings			
— proposed final dividend	33	3,105,759	2,527,303
— others	22	18,484,759	13,779,127
		43,953,620	37,577,149
Non-controlling interests		2,057,547	1,307,259
Total equity		46,011,167	38,884,408

Consolidated Balance Sheet

	Note	As at 31 December	
		2013	2012
		RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Senior notes	23	20,711,542	14,213,224
Bank and other borrowings	25	23,103,006	13,603,287
Deferred government grants		239,520	189,520
Deferred income tax liabilities	26	1,269,910	924,381
		45,323,978	28,930,412
Current liabilities			
Advanced proceeds received from customers		63,417,952	33,353,645
Trade and other payables	27	30,914,620	19,030,298
Income taxes payable		8,137,481	7,227,236
Senior notes	23	2,348,003	—
Convertible bond	24	—	943,866
Bank and other borrowings	25	10,086,227	8,152,283
		114,904,283	68,707,328
Total liabilities		160,228,261	97,637,740
Total equity and liabilities		206,239,428	136,522,148
Net current assets		31,309,400	27,203,828
Total assets less current liabilities		91,335,145	67,814,820

The notes on pages 67 to 161 are an integral part of these consolidated financial statements.

The financial statements on pages 59 to 161 were approved by the Board of Directors on 12 March 2014 and were signed on its behalf.

Mo Bin
Director

Yang Erzhu
Director

Balance Sheet

	Note	As at 31 December	
		2013 RMB'000	2012 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries	14	27,772,865	25,973,294
Current assets			
Amounts due from subsidiaries	14	21,884,166	13,868,726
Restricted cash	18	—	34,054
Cash and cash equivalents	19	762,588	81,123
		22,646,754	13,983,903
Total assets		50,419,619	39,957,197
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital and premium	20	20,549,255	19,748,991
Other reserves	22	18,167	32,801
Retained earnings			
— proposed final dividend	33	3,105,759	2,527,303
— others	22	100,182	343,607
Total equity		23,773,363	22,652,702

Balance Sheet

	Note	As at 31 December	
		2013 RMB'000	2012 RMB'000
Liabilities			
Non-current liabilities			
Senior notes	23	20,711,542	14,213,224
Bank and other borrowings	25	1,651,523	893,755
		22,363,065	15,106,979
Current liabilities			
Amounts due to subsidiaries	14	788,239	673,500
Trade and other payables		792	—
Senior notes	23	2,348,003	—
Convertible bond	24	—	943,866
Bank and other borrowings	25	1,146,157	580,150
		4,283,191	2,197,516
Total liabilities		26,646,256	17,304,495
Total equity and liabilities		50,419,619	39,957,197
Net current assets		18,363,563	11,786,387
Total assets less current liabilities		46,136,428	37,759,681

The notes on pages 67 to 161 are an integral part of these consolidated financial statements.

The financial statements on pages 59 to 161 were approved by the Board of Directors on 12 March 2014 and were signed on its behalf.

Mo Bin
Director

Yang Erzhu
Director

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December	
		2013 RMB'000	2012 RMB'000
Revenue	5	62,681,875	41,890,984
Cost of sales	29	(43,713,256)	(26,551,479)
Gross profit		18,968,619	15,339,505
Other gains — net	28	64,334	103,293
Selling and marketing costs	29	(4,303,823)	(2,186,059)
Administrative expenses	29	(2,033,277)	(1,568,279)
Operating profit		12,695,853	11,688,460
Finance income	31	803,249	153,277
Finance costs	31	—	(279,720)
Finance income/(costs) — net	31	803,249	(126,443)
Share of results of an associate and a joint venture	11,13	(25,949)	(93,689)
Fair value changes on derivative financial instruments		—	73,585
Profit before income tax		13,473,153	11,541,913
Income tax expenses	32	(4,625,173)	(4,657,351)
Profit for the year		8,847,980	6,884,562
Other comprehensive income			
Items that may be reclassified to profit or loss:			
— Change in value of available-for-sale financial assets		6,329	—
— Currency translation differences		(78,927)	(6,028)
Other comprehensive loss for the year, net of tax		(72,598)	(6,028)
Total comprehensive income for the year		8,775,382	6,878,534

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December	
		2013 RMB'000	2012 RMB'000
Profit attributable to:			
– Owners of the Company		8,514,104	6,852,651
– Non-controlling interests		333,876	31,911
		8,847,980	6,884,562
Total comprehensive income attributable to:			
– Owners of the Company		8,476,627	6,849,323
– Non-controlling interests		298,755	29,211
		8,775,382	6,878,534
Earnings per share attributable to owners of the Company (expressed in RMB cents per share)			
Basic	36	46.65	38.06
Diluted	36	46.61	37.96

The notes on pages 67 to 161 are an integral part of these consolidated financial statements.

	Note	2013 RMB'000	2012 RMB'000
Dividends	33	3,105,759	2,527,303

Consolidated Statement of Changes in Equity

	Share capital and premium RMB'000 (note 20)	Other reserves and retained earnings RMB'000 (note 22)	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2012	15,382,196	13,608,041	1,077,027	30,067,264
Comprehensive income				
Profit for the year	—	6,852,650	31,912	6,884,562
Other comprehensive income				
— Currency translation differences	—	(3,327)	(2,701)	(6,028)
Total comprehensive income for the year	—	6,849,323	29,211	6,878,534
Transactions with owners in their capacity as owners:				
Capital injections	—	—	281,611	281,611
2011 final dividends	—	(2,251,970)	—	(2,251,970)
Dividends paid to non-controlling interests	—	—	(80,590)	(80,590)
Issue of shares as a result of placing (note 20(a))	1,734,589	—	—	1,734,589
Issue of shares as a result of the scrip dividend scheme (note 20(b))	2,251,970	—	—	2,251,970
Employee share option scheme:				
— Value of employee services (note 30)	—	3,000	—	3,000
Total transactions with owners	3,986,559	(2,248,970)	201,021	1,938,610
Balance at 31 December 2012	19,368,755	18,208,394	1,307,259	38,884,408
Balance at 1 January 2013	19,368,755	18,208,394	1,307,259	38,884,408
Comprehensive income				
Profit for the year	—	8,514,104	333,876	8,847,980
Other comprehensive income				
— Available-for-sale financial assets	—	6,329	—	6,329
— Currency translation differences	—	(43,806)	(35,121)	(78,927)
Total comprehensive income for the year	—	8,476,627	298,755	8,775,382
Transactions with owners in their capacity as owners:				
Capital injections	—	—	562,009	562,009
2012 final dividends (note 33)	—	(2,510,111)	—	(2,510,111)
Dividends paid to non-controlling interests	—	—	(83,400)	(83,400)
Issue of shares as a result of the scrip dividend scheme (note 20(c))	800,264	—	—	800,264
Employee share option scheme:				
— Value of employee services (note 30)	—	15,167	—	15,167
Non-controlling interests arising from business combination (note 40)	—	—	166,009	166,009
Changes in ownership interests in subsidiaries without change of control (note 39)	—	(405,476)	(193,085)	(598,561)
Total transactions with owners	800,264	(2,900,420)	451,533	(1,648,623)
Balance at 31 December 2013	20,169,019	23,784,601	2,057,547	46,011,167

The notes on pages 67 to 161 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	Year ended 31 December	
		2013 RMB'000	2012 RMB'000
Cash flows from operating activities			
Cash generated from operations	34	2,822,408	3,994,913
Income tax paid		(4,817,435)	(3,466,061)
Interest paid		(3,814,356)	(3,012,054)
Net cash used in operating activities		(5,809,383)	(2,483,202)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	40	(13,163)	—
Purchases of property, plant and equipment		(4,777,165)	(3,894,485)
Purchases of intangible assets		(37,776)	(10,190)
Purchases of land use rights		(531,768)	(1,679)
Prepayment for an investment	12	—	(200,000)
Payment for investment property		(1,645)	—
Investment in a joint venture	13	—	(5,000)
Proceeds from disposal of property, plant and equipment	34	27,647	10,289
Government grants received		50,000	—
Interest received	31	290,708	132,382
Net cash used in investing activities		(4,993,162)	(3,968,683)
Cash flows from financing activities			
Capital contributions from non-controlling interests		562,009	281,611
Payment for acquisition of non-controlling interests	39	(247,000)	—
Issue of shares as a result of placing	20	—	1,734,589
Net proceeds from termination of equity swap		—	713,046
Redemption of convertible bond	24	(957,163)	—
Net proceeds from the issuance of senior notes	23	9,136,339	—
Proceeds from bank and other borrowings		24,552,236	16,921,991
Repayments of bank and other borrowings		(13,268,573)	(9,043,712)
Dividends paid to the Company's shareholders		(1,709,847)	—
Dividends paid to non-controlling interests		(83,400)	(80,590)
Net cash generated from financing activities		17,984,601	10,526,935
Net increase in cash and cash equivalents		7,182,056	4,075,050
Cash and cash equivalents at the beginning of the year		11,809,031	7,744,362
Exchange losses on cash and cash equivalents		(81,368)	(10,381)
Cash and cash equivalents at the end of the year	19	18,909,719	11,809,031

The notes on pages 67 to 161 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

Country Garden Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands. The Company is engaged in investment holding and its subsidiaries (collectively the “Group”) are principally engaged in the property development, construction, fitting and decoration, property management and hotel operation.

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited.

These financial statements are presented in Renminbi (“RMB”), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 12 March 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial instruments.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Changes in accounting policy and disclosures

- (i) *New and revised standards and amendments to existing standards that are mandatory for the first time for the financial year beginning 1 January 2013 and are relevant to the Group*
- Amendment to Hong Kong Accounting Standards (“HKAS”) 1, ‘Financial statements presentation’ regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment did not have a material impact on the Group’s consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

- (i) *New and revised standards and amendments to existing standards that are mandatory for the first time for the financial year beginning 1 January 2013 and are relevant to the Group (Continued)*
- HKFRS 10 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This new standard did not have a material impact on the Group's consolidated financial statements.
 - HKAS 27 (revised 2011) 'Separate financial statements' includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10. This revised standard did not have a material impact on the Group's consolidated financial statements.
 - HKFRS 11 'Joint arrangements' is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. Before 1 January 2013, the Group's interest in its jointly controlled entity was accounted for using the equity method. Under HKFRS 11, the jointly controlled entity has been assessed to be a joint venture and is still accounted for using the equity method. This new standard did not have a material impact on the Group's consolidated financial statements.
 - HKAS 28 (revised 2011) 'Associates and joint ventures' includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11. This revised standard did not have a material impact on the Group's consolidated financial statements.
 - HKFRS 12 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This new standard did not have a material impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

- (i) *New and revised standards and amendments to existing standards that are mandatory for the first time for the financial year beginning 1 January 2013 and are relevant to the Group (Continued)*
- Amendments to HKFRSs 10, 11 and 12 on transition guidance. These amendments provide additional transition relief to HKFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before HKFRS 12 is first applied. These amendments did not have a material impact on the Group's consolidated financial statements.
 - HKFRS 13 'Fair value measurements' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. This new standard did not have a material impact on the Group's consolidated financial statements.
 - Amendment to HKFRS 7, 'Financial instruments: Disclosures' on asset and liability offsetting'. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. This amendment did not have a material impact on the Group's consolidated financial statements.
 - Annual improvements 2011, address six issues in the 2009–2011 reporting cycle. It includes changes to: HKFRS 1, 'First time adoption', HKAS 1, 'Financial statement presentation', HKAS 16, 'Property plant and equipment', HKAS 32, 'Financial instruments: Presentation', HKAS 34, 'Interim financial reporting'. These amendments did not have a material impact on the Group's consolidated financial statements.
 - Annual improvement 2012: amendment to HKFRS 13, 'Fair value measurement. This amendment is a clarification that there is no change in measurement requirements for short-term receivables and payable when the effect of not discounting is immaterial. This amendment did not have a material impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

- (ii) *New and revised standards and amendments to existing standards that have been issued and are relevant to the Group, but are not effective for the financial year beginning 1 January 2013 and have not been early adopted*
- Amendment to HKAS 32 'Financial instruments: Presentation' on asset and liability offsetting. These amendments are to the application guidance in HKAS 32, 'Financial instruments: Presentation', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment will be effective for annual periods beginning on or after 1 January 2014 and the Group is yet to assess the impact of this amendment on the Group's consolidated financial statements.
 - Amendments to HKFRS 10, HKFRS 12 and HKAS 27, 'Consolidation for investment entities'. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make. These amendments are effective from 1 January 2014 with early adoption permitted in order to allow investment entities to apply the amendments at the same time they first apply the rest of HKFRS 10. The Group is yet to assess the impact of these amendments on the Group's consolidated financial statements.
 - Amendment to HKAS 36, 'Impairment of assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The above amendment will be effective for annual periods beginning on or after 1 January 2014 and the Group is yet to assess the impact of this amendment on the Group's consolidated financial statements.
 - Annual improvements 2012, which include changes from the 2010–2012 cycle of the annual improvements project, that affect the following standards: HKFRS 2, 'Share-based payment', HKFRS 3, 'Business combinations' and consequential amendments to HKFRS 9, 'Financial instruments', HKAS 37, 'Provisions, contingent liabilities and contingent assets', HKAS 39, 'Financial instruments — Recognition and measurement', HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment', HKAS 38, 'Intangible assets' and HKAS 24, 'Related Party Disclosures'. The above amendments will be effective for annual periods beginning on or after 1 July 2014 and the Group is yet to assess the impact of these amendments on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Changes in accounting policy and disclosures (Continued)

- (ii) *New and revised standards and amendments to existing standards that have been issued and are relevant to the Group, but are not effective for the financial year beginning 1 January 2013 and have not been early adopted (Continued)*
- Annual improvements 2013, which include changes from the 2011–2013 cycle of the annual improvements project that affect the following standards: HKFRS 3, ‘Business combinations’, HKFRS 13, ‘Fair value measurement’ and HKAS 40, ‘Investment property’. The above amendments will be effective for annual periods beginning on or after 1 July 2014 and the Group is yet to assess the impact of these amendments on the Group’s consolidated financial statements.
 - HKFRS 9, ‘Financial instruments’ addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. The effective date of the above new standard is left open pending the finalisation of the impairment and classification and measurement requirements. The Group is yet to assess the impact of this new standard on the Group’s consolidated financial statements.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(i) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(i) *Business combinations (Continued)*

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(ii) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in profit or loss.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company (the "ED") that makes strategic decisions.

2.6 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB which is the Company's functional currency and the Group's presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when defined in equity as qualifying cash flow hedges or qualifying net investment hedges.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(ii) Transactions and balances (Continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other gains — net'.

Translation difference on non-monetary financial assets and liabilities are recognised in profit or loss as part of the fair value gain or loss.

(iii) Group companies

The results and financial positions of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20–40 years
Transportation equipment	5–10 years
Machinery	5–10 years
Furniture, fitting and equipment	5–8 years

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.10).

Construction in progress represents the direct costs of construction incurred of property, plant and equipment less any impairment losses. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and put into use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within 'other gains — net' in the consolidated statement of comprehensive income.

2.8 Investment property

Property that is held for long-term rental yields, and that is not occupied by the Group, is classified as investment property.

Investment property is stated at historical cost less accumulated depreciation and impairment loss, if any. It is depreciated using the straight line method over its estimated useful life of 20 years. Subsequent expenditure is charged to the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Property that is being constructed or developed for future use as investment property is classified as investment properties and carried at cost.

2.9 Intangible assets

Acquired computer software programmes are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over the estimated useful lives of 5 to 10 years on a straight-line basis.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Financial assets

2.11.1 Classification

The Group classifies its financial assets as loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the balance sheet (note 2.18).

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.11.2 Recognition and measurement

Regular way purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Financial assets (Continued)

2.11.2 Recognition and measurement (Continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as 'gains and losses from investment securities'.

Dividends on available-for-sale equity instruments are recognised in profit or loss as part of other income when the group's right to receive payments is established.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.13 Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Impairment of financial assets (Continued)

(i) *Assets carried at amortised cost (Continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(ii) *Assets classified as available for sale*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

2.14 Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Development cost of property comprises cost of land use rights, construction costs, depreciation of machinery and equipment, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale.

Properties under development are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Completed properties held for sale

Completed properties remaining unsold at year ended are stated at the lower of cost and net realisable value.

Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

2.16 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Construction contracts

A construction contract is defined by HKAS 11 as a contract specifically negotiated for the construction of an asset.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract by reference to the stage of completion. Contract costs are recognised as expenses by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the “percentage of completion method” to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Construction contracts (Continued)

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within “trade and other receivables”.

The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.18 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes,) is deducted from equity attributable to the Company’s owners until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s owners.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to construction of hotel properties are included in non-current liabilities as deferred government grants and are credited to profit or loss on a straight-line basis over the expected lives of the related assets when they are completed and ready for use.

2.22 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.24 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Senior notes

Senior notes issued by the Company that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

In subsequent periods, the liability component of the senior notes is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the senior notes are allocated to the liability and early redemption option components in proportion to their relative fair values. Transaction costs relating to the early redemption option are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the senior notes using the effective interest method.

2.26 Compound financial instruments

Compound financial instruments issued by the Group comprised convertible bond that could be converted to share capital at the option of the holder, and the number of shares to be issued did not vary with changes in their fair value.

The liability component of a compound financial instrument was recognised initially at the fair value of a similar liability that did not have an equity conversion option. The equity component was recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs were allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument was measured at amortised cost using the effective interest method. The equity component of a compound financial instrument was not re-measured subsequent to initial recognition except on conversion or expiry or when the Company redeemed some or all of the convertible bond upon exercise of the put option by the bond holders (note 24).

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint venture, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Employee benefits

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group contributes on a monthly basis to various defined contribution benefit plans organised by the relevant governmental authorities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Assets of the plans are held and managed by government authorities and are separated from those of the Group.

(ii) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.29 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Share-based payments (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

From the perspective of the Company, the Company grants its equity instruments to employees of its subsidiaries to exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses, which are recognised in the consolidated financial statements, are treated as part of the “Investments in subsidiaries” in the Company’s balance sheet.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2.30 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.31 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. Revenue is recognised as follows:

(i) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectibility of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advanced proceeds received from customers under current liabilities.

(ii) Construction services

Revenue arising from construction services is recognised in the accounting period in which the services is rendered, by reference to completion of the specific transaction assessed on the basis of the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract (note 2.17).

(iii) Hotel operation

Revenue from hotel operation is recognised in the accounting period in which the services are rendered.

(iv) Property management

Revenue arising from property management is recognised in the accounting period in which the services are rendered.

(v) Decoration services

Revenue from decoration services is recognised in the accounting period in which the services are rendered.

(vi) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

(vii) Rental income

Rental income from properties letting under operating leases is recognised on a straight line basis over the lease terms.

(viii) Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.32 Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) The Group is the lessee

(a) The Group is the lessee other than operating lease of land use rights

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

(b) The Group is the lessee under operating lease of land use rights

The Group made upfront payments to obtain operating leases of land use rights. The upfront payments of the land use rights are recorded as assets. The amortisation of land use rights is recognised as an expense on a straight-line basis over the unexpired period of the land use rights.

(ii) The Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment and completed properties held for sale in the consolidated balance sheet. Lease income from operating lease is recognised over the term of the lease on a straight-line basis.

2.33 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.34 Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

Notes to the Consolidated Financial Statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.34 Insurance contracts (Continued)

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the consolidated statement of comprehensive income.

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers and financial guarantee contracts provided to its related parties as insurance contracts.

3 FINANCIAL RISK MANAGEMENT

The Group conducts its operations mainly in the PRC and accordingly is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC, which will affect the volumes of property transactions and selling prices. The Group mainly relies on sales of properties and borrowings to fund its operations. All borrowings due for repayment in 2014 are anticipated to be repaid according to the terms of the loan agreements as the Group considers no renewal is necessary given its sufficient cash to finance its obligation. The Group has alternative plans (refer to note 3(a)(iv)) to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

(a) Financial risk factors

(i) Foreign exchange risk

The Group's businesses are principally conducted in RMB. The majority of assets is denominated in RMB, The majority of non-RMB assets and liabilities are bank deposits and borrowings denominated in Hong Kong Dollar ("HKD"), United States Dollar ("USD") and Ringgit Malaysia ("RM"). The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in non-RMB. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

	Group		Company	
	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
HKD	170,083	193,345	26,703	37,106
USD	1,034,314	665,580	735,768	77,954
RM	840,188	—	—	—
	2,044,585	858,925	762,471	115,060
Liabilities				
HKD	1,077,094	162,160	1,077,094	162,160
USD	24,780,131	15,524,969	24,780,131	15,524,969
RM	1,798,579	—	—	—
	27,655,804	15,687,129	25,857,225	15,687,129

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. If there was a 5% increase in RMB against the relevant currencies, the effect on the post-tax profit for the year would be as follows:

	Group		Company	
	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000
HKD				
Increase/(decrease) in profit for the year	45,351	(1,559)	52,520	6,253
USD				
Increase in profit for the year	1,187,291	742,969	1,202,218	772,351
RM				
Increase in profit for the year	47,920	—	—	—

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Cash flow and fair value interest rate risk

The Group

The Group's interest rate risk arises from interest bearing bank deposits, senior notes and bank and other borrowings. Bank deposits and bank and other borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Senior notes issued at fixed rates expose the Group to fair value interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group currently does not use any interest rate swaps to hedge its exposure to interest rate risk. However, the Group will consider hedging significant interest rate exposure should the need arise.

The directors of the Company consider that the fluctuation in interest rate has no material impact on the Group's post-tax profit for years 2013 and 2012 as most of interest expenses were capitalised.

The Company

The Company's interest rate risk arises from interest bearing bank deposits, senior notes and bank borrowings. Bank deposits and bank borrowings issued at variable rates expose the Company to cash flow interest-rate risk. Senior notes issued at fixed rates expose the Company to fair value interest rate risk.

As at 31 December 2013, if interest rates on bank borrowings had been 1% higher/lower with all other variables held constant, post tax profit would have been RMB27,977,000 (2012: RMB14,739,000) lower/higher respectively, mainly as a result of higher/lower interest expenses on floating rate bank borrowings.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, bank deposits are mainly placed with state-owned financial institutions and reputable banks which are all high-credit-quality financial institutions. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

For prepayments in respect of acquisition of land use rights, the Group considers the risk is minimal as these prepayments were paid to the PRC government and will transfer to land use rights upon obtaining certificates from the PRC government. The Group has policies in place to monitor the issuance status of land use rights certificates.

For properties that are still under construction, the Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the customer's deposits and sell the property to recover any amounts paid by the Group to the bank. Unless the selling price would drop by no less than 30%, which is remote, the Group would not be in a loss position in selling those properties out. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced (refer to note 4(b) for more information).

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. Detailed disclosure of these guarantees is made in note 37.

No credit limits were exceeded during the year, and management does not expect any losses from non-performance by these counterparties.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk

Management aims to maintain sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow. The directors of the Company have prepared cash flow projections for the year ending 31 December 2014. Key assumptions used in the preparation of the cash flow projections for the year ending 31 December 2014 include: (1) proceeds from pre-sales in 2014 is expected to be higher than that of 2013; (2) construction payments match receipt of the relevant proceeds from pre-sales; (3) available project loan facility is expected to be no less than that of 2013 and (4) no breach of debt covenants is anticipated in 2014.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include adjusting and further slowing down the construction progress as appropriate to ensure available resources for the development of properties for sale, implementing cost control measures, accelerating sales with more flexible pricing and issuing senior notes. The Group, will base on its assessment of the relevant future costs and benefits, pursue such options as are appropriate. The directors consider that the Group will be able to maintain sufficient financial resources to meet its operation needs.

The table below analyses the Group's and the Company's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

Group

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2013					
Senior notes (principal amount plus interest)	4,473,219	4,356,997	12,955,913	11,517,425	33,303,554
Bank and other borrowings (principal amount plus interest)	12,143,708	11,955,518	13,214,840	694,786	38,008,852
Trade and other payables (excluding other taxes payable and salaries payable)	27,716,392	—	—	—	27,716,392
Total	44,333,319	16,312,515	26,170,753	12,212,211	99,028,798

Company

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2013					
Senior notes (principal amount plus interest)	4,473,219	4,356,997	12,955,913	11,517,425	33,303,554
Bank borrowings (principal amount plus interest)	1,250,541	1,064,972	626,884	—	2,942,397
Total	5,723,760	5,421,969	13,582,797	11,517,425	36,245,951

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

Group

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2012					
Senior notes (principal amount plus interest)	1,559,197	3,916,259	9,095,511	5,971,618	20,542,585
Convertible bond (principal amount plus interest)	957,163	—	—	—	957,163
Bank and other borrowings (principal amount plus interest)	9,598,727	6,215,514	8,853,225	529,649	25,197,115
Trade and other payables (excluding other taxes payable and salaries payable)	16,699,531	—	—	—	16,699,531
Total	28,814,618	10,131,773	17,948,736	6,501,267	63,396,394

Company

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2012					
Senior notes (principal amount plus interest)	1,559,197	3,916,259	9,095,511	5,971,618	20,542,585
Convertible bond (principal amount plus interest)	957,163	—	—	—	957,163
Bank borrowings (principal amount plus interest)	630,203	747,938	149,904	—	1,528,045
Total	3,146,563	4,664,197	9,245,415	5,971,618	23,027,793

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including convertible bond and senior notes, as shown in the consolidated balance sheet) less cash and cash equivalents and the guarantee deposits for construction of pre-sale properties.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	Group	
	2013 RMB'000	2012 RMB'000
Total borrowings including convertible bond and senior notes (notes 23, 24 and 25)	56,248,778	36,912,660
Less: cash and cash equivalents (note 19)	(18,909,719)	(11,809,031)
guarantee deposits for construction of pre-sale properties (note 18)	(7,769,870)	(4,839,881)
Net debt	29,569,189	20,263,748
Total equity (excluding non-controlling interests)	43,953,620	37,577,149
Gearing ratio	67.3%	53.9%

The directors of the Company consider the Group's gearing ratio is within the healthy range.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

At 31 December 2013, the Group had no level 1 or level 2 financial instruments, the only level 3 financial instrument represents the available-for-sale financial assets (note 12). At 31 December 2012, the Group had no financial instruments stated at fair value.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the changes in level 3 instruments for the year ended 31 December 2013.

	Group RMB'000
Opening balance	—
Transfers from other non-current assets (note 13)	200,000
Fair value changes	6,329
Closing balance	206,329

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial instruments by category

Group:

Assets as per balance sheet	Available- for-sale RMB'000	2013 Loans and receivables RMB'000	Total RMB'000	2012 Loans and receivables RMB'000
Available-for-sale financial assets	206,329	—	206,329	—
Trade and other receivables excluding prepayments	—	15,581,035	15,581,035	9,301,135
Restricted cash	—	7,769,870	7,769,870	5,050,935
Cash and cash equivalents	—	18,909,719	18,909,719	11,809,031
Total	206,329	42,260,624	42,466,953	26,161,101

Liabilities as per balance sheet	Financial liabilities at amortised cost	
	2013 RMB'000	2012 RMB'000
Senior notes	23,059,545	14,213,224
Convertible bond	—	943,866
Bank and other borrowings	33,189,233	21,755,570
Trade and other payables (excluding other taxes payable and salaries payable)	27,716,392	16,699,531
Total	83,965,170	53,612,191

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (Continued)

(d) Financial instruments by category (Continued)

Company:

Assets as per balance sheet	Loans and receivables	
	2013 RMB'000	2012 RMB'000
At 31 December		
Amounts due from subsidiaries	21,884,166	13,868,726
Restricted cash	—	34,054
Cash and cash equivalents	762,588	81,123
Total	22,646,754	13,983,903

Liabilities as per balance sheet	Financial liabilities at amortised cost	
	2013 RMB'000	2012 RMB'000
At 31 December		
Senior notes	23,059,545	14,213,224
Convertible bond	—	943,866
Bank borrowings	2,797,680	1,473,905
Amounts due to subsidiaries	788,239	673,500
Total	26,645,464	17,304,495

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Revenue recognition

The Group has recognised revenue from the sale of properties held for sale as disclosed in note 5. The assessment of when an entity has transferred the significant risks and rewards of ownership to buyers requires the examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the date when the equitable interest in the property vests with the buyer upon release of the respective property to the buyer.

As disclosed in note 37, the Group provides guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. These guarantees will normally be discharged upon issuance of the real estate ownership certificate which are generally be available within three months after the purchasers take possession of the relevant properties. In order to obtain mortgages, the purchasers would have settled no less than 30% of the total contract amount in accordance with related PRC regulations upon signing the sales contract. The directors of the Company are of the opinion that such settlements provide sufficient evidence of the purchasers' commitment to honour contractual obligation of the bank loans. In addition, based on the past experiences, defaults of mortgage facilities by the purchasers which resulted in the bank guarantees being called upon were rare and the financial impact was immaterial. Further, as disclosed in note 3(a)(iii), the credit risk of the Group under the circumstance that a purchaser defaults on the payment of its mortgage during the term of the guarantee is very low. Accordingly, the directors believe that significant risks and rewards associated to the ownership of the properties have been transferred to the purchasers upon the delivery of the properties to them.

Notes to the Consolidated Financial Statements

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Estimates for net realisable value of properties under development and properties held for sale

The Group assesses the carrying amounts of properties under development and properties held for sale according to their net realisable value based on the realisability of these properties. Net realisable value for properties under development is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses and the anticipated costs to completion (including land costs). Net realisable value for properties held for sale is determined by reference to management's estimates of the selling price based on prevailing market conditions, less applicable variable selling expenses. Based on management's best estimates, there was no material impairment for properties under development and properties held for sale at 31 December 2013.

(d) Estimates for impairment of hotel assets

Management performs review for impairment of the hotel assets whenever events or changes in circumstances indicate that the carrying amounts of the hotel assets may not be recoverable. In such case, the recoverable amounts of hotel assets have been determined based on value-in-use method. The value-in-use calculations require the use of significant estimates and assumptions on the projections of cash flows from the continuous use of the hotel assets. The key assumptions used in determining the value-in-use of hotel assets mainly include:

- Post-tax discount rate of 12%;
- 4% growth rate after lease-up period;
- Occupancy rates of 60% to 65% after lease-up period; and
- Lease-up period of 6 years.

Based on management's best estimates, there was no material impairment for hotel assets at 31 December 2013.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION – GROUP

The ED reviews the Group's internal reporting in order to assess performance and allocate resources. The ED has determined the operating segments based on these reports.

The ED considers the business from product perspective. From a product perspective, ED assesses the performance of:

- Property development;
- Construction, fitting and decoration;
- Property management; and
- Hotel operation.

The ED assesses the performance of the operating segments based on a measure of operating profit.

Segment assets consist primarily of property, plant and equipment, intangible assets, land use rights, investment property, properties under development, completed properties held for sale, inventories, receivables and operating cash. They exclude deferred income tax assets and available-for-sale financial assets. Segment liabilities consist primarily of operating liabilities. They exclude senior notes, convertible bond, bank and other borrowings, deferred income tax liabilities and income taxes payable.

Capital expenditure comprises additions to property, plant and equipment (note 6), investment property (note 7), intangible assets (note 8) and land use rights (note 9).

Revenue consists of the following:

	2013 RMB'000	2012 RMB'000
Sales of properties	60,043,348	40,011,972
Rendering of construction, fitting and decoration services	866,871	314,278
Rendering of property management services	777,129	592,311
Rendering of hotel services	994,527	972,423
	62,681,875	41,890,984

Sales between segments are carried out according to the terms and conditions agreed by the respective segments' management.

The Group's entire revenue is attributable to the market in Mainland China and over 90% of the Group's non-current assets are located in Mainland China. No geographical information is therefore presented.

The Group has a large number of customers; none of whom contributed 5% or more of the Group's revenue.

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION – GROUP (continued)

The segment information provided to the ED for the reportable segments for the year ended 31 December 2013 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property management RMB'000	Hotel operation RMB'000	Total Group RMB'000
Segment revenue	60,043,348	14,144,254	777,129	1,129,982	76,094,713
Inter-segment revenue	—	(13,277,383)	—	(135,455)	(13,412,838)
Revenue (from external customers)	60,043,348	866,871	777,129	994,527	62,681,875
Depreciation and amortisation	263,425	19,062	7,884	300,398	590,769
Operating profit/(loss)	12,571,925	203,911	18,166	(98,149)	12,695,853
At 31 December 2013					
Total segment assets	184,926,936	5,834,901	1,243,197	12,228,043	204,233,077
Capital expenditure	1,927,732	195,278	22,659	3,174,540	5,320,209
Total segment liabilities	88,453,509	4,589,530	985,474	543,579	94,572,092

The segment information provided to the ED for the reportable segments for the year ended 31 December 2012 is as follows:

	Property development RMB'000	Construction, fitting and decoration RMB'000	Property management RMB'000	Hotel operation RMB'000	Total Group RMB'000
Segment revenue	40,011,972	9,041,654	592,377	1,113,316	50,759,319
Inter-segment revenue	—	(8,727,376)	(66)	(140,893)	(8,868,335)
Revenue (from external customers)	40,011,972	314,278	592,311	972,423	41,890,984
Depreciation and amortisation	145,735	12,852	6,491	261,793	426,871
Operating profit/(loss)	11,667,897	30,070	47,834	(57,341)	11,688,460
At 31 December 2012					
Total segment assets	120,741,925	4,153,938	1,112,228	9,064,730	135,072,821
Capital expenditure	779,571	6,258	12,481	3,156,125	3,954,435
Total segment liabilities	47,653,801	3,508,785	790,201	620,676	52,573,463

As at 31 December 2013, Segment assets of the property development segment included the amounts of investments in an associate and a joint venture accounted for using the equity method totalling RMB90,124,000 (2012: RMB116,073,000).

Notes to the Consolidated Financial Statements

5 SEGMENT INFORMATION – GROUP (continued)

Reportable operating profits are reconciled to net profit as follows:

	2013 RMB'000	2012 RMB'000
Total operating profit	12,695,853	11,688,460
Finance income/(costs) — net	803,249	(126,443)
Share of results of an associate and a joint venture	(25,949)	(93,689)
Fair value changes on derivative financial instruments	—	73,585
Profit before income tax	13,473,153	11,541,913
Income tax expenses	(4,625,173)	(4,657,351)
Profit for the year	8,847,980	6,884,562

Reportable segments' assets and liabilities are reconciled to total assets and total liabilities as follows:

	2013 RMB'000	2012 RMB'000
Total segment assets	204,233,077	135,072,821
Deferred income tax assets	1,800,022	1,449,327
Available-for-sale financial assets	206,329	—
Total assets per consolidated balance sheet	206,239,428	136,522,148
Total segment liabilities	94,572,092	52,573,463
Deferred income tax liabilities	1,269,910	924,381
Income taxes payable	8,137,481	7,227,236
Senior notes	23,059,545	14,213,224
Convertible bond	—	943,866
Bank and other borrowings	33,189,233	21,755,570
Total liabilities per consolidated balance sheet	160,228,261	97,637,740

Notes to the Consolidated Financial Statements

6 PROPERTY, PLANT AND EQUIPMENT — GROUP

	Buildings RMB'000	Machinery RMB'000	Transportation equipment RMB'000	Furniture, fitting and equipment RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2012						
Cost	5,485,094	320,715	501,685	591,165	2,476,548	9,375,207
Accumulated depreciation	(556,432)	(155,046)	(337,940)	(267,485)	—	(1,316,903)
Accumulated impairment	(3,007)	—	—	—	—	(3,007)
Net book amount	4,925,655	165,669	163,745	323,680	2,476,548	8,055,297
Year ended 31 December 2012						
Opening net book amount	4,925,655	165,669	163,745	323,680	2,476,548	8,055,297
Additions	260,386	64,707	88,306	226,516	3,302,651	3,942,566
Transfers	1,184,577	—	—	—	(1,184,577)	—
Disposals	(2,150)	(419)	(1,730)	(4,638)	—	(8,937)
Depreciation	(201,524)	(25,218)	(51,561)	(96,710)	—	(375,013)
Closing net book amount	6,166,944	204,739	198,760	448,848	4,594,622	11,613,913
At 31 December 2012						
Cost	6,927,907	383,105	580,992	807,084	4,594,622	13,293,710
Accumulated depreciation	(757,956)	(178,366)	(382,232)	(358,236)	—	(1,676,790)
Accumulated impairment	(3,007)	—	—	—	—	(3,007)
Net book amount	6,166,944	204,739	198,760	448,848	4,594,622	11,613,913
Year ended 31 December 2013						
Opening net book amount	6,166,944	204,739	198,760	448,848	4,594,622	11,613,913
Acquisition of subsidiaries (note 40)	—	676	1,225	982	—	2,883
Additions	541,832	164,565	632,077	243,215	3,167,331	4,749,020
Transfers	897,059	—	—	—	(897,059)	—
Disposals	(11,512)	(1,939)	(13,173)	(1,562)	—	(28,186)
Depreciation	(248,118)	(36,791)	(79,144)	(145,233)	—	(509,286)
Exchange differences	—	—	(137)	83	—	(54)
Closing net book amount	7,346,205	331,250	739,608	546,333	6,864,894	15,828,290
At 31 December 2013						
Cost	8,350,085	530,095	1,193,519	1,047,493	6,864,894	17,986,086
Accumulated depreciation	(1,003,880)	(198,845)	(453,911)	(501,160)	—	(2,157,796)
Net book amount	7,346,205	331,250	739,608	546,333	6,864,894	15,828,290

Notes to the Consolidated Financial Statements

6 PROPERTY, PLANT AND EQUIPMENT – GROUP (continued)

Depreciation charge was capitalised or expensed in the following categories in the consolidated balance sheet or the consolidated statement of comprehensive income:

	2013 RMB'000	2012 RMB'000
Properties under development	70,463	25,483
Cost of sales	256,550	193,288
Selling and marketing costs	24,232	17,696
Administrative expenses	158,041	138,546
	509,286	375,013

As at 31 December 2013, buildings with net book value of RMB2,547,510,000 (2012: RMB1,969,380,000) were pledged as collateral for the Group's borrowings.

As at 31 December 2013, title certificates of buildings with net book value of RMB1,199,121,000 (2012: RMB2,064,790,000) were still in the progress of being obtained.

Also as at 31 December 2013, included in buildings and construction in progress were the hotels located in the PRC with net book value of RMB9,057,213,000 (2012: RMB6,219,684,000).

7 INVESTMENT PROPERTY – GROUP

	2013 RMB'000	2012 RMB'000
At 31 December		
Cost	154,327	152,682
Accumulated depreciation	(41,987)	(34,353)
Net book amount	112,340	118,329

	2013 RMB'000	2012 RMB'000
Year ended 31 December		
Opening net book amount	118,329	125,963
Additions	1,645	—
Depreciation	(7,634)	(7,634)
Closing net book amount	112,340	118,329

The Group's property interest held under operating leases for the purpose of earning rentals is measured using the cost model and accounted for as investment property. The investment property is located in the PRC and has lease periods of between 10 years to 20 years.

Notes to the Consolidated Financial Statements

7 INVESTMENT PROPERTY – GROUP (continued)

The fair value of the Group's investment property was approximately RMB197,000,000 as at 31 December 2013 (2012: RMB190,000,000) as determined by the directors of the Company with reference to the valuation performed by CB Richard Ellis Limited, an independent qualified professional valuer. Valuation was performed using the direct comparison method on the assumption that the property can be sold in its existing state subject to existing tenancies or otherwise with the benefit of vacant possession and making references to comparable sales transactions as available in the relevant market. The fair value measurement of the investment property is categorised within level 3 of the fair value hierarchy.

Depreciation of investment property has been charged to cost of sales for the year.

The rental income of the investment property in 2013 was RMB5,957,000 (2012: RMB5,100,000).

As at 31 December 2013, investment property with net book value of RMB81,922,000 (2012: RMB82,159,000) was pledged as collateral for the Group's borrowings.

8 INTANGIBLE ASSETS – GROUP

	Computer software	
	2013 RMB'000	2012 RMB'000
At 31 December		
Cost	83,112	45,336
Accumulated amortisation	(39,635)	(22,704)
Net book amount	43,477	22,632
Year ended 31 December		
Opening net book amount	22,632	18,496
Additions	37,776	10,190
Amortisation	(16,931)	(6,054)
Closing net book amount	43,477	22,632

Amortisation expense has been charged in administrative expenses.

Notes to the Consolidated Financial Statements

9 LAND USE RIGHTS – GROUP

	2013 RMB'000	2012 RMB'000
Opening net book amount	1,390,218	1,326,078
Additions	531,768	1,679
Reclassification from properties under development	—	100,631
Amortisation	(56,918)	(38,170)
Closing net book amount	1,865,068	1,390,218

Amortisation expense has been charged in administrative expenses.

Land use rights are located in the PRC and for self-use, and held on leases of between 10 to 50 years.

As at 31 December 2013, land use rights with net book value of RMB1,110,458,000 (2012: RMB955,734,000) were pledged as collateral for the Group's borrowings.

10 PROPERTIES UNDER DEVELOPMENT – GROUP

	2013 RMB'000	2012 RMB'000
Properties under development expected to be completed:		
– Within the normal operating cycle included under current assets	67,473,799	39,155,431
– Beyond normal operating cycle included under non-current assets	40,080,095	25,700,500
	107,553,894	64,855,931
Amounts comprise:		
– Construction costs	58,166,423	33,564,122
– Land use rights	45,256,897	28,598,537
– Interest capitalised	4,130,574	2,693,272
	107,553,894	64,855,931

Properties under development expected to be completed within the normal operating cycle included under current assets did not include properties to be completed and available for sale more than twelve months after the balance sheet date.

The capitalisation rate used to determine the amount of interest incurred eligible for capitalisation in 2013 was 8.54% (2012: 9.56%). Most of the properties under development of the Group are located in the PRC and some in Malaysia.

As at 31 December 2013, land use rights included in properties under development with net book value of RMB11,494,935,000 (2012: RMB18,857,070,000) were pledged as collateral for the Group's borrowings.

Notes to the Consolidated Financial Statements

11 INVESTMENT IN AN ASSOCIATE – GROUP

	2013 RMB'000	2012 RMB'000
At 1 January	114,351	204,762
Share of loss	(57,560)	(90,411)
At 31 December	56,791	114,351

The Group's share of the results of its associate, which is unlisted, is as follows:

Name	Country of incorporation	Principal activities	Loss and total comprehensive loss		% interest held 2013 and 2012
			2013 RMB'000	2012 RMB'000	
Guangzhou Li He Property Development Company Limited ("Li He")	PRC	Property Development	(57,560)	(90,411)	20%

The land of the property development project of Li He consists of three phases. According to the previously agreed payment schedule of land premium, the third phase land premium of RMB10,200,000,000 should be settled in December 2011. As at 30 June 2013, land premium totaling RMB7,700,000,000 remained unsettled. In October 2013, Li He entered into a supplemental agreement with the relevant government authorities on the payment schedule of the above RMB7,700,000,000 of outstanding land premium. According to the payment schedule stated in the supplemental agreement, RMB4,500,000,000 of land premium was settled in 2013, while the remaining land premium will need to be settled by November 2014. Based on the fact that Li He has agreed the payment schedule with the relevant government authorities on the outstanding land premium and the communication with the relevant government authorities, the directors of the Company consider that the delay in payment of land premium does not render significant adverse impact on the operation results and financial position of the Group as at 31 December 2013.

As at 31 December 2013, there were no significant contingent liabilities relating to the Group's interest in Li He except for the contingent liability arising from the guarantee that the Group provided to Li He for its borrowings (note 37).

12 AVAILABLE-FOR-SALE FINANCIAL ASSETS – GROUP

	2013 RMB'000	2012 RMB'000
Unlisted equity investment at fair value:		
At 1 January	—	—
Transferred from other non-current assets (note 13)	200,000	—
Fair value change (note 22)	6,329	—
At 31 December	206,329	—

The Group's available-for-sale financial assets represent a 3.95% equity interest in an unlisted investment fund company which was established in March 2013 in the PRC. The available-for-sale financial assets are denominated in RMB.

The fair value of the available-for-sale investment at 31 December 2013 was determined with reference to the Group's share of the net asset value of the investment fund company. The fair value measurement of the available-for-sale investment is categorised within level 3 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

13 OTHER NON-CURRENT ASSETS – GROUP

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Prepayment for an investment (note (a))	—	200,000
Investment in a joint venture (note (b))	33,333	1,722
	33,333	201,722

Notes:

- (a) In November 2012, the Group entered into an investment agreement with certain PRC companies to establish an investment fund company. Pursuant to the investment agreement, the Group made an investment of RMB200,000,000 which was recorded in other non-current assets at 31 December 2012. In March 2013, the investment fund company was established and the above investment was transferred to available-for-sale financial assets (note 12).
- (b) Investment in a joint venture is analysed as follows:

	2013	2012
	RMB'000	RMB'000
At 1 January	1,722	—
Capital injection	—	5,000
Share of profit/(loss)	31,611	(3,278)
At 31 December	33,333	1,722

At 31 December 2013, the Group held 50% equity interest in Zhongshan Yahong Property Development Company Limited (“Zhongshan Yahong”), which is established in the PRC and its principle activity is property development.

The Group’s share of the results of its joint venture, which is unlisted, is as follows:

Name	Country of incorporation	Principal activities	Profit/(loss) and total comprehensive income/(loss)		% interest held
			2013	2012	
			RMB'000	RMB'000	2013 and 2012
Zhongshan Yahong	PRC	Property Development	31,611	(3,278)	50%

As at 31 December 2013, there were no significant contingent liabilities and commitments relating to the Group’s interest in Zhongshan Yahong except for the contingent liability arising from the guarantee that the Group provided to Zhongshan Yahong for its borrowings (note 37).

Notes to the Consolidated Financial Statements

14 INVESTMENTS IN SUBSIDIARIES, AMOUNTS DUE FROM/TO SUBSIDIARIES – COMPANY

	2013 RMB'000	2012 RMB'000
Non-current asset		
– Unlisted investments at cost	27,757,698	25,973,294
– Deemed contribution arising from share-based compensation (note a)	15,167	—
	27,772,865	25,973,294
Current assets		
– Amounts due from subsidiaries (note b)	21,884,166	13,868,726
Current liabilities		
– Amounts due to subsidiaries (note b)	(788,239)	(673,500)

- (a) The amount represents share-based compensation expenses arising from the grant of share options of the Company to employees (note 30) in exchange for their services provided to certain subsidiaries of the Group, which were deemed to be capital contribution made by the Company to these subsidiaries.
- (b) Amounts due from/(to) subsidiaries are interest free, unsecured and repayable on demand. Details of the principal subsidiaries as at 31 December 2013 are set out in note 42.

15 COMPLETED PROPERTIES HELD FOR SALE – GROUP

	2013 RMB'000	2012 RMB'000
Completed properties held for sale	18,919,822	18,497,241

The completed properties held for sale are located in the PRC.

16 INVENTORIES – GROUP

	2013 RMB'000	2012 RMB'000
Construction materials and spare parts	572,863	347,514

Notes to the Consolidated Financial Statements

17 TRADE AND OTHER RECEIVABLES – GROUP

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Trade receivables (note (a))	6,274,434	2,968,240
Land auction deposits	2,310,096	1,360,698
Other receivables (note (b))	3,760,664	2,920,761
Amounts due from customers for contract work (note (c))	891,484	657,131
Prepayments for land use rights (note (d))	7,570,306	5,212,879
Amount due from an associate (note 41(d))	2,039,745	1,139,745
Amount due from a joint venture (note 41(d))	304,612	254,560
Other prepayments (note (e))	3,227,059	2,609,907
	26,378,400	17,123,921

As at 31 December 2013, the fair value of trade and other receivables approximates their carrying amounts.

- (a) Trade receivables mainly arise from sales of properties. Property buyers are generally granted credit terms of 1 to 6 months. The ageing analysis of trade receivables based on revenue recognition date is as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Within 90 days	5,283,477	2,486,415
Over 90 days and within 180 days	398,542	188,987
Over 180 days and within 365 days	338,579	184,038
Over 365 days	253,836	108,800
	6,274,434	2,968,240

At 31 December 2013 and 2012, trade receivables were denominated in RMB.

Trade receivables are analysed as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Fully performing under credit terms	6,081,471	2,776,224
Past due but not impaired	192,963	192,016
	6,274,434	2,968,240

Notes to the Consolidated Financial Statements

17 TRADE AND OTHER RECEIVABLES – GROUP (continued)

(a) (Continued)

Past due but not impaired receivables mainly represent receivables from sales of properties. The directors consider that these receivables would be recovered and no provision was therefore made against past due receivables as at 31 December 2013 (2012: nil). The ageing analysis of these trade receivables is as follows:

	As at 31 December	
	2013 RMB'000	2012 RMB'000
Over 90 days and within 180 days	80,813	162,990
Over 180 days and within 365 days	84,512	14,358
Over 365 days	27,638	14,668
	192,963	192,016

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

- (b) Other receivables mainly represent advances made to outsourced construction and design vendors, which are interest-free, unsecured and repayable on demand.
- (c) Amounts due from customers for contract work at the balance sheet date are as follows:

	Group	
	2013 RMB'000	2012 RMB'000
Cost incurred	4,916,387	4,184,249
Recognised profits (less recognised losses)	2,090,478	1,955,745
	7,006,865	6,139,994
Less: progress billings	(6,115,381)	(5,482,863)
	891,484	657,131
Represented by:		
Amounts due from customers	891,484	657,131
Including: Related parties (note 41(d))	700,197	447,124
Third parties	191,287	210,007

- (d) Prepayments for land are related to acquisition of land use rights upon successfully bidding at the land auctions conducted by the PRC government. The relevant land use right certificates have not been obtained at 31 December 2013.
- (e) Other prepayments mainly represent prepayments for purchases of construction materials and services.

Notes to the Consolidated Financial Statements

18 RESTRICTED CASH

	Group		Company	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Denominated in RMB:				
Guarantee deposits for construction of pre-sale properties (note below)	7,769,870	4,839,881	—	—
Collateral for bank and other borrowings (note 25)	—	177,000	—	—
	7,769,870	5,016,881	—	—
Denominated in HKD:				
Collateral for bank and other borrowings (note 25)	—	34,054	—	34,054
	7,769,870	5,050,935	—	34,054

Note:

In accordance with relevant documents issued by the PRC State-Owned Land and Resource Bureau, certain property development companies of the Group are required to place in designated bank accounts certain amount of presale proceeds of properties as guarantee deposits for the constructions of the related properties. The deposits can only be used for payments for construction costs of the relevant properties when approval from PRC State-Owned Land and Resource Bureau is obtained. Such guarantee deposits will only be released after the completion certificates have been obtained or the issuance of the real estate ownership certificates, whichever is earlier.

19 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Cash at bank and in hand:				
Denominated in RMB	24,605,140	15,992,299	117	117
Denominated in HKD	170,083	193,345	26,703	37,106
Denominated in USD	1,034,314	665,580	735,768	77,954
Denominated in RM	840,188	8,742	—	—
Denominated in other currencies	29,864	—	—	—
Less: restricted cash (note 18)	(7,769,870)	(5,050,935)	—	(34,054)
	18,909,719	11,809,031	762,588	81,123

The conversion of RMB and RM denominated balances into foreign currencies and the remittance of these foreign currencies denominated bank balances and cash out of the PRC and Malaysia are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC and Malaysia governments.

Notes to the Consolidated Financial Statements

20 SHARE CAPITAL AND PREMIUM

Group						
Note	Number of ordinary shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Treasury shares RMB'000	Total RMB'000
Authorised						
At 1 January 2012, 31 December 2012 and 2013	100,000,000,000	10,000,000	9,905,008			
Issued and fully paid						
At 1 January 2012	16,699,138,043	1,669,914	1,647,530	14,114,902	(380,236)	15,382,196
Issue of shares as a result of placing (a)	677,191,602	67,719	54,895	1,679,694	—	1,734,589
Issue of shares as a result of the scrip dividend scheme (b)	853,330,509	85,333	69,206	2,182,764	—	2,251,970
At 31 December 2012 and 1 January 2013	18,229,660,154	1,822,966	1,771,631	17,977,360	(380,236)	19,368,755
Issue of shares as a result of the scrip dividend scheme (c)	227,874,023	22,787	18,106	782,158	—	800,264
At 31 December 2013	18,457,534,177	1,845,753	1,789,737	18,759,518	(380,236)	20,169,019

Company						
Note	Number of ordinary shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000	
Authorised						
At 1 January 2012, 31 December 2012 and 2013	100,000,000,000	10,000,000	9,905,008			
Issued and fully paid						
At 1 January 2012	16,699,138,043	1,669,914	1,647,530	14,114,902	15,762,432	
Issue of shares as a result of placing (a)	677,191,602	67,719	54,895	1,679,694	1,734,589	
Issue of shares as a result of the scrip dividend scheme (b)	853,330,509	85,333	69,206	2,182,764	2,251,970	
At 31 December 2012 and 1 January 2013	18,229,660,154	1,822,966	1,771,631	17,977,360	19,748,991	
Issue of shares as a result of the scrip dividend scheme (c)	227,874,023	22,787	18,106	782,158	800,264	
At 31 December 2013	18,457,534,177	1,845,753	1,789,737	18,759,518	20,549,255	

Notes to the Consolidated Financial Statements

20 SHARE CAPITAL AND PREMIUM (continued)

Notes:

- (a) On 29 February 2012, the Company entered into a placing and subscription agreement with Concrete Win Limited (“Concrete Win”), the holding company of the Company, and certain placing agents (the “Agreement”). Pursuant to the Agreement, the Company conditionally agreed to issue to Concrete Win, and Concrete Win conditionally agreed to subscribe for 677,191,602 new shares of the Company at a price of HKD3.23 per share. On 8 March 2012, 677,191,602 new shares were issued and allotted at a price of HKD3.23 per share. These new shares were entitled to the scrip dividend as described in note (b) below.
- (b) On 18 May 2012, a scrip dividend scheme was issued whereby the 2011 final dividend was satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to the shareholders to elect to receive such dividend in cash in lieu of such allotment. On 15 June 2012, 853,330,509 new shares were issued as of result of the above scrip dividend scheme and the placing of new shares (see note (a) above) at a price of HKD3.254 per share representing the average of the closing prices of the Company’s ordinary shares for the five consecutive trading days up to and including 4 May 2012.
- (c) On 27 May 2013, a scrip dividend scheme was issued whereby shareholders may elect to receive cash dividend of RMB13.86 cents per share or an allotment of such number of new shares credited as fully paid and having an aggregate market value equal to, save for adjustment for fractions, the total amount of 2012 final dividend which such shareholder could receive in cash (the “Maximum Entitlement”) or partly new shares not exceeding the Maximum Entitlement and the remainder in cash. On 18 June 2013, 227,874,023 new shares were issued as a result of the above scrip dividend scheme at a price of HKD4.42 per share representing the average of the closing prices of the Company’s ordinary shares for the five consecutive trading days up to and including 16 May 2013.

21 SHARE OPTION SCHEME

On 30 November 2012, the Group granted 3,000,000 share options with an exercise price of HKD3.7 per share to certain independent non-executive directors. The options were vested immediately after the grant date and have a contractual option term of 10 years. The Group has no legal or contractual obligation to repurchase or settle the options in cash.

On 13 December 2013, the Group granted 6,173,457 share options with an exercise price of HKD4.844 per share to certain directors and employees in connection with a profit sharing incentive scheme (the “Incentive Scheme”) adopted by the Group during the year. Pursuant to the Incentive Scheme, certain portion of the bonus calculated in accordance with the Incentive Scheme is settled in cash, while the remaining portion is settled in the Company’s share options as the consideration for the costs to exercise the share options. The share options were exercisable commencing from 13 December 2018 to 12 December 2023 (both days inclusive). The vesting period of the above share options is 5 years. The fair value of the above share options at the grant date approximated the portion of bonus which is to be settled in the Company’s share options.

Notes to the Consolidated Financial Statements

21 SHARE OPTION SCHEME (continued)

Movements in the number of share options are as follows:

	2013 Numbers of options	2012 Numbers of options
At 1 January	3,000,000	—
Granted	6,173,457	3,000,000
At 31 December	9,173,457	3,000,000

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	Exercise price in HKD per share	Number of share options
29 November 2022	3.700	3,000,000
12 December 2023	4.844	6,173,457

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of the shares options (the “Expected Retention Rate”) in order to determine the amount of share-based compensation expenses charged to profit or loss. As at 31 December 2013, the Expected Retention Rate was assessed to be 100% (2012: 100%).

Notes to the Consolidated Financial Statements

22 OTHER RESERVES AND RETAINED EARNINGS

Group	Merger reserve RMB'000 (note (a))	Statutory reserves RMB'000 (note (b))	Conversion	Share	Available- for-sale RMB'000 (note 12)	Translation reserve RMB'000	Others RMB'000	Sub-total RMB'000	Retained earnings RMB'000	Total RMB'000
			option reserve RMB'000 (note 24)	option reserve RMB'000 (note 21)						
Balance at 1 January 2012	(149,801)	1,487,898	29,801	–	–	–	–	1,367,898	12,240,143	13,608,041
Profit for the year	–	–	–	–	–	–	–	–	6,852,651	6,852,651
Transfer to statutory reserves	–	534,394	–	–	–	–	–	534,394	(534,394)	–
Dividends	–	–	–	–	–	–	–	–	(2,251,970)	(2,251,970)
Currency translation differences	–	–	–	–	–	(3,328)	–	(3,328)	–	(3,328)
Employee share option scheme: – Value of employee service (note 30)	–	–	–	3,000	–	–	–	3,000	–	3,000
Balance at 31 December 2012	(149,801)	2,022,292	29,801	3,000	–	(3,328)	–	1,901,964	16,306,430	18,208,394
Representing:										
2012 proposed final dividend									2,527,303	
Others									13,779,127	
									<u>16,306,430</u>	
Balance at 1 January 2013	(149,801)	2,022,292	29,801	3,000	–	(3,328)	–	1,901,964	16,306,430	18,208,394
Profit for the year	–	–	–	–	–	–	–	–	8,514,104	8,514,104
Transfer to statutory reserves	–	749,706	–	–	–	–	–	749,706	(749,706)	–
Effect of redemption of convertible bond upon maturity	–	–	(29,801)	–	–	–	–	(29,801)	29,801	–
Dividends	–	–	–	–	–	–	–	–	(2,510,111)	(2,510,111)
Currency translation differences	–	–	–	–	–	(43,806)	–	(43,806)	–	(43,806)
Employee share option scheme: – Value of employee service (note 30)	–	–	–	15,167	–	–	–	15,167	–	15,167
Changes in ownership interests in subsidiaries without change of control (note 39)	–	–	–	–	–	–	(405,476)	(405,476)	–	(405,476)
Change in value of available-for-sale financial assets	–	–	–	–	6,329	–	–	6,329	–	6,329
Balance at 31 December 2013	(149,801)	2,771,998	–	18,167	6,329	(47,134)	(405,476)	2,194,083	21,590,518	23,784,601
Representing:										
2013 proposed final dividend									3,105,759	
Others									18,484,759	
									<u>21,590,518</u>	

Notes to the Consolidated Financial Statements

22 OTHER RESERVES AND RETAINED EARNINGS (continued)

Company	Conversion option reserve RMB'000	Share option reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2012	29,801	—	2,409,275	2,439,076
Profit for the year (note 35)	—	—	2,713,605	2,713,605
Dividend	—	—	(2,251,970)	(2,251,970)
Employee share option scheme: — Value of employee service (note 21)	—	3,000	—	3,000
Balance at 31 December 2012	29,801	3,000	2,870,910	2,903,711
Representing:				
2012 proposed final dividend			2,527,303	
Others			343,607	
			<u>2,870,910</u>	
Balance at 1 January 2013	29,801	3,000	2,870,910	2,903,711
Profit for the year (note 35)	—	—	2,815,341	2,815,341
Dividend	—	—	(2,510,111)	(2,510,111)
Employee share option scheme: — Value of employee service (note 30)	—	15,167	—	15,167
Effect of redemption of convertible bond upon maturity	(29,801)	—	29,801	—
Balance at 31 December 2013	—	18,167	3,205,941	3,224,108
Representing:				
2013 proposed final dividend			3,105,759	
Others			<u>100,182</u>	
			3,205,941	

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries, acquired pursuant to a group reorganisation undertaken for the listing of Company on the main board of the Stock Exchange in 2007, over the nominal value of shares of the Company issued in exchange thereof.
- (b) Pursuant to the relevant rules and regulations governing foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries are required to transfer certain portion of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital.

Notes to the Consolidated Financial Statements

23 SENIOR NOTES

The Group has issued the following senior notes:

- (i) On 10 September 2009, the Company issued senior notes in an aggregate principal amount of USD300,000,000. On 23 September 2009, the Company made an additional issue of senior notes in an aggregated principal amount of USD75,000,000 (collectively the “2014 Notes”). The 2014 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2014 Notes carry interest at the rate of 11.75% per annum, payable semi-annually on 10 March and 10 September in arrears, and will mature on 10 September 2014, unless redeemed earlier. The 2014 Notes is therefore classified as a current liability as at 31 December 2013.
- (ii) On 22 April 2010, the Company issued senior notes in an aggregate principal amount of USD550,000,000 (the “2017 Notes”). The 2017 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 Notes carry interest at the rate of 11.25% per annum, payable semi-annually on 22 April and 22 October in arrears, and will mature on 22 April 2017, unless redeemed earlier.
- (iii) On 11 August 2010, the Company issued senior notes in an aggregate principal amount of USD400,000,000 (the “2015 Notes”). The 2015 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2015 Notes carry interest at the rate of 10.50% per annum, payable semi-annually on 11 August and 11 February in arrears, and will mature on 11 August 2015, unless redeemed earlier.
- (iv) On 23 February 2011, the Company issued senior notes in an aggregate principal amount of USD900,000,000 (the “2018 Notes”). The 2018 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes carry interest at the rate of 11.125% per annum, payable semi-annually on 23 February and 23 August in arrears, and will mature on 23 February 2018, unless redeemed earlier.
- (v) On 10 January 2013, the Company issued senior notes in an aggregate principal amount of USD750,000,000 (the “2023 Notes”). The 2023 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2023 Notes carry interest at the rate of 7.5% per annum, payable semi-annually on 10 January and 10 July in arrears, and will mature on 10 January 2023, unless redeemed earlier.
- (vi) On 4 October 2013, the Company issued senior notes in an aggregate principal amount of USD750,000,000 (the “2021 Notes”). The 2021 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2021 Notes carry interest at the rate of 7.25% per annum, payable semi-annually on 4 October and 4 April in arrears, and will mature on 4 April 2021, unless redeemed earlier.

The Company has options to redeem the above senior notes in whole or in part prior to their maturity at the redemption price as defined in the indenture agreements of these senior notes.

Notes to the Consolidated Financial Statements

23 SENIOR NOTES (continued)

All senior notes contain a liability component and the early redemption options:

- (i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The interest charged for the year is calculated by applying an effective interest rate of approximately 12.11%, 11.81%, 11.23%, 11.69%, 7.72% and 7.64% per annum to the liability component of the 2014 Notes, 2017 Notes, 2015 Notes, 2018 Notes, 2023 Notes and 2021 Notes respectively.

- (ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options was insignificant on initial recognition and at 31 December 2013 and 2012.

The senior notes recognised in the balance sheet were calculated as follows:

	Group and Company	
	2013	2012
	RMB'000	RMB'000
Included in non-current liabilities:		
As at 1 January	14,213,224	14,204,447
Additions	9,136,339	—
Exchange gain	(593,909)	(31,276)
Interest expenses (note 31)	2,015,289	1,606,744
Coupon paid	(1,711,398)	(1,566,691)
	23,059,545	14,213,224
Less: current portion	(2,348,003)	—
As at 31 December	20,711,542	14,213,224
Included in current liabilities:		
Current portion	2,348,003	—
As at 31 December	2,348,003	—

The fair value of the senior notes at 31 December 2013 was RMB23,943,435,000 (2012: RMB 15,968,438,000). The fair value is calculated using the market price of the senior notes on the balance sheet date. The fair value measurement of the senior notes is categorised within the level 1 of fair value hierarchy.

At 31 December 2013, the aggregate amount of senior notes that were wholly repayable within 5 years and after 5 years was RMB13,835,922,000 (2012: RMB8,458,287,000) and RMB9,223,623,000 (2012: RMB5,754,937,000), respectively.

Notes to the Consolidated Financial Statements

24 CONVERTIBLE BOND

In 2008, the Company issued a RMB denominated USD settled 2.5% convertible bond (the “Bond”) due 2013, of an initial principal amount of USD600 million (equivalent to approximately RMB4,314 million). The Bond was listed on the Singapore Exchange Securities Trading Limited. At the option of bond holders, the aggregate amount of RMB4,314 million would be convertible into fully paid shares with a par value of HKD0.1 each of the Company.

The Bond matured in five years (February 2013) from the issue date at 121.306% of the nominal value or could be converted into ordinary shares of the Company on or after 3 April 2009 at contracted price (the initial conversion price is HKD9.05 per share) at a fixed exchange rate of RMB0.922 to HKD1.

As of 31 December 2012, the Company had redeemed and repurchased the principal of the Bond totaling approximately USD449 million.

In February 2013, the Bond matured and was redeemed in whole at an aggregate amount of USD152,405,000 (equivalent to approximately RMB957,163,000), including principal amount of USD150,850,000 and interest amount of USD1,555,000. The carrying amount of the conversion option reserve was transferred to retained earnings as a result of the redemption upon maturity.

The Bond recognised in the balance sheet was calculated as follows:

	Group and Company	
	2013	2012
	RMB'000	RMB'000
Liability component as at 1 January	943,866	884,128
Interest expenses (note 31)	13,297	79,264
Principal and coupon paid	(957,163)	(19,526)
Liability component as at 31 December	—	943,866

Interest expenses on the liability component of the Bond were calculated using the effective interest method, applying the effective interest rate of 9.24% per annum to the liability component.

Notes to the Consolidated Financial Statements

25 BANK AND OTHER BORROWINGS

	Group		Company	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Bank and other borrowings included in non-current liabilities:				
— secured	24,713,828	16,994,036	—	—
— unsecured	6,485,764	3,444,105	2,396,564	1,222,475
Less: current portion of non-current bank and other borrowings	(8,096,586)	(6,834,854)	(745,041)	(328,720)
	23,103,006	13,603,287	1,651,523	893,755
Bank and other borrowings included in current liabilities:				
— secured	200,579	438,127	—	—
— unsecured	1,789,062	879,302	401,116	251,430
Current portion of non-current bank and other borrowings	8,096,586	6,834,854	745,041	328,720
	10,086,227	8,152,283	1,146,157	580,150

The Group's borrowings of RMB24,304,407,000 as at 31 December 2013 (2012: RMB16,522,365,000), were jointly secured by certain properties, land use rights and equipment of the Group (notes 6, 7, 9 and 10) with total carrying values of RMB15,234,825,000 as at 31 December 2013 (2012: RMB21,864,343,000). The Group's borrowings of RMB610,000,000 as at 31 December 2013 (2012: RMB568,800,000) were guaranteed by the Company and secured by the Group's equity interest in certain subsidiaries. The Group's remaining secured borrowings of nil (2012: RMB340,998,000) were secured by certain bank deposits of the Group (note 18).

Other borrowings represent RMB301,748,000 (2012: nil) of borrowings under a financing arrangement entered into by the Group with a third-party financing company in the form of a sale and leaseback transaction with a repurchase option. The subject sold and leased back under the financing arrangement is an equipment of the Group. As the repurchase price is set at RMB1 which is minimal compared to the expected fair value and the Group is certain that it will exercise the repurchase option, the above financing arrangement is accounted for as collateralised borrowings of the Group.

Notes to the Consolidated Financial Statements

25 BANK AND OTHER BORROWINGS (continued)

The exposure of the Group's and Company's bank and other borrowings to interest-rate changes and the contractual repricing dates or maturity date whichever is earlier are as follows:

	Group		Company	
	6 months or less RMB'000	6-12 months RMB'000	6 months or less RMB'000	6-12 months RMB'000
Borrowings included in non-current liabilities:				
At 31 December 2013	22,801,258	301,748	1,651,523	—
At 31 December 2012	13,603,287	—	893,755	—
Borrowings included in current liabilities:				
At 31 December 2013	10,086,227	—	1,146,157	—
At 31 December 2012	8,152,283	—	580,150	—

At 31 December 2013, the Group's borrowings included in non-current liabilities were repayable as follows:

	Group		Company	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Between 1 and 2 years	10,656,172	5,320,196	1,041,792	745,041
Between 2 and 5 years	11,776,548	7,774,257	609,731	148,714
Over 5 years	670,286	508,834	—	—
	23,103,006	13,603,287	1,651,523	893,755

	Group		Company	
	2013 RMB'000	2012 RMB'000	2013 RMB'000	2012 RMB'000
Wholly repayable within 5 years	21,452,508	12,633,287	1,651,523	893,755
Wholly repayable after 5 years	1,650,498	970,000	—	—
	23,103,006	13,603,287	1,651,523	893,755

Notes to the Consolidated Financial Statements

25 BANK AND OTHER BORROWINGS (continued)

The weighted average effective interest rates as at 31 December were as follows:

	Group		Company	
	2013	2012	2013	2012
— Bank and other borrowings	7.34%	8.18%	4.19%	3.19%

The carrying amounts of the borrowings approximate their fair values.

The carrying amounts of the borrowings are denominated in the following currencies:

	Group		Company	
	2013	2012	2013	2012
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	29,146,093	20,281,665	—	—
HKD	1,077,094	162,160	1,077,094	162,160
USD	1,720,586	1,311,745	1,720,586	1,311,745
RM	1,245,460	—	—	—
	33,189,233	21,755,570	2,797,680	1,473,905

26 DEFERRED INCOME TAX — GROUP

The analysis of deferred tax assets and liabilities is as follows:

	2013	2012
	RMB'000	RMB'000
Deferred income tax assets:		
— to be realised after more than 12 months	1,186,838	950,080
— to be realised within 12 months	613,184	499,247
	1,800,022	1,449,327
Deferred income tax liabilities:		
— to be settled after more than 12 months	(1,269,910)	(924,381)
	530,112	524,946

Notes to the Consolidated Financial Statements

26 DEFERRED INCOME TAX – GROUP (continued)

The net movement on the deferred income tax account is as follows:

	2013 RMB'000	2012 RMB'000
Beginning of the year	524,946	514,134
Acquisition of subsidiaries (note 40)	(93,489)	—
Recognised in profit or loss (note 32)	98,655	10,812
End of the year	530,112	524,946

Movement in deferred tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets:

	Impairment of assets RMB'000	Recognition of expenses RMB'000	Elimination of unrealised profits RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2012	536	92,262	688,695	517,804	1,299,297
Credited/(Charged) to profit or loss	—	42,169	141,484	(33,623)	150,030
At 31 December 2012	536	134,431	830,179	484,181	1,449,327
At 1 January 2013	536	134,431	830,179	484,181	1,449,327
(Charged)/credited to profit or loss	(536)	(106,317)	241,731	215,817	350,695
At 31 December 2013	—	28,114	1,071,910	699,998	1,800,022

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets as at 31 December 2013 of RMB10,620,000 (2012: RMB19,370,000) in respect of accumulated tax losses amounting to RMB42,481,000 as at 31 December 2013 (2012: RMB77,479,000). Accumulated tax losses of not recognised deferred tax asset amounting to RMB6,962,000, RMB3,089,000, RMB12,629,000, RMB17,427,000 and RMB2,374,000 as at 31 December 2013 will expire in 2014, 2015, 2016, 2017 and 2018 respectively.

Notes to the Consolidated Financial Statements

26 DEFERRED INCOME TAX – GROUP (continued)

Deferred income tax liabilities:

	Fair value gain on assets acquired RMB'000	Recognition of construction contract revenue and contract costs RMB'000	Withholding tax on profit to be distributed in future RMB'000 (note)	Total RMB'000
At 1 January 2012	(38,686)	(269,510)	(476,967)	(785,163)
Credited/(charged) to profit or loss	5,678	(243,530)	98,634	(139,218)
At 31 December 2012	(33,008)	(513,040)	(378,333)	(924,381)
At 1 January 2013	(33,008)	(513,040)	(378,333)	(924,381)
Acquisition of subsidiaries (note 40)	(93,489)	—	—	(93,489)
Credited/(Charged) to profit or loss	6,225	(237,052)	(21,213)	(252,040)
At 31 December 2013	(120,272)	(750,092)	(399,546)	(1,269,910)

Note:

As at 31 December 2013, the retained earnings of the Group's PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were approximately RMB17,266,308,000 (2012: RMB12,228,683,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to a foreign investor in the foreseeable future based on management's estimation of overseas funding requirements.

Notes to the Consolidated Financial Statements

27 TRADE AND OTHER PAYABLES – GROUP

	2013 RMB'000	2012 RMB'000
Trade payables (note)	18,045,410	11,653,984
Other payables – third parties	9,153,619	4,215,960
Other taxes payable	1,663,780	1,175,651
Salaries payable	1,534,448	1,155,116
Accrued expenses	517,363	829,587
	30,914,620	19,030,298

The carrying amounts of trade and other payables approximate their fair values.

Note:

The ageing analysis of trade payables was as follows:

	2013 RMB'000	2012 RMB'000
Within 90 days	16,696,591	10,965,229
Over 90 days and within 180 days	745,092	332,990
Over 180 days and within 365 days	309,170	231,832
Over 365 days	294,557	123,933
	18,045,410	11,653,984

28 OTHER GAINS – NET

	2013 RMB'000	2012 RMB'000
Rental income	42,854	29,710
Forfeiture of deposits received from customers	15,324	26,838
Refund of land usage tax	3,914	25,050
(Loss)/gain on disposal of property, plant and equipment	(539)	1,352
Others	2,781	20,343
	64,334	103,293

Notes to the Consolidated Financial Statements

29 EXPENSES BY NATURE

	2013 RMB'000	2012 RMB'000
Auditor's remuneration	6,900	6,500
Advertising costs	1,915,429	1,273,470
Amortisation of intangible assets (note 8)	16,931	6,054
Business taxes and other levies (note below)	4,004,793	2,656,101
Costs of completed properties sold	38,994,824	23,412,588
Donations	125,966	80,868
Depreciation (notes 6 and 7)	446,457	357,164
Employee benefit expenses	3,243,706	1,798,835
Land use rights amortisation (note 9)	56,918	38,170
Surveillance charges	35,388	19,355
Rental expenses	132,325	49,659
Others	1,070,719	607,053
Total cost of sales, selling and marketing costs and administrative expenses	50,050,356	30,305,817

Note:

Business tax

The PRC subsidiaries of the Group are subject to business taxes on their revenues at the following rates:

Category	Rate
Sale of properties	5%
Property construction, fitting and decoration	3%
Property management	5%
Hotel service	5%

30 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS)

	2013 RMB'000	2012 RMB'000
Wages and salaries	6,194,189	4,009,043
Contributions to pension plans (note a)	42,111	27,490
Staff welfare	96,257	62,837
Medical benefits	84,225	54,982
Share-based compensation expenses	15,167	3,000
Other allowances and benefits	24,063	15,709
	6,456,012	4,173,061
Less: captured in properties under development	(3,212,306)	(2,374,226)
	3,243,706	1,798,835

Notes to the Consolidated Financial Statements

30 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS) (continued)

(a) Contributions to pension plans

Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

(b) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended 31 December 2013 is set out below:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Share-based compensation expenses RMB'000	Employer's contribution to pension scheme RMB'000	Total RMB'000
Mr. Yeung Kwok Keung	—	3,500	—	—	13	3,513
Ms. Yang Huiyan	—	1,700	—	—	33	1,733
Mr. Mo Bin**	—	2,500	—	—	45	2,545
Mr. Zhu Rongbin (appointed on 29 May 2013)	—	1,400	—	—	17	1,417
Ms. Yang Ziyang	—	1,300	—	—	24	1,324
Mr. Yang Erzhu	—	2,000	—	—	24	2,024
Mr. Su Rubo	—	2,000	—	—	37	2,037
Mr. SU Baiyuan (appointed on 13 December 2013)	—	167	—	—	—	167
Mr. Ou Xueming	—	1,800	165	729	24	2,718
Mr. Yang Zhicheng	—	1,700	—	1,141	9	2,850
Mr. Yang Yongchao	—	1,900	—	—	54	1,954
Mr. Xie Shutai (appointed on 29 May 2013)	—	992	2,673	—	37	3,702
Mr. Song Jun (appointed on 29 May 2013)	—	992	2,526	—	37	3,555
Mr. Liang Guokun (appointed on 29 May 2013)	—	992	3,213	—	18	4,223
Mr. Lai Ming, Joseph*	318	—	—	—	—	318
Mr. Shek Lai Him, Abraham*	318	—	—	—	—	318
Mr. Tong Wui Tung, Ronald*	318	—	—	—	—	318
Mr. Huang Hongyan*	215	—	—	—	—	215
Ms. Huang Xiao*	215	—	—	—	—	215
Mr. Liu Hongyu* (appointed on 13 December 2013)	140	—	—	—	—	140
Mr. Mei Wenjue* (appointed on 13 December 2013)	140	—	—	—	—	140
	1,664	22,943	8,577	1,870	372	35,426

* Independent non-executive directors.

** Chief executive of the Company.

Notes to the Consolidated Financial Statements

30 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS) (continued)

(b) Directors' and chief executive's emoluments (continued)

The remuneration of each director and chief executive of the Company for the year ended 31 December 2012 is set out as below:

Name of director	Fees RMB'000	Salary RMB'000	Discretionary bonuses RMB'000	Share-based Compensation expenses RMB'000	Employer's contribution to pension scheme RMB'000	Total RMB'000
Mr. Yeung Kwok Keung	—	3,500	—	—	33	3,533
Ms. Yang Huiyan	—	1,700	—	—	51	1,751
Mr. Mo Bin**	—	2,500	—	—	54	2,554
Ms. Yang Ziyang	—	1,300	—	—	43	1,343
Mr. Yang Erzhu	—	2,000	—	—	41	2,041
Mr. Su Rubo	—	2,027	—	—	53	2,080
Mr. Zhang Yaoyuan	—	1,900	—	—	41	1,941
Mr. Ou Xueming	—	1,800	—	—	41	1,841
Mr. Yang Zhicheng	—	1,700	—	—	29	1,729
Mr. Yang Yongchao	—	1,900	—	—	64	1,964
Mr. Lai Ming, Joseph*	300	—	—	1,000	—	1,300
Mr. Shek Lai Him, Abraham*	300	—	—	1,000	—	1,300
Mr. Tong Wui Tung, Ronald*	300	—	—	1,000	—	1,300
Mr. Huang Hongyan* (appointed on 20 December 2012)	5	—	—	—	—	5
Ms. Huang Xiao* (appointed on 20 December 2012)	5	—	—	—	—	5
	910	20,327	—	3,000	450	24,687

* Independent non-executive directors.

** Chief executive of the Company.

During 2013 and 2012, no directors received any emoluments from the Group as an inducement to join or leave the Group or compensation for loss of office; no directors waived or have agreed to waive any emoluments.

Notes to the Consolidated Financial Statements

30 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS) (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year including three (2012: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2012: two) individuals during the year are as follows:

	2013 RMB'000	2012 RMB'000
Salaries and other benefits	9,149	8,096
Contributions to pension plans	419	460
	9,568	8,556

The emoluments fell within the following bands:

	Number of individuals	
	2013	2012
HKD4,500,001 to HKD5,000,000	—	1
HKD5,000,001 to HKD5,500,000	1	—
HKD5,500,001 to HKD6,000,000	—	1
HKD6,500,001 to HKD7,000,000	1	—

31 FINANCE INCOME/(COSTS) – NET

	2013 RMB'000	2012 RMB'000
Finance income:		
– Interest income on short-term bank deposits	290,708	132,382
– Net foreign exchange gains on financing activities	512,541	20,895
	803,249	153,277
Interest expenses:		
– Senior notes wholly repayable within 5 years	(1,590,347)	(967,292)
– Senior notes wholly repayable after 5 years	(424,942)	(639,452)
– The Bond wholly repayable within 5 years (note 24)	(13,297)	(79,264)
– Bank and other borrowings wholly repayable within 5 years	(2,005,232)	(1,363,009)
– Bank and other borrowings wholly repayable after 5 years	(85,655)	(48,065)
	(4,119,473)	(3,097,082)
Less: capitalised on qualifying assets	4,119,473	2,817,362
Finance costs	—	(279,720)
Finance income/(costs) – net	803,249	(126,443)

Notes to the Consolidated Financial Statements

32 INCOME TAX EXPENSES

	2013 RMB'000	2012 RMB'000
Current income tax		
– PRC corporate income tax	3,089,030	2,406,924
– Hong Kong profits tax (note (a))	–	–
– Land appreciation tax (note (b))	1,634,798	2,261,239
	4,723,828	4,668,163
Deferred income tax (note 26)		
– PRC corporate income tax	(119,868)	87,822
– Withholding income tax on profit to be distributed in future (note (c))	21,213	(98,634)
	(98,655)	(10,812)
	4,625,173	4,657,351

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group companies as follows:

	2013 RMB'000	2012 RMB'000
Profit before income tax	13,473,153	11,541,913
Tax calculated at PRC corporate income tax rate of 25% (2012: 25%)	3,368,288	2,885,478
Land appreciation tax deductible for calculation of income tax purpose	(408,700)	(565,310)
Utilisation of tax losses not recognised as deferred income tax assets	(8,750)	–
Tax losses not recognised as deferred income tax assets	–	540
Income not subject to tax	(138,789)	(24,466)
Expenses not deductible for tax	157,113	198,504
	2,969,162	2,494,746
Withholding income tax on profit to be distributed in future (note (c))	21,213	(98,634)
Land appreciation tax	1,634,798	2,261,239
Income tax expenses	4,625,173	4,657,351

Notes to the Consolidated Financial Statements

32 INCOME TAX EXPENSES (continued)

Notes:

- (a) No Hong Kong profits tax was provided for the year as the Group did not have any assessable profit in Hong Kong (2012: nil).
- (b) PRC land appreciation tax 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.
- (c) According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding income tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding income tax rate will be reduced from 10% to 5%.

Withholding income tax is provided on the dividends to be distributed by the PRC subsidiaries of the Group. The relevant group companies have successfully obtained endorsement from various PRC tax bureaus to enjoy the treaty benefit of 5% corporate income tax rate on dividends received from the PRC subsidiaries of the Group. Accordingly, withholding income tax has been provided at 5% of the dividends to be distributed by the PRC subsidiaries of the Group.

33 DIVIDENDS

	2013 RMB'000	2012 RMB'000
Proposed final dividend of RMB16.83 cents per share (2012: RMB13.86 cents) (note)	3,105,759	2,527,303

Note:

The 2012 final dividend was satisfied in the form of shares or cash dividend as a result of the scrip dividend scheme (note 20(c)). As a result of the above scrip dividend scheme, 227,874,023 new shares were issued at a price of HKD4.42 per share in June 2013 totalling RMB800,264,000, and dividend totaling RMB1,709,847,000 (RMB13.86 cents per ordinary share) was paid in cash in June 2013. The directors recommend the payment of a 2013 final dividend of RMB16.83 cents per share, totaling RMB3,105,759,000. Such dividend is to be approved by the shareholders at the forthcoming annual general meeting. These financial statements do not reflect this dividend payable.

Notes to the Consolidated Financial Statements

34 CASH GENERATED FROM OPERATIONS

	2013 RMB'000	2012 RMB'000
Profit for the year	8,847,980	6,884,562
Adjustments for:		
Income tax expenses (note 32)	4,625,173	4,657,351
Interest income (note 31)	(290,708)	(132,382)
Interest expenses (note 31)	—	279,720
Net foreign exchange gains (note 31)	(512,541)	(20,895)
Depreciation (notes 6 and 7)	516,920	382,647
Amortisation of land use rights (note 9)	56,918	38,170
Amortisation of intangible assets (note 8)	16,931	6,054
Loss/(gain) on disposal of property, plant and equipment (note 28)	539	(1,352)
Share of results of an associate and a joint venture (notes 11 and 13)	25,949	93,689
Fair value changes on derivative financial instruments	—	(73,585)
Share-based compensation expense (note 30)	15,167	3,000
	13,302,328	12,116,979
Changes in working capital (excluding the effects of acquisition of subsidiaries and currency exchange differences on consolidation):		
Property under development and completed properties held for sale	(40,195,415)	(14,182,358)
Inventories	(225,349)	(98,719)
Restricted cash	(2,718,935)	(1,977,143)
Trade and other receivables	(8,554,589)	(4,629,917)
Prepaid taxes	(1,258,275)	(304,338)
Trade and other payables	12,408,336	7,581,775
Advanced proceeds received from customers	30,064,307	5,488,634
Cash generated from operations	2,822,408	3,994,913

In the statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2013 RMB'000	2012 RMB'000
Net book amount (note 6)	28,186	8,937
(Loss)/gain on disposals	(539)	1,352
Proceeds	27,647	10,289

Non-cash transactions

The principal non-cash transactions in 2013 and 2012 represented the issue of shares to satisfy dividend pursuant to the scrip dividend scheme as disclosed in note 20.

Notes to the Consolidated Financial Statements

35 PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company is dealt with in the financial statements of the Company to the extent of RMB2,815,341,000 (2012: RMB2,713,605,000).

36 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares (note 20).

	2013	2012
Profit attributable to owners of the Company (RMB'000)	8,514,104	6,852,651
Weighted average number of ordinary shares in issue (thousands)	18,252,660	18,006,527
Earnings per share — Basic (RMB cents per share)	46.65	38.06

(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. The Company has two categories of dilutive potential ordinary shares: convertible bond and share options. The Bond is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses charged to profit or loss. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Notes to the Consolidated Financial Statements

36 EARNINGS PER SHARE (continued)

(b) Diluted (continued)

	2013	2012
Profit attributable to owners of the Company (RMB'000)	8,514,104	6,852,651
Interest expense on the Bond (RMB'000)	—	18,639
Profit used to determine diluted earnings per share (RMB'000)	8,514,104	6,871,290
Weighted average number of ordinary shares in issue (thousands)	18,252,660	18,006,527
Adjustments — conversion of the Bond (thousands)	13,591	93,599
Adjustments — share options (thousands)	581	—
Weighted average number of ordinary shares for diluted earnings per share (thousands)	18,266,832	18,100,126
Earnings per share — Diluted (RMB cents per share)	46.61	37.96

37 CONTINGENCIES

The Group had the following contingent liabilities:

	2013 RMB'000	2012 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers (note (a))	31,443,651	17,776,087
Guarantee to an associate and a joint venture in respect of borrowings (note (b))	1,184,209	1,705,491
	32,627,860	19,481,578

Notes to the Consolidated Financial Statements

37 CONTINGENCIES (continued)

Note:

- (a) It 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 responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. As at 31 December 2013, the amount of RMB85,087,000 (2012: RMB72,222,000) was to be discharged two years from the day the mortgaged loans become due; and RMB31,358,564,000 (2012: RMB17,703,865,000) was to be discharged upon the earlier of (i) issuance of the real estate ownership certificate which are generally available within three months after the purchasers take possession of the relevant properties; and (ii) the satisfaction of mortgaged loans by the purchasers of properties.

The directors consider that in case of default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty (see note 4(b)) and therefore no provision has been made in the financial statements for the guarantees.

- (b) This represents the maximum exposure of the guarantee provided for Li He and Zhongshan Yahong for their borrowings.

38 COMMITMENTS – GROUP

(a) Commitments for capital and property development expenditures

	2013 RMB'000	2012 RMB'000
Contracted but not provided for:		
– Property, plant and equipment	9,131	12,425
– Property development expenditure (including land premium)	49,047,432	25,471,728
	49,056,563	25,484,153

Notes to the Consolidated Financial Statements

38 COMMITMENTS – GROUP (continued)

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases in respect of buildings are as follows:

	2013 RMB'000	2012 RMB'000
Not later than one year	22,640	7,648
Later than one year and not later than five years	20,046	14,702
Later than five years	21,516	21,154
	64,202	43,504

(c) Operating lease rentals receivable

The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of buildings are as follows:

	2013 RMB'000	2012 RMB'000
Not later than one year	70,907	53,794
Later than one year and not later than five years	290,463	213,210
Later than five years	52,456	43,972
	413,826	310,976

39 TRANSACTIONS WITH NON-CONTROLLING INTEREST

On 28 October 2013, the Group acquired the entire remaining 49% equity interest of a subsidiary, Qingyuan Country Garden Xinya Property Development Company Limited ("Qingyuan Xinya"), at a consideration of RMB598,561,000. The carrying amount of the non-controlling interest in Qingyuan Xinya on the date of acquisition was RMB193,085,000. The Group recognised a decrease in non-controlling interest of RMB193,085,000 and a decrease in equity attributable to owners of the Company of RMB405,476,000. The effect of changes in the ownership interest of Qingyuan Xinya on the equity attributable to owners of the Company during the year is summarised as follows:

	31 December 2013 RMB'000
Carrying amount of non-controlling interest acquired	193,085
Consideration paid and payable	(598,561)
Excess of consideration over the carrying amount of non-controlling interests acquired	(405,476)

As of 31 December 2013, RMB247,000,000 of the above consideration has been settled, the remaining portion will be settled in 2014.

Notes to the Consolidated Financial Statements

40 BUSINESS COMBINATIONS

(a) Acquisition of 80% equity interest of Wuzhou Hefu Property Development Co., Ltd (Wuzhou Hefu)

On 30 August 2013, Taishan Country Garden Property Development Company Limited, an indirect wholly-owned subsidiary of the Company, acquire 80% of the equity interest of Wuzhou Hefu from Foshan Shunde Yayu Property Development Company Limited, a related party to the Group, at a consideration of RMB357,706,000.

Wuzhou Hefu's principal activities are property development and management in the PRC.

The following table summarises the consideration paid for Wuzhou Hefu, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

	RMB'000
Consideration:	
— Cash	92,530
— Liability assumed and settled	265,176
	357,706
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	2,379
Property, plant and equipment	1,124
Properties under development	483,439
Trade and other receivables	21,286
Trade and other payables	(151)
Deferred tax liabilities	(60,945)
Total identifiable net assets	447,132
Non-controlling interest	(89,426)
	357,706

The revenue and net loss after tax included in the consolidated statement of comprehensive income since 30 August 2013 contributed by Wuzhou Hefu was nil and RMB2,927,000 respectively.

Had Wuzhou Hefu been consolidated from 1 January 2013, the consolidated statement of comprehensive income would show pro-forma revenue and net loss of nil and RMB6,244,000 respectively.

Notes to the Consolidated Financial Statements

40 BUSINESS COMBINATIONS (continued)

(b) Acquisition of 39.5% equity interest of Yield Limited

On 16 December 2013, Country Garden (Hong Kong) Development Company Limited, an indirect wholly-owned subsidiary of the Company, acquire 39.5% of the equity interest of Yield Limited, from Easy Land Investment Limited, a third party to the Group, at a consideration of RMB50,000,000.

As the Group has the rights to variable returns from its involvement with Yield Limited and has the ability to affect those returns through its majority vote position in the board of directors of Yield Limited and the right to determine the budget, pricing and promotion strategies of the projects held by Yield Limited, the Group has control over Yield Limited and Yield Limited is thus accounted for as a subsidiary of the Group.

The following table summarises the consideration paid for Yield Limited, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

	RMB'000
Consideration:	
— Cash	50,000
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	392,164
Property, plant and equipment	1,759
Properties under development and completed properties held for sale	1,004,387
Trade and other receivables	676,870
Bank borrowings	(150,000)
Trade and other payables	(1,766,053)
Deferred tax liabilities	(32,544)
Total identifiable net assets	126,583
Non-controlling interest	(76,583)
	50,000

The revenue and net profit after tax included in the consolidated statement of comprehensive income since 16 December 2013 contributed by Yield Limited was RMB739,159,000 and RMB31,025,000 respectively.

Had Yield Limited been consolidated from 1 January 2013, the consolidated statement of comprehensive income would show pro-forma revenue and net profit of RMB739,159,000 and RMB10,751,000 respectively.

The aggregate amount of the cash paid as considerations for the above two acquisitions net of the cash and cash equivalents acquired was RMB13,163,000.

Notes to the Consolidated Financial Statements

41 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Ultimate controlling shareholders

Mr. Yang Erzhu, Ms. Yang Huiyan, Mr. Su Rubo, Mr. Zhang Yaoyuan and Mr. Ou Xueming.

Close family members of ultimate controlling shareholders

Mr. Yeung Kwok Keung, Mr. Zhang Chibiao, Ms. Zhang Yingyan, Mr. Yang Minsheng, Mr. Su Zhixian, Mr. Yang Zhicheng, Mr. Yang Zhigang, Ms. Yang Ziyang, Ms. Ou Jieping, Ms. Ou Jieling and Mr. Wu Weizhong.

Controlled by ultimate controlling shareholders

Guangdong Elite Architectural Co., Ltd.	廣東博意建築設計院有限公司
Qingyuan Country Garden Property Development Co., Ltd. ("Qingyuan Country Garden")	清遠碧桂園物業發展有限公司

Controlled by ultimate controlling shareholders and their close family members

Foshan Shunde Jiangkou Water Plant Co., Ltd.	佛山市順德區江口自來水有限公司
Zengcheng Crystal Water Plant Co., Ltd.	增城市清源自來水廠有限公司
Guangdong Grand Pipe Pile Co., Ltd. ("Grand Pipe")	廣東鴻業管樁有限公司
Guangdong Shenghui Electronics Holdings Limited ("Shenghui Electronics")*	廣東昇輝電子控股有限公司
Wanfang Construction Co., Ltd ("Wanfang Construction")	廣東萬方工程有限公司
Wanfang Stone Co., Ltd ("Wanfang Stone")	廣東萬方石業有限公司
Foshan Shunde Yayu Property Development Co., Ltd.	佛山市順德區雅宇房產開發有限公司

Associate

Li He	廣州利合房地產開發有限公司
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Joint venture

Zhongshan Yahong	中山市雅鴻房地產開發有限公司
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* Shenghui Electronics has ceased to be a related party to the Group since November 2013, after the change in its shareholders.

The English names of certain of the companies referred to above in this note represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

Notes to the Consolidated Financial Statements

41 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties

Saved as disclosed in other notes above, the Group had the following significant transactions with related parties during the year:

	2013 RMB'000	2012 RMB'000
(i) Construction and decoration service income (note (i)):		
Controlled by ultimate controlling shareholders:		
清遠碧桂園物業發展有限公司		
Qingyuan Country Garden	253,107	93,137

	2013 RMB'000	2012 RMB'000
(ii) Purchase of design service (note (ii)):		
Controlled by ultimate controlling shareholders:		
廣東博意建築設計院有限公司		
Guangdong Elite Architectural Co., Ltd.	638,913	395,891

	2013 RMB'000	2012 RMB'000
(iii) Purchase of construction service and construction materials and water (note (iii)):		
Controlled by ultimate controlling shareholders and their close family members:		
廣東萬方工程有限公司		
Wanfang Construction	181,355	—
佛山市順德區江口自來水有限公司		
Foshan Shunde Jiangkou Water Plant Co., Ltd.	3,486	4,022
增城市清源自來水廠有限公司		
Zengcheng Crystal Water Plant Co., Ltd.	6,298	6,279
廣東鴻業管樁有限公司		
Grand Pipe	8,664	11,283
廣東昇輝電子控股有限公司		
Shenghui Electronics	271,434	91,536
廣東萬方石業有限公司		
Wanfang Stone	46,166	—
	517,403	113,120

Notes to the Consolidated Financial Statements

41 RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with related parties (continued)

- (i) Construction and decoration fees were charged in accordance with the terms of the underlying agreements.
- (ii) Design service fees were charged in accordance with the terms of the underlying agreements.
- (iii) Construction service and materials, and water charges were charged in accordance with the terms of the underlying agreements.

(c) Key management compensation

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Salaries and other short-term employee benefits	35,410	32,198
Retirement scheme contributions	759	963
Share-based compensation expenses	1,870	—
	38,039	33,161

Notes to the Consolidated Financial Statements

41 RELATED PARTY TRANSACTIONS (continued)

(d) Balances with related parties

As at 31 December 2013 and 2012, the Group had the following significant balances with related parties:

	2013 RMB'000	2012 RMB'000
(i) Balances due from related parties		
— included in amounts due from customers for contract work:		
Controlled by ultimate controlling shareholders:		
清遠碧桂園物業發展有限公司 Qingyuan Country Garden	700,197	447,124
— included in other receivables and prepayments:		
Controlled by ultimate controlling shareholders:		
廣東博意建築設計院有限公司 Guangdong Elite Architectural Co., Ltd.	516,307	519,826
清遠碧桂園物業發展有限公司 Qingyuan Country Garden	64,061	54,086
	580,368	573,912
Controlled by ultimate controlling shareholders and their close family members:		
廣東昇輝電子控股有限公司 Shenghui Electronics	18,806	621
Associate:		
廣州利合房地產開發有限公司 Li He	2,039,745	1,139,745
Joint venture:		
中山市雅鴻房地產開發有限公司 Zhongshan Yahong	304,612	254,560
	2,943,531	1,968,838

Notes to the Consolidated Financial Statements

41 RELATED PARTY TRANSACTIONS (continued)

(d) Balances with related parties (continued)

	2013 RMB'000	2012 RMB'000
(ii) Balances due to related parties		
– included in trade payables:		
Controlled by ultimate controlling shareholders:		
廣東博意建築設計院有限公司 Guangdong Elite Architectural Co., Ltd.	235,463	110,899
Controlled by ultimate controlling shareholders and their close family members:		
增城市清源自來水廠有限公司 Zengcheng Crystal Water Plant Co., Ltd.	958	1,282
廣東鴻業管樁有限公司 Grand Pipe	392	448
廣東昇輝電子控股有限公司 Shenghui Electronics	135,392	51,758
廣東萬方石業有限公司 Wanfang Stone	6,182	—
廣東萬方工程有限公司 Wanfang Construction	92,829	—
	471,216	164,387

Balances due from/to related parties are unsecured, interest-free and to be settled according to the contract terms.

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES

The following is a list of principal subsidiaries at 31 December 2013:

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Incorporated in the BVI, a limited liability company, operates in the PRC and directly held by the Company:					
Smart World Development Holdings Ltd	28 March 2006	USD300	100%	—	Investment holding
Incorporated in Hong Kong, a limited liability company, operates in Hong Kong and indirectly held by the Company:					
Country Garden (Hong Kong) Development Company Limited	21 September 2005	HKD1	100%	—	Investment holding
Yield Limited	19 January 2004	RMB786	50%	50%	Property development
Incorporated in the BVI, all of which are limited liability companies and operate in the PRC and indirectly held by the Company:					
Estonia Development Ltd	21 March 2006	USD200	100%	—	Investment holding
Falcon Investments Development Ltd	21 March 2006	USD300	100%	—	Investment holding
United Gain Group Ltd	28 March 2006	USD200	100%	—	Investment holding
Wise Fame Group Ltd	28 March 2006	USD300	100%	—	Investment holding
Angel View International Limited	7 April 2006	USD200	100%	—	Investment holding
Boavista Investments Limited	7 April 2006	USD200	100%	—	Investment holding
Impreza Group Limited	7 April 2006	USD300	100%	—	Investment holding
Infiniti Holdings Development Limited	7 April 2006	USD300	100%	—	Investment holding
Bright Start Group Limited	19 July 2011	USD1	100%	—	Investment holding
Pure Smart Enterprises Limited	19 July 2011	USD1	100%	—	Investment holding
Top Favor Holding Limited	19 July 2011	USD1	100%	—	Investment holding

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Golden Favor Investments Limited	19 July 2011	USD1	100%	—	Investment holding
Power Great Enterprises Limited	10 December 2007	USD1	100%	—	Investment holding
Great Favor Investments Limited	16 July 2013	USD1	100%	—	Investment holding
Established and operate in the PRC, all of which are limited liability companies:					
Guangdong Giant Leap Construction Co., Ltd. ("Giant Leap Construction Co.") 廣東騰越建築工程有限公司	25 March 1997	RMB900,000,000	100%	—	Construction
Foshan Shunde Country Garden Property Development Co., Ltd. 佛山市順德區碧桂園物業發展有限公司	2 April 1997	RMB1,387,500,000	100%	—	Property development
Guangzhou Country Garden Property Development Co., Ltd. 廣州碧桂園物業發展有限公司	30 July 1998	RMB506,000,000	100%	—	Property development
Foshan Shunde Finest Decoration & Design Enterprise 佛山市順德區雅駿裝飾設計工程有限公司	9 August 1999	RMB300,000,000	100%	—	Decoration and design
Zengcheng Country Garden Property Development Co., Ltd. 增城市碧桂園物業發展有限公司	22 September 2000	RMB1,448,200,000	100%	—	Property development
Guangzhou Nansha Economic and Technological Development Zone Country Garden Property Development Co., Ltd. 廣州南沙經濟技術開發區碧桂園物業發展有限公司	2 August 2001	RMB1,764,473,626	100%	—	Property development
Guangzhou Huadou Country Garden Property Development Co., Ltd. 廣州市花都碧桂園物業發展有限公司	24 January 2002	RMB462,500,000	100%	—	Property development
Heshan Country Garden Property Development Co., Ltd. 鶴山市碧桂園物業發展有限公司	9 July 2003	RMB963,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Changsha Venice Palace Property Development Co., Ltd. 長沙威尼斯城房地產開發有限公司	1 August 2003	RMB233,000,000	100%	—	Property development
Jiangmen East Coast Country Garden Property Development Co., Ltd. 江門市東岸房地產發展有限公司	13 August 2003	RMB650,000,000	100%	—	Property development
Jiangmen Xinhui Country Garden Phoenix Hotel Co., Ltd. 江門新會碧桂園鳳凰酒店有限公司	13 August 2003	RMB130,100,000	100%	—	Hotel Operation
Jiangmen Wuyi Country Garden Property Development Co., Ltd. 江門市五邑碧桂園房地產開發有限公司	28 September 2003	RMB863,000,000	100%	—	Property development
Heshan Country Garden Phoenix City Hotel Co., Ltd. 鶴山市碧桂園鳳凰酒店有限公司	29 September 2003	RMB116,300,000	100%	—	Hotel operation
Foshan Gaoming Country Garden Property Development Co., Ltd. 佛山市高明區碧桂園房地產開發有限公司	13 January 2004	RMB1,162,500,000	100%	—	Property development
Zengcheng Country Garden Phoenix City Hotel Co., Ltd. 增城市碧桂園鳳凰城酒店有限公司	13 January 2004	RMB500,700,000	100%	—	Hotel operation
Shenyang Hua Rui Real Estate Co., Ltd. 瀋陽華銳置業有限公司	25 March 2004	RMB580,000,000	100%	—	Property development
Qingyuan Country Garden Holiday Islands Hotel Co., Ltd. 清遠市碧桂園假日半島酒店有限公司	5 April 2004	RMB131,300,000	100%	—	Hotel operation
Changsha Economic and Technological Development Area Venice Palace Hotel Co., Ltd. 長沙經濟技術開發區威尼斯酒店有限公司	6 December 2004	RMB110,800,000	100%	—	Hotel operation
Foshan Nanhai Country Garden Property Development Co., Ltd. 佛山市南海區碧桂園房地產開發有限公司	24 December 2004	RMB365,200,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non- controlling interests	Principal activities
Jiangmen Wuyi Country Garden Phoenix Hotel Co., Ltd. 江門市五邑碧桂園鳳凰酒店有限公司	14 January 2005	RMB103,800,000	100%	—	Hotel operation
Yangjiang Country Garden Phoenix Hotel Co., Ltd. 陽江市碧桂園鳳凰酒店有限公司	2 February 2005	RMB130,750,624	100%	—	Hotel operation
Yangdong Country Garden Property Development Co., Ltd. 陽東縣碧桂園房地產開發有限公司	2 February 2005	RMB197,351,958	100%	—	Property development
Taishan Country Garden Property Development Co., Ltd. 台山市碧桂園房地產開發有限公司	21 March 2005	RMB322,288,631	100%	—	Property development
Foshan Gaoming Country Garden Phoenix Hotel Co., Ltd. 佛山市高明區碧桂園鳳凰酒店有限公司	30 September 2005	RMB163,100,000	100%	—	Hotel operation
Shaoguan Shunhong Property Development Co., Ltd. 韶關市順宏房地產開發有限公司	12 July 2006	RMB747,800,000	100%	—	Property development
Manzhouli Country Garden Property Development Co., Ltd. 滿洲里碧桂園房地產開發有限公司	12 December 2006	RMB357,900,000	100%	—	Property Development
Chaohu Country Garden Property Development Co., Ltd. 巢湖市碧桂園房地產開發有限公司	18 December 2006	RMB1,115,200,000	100%	—	Property Development
Taizhou Country Garden Property Development Co., Ltd. 泰州市碧桂園房地產開發有限公司	5 January 2007	RMB548,300,000	100%	—	Property development
Shenyang Country Garden Property Development Co., Ltd. 瀋陽市碧桂園房地產開發有限公司	11 January 2007	RMB1,350,000,000	100%	—	Property development
Lechang Country Garden Property Development Co., Ltd. 樂昌市碧桂園房地產開發有限公司	15 February 2007	RMB124,800,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Shenyang Hunnan Xincheng Country Garden Property Development Co., Ltd. 瀋陽渾南新城碧桂園房地產開發有限公司	25 April 2007	RMB1,540,000,000	100%	—	Property development
Shenyang Yidong Real Estate Co., Ltd 瀋陽伊東置業有限公司	25 April 2007	RMB460,512,978	100%	—	Property development
Enping Country Garden Property Development Co., Ltd. 恩平市碧桂園房地產開發有限公司	28 April 2007	RMB220,000,000	100%	—	Property development
Zhangjiajie Country Garden Property Development Co., Ltd. 張家界碧桂園置業有限公司	8 May 2007	RMB330,000,000	100%	—	Property development
Anhui Hexian Country Garden Property Development Co., Ltd. 安徽和縣碧桂園房地產開發有限公司	15 May 2007	RMB750,000,000	100%	—	Property development
Anhui Hexian Huarui Real Estate Co., Ltd 安徽和縣華瑞置業有限公司	15 May 2007	RMB218,842,923	100%	—	Property development
Shenyang Shenbei Xincheng Yidong Real Estate Co., Ltd 瀋陽瀋北新城伊東置業有限公司	18 May 2007	RMB750,000,000	100%	—	Property development
Tianjin Xinbi Investment Development Co., Ltd 天津新碧投資發展有限公司	25 May 2007	RMB460,000,000	100%	—	Investment holding
Shaoguan Country Garden Property Development Co., Ltd. 韶關市碧桂園房地產開發有限公司	5 June 2007	RMB750,000,000	100%	—	Property development
Changsha Ningxiang Country Garden Property Development Co., Ltd. 長沙市寧鄉碧桂園房地產開發有限公司	5 June 2007	RMB230,000,000	100%	—	Property development
Anhui Zhongmiao Country Garden Property Development Co., Ltd. 安徽中廟碧桂園房地產開發有限公司	8 June 2007	RMB420,000,000	100%	—	Property development
Anhui Hexian Country Garden Phoenix Hotel Co., Ltd 安徽和縣碧桂園鳳凰酒店有限公司	8 June 2007	RMB200,000,000	100%	—	Hotel operation

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Shanwei Country Garden Property Development Co., Ltd. 汕尾市碧桂園房地產開發有限公司	12 June 2007	RMB100,000,000	100%	—	Property development
Zhaoqing Sihui Huaping Real Estate Co., Ltd. 肇慶四會華平置業有限公司	21 June 2007	RMB216,167,341	100%	—	Property development
Sihui Country Garden Property Development Co., Ltd. 四會市碧桂園房地產開發有限公司	22 June 2007	RMB320,000,000	100%	—	Property development
Keyou Qianqi Country Garden Property Development Co., Ltd. 科右前旗碧桂園房地產開發有限公司	29 July 2007	RMB180,000,000	100%	—	Property development
Chizhou Country Garden Property Development Co., Ltd. 池州市碧桂園房地產開發有限公司	30 July 2007	RMB251,000,000	100%	—	Property development
Chongqing Country Garden Property Development Co., Ltd. 重慶市碧桂園房地產開發有限公司	3 August 2007	RMB310,000,000	100%	—	Property development
Chongqing Country Garden Phoenix Hotel Co., Ltd. 重慶市碧桂園鳳城酒店有限公司	3 August 2007	RMB100,000,000	100%	—	Hotel operation
Xianning Country Garden Property Development Co., Ltd. 咸寧市碧桂園房地產開發有限公司	8 August 2007	RMB250,000,000	100%	—	Property development
Yiyang Country Garden Property Development Co., Ltd. 益陽市碧桂園房地產開發有限公司	10 August 2007	RMB150,000,000	100%	—	Property development
Haicheng Country Garden Property Development Co., Ltd. 海城市碧桂園房地產開發有限公司	30 August 2007	RMB350,000,000	100%	—	Property development
Lufeng Country Garden Property Development Co., Ltd. 陸豐市碧桂園房地產開發有限公司	30 August 2007	RMB100,000,000	100%	—	Property development
Maoming Country Garden Property Development Co., Ltd. 茂名市碧桂園房地產開發有限公司	31 August 2007	RMB350,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Suizhou Country Garden Property Development Co., Ltd. 隨州碧桂園房地產開發有限公司	31 August 2007	RMB580,000,000	100%	—	Property development
Yangshan Country Garden Property Development Co., Ltd. 陽山碧桂園房地產開發有限公司	5 September 2007	RMB130,000,000	100%	—	Property development
Anqing Country Garden Property Development Co., Ltd. 安慶碧桂園房地產開發有限公司	27 September 2007	RMB740,000,000	100%	—	Property development
Anqing Country Garden Phoenix Hotel Co., Ltd 安慶碧桂園鳳凰酒店有限公司	29 September 2007	RMB150,000,000	100%	—	Hotel operation
Huangshan Country Garden Property Development Co., Ltd. 黃山碧桂園房地產開發有限公司	30 September 2007	RMB180,000,000	100%	—	Property development
Shenyang Huiying Real Estate Co., Ltd 瀋陽匯盈置業有限公司	9 October 2007	RMB358,416,054	100%	—	Property development
Shenyang Dedi Real Estate Co., Ltd 瀋陽德地置業有限公司	9 October 2007	RMB369,851,683	100%	—	Property development
Tongliao Country Garden Property Development Co., Ltd. 通遼碧桂園房地產開發有限公司	15 October 2007	RMB500,000,000	100%	—	Property development
Wuhu Country Garden Property Development Co., Ltd. 蕪湖晉智房地產開發有限公司	5 November 2007	RMB800,000,000	100%	—	Property development
Liuyang Country Garden Property Development Co., Ltd. 瀏陽碧桂園房地產開發有限公司	4 December 2007	RMB168,000,000	100%	—	Property development
Zhaoqing Country Garden Furniture Co., Ltd 肇慶市碧桂園現代家居有限公司	12 December 2007	RMB210,376,103	100%	—	Manufacturing of furniture
Huidong Country Garden Property Development Co., Ltd. 惠東碧桂園房地產開發有限公司	23 January 2008	RMB450,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Suihua Country Garden Property Development Co., Ltd. 綏化碧桂園房地產開發有限公司	17 July 2008	RMB100,000,000	100%	—	Property development
Jingmen Country Garden Property Development Co., Ltd. 荊門碧桂園房地產開發有限公司	10 September 2008	RMB130,000,000	100%	—	Property development
Tianjin Balizhou Country Garden Property Development Co., Ltd. 天津八里洲碧桂園房地產開發有限公司	25 September 2008	RMB183,000,000	100%	—	Property development
Qingyuan Zhuoyue Hongjian Real Estate Investment Co., Ltd 清遠市卓越弘建置業投資有限公司	27 October 2009	RMB130,000,000	100%	—	Property development
Shenyang Giant Leap Construction Co., Ltd 瀋陽騰越建築工程有限公司	10 December 2009	RMB130,000,000	100%	—	Construction
Jiangmen Xinhui Country Garden Property Development Co., Ltd 江門市新會區碧桂園房地產開發有限公司	12 January 2010	RMB180,000,000	100%	—	Property development
Maoming Shuidongwan Country Garden Property Development Co., Ltd 茂名市水東灣碧桂園房地產開發有限公司	20 January 2010	RMB200,000,000	100%	—	Property development
Jiangmen Jianghai Country Garden Property Development Co., Ltd 江門市江海區碧桂園房地產開發有限公司	13 January 2010	RMB120,000,000	100%	—	Property development
Wuhan Country Garden Lianfa Investment Co., Ltd 武漢碧桂園聯發投資有限公司	21 January 2010	RMB200,000,000	52%	48%	Property development
Jurong Country Garden Property Development Co., Ltd 句容碧桂園房地產開發有限公司	12 August 2010	RMB2,831,587,637	100%	—	Property development

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42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Chuzhou Country Garden Property Development Co., Ltd 滁州碧桂園房地產開發有限公司	17 August 2010	RMB250,000,000	100%	—	Property development
Haifeng Country Garden Property Development Co., Ltd 海豐碧桂園房地產開發有限公司	26 October 2010	RMB105,000,000	100%	—	Property development
Heshan Zhishan Country Garden Property Development Co., Ltd 鶴山市址山碧桂園房地產開發有限公司	23 November 2010	RMB250,000,000	80%	20%	Property development
Heyuan Country Garden Property Development Co., Ltd 河源市碧桂園房地產開發有限公司	7 December 2010	RMB300,000,000	100%	—	Property development
Dongguan Country Garden Property Development Co., Ltd. 東莞市碧桂園房地產開發有限公司	25 September 2010	RMB600,000,000	100%	—	Property development
Foshan Chancheng Country Garden Property Development Co., Ltd. 佛山市禪城區碧桂園房地產開發有限公司	13 November 2010	RMB1,000,000,000	90%	10%	Property development
Shenyang Qipanshan Country Garden Property Development Co., Ltd. 瀋陽市棋盤山碧桂園房地產開發有限公司	28 September 2010	RMB176,134,163	100%	—	Property development
Wuhan Eco-city Country Garden Investment Co., Ltd. 武漢生態城碧桂園投資有限公司	4 December 2010	RMB500,000,000	55%	45%	Property development
Laian Country Garden Property Development Co., Ltd 來安碧桂園房地產開發有限公司	15 December 2010	RMB450,000,000	100%	—	Property development
Foshan Shunde Xinbi Trading Co., Ltd. 佛山市順德區新碧貿易有限公司	16 January 2010	RMB200,000,000	100%	—	Trading
Foshan Shunde Longjiang Country Garden Phoenix Hotel Co., Ltd 佛山市順德區龍江鎮碧桂園鳳凰酒店有限公司	11 November 2010	RMB100,000,000	100%	—	Hotel operation
Qingyuan Holiday Islands Country Garden Property Development Co., Ltd. 清遠假日半島碧桂園置業發展有限公司	7 July 2010	RMB120,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Hubei Lianzhi Country Garden Zishanhu Property Development Co., Ltd. 湖北聯置碧桂園梓山湖房地產開發有限公司	29 December 2011	RMB500,000,000	51%	49%	Property development
Jiangmen Xinhui Daze Country Garden Property Development Co., Ltd. 江門市新會區大澤碧桂園房地產開發有限公司	2 December 2011	RMB310,000,000	100%	—	Property development
Hubei Liantou Country Garden Investment Co., Ltd. 湖北聯投碧桂園投資有限公司	23 November 2011	RMB141,630,000	51%	49%	Property development
Xiangtan Country Garden Property Development Co., Ltd. 湘潭碧桂園房地產開發有限公司	12 January 2011	RMB200,000,000	100%	—	Property development
Meizhou Country Garden Property Development Co., Ltd. 梅州市碧桂園房地產開發有限公司	4 January 2011	RMB200,000,000	100%	—	Property development
Qingyuan Country Garden Xinya Property Development Co., Ltd. 清遠碧桂園新亞房地產開發有限公司	25 January 2011	RMB300,000,000	100%	—	Property development
Wuxi Country Garden Property Development Co., Ltd. 無錫市碧桂園房地產開發有限公司	14 January 2011	RMB398,000,000	100%	—	Property development
Guangzhou Shilou Country Garden Property Development Co., Ltd. 廣州市石樓碧桂園物業發展有限公司	2 April 2011	RMB350,000,000	100%	—	Property development
Hangzhou Country Garden Property Development Co., Ltd. 杭州碧桂園房地產開發有限公司	1 April 2011	RMB862,576,465	100%	—	Property development
Dongguan Dexia Country Garden Property Development Co., Ltd. 東莞市德廈碧桂園房地產開發有限公司	13 April 2011	RMB250,000,000	100%	—	Property development
Kaiping Country Garden Property Development Co., Ltd. 開平市碧桂園房地產開發有限公司	9 June 2011	RMB300,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Chenzhou Country Garden Property Development Co., Ltd 郴州碧桂園房地產開發有限公司	7 July 2011	RMB190,000,000	100%	—	Property development
Hainan Wenchang Country Garden Property Development Co., Ltd 海南文昌碧桂園房地產開發有限公司	17 January 1994	RMB100,000,000	100%	—	Property development
Zhangqiu Country Garden Phoenix Hotel Co., Ltd 章丘市碧桂園房地產開發有限公司	17 August 2011	RMB100,000,000	100%	—	Property development
Chongqing Qianjiang Country Garden Property Development Co., Ltd 重慶市黔江碧桂園房地產開發有限公司	9 May 2012	RMB180,000,000	100%	—	Property development
Jiaoling Country Garden Property Development Co., Ltd 蕉嶺碧桂園房地產開發有限公司	8 June 2012	RMB120,000,000	100%	—	Property development
Hainan Lingao Country Garden Fangyuan Property Development Co., Ltd 海南臨高碧桂園方圓房地產開發有限公司	22 August 2012	RMB408,163,300	51%	49%	Property development
Rudong Country Garden Property Development Co., Ltd 如東碧桂園房地產開發有限公司	7 September 2012	RMB180,000,000	100%	—	Property development
Yixing Country Garden Property Development Co., Ltd 宜興市碧桂園房地產開發有限公司	25 September 2012	RMB315,265,000	100%	—	Property development
Danyang Country Garden Property Development Co., Ltd 丹陽碧桂園房地產開發有限公司	23 October 2012	RMB437,649,768	100%	—	Property development
Jingjiang Country Garden Property Development Co., Ltd 靖江市碧桂園房地產開發有限公司	30 January 2013	RMB100,000,000	100%	—	Property development
Xuancheng Country Garden Property Development Co., Ltd 宣城碧桂園房地產開發有限公司	30 January 2013	RMB150,000,000	100%	—	Property development
Rugao Country Garden Property Development Co., Ltd 如皋市碧桂園房地產開發有限公司	19 February 2013	RMB150,000,000	100%	—	Property development
Yongchun Country Garden Property Development Co., Ltd 永春碧桂園房地產開發有限公司	21 February 2013	RMB200,000,000	70%	30%	Property development
Lanzhou Country Garden Property Development Co., Ltd 蘭州碧桂園房地產開發有限公司	1 February 2013	RMB450,000,000	100%	—	Property development
Yunfu Xijiang new city Country Garden Property Development Co., Ltd 雲浮市西江新城碧桂園房地產開發有限公司	1 April 2013	RMB100,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Haiyang Honghui Property Development Co., Ltd 海陽鴻輝發展有限公司	19 March 2010	RMB107,700,000	90%	10%	Property development
Guangzhou Anhua logistics Co., Ltd 廣州安華物流有限公司	13 August 2003	RMB140,000,000	100%	—	Logistics
Heshan Gonghe Country Garden Property Development Co., Ltd 鶴山市共和碧桂園房地產開發有限公司	8 April 2013	RMB260,000,000	100%	—	Property development
Quzhou Country Garden Property Development Co., Ltd 衢州碧桂園房地產開發有限公司	7 April 2013	RMB200,000,000	100%	—	Property development
Guangyuan Country Garden Property Development Co., Ltd 廣元碧桂園投資有限公司	15 April 2013	RMB200,000,000	100%	—	Property development
Gaozhou Country Garden Property Development Co., Ltd 高州市碧桂園房地產開發有限公司	15 April 2013	RMB120,000,000	100%	—	Property development
Nanan Country Garden Property Development Co., Ltd 南安碧桂園房地產開發有限公司	5 June 2013	RMB150,000,000	80%	20%	Property development
Zibo Country Garden Property Development Co., Ltd 淄博市碧桂園房地產開發有限公司	17 June 2013	RMB100,000,000	100%	—	Property development
Pingxiang Country Garden Property Development Co., Ltd 萍鄉市碧桂園物業發展有限公司	3 July 2013	RMB100,000,000	100%	—	Property development
Zhuji Country Garden Property Development Co., Ltd 諸暨碧桂園房地產開發有限公司	5 July 2013	RMB100,000,000	100%	—	Property development
Chongqing Bishan Country Garden Property Development Co., Ltd 重慶市璧山碧桂園房地產開發有限公司	2 August 2013	RMB300,000,000	100%	—	Property development
Lu'an Country Garden Property Development Co., Ltd 六安碧桂園房地產開發有限公司	6 August 2013	RMB210,000,000	100%	—	Property development
Sanming Country Garden Property Development Co., Ltd 三明市碧桂園房地產開發有限公司	26 August 2013	RMB100,000,000	100%	—	Property development
Nantong Country Garden Property Development Co., Ltd 南通市碧桂園房地產開發有限公司	4 September 2013	RMB265,650,717	100%	—	Property development
Cixi Country Garden Property Development Co., Ltd 慈溪市碧桂園房地產開發有限公司	27 September 2013	RMB200,000,000	100%	—	Property development

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Zoucheng Country Garden Property Development Co., Ltd 鄞城市碧桂園房地產開發有限公司	22 September 2013	RMB100,000,000	100%	—	Property development
Wuzhou Hefu Country Garden Property Development Co., Ltd 梧州市合富房地產開發有限公司	8 July 2011	RMB100,000,000	80%	20%	Property development
Wuyishan Country Garden Property Development Co., Ltd 武夷山市碧桂園房地產開發有限公司	28 October 2013	RMB100,000,000	60%	40%	Property development
Haining Country Garden Property Development Co., Ltd 海寧碧桂園房地產開發有限公司	29 October 2013	RMB100,000,000	100%	—	Property development
Nantong Tongzhou Country Garden Property Development Co., Ltd 南通市通州區碧桂園房地產開發有限公司	8 November 2013	RMB200,000,000	100%	—	Property development
Pinghu Country Garden Property Development Co., Ltd 平湖碧桂園深商投商用置業有限公司	6 November 2013	RMB100,000,000	100%	—	Property development
Qingdao Chengyang Country Garden Property Development Co., Ltd 青島城陽碧桂園房地產開發有限公司	11 December 2013	USD41,200,000	100%	—	Property development
Dongguan river bank garden Property Development Co., Ltd 東莞江畔花園建造有限公司	23 December 1992	RMB100,000,000	99.9%	0.1%	Property development
Wuxi Xinbi Country Garden Property Development Co., Ltd 無錫市新碧房地產開發有限公司	20 August 2013	USD98,000,000	100%	—	Property development
Haiyang Bihang Development Co., Ltd 海陽碧航發展有限公司	29 September 2013	USD20,000,000	100%	—	Houseboat

Notes to the Consolidated Financial Statements

42 PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

Name	Date of incorporation/ establishment	Nominal value of issued and fully paid share capital/ paid-in capital	Proportion of equity interest held by the Group	Proportion of ordinary shares held by non-controlling interests	Principal activities
Established and operate in the Malaysia:					
Vibrant Corridor SDN. BHD.	6 November 2012	RM2,500,000	55%	45%	Property development
Mayland Venue SDN. BHD.	23 November 2012	RM2,500,000	55%	45%	Property development
Country Garden Danga Bay Sdn Bhd	16 October 2012	RM100,000,000	100%	—	Property development
Country Garden Properties (Malaysia) Sdn Bhd	1 January 2012	RM500,000	55%	45%	Property development
Country Garden Real Estate Sdn. Bhd.	10 May 2012	RM499,998	100%	—	Property development
Established and operate in the Singapore:					
Country Garden (Singapore) LTD	1 March 2013	SGD1	100%	—	Advertisement
Established and operate in the Australia:					
Country Garden (Australia) LTD	29 July 2013	AUD1	100%	—	Property development

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names haven been registered or available.

Financial Summary

CONSOLIDATED RESULTS

	Year ended 31 December				
	2009 RMB'000	2010 RMB'000	2011 RMB'000	2012 RMB'000	2013 RMB'000
Revenue	17,585,704	25,804,105	34,748,305	41,890,984	62,681,875
Profit before income tax	3,385,938	6,719,785	9,606,735	11,541,913	13,473,153
Income tax expense	(1,149,807)	(2,402,011)	(3,768,582)	(4,657,351)	(4,625,173)
Profit for the year	2,236,131	4,317,774	5,838,153	6,884,562	8,847,980
Attributable to:					
Owners of the Company	2,190,199	4,290,578	5,813,180	6,852,651	8,514,104
Non-controlling interests	45,932	27,196	24,973	31,911	333,876
	2,236,131	4,317,774	5,838,153	6,884,562	8,847,980
Earnings per Share					
Basic	13.41 cents	25.89 cents	33.30 cents	38.06 cents	46.65 cents

CONSOLIDATED ASSETS, EQUITY AND LIABILITIES

	As of 31 December				
	2009 RMB'000	2010 RMB'000	2011 RMB'000	2012 RMB'000	2013 RMB'000
ASSETS					
Non-current assets	21,263,208	25,420,162	37,581,273	40,610,992	60,025,745
Current assets	42,676,580	56,661,085	69,729,152	95,911,156	146,213,683
Total assets	63,939,788	82,081,247	107,310,425	136,522,148	206,239,428
EQUITY AND LIABILITIES					
Total equity	21,540,922	25,418,075	30,067,264	38,884,408	46,011,167
Non-current liabilities	16,000,254	14,332,323	23,471,559	28,930,412	45,323,978
Current liabilities	26,398,612	42,330,849	53,771,602	68,707,328	114,904,283
Total liabilities	42,398,866	56,663,172	77,243,161	97,637,740	160,228,261
Total equity and liabilities	63,939,788	82,081,247	107,310,425	136,522,148	206,239,428

Corporate Information

DIRECTORS

Executive Directors

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan (*Vice Chairman*)
Mr. MO Bin (*President*)
Mr. ZHU Rongbin (*Associate President*)
Ms. YANG Ziyang
Mr. YANG Erzhu
Mr. SU Rubo
Mr. OU Xueming
Mr. YANG Zhicheng
Mr. YANG Yongchao
Mr. XIE Shutai
Mr. SONG Jun
Mr. LIANG Guokun
Mr. SU Baiyuan

Independent Non-executive Directors

Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung, Ronald
Mr. HUANG Hongyan
Ms. HUANG Xiao
Mr. LIU Hongyu
Mr. MEI Wenjue

CHIEF FINANCIAL OFFICER

Ms. NG Yi Kum, Estella

COMPANY SECRETARY

Mr. HUEN Po Wah

AUTHORIZED REPRESENTATIVES

Ms. YANG Huiyan
Mr. MO Bin
Ms. NG Yi Kum, Estella (alternate to Ms. YANG Huiyan)
Ms. NG Chi Man (alternate to Mr. MO Bin)

AUDIT COMMITTEE

Mr. LAI Ming, Joseph (*Chairman*)
Mr. SHEK Lai Him, Abraham
Mr. TONG Wui Tung, Ronald
Mr. HUANG Hongyan
Ms. HUANG Xiao

REMUNERATION COMMITTEE

Mr. TONG Wui Tung, Ronald (*Chairman*)
Mr. YEUNG Kwok Keung
Mr. MO Bin
Mr. LAI Ming, Joseph
Mr. SHEK Lai Him, Abraham
Mr. HUANG Hongyan
Ms. HUANG Xiao

NOMINATION COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
Mr. LAI Ming, Joseph
Mr. TONG Wui Tung, Ronald
Mr. HUANG Hongyan
Ms. HUANG Xiao

CORPORATE GOVERNANCE COMMITTEE

Mr. YEUNG Kwok Keung (*Chairman*)
Ms. YANG Huiyan
Mr. MO Bin

REGISTERED OFFICE

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

Country Garden Centre,
No.1 Country Garden Road,
Beijiao Town, Shunde District, Foshan
Guangdong Province 528312
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 901-904
9/F Manulife Provident Funds Place
345 Nathan Road
Kowloon
Hong Kong

Corporate Information

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong
*(The address will be changed to
Level 22, Hopewell Centre,
183 Queen's Road East, Hong Kong
with effect from 31 March 2014)*

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China Limited
Industrial and Commercial Bank of China Limited
China Construction Bank Corporation
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited
UBS

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISORS

As to Hong Kong law:

Woo Kwan Lee & Lo
Lu, Lai & Li

As to PRC law:

Jingtian & Gongcheng

STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 2007

WEBSITE

<http://www.countrygarden.com.cn>



— 花溪碧桂園

