C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL REPORT

Stock Code: 1224

2013

Contents

Corporate Information

DIRECTORS

Executive directors
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive director
Mr. Wong Yat Fai

Independent non-executive directors
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey *(Chairman)*
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven *(Chairman)*
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Dr. Wong Lung Tak Patrick

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Chun Cheong

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

STOCK CODE

1224

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

BRANCH OFFICE

15th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Hong Kong
Cheung, Tong & Rosa

Bermuda
Conyers Dill & Pearman

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

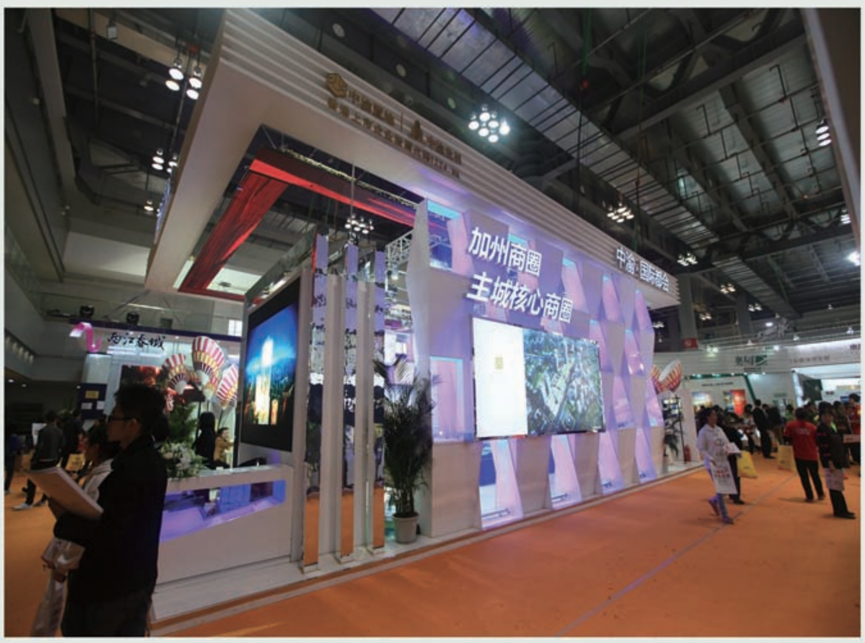
The Hongkong and Shanghai Banking Corporation Limited
Bank of Chongqing Co., Ltd.
Bank of Communications Co., Ltd.
Chong Hing Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Wing Lung Bank Limited

C C Land Holdings Limited (Stock Code: 1224) has been principally engaged in the property development and investment business in Western China since 2006.

Listed on the main board of the Stock Exchange, the Company is a constituent stock of the Hang Seng Composite Index Series and the MSCI Small Cap China Index Series.

As at the date of this report, the Group has a total land bank of about 14.1 million sqm in terms of GFA and about 10.2 million sqm in terms of attributable GFA, covering key Western China cities, namely Chongqing, Chengdu, Guiyang and Xi’an.

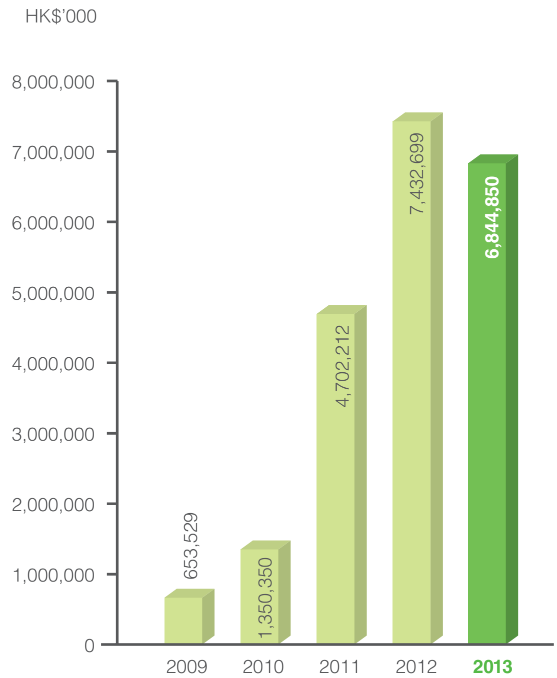
Through leveraging its management expertise, quality land banks, and solid financial position, it has established itself as one of the leading property developers in Western China.



Chongqing Zhong Yu participated in Chongqing Autumn Property Exhibition 2013

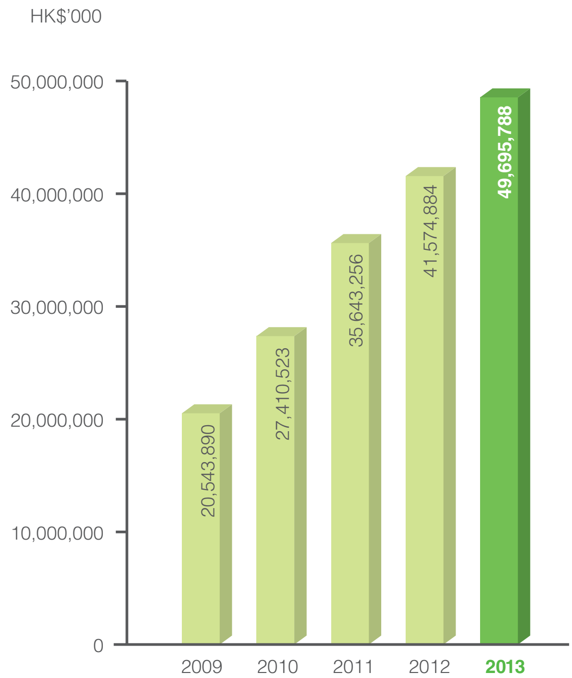
REVENUE

Year ended 31 December



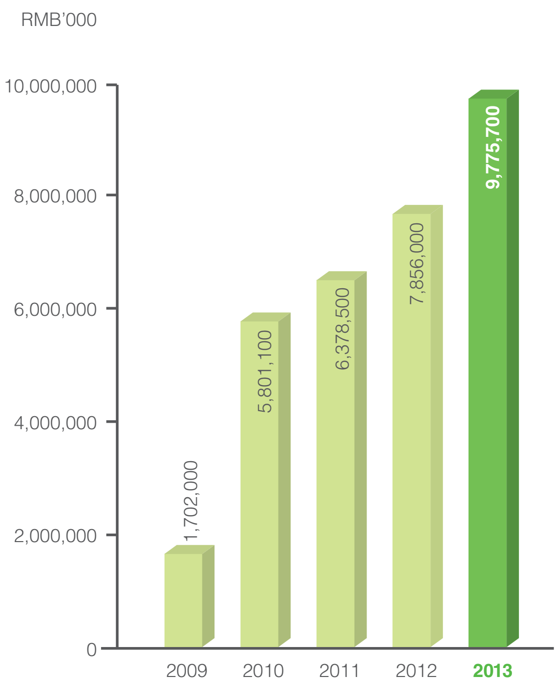
TOTAL ASSETS

As at 31 December



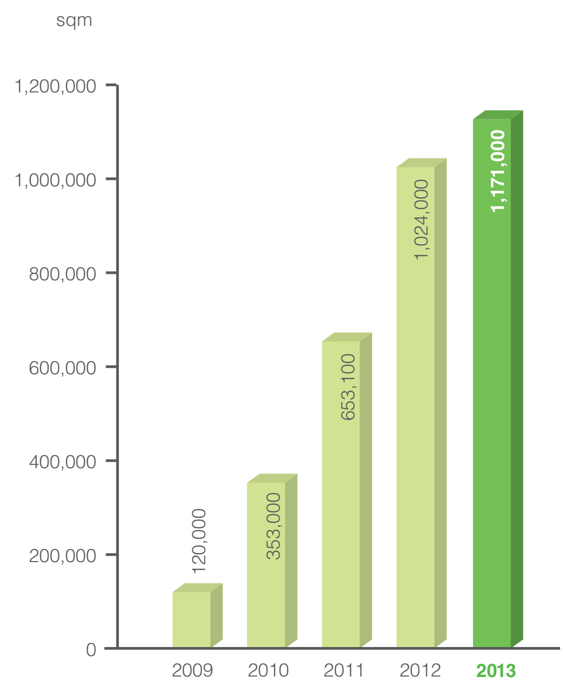
CONTRACT SALES

Year ended 31 December



COMPLETION AREA

Year ended 31 December



CORPORATE

C C LAND

1. Best Investor Relations Professional • 3rd Asian Excellence Recognition Award 2013 • Corporate Governance Asia Magazine **(2013)**
2. Asia's Most Promising Company on Corporate Governance Recognition Award 2013 • Corporate Governance Asia Magazine **(2013)**

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CHONGQING ZHONG YU

3. Creditable Brand Enterprises • Chongqing Real Estate Development Industry 2012-2013 **(December 2013)**
4. The 8th Top 50 Property Developers in Chongqing **(December 2013)**
5. Top 50 Efficient Enterprises in Chongqing 2013 **(September 2013)**
6. Top 10 Property Developers in Yubei District 2012 **(June 2013)**

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CHONGQING LUCKY BOOM

7. The Most Advanced Enterprise with Tax Contribution in Jiangnan New District of Wanzhou 2012 **(March 2013)**

XI'AN ZHONG YU

8. The 10th Internet Popularity Ranking of China Real Estate 2013 • Transcending Property **(December 2013)**
9. The Most Popular Property Developer of Shaanxi Property Market 2013 **(December 2013)**

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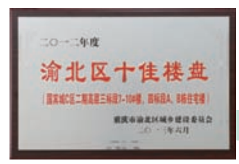
CHONGQING VERAKIN REAL ESTATE

10. The 8th Top 50 Property Developers in Chongqing **(December 2013)**
11. Top 10 Brand Value of Property Developers in Western China 2013 **(September 2013)**



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PROJECTS

ZHONGYU PLAZA

12. Top 10 Commercial Real Estate Landmarks in Chongqing 2013 **(December 2013)**

L'AMBASSADEUR

13. Top 10 Residential Projects in Yubei District 2012 **(June 2013)**

RESIDENCE SERENE

14. Commercial Real Estate with the Highest Investment Value of Chongqing Property Market 2013 **(December 2013)**

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SKY VILLA

15. Featuring China • Top 50 Real Estate Enterprises in Western China • The Best City Residential Project in China 2013 **(2013)**

RESIDENCE DU PARADIS

16. Internet Popularity of China Real Estate • The Most Influential Residential Project 2013 **(December 2013)**

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BRIGHTON PLACE & PLAZA

17. Best Valued Commercial Real Estate in Chengdu • Office Building with the Highest Commercial Value in China 2013 **(July 2013)**

FIRST CITY, GUIYANG

18. The 10th Internet Popularity Ranking of Properties in Guiyang 2013 • Recommended Residential Project in Guiyang **(January 2014)**

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Corporate Milestones 2013

Virtual Perspective of Florentia Town

February 02

- The Group acquired a premium site in Wudang District, Guiyang, to be developed as “Florentia Town” project with a GFA of about 626,000 sqm.

Shin Kong Mitsukoshi Signing Agreement Ceremony

April 04

- The Group signed a pre-leasing agreement with Taiwan Shin Kong Mitsukoshi which marks the entrance of the high-end shopping mall “Shin Kong Place” into Chongqing.

Virtual Perspective of Zhongyu Metropol

May 05

- The Group expanded its territory to Xi’an by acquiring a project, “Zhongyu Metropol” with a GFA of about 640,000 sqm.
- The Group acquired a premium site in Hefei Road, Guiyang, with a GFA of about 1,313,000 sqm.

“Asia’s Most Promising Company on Corporate Governance” Award

June 06

- C C Land was awarded as “Asia’s Most Promising Company on Corporate Governance” from Corporate Governance Asia Magazine.

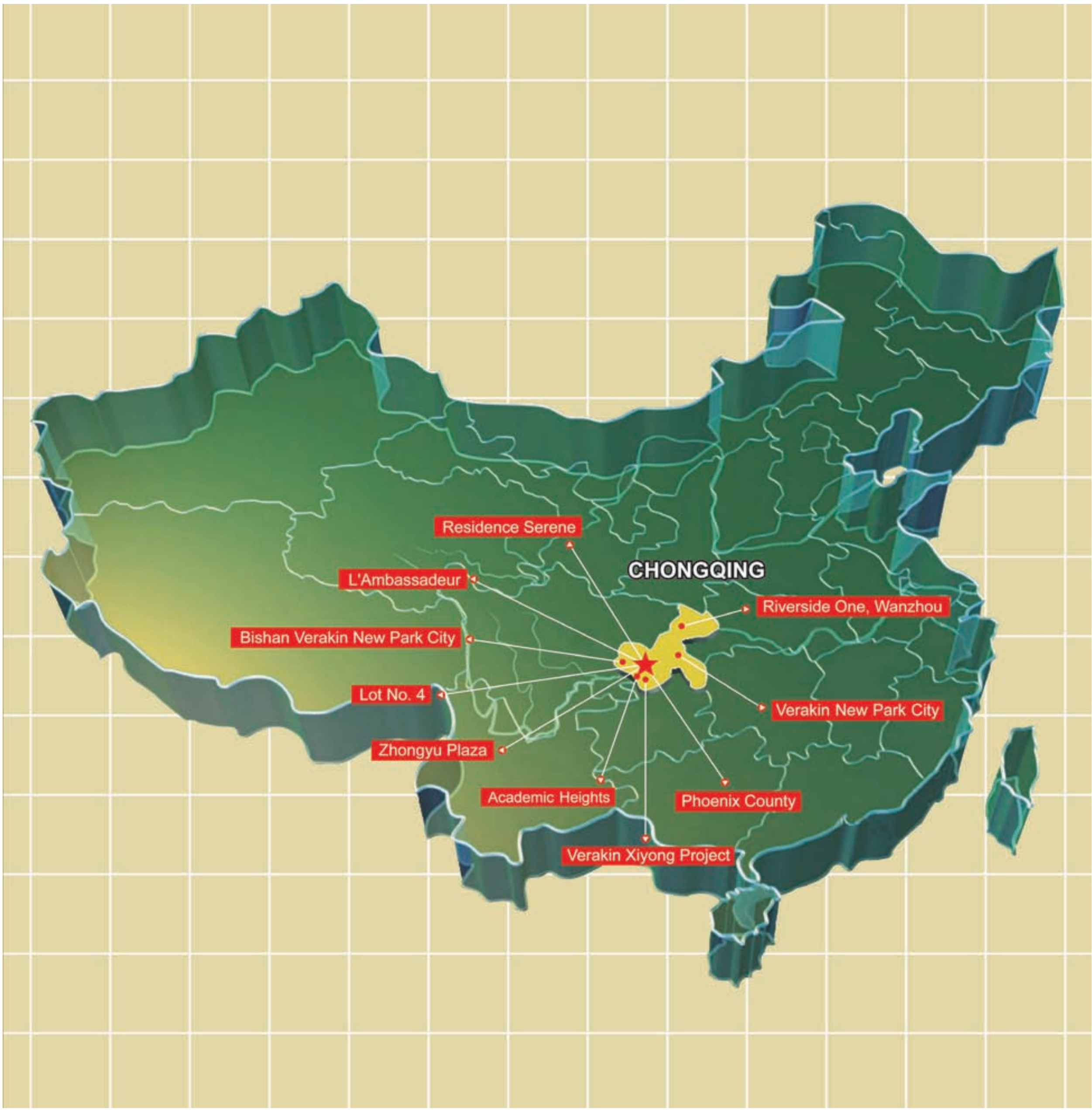
First City, Guiyang

December 12

- Phase I of “First City”, the Group’s first project in Guiyang was completed.

Chongqing

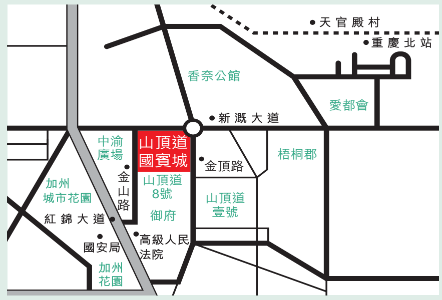
Area:	82,000 km^2
Population:	32,000,000
GDP Growth:	Year 2013 — 12.3% Year 2012 — 13.6% Year 2011 — 16.4% Year 2010 — 17.1%
Location:	In the Southwestern region of China, the confluence of Yangtze River and Jialing River, one of four directly governed municipalities in China



Project Overview

PROJECT NAME:
L'Ambassadeur (山頂道國賓城) — 100% interest

PROJECT LOCATION:
The junction of Xingai Road and Jinshan Road, Yubei District, Chongqing

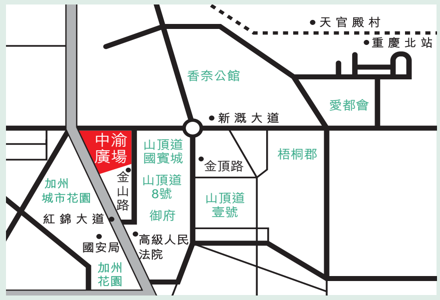


Total land area:	78,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	379,000 sqm 111,000 sqm 490,000 sqm
Completion/Expected completion date and area:	Phases I, II and III (Completed): GFA: Phase IV: GFA:	2012-2013 387,000 sqm second half of 2014 103,000 sqm
Project description:	The project is located at the core region of Yubei District, at the junction of Xingai Road and Jinshan Road. It sits next to "Chongqing Midtown", a mega residential and commercial project of the Group. The project is one of the "Peak Road" series. It is a high-rise luxury condominium complex in a high-end residential area.	
Project update:	As at the end of 2013, Phases I, II and III development have been completed. Phase IV with a total GFA of 103,000 sqm is under construction. All the residential units with a total GFA of 71,000 sqm had been pre-sold at an ASP of RMB7,500 per sqm as at 31 December 2013. Phase IV is planned for completion in 2014.	
Project honours:	• China Civil Engineering "2013 Zhan Tianyou Award" • Best Residential Community Project (October 2013) • 2013 Zhan Tianyou Award — Excellent Residential Community in Chongqing • Gold Award (September 2013) • Chongqing Bayu Cup • Quality Project Award 2012 (July 2013) • Top 10 Residential Projects in Yubei District 2012 (June 2013)	


L'Ambassadeur

PROJECT NAME:
One Central Midtown (都會首站), 9 Central Midtown (都會9號) and Zhongyu Plaza (中渝廣場) — 100% interest

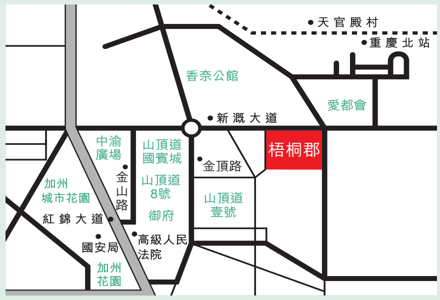
PROJECT LOCATION:
No.18 Jinshan Road, Xinpaifang, Yubei District, Chongqing



Total land area:	103,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	424,000 sqm 176,000 sqm 600,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (1st batch): GFA: Phase III (1st batch): GFA:	2011 (including One Central Midtown and 9 Central Midtown) 180,000 sqm second half of 2014 209,000 sqm first half of 2014 33,000 sqm
Project description:	The project is located at the core region of Yubei District, at the junction of Hongjin Road and Xingai Road which is one of the four land lots to make up "Chongqing Midtown", a mega residential and commercial project of the Group. The project is positioned as one of the new city centre landmarks with planned high-end residential apartments, a 5-star hotel, Grade-A shopping mall, Grade-A and Grade-B offices, and SOHO building.	 Virtual Perspective of Zhongyu Plaza
Project update:	Phase I comprising of One Central Midtown, 9 Central Midtown, retail spaces and car parking spaces with a total GFA of 180,000 sqm was completed in 2011. Construction works of Phases II and III, named "Zhongyu Plaza" with a total GFA of 420,000 sqm, comprising of an up-market shopping mall, a 5-star hotel and 3 office towers were underway during the year. Three office towers are currently under pre-sales, as at 31 December 2013, 37% of office area with a GFA of 51,000 sqm had been pre-sold at an ASP of RMB16,400 per sqm. All 3 office towers of the project are expected to be completed in 2014.	
Project honours:	Zhongyu Plaza (中渝廣場) — Top 10 Commercial Real Estate Landmarks in Chongqing 2013 (December 2013)	

PROJECT NAME:
Phoenix County (梧桐郡) — 100% interest

PROJECT LOCATION:
No. 2, Xingsheng Branch, Longta Street, Yubei District, Chongqing



Total land area:	147,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	335,000 sqm 70,000 sqm 405,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (1st batch) (Completed): GFA: Phase II (2nd batch): GFA: Phase III (1st batch): GFA: Phase III (2nd batch): GFA:	2012 77,000 sqm 2013 17,000 sqm second half of 2015 77,000 sqm second half of 2014 123,000 sqm second half of 2015 111,000 sqm
Project description:	The project is located at the Longtoushi area, near the centre of the "Big Triangle" of Wuhuangdazhuanpan (五黃大轉盤), Xinpaifangzhuanpan (新牌坊轉盤) and the Longtoushi Train Station, connecting Xinpaifang, Gailanxi and Huangnibang, which are three high-end residential areas in Chongqing. The project includes mainly low-rise condominiums with unique features and has a specially designed shopping boulevard. There are also low-rise apartments and high-rise blocks with a combination of Art-Deco design and neo-classical architecture style.	
Project update:	As at the end of 2013, both Phase I and Phase II (1st batch) development had been completed. Construction works of Phase II (2nd batch), consisting of low-rise apartments, with a GFA of 77,000 sqm were underway as at 31 December 2013 and is scheduled for completion in 2015. Phase III is a high-rise apartment development. As at 31 December 2013, a GFA of 132,000 sqm residential area had been launched for pre-sales with 74% of launched residential units pre-sold at an ASP of RMB7,500 per sqm. Phase III is scheduled to be completed in 2014 and 2015.	


Phoenix County

PROJECT NAME:
Residence Serene (香奈公館) — 100% interest

PROJECT LOCATION:
The junction of Xingai Road and Jinshan Road, Yubei District, Chongqing (Opposite to the L'Ambassadeur project)

Total land area:	144,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	220,000 sqm 77,000 sqm 297,000 sqm
Expected completion date and area:	Phase I (south zone): GFA: Phase II (north zone): GFA:	first half of 2015 116,000 sqm second half of 2016 181,000 sqm

Project description:

The project is situated at the core district of Xinpaifang, connecting Xingai Road (a main road) to the south and Kangyuan Road (a subsidiary road) to the east.

The project is a two-phased high-end residential high-rise apartment and office project with a planned GFA of 297,000 sqm. It is divided into south and north zones for development. The south zone is a commercial and business area with a GFA of 116,000 sqm that consists of 3 blocks of single towers, 2 blocks of 25-storeyed office buildings and shops. The north zone is a residential area that consists of 5 blocks of super high-rise residential towers with a GFA of 181,000 sqm.

Virtual Perspective of Residence Serene

Project update:

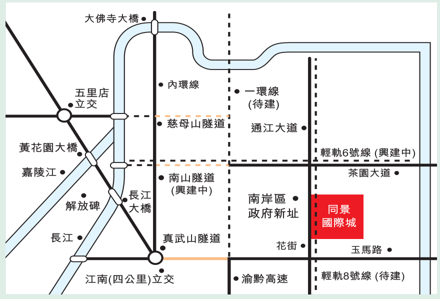
The south zone of the project commenced its construction works during the year. Pre-sales of commercial units with a GFA of 3,500 sqm and office units with a GFA of 4,500 sqm were first launched in October and December 2013 respectively. As at 31 December 2013, around 1,500 sqm commercial area had been pre-sold at an ASP of RMB37,000 per sqm. The south zone is scheduled for completion in 2015. The north zone is expected to commence construction works in the first half of 2014.

Project honours:

- Commercial Real Estate with the Highest Investment Value of Chongqing Property Market 2013 (December 2013)
- Best Quality Project in Chongqing Property Market 2013 (December 2013)
- Project with the Highest Investment Value in Chongqing 2013 (November 2013)
- Most Fashionable Project 2013 (November 2013)
- "Scenic City • Beautiful Chongqing" • City Power • City Complex (October 2013)
- Most Creative Product in Chongqing Property Market 2013 (2013)
- General Award of the 9th China Residential Construction Planning Design Competition (December 2012)

PROJECT NAME:
Verakin New Park City (同景國際城) — 51% interest

PROJECT LOCATION:
Tongjiang Avenue, New District of Chayuan, Nan'an District, Chongqing



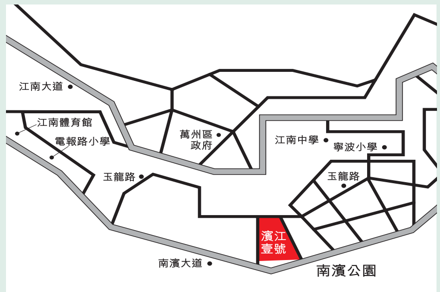
Total land area:	907,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	1,780,000 sqm 349,000 sqm 2,129,000 sqm
Completion/Expected completion date and area:	A,B,G,H & I Zones (Completed): GFA: J & W Zones (Completed): GFA: K,L,N & P Zones (Completed): GFA: O Zone: GFA: M Zone: GFA: S Zone: GFA: U Zone: GFA:	2007-2011 503,000 sqm 2012 310,000 sqm 2013 453,000 sqm first half of 2014 34,000 sqm second half of 2014 234,000 sqm second half of 2015 95,000 sqm second half of 2016 103,000 sqm


Verakin New Park City - L Zone

Project description:	The project is located at the heart of the New District of Chayuan, close to the district's central axis, Tongjiang Avenue, adjacent to the new People's Government of Nan'an District, and next to the light rail line no. 6. The total GFA of the project is more than 2,000,000 sqm, of which 72% is zoned for residential use and the rest for commercial development. The properties comprise mainly of low-density low-rise apartments and townhouses. It comprises businesses of multiple natures, including retail shops, offices, shopping centres, boutique hotels and sports clubs, so as to meet the district's multi-functional demands for offices, residential flats and shopping centres, and to act as a hub for the overall consumer and business spending in the New District of Chayuan. With a forward-looking plan and an excellent location, the business centre of Verakin New Park City will become a commercial landmark of the second centre of the Chayuan district after its completion.
Project update:	After deliveries of the earlier phases of the project in the previous years, the remaining GFA is about 900,000 sqm. Zones K, L, N and P with a total GFA of 453,000 sqm had been completed in 2013. Construction works of Zones M and O are currently in progress. Zone M is a mixed villa and high-rise apartment development with a total GFA of 234,000 sqm. Over 57% of the launched villa units with a GFA of 36,000 sqm and over 99% of the launched high-rise apartment units with a GFA of 127,000 sqm had been pre-sold at an ASP of RMB11,800 per sqm and RMB5,800 per sqm respectively as at 31 December 2013. Zone O is a high-rise apartment development with a total GFA of 34,000 sqm and 98% of the residential area of 21,600 sqm had been pre-sold at an ASP of RMB5,800 per sqm. Zones M and O are scheduled to be completed in 2014. Zones S and U are high-end office and commercial developments with a total GFA of 95,000 sqm and 103,000 sqm respectively. Zone S was launched for pre-sales in October 2013. As at 31 December 2013, about 18,600 sqm of the office GFA had been pre-sold at an ASP of RMB7,400 per sqm. Zone U was just launched for pre-sales in December 2013. Zones S and U are planned for completion in 2015 and 2016 respectively.
Project honours:	Scenic City • Beautiful Chongqing" • City Power • Top 10 Quality Project (October 2013)

PROJECT NAME:
Riverside One, Wanzhou (濱江壹號) — 100% interest

PROJECT LOCATION:
Chenjiaba She No.1, Xinxing She Nos. 4 and 5, Jiangnan New District, Wanzhou, Chongqing



Total land area:	150,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	337,000 sqm 70,000 sqm 407,000 sqm
Completion/Expected completion date and area:	Phases I and II (Completed): GFA: Phase III: GFA:	2010-2012 170,000 sqm first half of 2014 237,000 sqm
Project description:	The project is located at the core region of the Jiangnan New District, Wanzhou, a county at the northeastern part of Chongqing. The project is developed into a complex of predominantly high-end residential apartments and commercial facilities. Phases I and II include mainly low-rise condominiums with a low plot ratio of less than 2.0. The ratio of the number of carparking spaces to the number of property units is 1:1.2, making the properties an ideal choice for both self-use and investment. It has become one of the top property upgrade choices in Wanzhou. Phase III consists of 11 blocks of 18 to 25-storeyed high-rise residential buildings and the areas of the units ranges from 80 to 160 sqm, with the aim to satisfy the needs of different users by providing a selection of two to four rooms units. This phase has 1,415 units and can accommodate around 4,700 residents after completion.	
Project update:	Both Phase I and Phase II low-rise residential properties were completed and delivered in previous years. Construction works of Phase III of the project, a high-rise apartment development with a total GFA of 237,000 sqm were in progress during the year. As at 31 December 2013, 84% of the residential area of Phase III of 153,000 sqm had been pre-sold at an ASP of RMB5,300 per sqm. Phase III is expected to be completed in 2014.	


Riverside One, Wanzhou

Project Overview

PROJECT NAME:
Academic Heights (春華秋實) — 100% interest

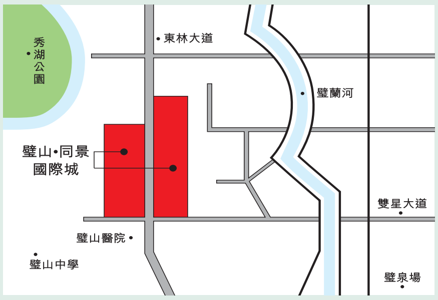
PROJECT LOCATION:
Xiyong Zone, Shapingba District, Chongqing

Total land area:	133,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	397,000 sqm 104,000 sqm 501,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II: GFA: Phase III: GFA:	2013 131,000 sqm second half of 2014 165,000 sqm second half of 2015 205,000 sqm
Project description:	The project is situated in the Xiyong University City, being one of the two newly planned deputy city centres of Chongqing. It can be accessed from the city centre via the Inner Ring Express and Yu-Sui Express. Phase I consists of 3 blocks of high-rise residential buildings, 1 block of apartments and 19 villas. Phase II consists of 5 blocks of high-rise residential buildings and 20 villas. Phase III consists of 6 blocks of high-rise residential buildings and 1 block of apartments.	
Project update:	Phase I, a high-rise residential towers and villas development, with a total GFA of 131,000 sqm had been completed and delivered to buyers in 2013. Construction works of Phase II, with a total GFA of 165,000 sqm were underway as at 31 December 2013. For Phase II pre-sales, over 87% of the high-rise residential area of 79,800 sqm had been pre-sold. Phase II is scheduled to be completed in 2014. Construction work of Phase III with a GFA of 205,000 sqm were commenced and 17,000 sqm the high-rise residential area was launched for pre-sales during the year and 82% had been pre-sold as at 31 December 2013. Phase III is expected to be completed in 2015.	

Academic Heights

PROJECT NAME:
Bishan Verakin New Park City (璧山 • 同景國際城) — 26% interest

PROJECT LOCATION:
The junction of Shuangxing Avenue and Donglin Avenue, Ludao New District, Bishan County, Chongqing



Total land area:	219,000 sqm	
Project GFA:	Total GFA:	969,000 sqm
Expected completion date and area:	B Zone: GFA: A Zone: GFA: C Zone (1st batch): GFA:	second half of 2014 155,000 sqm first half of 2015 92,000 sqm first half of 2016 96,000 sqm

Project description:

This project, situated at the junction of Shuangxing Avenue and Donglin Avenue, Ludao New District, the hub of Bishan County, Chongqing, is the core area for future development of Bishan County which may be upgraded as the tenth district of the main city of Chongqing.

Bishan Verakin New Park City

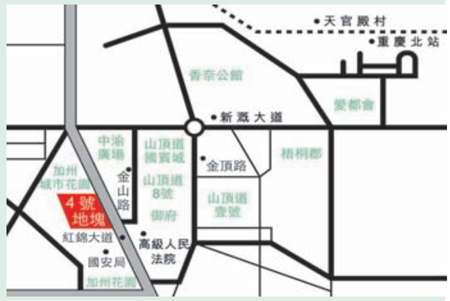
With a total GFA of 969,000 sqm, the project is developed on seven plots in two phases, covering high-end residential properties, boutique apartments, LOFT commercial properties and themed commercial streets. Apartments currently opened for pre-sales are mainly between 70-116 sqm in size. In addition to a neo-classical exterior facade design that provides an air of grandeur, and a convenient location in the central prime area of the Ludao New District, this project also enjoys a unique competitive advantage due to the presence of various supporting facilities.

Project update:

Construction works of Zone B with a total GFA of 155,000 sqm were underway during the year. As at 31 December 2013, 85% with a GFA of 101,000 sqm had been pre-sold at an ASP of RMB5,000 per sqm. Zone A with a total GFA of 92,000 sqm commenced construction and was launched for pre-sales during the year. About 75% of the Zone A launched residential area with a GFA of 44,900 sqm had been pre-sold at an ASP of RMB5,200 per sqm as at 31 December 2013. Zone B and Zone A are planned for completion in 2014 and 2015 respectively. For Zone C with a total GFA of 125,000 sqm, the first batch of GFA of 96,000 sqm commenced construction at the end of 2013.

PROJECT NAME:
Lot No. 4 (4號地塊) — 100% interest

PROJECT LOCATION:
Next to Jiazhou Station, Yubei District, Chongqing



Total land area:	97,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	432,000 sqm 320,000 sqm 752,000 sqm
Expected completion date and area:	Phase I mega commercial (Shin Kong Place): GFA:	second half of 2016 250,000 sqm (approximate)

Project description:

The project, located within Yi Huan of Chongqing City and in the heart of the financial and business centre of Liangjiang New District, is one of the plots of "Chongqing Midtown" (a large commercial and residential project of the Group) developed by the Group. It is a diversified ultra-large urban complex comprising of mega-department stores, Grade A offices, entertainment complexes, medium-sized commercial streets and abundant carparking.


Virtual Perspective of Lot No. 4

The project is planned and designed to connect seamlessly to the Jiazhou Station on Line No. 3 and Xinpaifang Station on Line No. 4, forming easy access corridors of urban public spaces between commercial buildings above ground, and linking perfectly with urban planning's footbridges.

Project "Chongqing Midtown" is a conveniently located, eco-friendly and environmentally friendly mega-scale smart urban complex modelled according to the latest concept of a truly international metropolitan city centre. The mega-department store to be operated by Shin Kong Mitsukoshi, the high end shopping malls, multiple entertainment complexes, together with numerous renowned international retail brands, and excellent transport facilities, will make this district one of the most attractive and favoured central landmarks in Chongqng.

Project update:

In April last year, a pre-leasing agreement was signed with the high-end department store operator Shin Kong Mitsukoshi of Taiwan. This marked the formal entry of "Shin Kong Place" (a project under Shin Kong Mitsukoshi brand of department stores) into Chongqing. With a GFA of around 250,000 sqm, "Shin Kong Place" is expected to commence operation in late 2016 and become the largest and the most up-scale shopping and entertainment centre in western China and the upper Yangtze River region. Construction works of Phase I are expected to commence in the first half of 2014.

PROJECT NAME:
Verakin Xiyong Project（同景西永項目）— 51% interest

PROJECT LOCATION:
No. 28 — 2 Xiyong Avenue, Shapingba District, Chongqing

Total land area:	206,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	490,000 sqm 185,000 sqm 675,000 sqm
Expected completion date and area:	Phase I: GFA:	second half of 2016 208,000 sqm

Project description:

The project is located at Xiyong, a leading industrial town west of Chongqing city, and adjacent to the eastern side of the university town. It is a key area in the government's future development plan to shape it into one of the six city sub-centres; one of the five new business districts and one of the ten major development zones of the main city of Chongqing.

Virtual Perspective of Verakin Xiyong Project

With the completion and opening to traffic of the Shuangbei Bridge and Shuangbei Tunnel in 2014, and the upgrade and improvement of other traffic networks, this project has a great appeal to the customers from the three northern districts as the distance between this project and the three northern districts in Chongqing will be shortened to a 15-minutes' drive, and Jiangbei's Shimahe district will be easily accessible through another bridge.

With a total GFA of 675,000 sqm and a comprehensive plot ratio of 2.3, this project is positioned as a residential development of mainly quality, economical condominiums and high-end compact villas. There is a focus on developing themed businesses in relation to wedding and setting up community neighborhood centres. Xinhua Bookstore is signed up for the provision of cultural and educational support in the district, with efforts made to build a benchmark in the regional property market.

Project update: Construction works of Phase I are expected to commence in the first half of 2014.

Sichuan

Area:	485,000 km^2
Population:	81,000,000
GDP Growth:	Year 2013 — 10.0% Year 2012 — 12.6% Year 2011 — 15.0% Year 2010 — 15.1%
Location:	Southwestern China, upstream of the Yangtze River

PROJECT NAME:
Brighton Place & Plaza (光華逸家) — 51% interest

PROJECT LOCATION:
Section 1, Guang Hua Avenue, Xi San Huan, Chengdu, Sichuan

Total land area:	76,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	274,000 sqm 95,000 sqm 369,000 sqm
Expected completion date and area:	Phases I and III: GFA: Phases II and IV: GFA: Phase V: GFA:	first half of 2014 79,000 sqm second half of 2014 159,000 sqm first half of 2015 131,000 sqm

Project description:

The project is situated at Guanghua New City, the hub of the western new city under town planning to establish four new major districts in Qingyang, Chengdu. MTR line No. 4 to be operational in early 2015 will also serve this district.

Virtual Perspective of Brighton Place & Plaza

The whole project is positioned as a high-end cosmopolitan city complex, adopting the planning principle of having separate commercial and residential areas. The western part is planned to have 4 office buildings, with a lower level business street; and the eastern part is planned to have 14 high-rise residential blocks.

Project update:

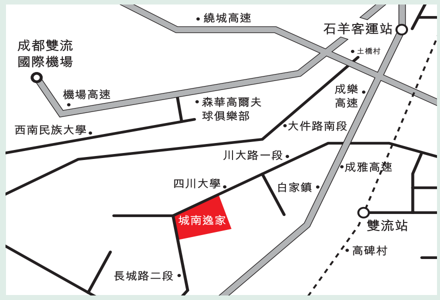
The first 4 phases are high-rise residential development, 99% of the residential area with a GFA of 167,000 sqm had been pre-sold as at 31 December 2013 at an ASP of RMB7,800 per sqm. The first 4 phases of the project are expected to be completed in 2014. Phase V is an office and commercial development with a GFA of 131,000 sqm. As at 31 December 2013, office units with a GFA of 22,000 sqm had been launched for pre-sales with 74% pre-sold at an ASP of RMB8,900 per sqm. Phase V is expected to be completed in 2015.

Project honours:

- Best Valued Commercial Real Estate in Chengdu, China • the Most Energetic Commercial Block in China 2013 (July 2013)
- Best Valued Commercial Real Estate in Chengdu • Office Building with the Highest Commercial Value in China 2013 (July 2013)
- Featuring China 2013 • Top 50 Real Estate Enterprises in Western China • City Landmark Office Building Award (2013)

PROJECT NAME:
Villa Royale (城南逸家) — 51% interest

PROJECT LOCATION:
Section 2, Chuandadao, Xinchengnan Region, Chengdu, Sichuan



Total land area:	205,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	203,000 sqm 68,000 sqm 271,000 sqm
Completion/Expected completion date and area:	Clubhouse and show flats (Completed): GFA: Phases I and II (Completed): GFA: Phases IV and V: GFA:	2011 10,000 sqm 2012-2013 119,000 sqm first half of 2015 45,000 sqm

Project description:

The project is located in the section 2 of Chuandadao, Xinchengnan Region, Chengdu, with the government's new administration centre to the east, the international airport and airport economic development zone to the west, and the famous one hundred-year-old Sichuan University campus across the main road from its northern end, and within 10 minutes' drive to Chengdu city centre.


Villa Royale

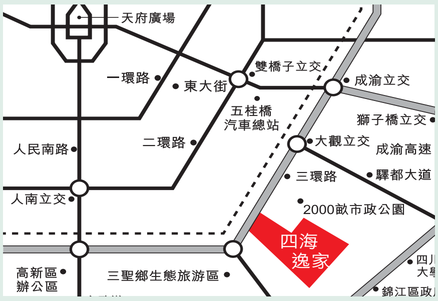
The project is developed in five phases with a total GFA of 271,000 sqm, a plot ratio of only 0.5 and a green area ratio as high as 65%. This high-end community, composing of only low density villas, is unique in the south side of the city. There are a total of 815 units, including riverside single detached villas, riverside townhouses and low-rise duplexes with courtyards.

Project update:

As at the end of 2013, Phases I and II development were completed. About 75% of the Phase II villas had been sold at an ASP of RMB12,700 per sqm as at 31 December 2013. Construction works of Phases IV and V with a total GFA of 45,000 sqm are currently in progress and pre-sales was launched last year. Phases IV and V are scheduled for completion in 2015.

PROJECT NAME:
Sky Villa (四海逸家) — 51% interest

PROJECT LOCATION:
Zone 3 Liangfengcun and Zone 5 Fenfangyancun, Jinjiang District, Chengdu, Sichuan



Total land area:	108,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	327,000 sqm 123,000 sqm 450,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (Completed): GFA: Phase III: GFA:	2010 90,000 sqm 2012-2013 145,000 sqm second half of 2015 215,000 sqm

Project description:

The project is located at the Haitang Road, Section 1 of South Third Ring Road, Jinjiang District, Chengdu, in the neighbourhood of the new government office buildings to the east.

Sky Villa combines the concepts of high-rises and villas, hence the name, and is unique in Chengdu. The six-metre ceiling height is a strong selling point of the project.


Sky Villa

Project update:

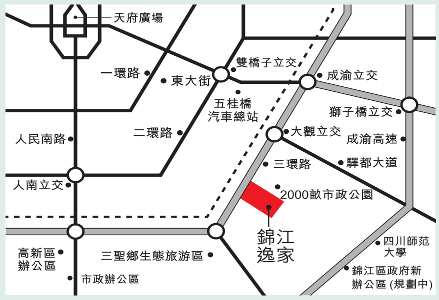
As at the end of 2013, Phases I and II development had been completed. The construction works of Phase III with a total GFA of 215,000 sqm from 6 towers are currently in progress. Four towers with a total GFA of 105,000 sqm of Phase III were launched for pre-sales and 42% of the launched residential units with 44,000 sqm area had been pre-sold at an ASP of RMB16,000 per sqm as at 31 December 2013. Phase III is expected to be completed in 2015.

Project honours:

Featuring China • Top 50 Real Estate Enterprises in Western China • The Best Residential Project in China Cities 2013 (2013)

PROJECT NAME:
Sky Villa Condominiums (錦江逸家) — 51% interest

PROJECT LOCATION:
Near Green Axis Park (綠軸公園), Section 1 of South Third Ring, Jinjiang District, Chengdu, Sichuan



Total land area:	30,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	88,000 sqm 37,000 sqm 125,000 sqm
Expected completion date and area:	Whole project (by batches): GFA:	second half of 2015 125,000 sqm

Project description:

The project is located at Section 1 of South Third Ring of Jinjiang District in Chengdu, a 10-minute ride away from the international Southern City and Dongda Street. With a total GFA of approximately 125,000 sqm, it has six 29 to 33-storeyed high-rise residential towers and an independent commercial street "Jinjianghui". The condominiums are cosy 3-bedroom units, each with 60-90 sqm in area.

This project is positioned as a up-scale boutique residential community targeting new buyers from the urban elites who demand a quality living environment.

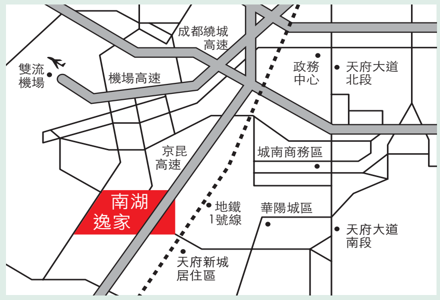

Virtual Perspective of Sky Villa Condominiums

Project update:

Construction works were commenced and pre-sales of residential area with a GFA of 78,000 sqm was launched during the year. Over 92% of the residential units had been pre-sold at an ASP of RMB10,300 sqm as at 31 December 2013. The project is expected to be completed in 2015.

PROJECT NAME:
Residence du Lac (南湖逸家) — 51% interest

PROJECT LOCATION:
Huafu Avenue, Gongxing Town, Shuangliu County, Chengdu, Sichuan



Total land area:	100,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	300,000 sqm 99,000 sqm 399,000 sqm
Expected completion date and area:	Phase I (by batches): GFA:	first half of 2016 209,000 sqm

Project description:

The project is situated in the International City Nan Huafu area, in the neighbourhood of the Nanhu Scenic Area (南湖風景區) and the planned MTR line No.5.

The project is made up of 19 high-rise residential buildings within a commercial street district "Nanhuhui" of 30,000 sqm, and are separated into a northern cluster and a southern cluster. With dual-atrium, the buildings are laid out with good distances to one another. Eighty percent of the flats are facing either north or south, and 30% of the units enjoys an open field of view that measures 1,000 metres across. This master layout has the benefits of open space between blocks, extra free areas and high efficiency, which will attract a lot of interest in the market.


Virtual Perspective of Residence du Lac

Project update:

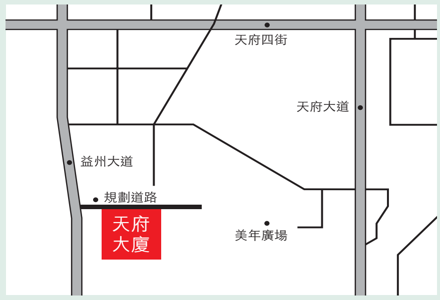
Construction works of Phase I with a total GFA of 209,000 sqm were started and 54,000 sqm of residential area was launched for pre-sales during the year. More than 80% of the launched residential area had been pre-sold as at 31 December 2013 at an ASP of RMB6,500 per sqm. Phase I is expected to be completed in 2016.

Project honours:

- Chengdu Property Market Comprehensive Ranking • The Most Awaited Project 2013 (2013)
- Featuring China • Media Award in Western China • The Most Awaited Project 2013 (2013)

PROJECT NAME:
Celestial Centre (天府大廈) — 51% interest

PROJECT LOCATION:
Near the midsection of Yizhou Avenue, Southern Chengdu, Sichuan



Total land area:	17,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	88,000 sqm 29,000 sqm 117,000 sqm
Expected completion date and area:	Whole project (by batches): GFA:	second half of 2016 117,000 sqm
Project description:	The project is located in Shuangliu County, south of Chengdu City and is easily accessible via several major roads like Yizhou Avenue and Tianfu Avenue. The total GFA of the project is approximately 117,000 sqm with Grade-A offices and high-rise residential buildings. Development plans for the project are being submitted.	
Project update:	Construction works are expected to commence in 2014.	


Virtual Perspective of Celestial Centre

PROJECT NAME:
Residence du Paradis (天府逸家) — 51% interest

PROJECT LOCATION:
Jinfeng Road, Damian Town, Long Quan Yi District, Chengdu, Sichuan

Total land area:	100,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	587,000 sqm 227,000 sqm 814,000 sqm
Expected completion date and area:	Phase I (by batches): GFA:	second half of 2015 239,000 sqm
Project description:	The project is situated on Jinfeng Road, Damian Town, Long Quan Yi District. It has an excellent transportation network, which can be easily reached via several main roads such as Chenglong Avenue and Yidu Avenue, and is near to the Linjiadayan Station along the eastern MTR line No.2. The project consists of 22 blocks of super high-rise residential buildings with apartment types ranging from 60-100 sqm in area and is supported by independent commercial facilities and a kindergarten.	
Project update:	Phase I with a total GFA of 239,000 sqm commenced construction during the year. Residential area with a GFA of 137,000 sqm was launched for pre-sales and 76% had been pre-sold at an ASP of RMB6,500 per sqm as at 31 December 2013. Phase I is planned for completion in 2015.	
Project honours:	• Internet Popularity of China Real Estate • The Most Influential Residential Project 2013 (December 2013) • The Most Awaited Project 2013 (2013)	

Virtual Perspective of Residence du Paradis

PROJECT NAME:
Radiant Bay (雍河灣) — 100% interest

PROJECT LOCATION:
Chaoyang Road Central, Tongchuan District, Dazhou, Sichuan

Total land area:	73,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	358,000 sqm 52,000 sqm 410,000 sqm
Completion/Expected completion date and area:	Phase I (1st batch) (Completed): GFA: Phase II (1st batch): GFA:	2013 165,000 sqm second half of 2015 46,000 sqm
Project description:	The project is located at the Chaoyang Road Central in the Tongchuan District in Dazhou City in Sichuan outside the entrance of the newly emerged western district, with the old district in the east and rivers in the south, and has a convenient transportation network.	
Project update:	The first batch of Phase I with a GFA of 165,000 sqm had been completed and started delivery during the year. As at 31 December 2013, 82,000 sqm residential area had been pre-sold at an ASP of RMB4,900 per sqm. Construction of the first batch of Phase II with a GFA of 46,000 sqm commenced during the year, of which 40,000 sqm residential area was launched for pre-sales in November 2013, with about 39% pre-sold at an ASP of RMB5,100 per sqm. The first batch of Phase II is scheduled for completion in 2015.	
Project honours:	The Best Eco-Environment Residential Project in Dazhou 2013 (September 2013)	

Radiant Bay

Guiyang

Area:	8,034 km^2
Population:	4,300,000
GDP Growth:	Year 2013 — 16.0% Year 2012 — 15.9% Year 2011 — 17.1% Year 2010 — 14.3%
Location:	In the Southwestern region of China, the central part of Guizhou Province and the eastern part of Yungui Plateau. It is the provincial capital of Guizhou Province

Project Overview

PROJECT NAME:
First City, Guiyang (中渝 • 第一城) — 85% interest

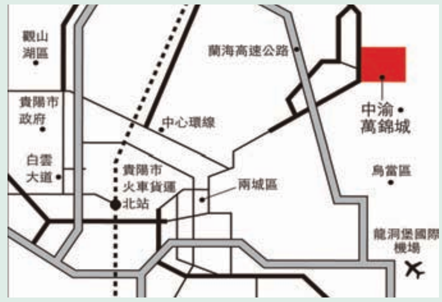
PROJECT LOCATION:
North Wing of International Exhibition Centre, Guanshanhu District, Guiyang City, Guizhou Province

Total land area:	365,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	1,060,000 sqm 270,000 sqm 1,330,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (1st and 2nd batches): GFA: Phase III: GFA: Phase IV (1st batch): GFA:	2013 183,000 sqm second half of 2015 237,000 sqm first half of 2015 248,000 sqm second half of 2015 138,000 sqm
Project description:	The project is situated at the Guanshanhu District in Guiyang City, which is a new urban district located 12 kilometres northwest of the city centre of Guiyang. The project comprises of independent commercial streets, high-end business office buildings, high-end residences, fashionable streets with restaurants and bars, boutique hotels, and three major theme parks, etc, to distinguish itself from the traditional real estate projects and aims at building an international, eco-friendly and complete "Utopia for Living". The Group's reputation of delivery of well designed quality products is well recognized locally. This enables the Group to command a premium and gain a place among the top players in the Guiyang real estate market.	
Project update:	Phase I with a total GFA of 183,000 sqm comprising of townhouses and low-rise residential units had been completed in 2013. Phase II is an office development with a GFA of 497,000 sqm. As at 31 December 2013, about 82% of the launched pre-sales office units with a GFA of 49,000 sqm had been pre-sold at an ASP of RMB9,600 per sqm. Phase III is developed as high-rise residential towers with a GFA of 248,000 sqm. As at 31 December 2013, about 72,000 sqm of residential area had been launched for pre-sales with 60% pre-sold at an ASP of RMB5,400 per sqm. Phase IV has a total GFA of 191,000 sqm comprising of high-rise and low-rise apartments units. Low-rise apartment units with a total GFA of 17,000 sqm were launched for pre-sales in December 2013. Phases II to IV are expected to be completed in 2015.	
Project honours:	The 10th Internet Popularity Ranking of Properties in Guiyang 2013 • Recommended Residential Project in Guiyang (January 2014)	

First City, Guiyang

PROJECT NAME:
Florentia Town（中渝 • 萬錦城）— 85% interest

PROJECT LOCATION:
Next to Zhenhua Square, Xintian Avenue North, Wudang District, Guiyang, Guizhou Province



Total land area:	132,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	467,000 sqm 159,000 sqm 626,000 sqm
Expected completion date and area:	Phase I: GFA:	first half of 2016 148,000 sqm

Project description:

The project is located in the traditional old city centre - Wudang District of Guiyang City, with a local population of approximately 300,000 and has a convenient transportation network.


Virtual Perspective of Florentia Town

The project's total GFA is 626,000 sqm, with a plot ratio of 3.5 and a green area ratio of over 30%. The community is expected to house 3,700 units and 4,500 car parks. The project will be developed in three phases on four lots of land, which are referred to as A, B, C and D respectively. Land Lot A mainly consists of 11 nicely positioned villa-typed low-rise blocks and 5 high-rise buildings; Land Lot B will have 10 high-rise buildings; a shopping centre and a boutique apartment tower will be built on Land Lot C; a kindergarten and a cultural activities hall are planned for Land Lot D. All the low-rise buildings consist of 11+1 duplex apartments, with floor areas of the units varying from 120 to 199 sqm. The high-rise buildings have 6 units to each floor, with floor areas of 75-103 sqm and are served by 2 elevators..

Project update: Construction works of Phase I are expected to commence in 2014.

Xi'an

Area:	1,280 km^2
Population:	8,460,000
GDP Growth:	Year 2013 — 11.1% Year 2012 — 11.8% Year 2011 — 13.8% Year 2010 — 14.5%
Location:	In Guanzhong Basin, the centre of Yellow River area and the heart of Mainland China, with Weihe River to the North and Qinling Mountain to the south. It is the provincial capital of Shaanxi Province.

PROJECT NAME:
Zhongyu Metropol（中渝 • 國際城）－ 100% interest

PROJECT LOCATION:
The junction of Shangji Road and Shanghong Road, Xi'an Economic Development District

Total land area:	154,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	582,000 sqm 58,000 sqm 640,000 sqm
Expected completion date and area:	Phase I: GFA:	first half of 2016 98,000 sqm
Project description:	The project is located northwest of the Xi'an North Railway Station in Weiyang District, bound by Shangji Road immediately on its south, Shanghong Road immediately on its west, North Ring Road on its north and the airport Expressway on its east. It is 15 km away from the Bell Tower District in the heart of Xi'an city, and 15 km from the Xianyang Airport, and is situated on top of a metro station with two metro lines. The project targets mid-range end-user buyers, with a total of 22 blocks, 32 to 33-storeyed high, and has 4,028 units primarily of apartment types from 71 sqm to 87 sqm in area.	
Project update:	Construction works of Phase I with a total GFA of 98,000 sqm were underway during the year. Seventeen thousand sqm residential area was launched for pre-sales in January 2014. Phase I is expected to be completed in 2016.	
Project honours:	• Tencent Property Ranking 2013 • The Best Green-Eco Residential Project (January 2014) • The Annual Best Green Residential Demonstration Project (October 2013)	

Virtual Perspective of Zhongyu Metropol

EXECUTIVE DIRECTORS

Mr. CHEUNG Chung Kiu, aged 49, was first appointed Executive Director of the Company on 22 June 2000 and became Chairman on 22 November 2006. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Cheung is mainly responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. Mr. Cheung has a wide range of experience in investment and business management, including over 20 years of property development and investment experience in the PRC. Mr. Cheung is the founder and Chairman of Yugang International Limited ("Yugang"), Chairman of Y.T. Realty Group Limited ("Y.T. Realty") and Chairman of The Cross-Harbour (Holdings) Limited ("Cross-Harbour"), the shares of all these companies are listed on the Stock Exchange. He is also a Director of Regulator Holdings Limited, Yugang International (B.V.I.) Limited, Chongqing Industrial Limited, Palin Holdings Limited and Thrivetrade Limited, which are companies disclosed under the section headed "Discloseable Interests and Short Positions of Shareholders under SFO" on pages 61 to 62.

Dr. LAM How Mun Peter, aged 66, was first appointed Executive Director of the Company on 3 June 1998 and became Managing Director and Deputy Chairman on 9 April 1999 and 22 November 2006 respectively. Dr. Lam was one of the founders of our Group in 1989. He also serves as a Director of several subsidiaries of the Company. As Managing Director, Dr. Lam is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions. Dr. Lam graduated from the University of Hong Kong with a bachelor's degree in Medicine and Surgery in 1972. He is a fellow of the Royal College of Surgeons of Edinburgh and the American College of Surgeons. In addition to his extensive experience in medical practice, Dr. Lam has over 20 years of extensive experience in corporate management, real estate and investment. Dr. Lam is the Chairman and a Non-executive Director of Qualipak International Holdings Limited ("Qualipak"), the shares of which are listed on the Stock Exchange.

Mr. TSANG Wai Choi, aged 65, was appointed Executive Director of the Company on 14 May 2007 and became Deputy Chairman on 1 June 2008. He also serves as a Director of several subsidiaries of the Company. Graduated from the Sichuan Construction Material College (四川省建築材料學校), Mr. Tsang has extensive experience in various segments of the construction industry in the PRC, including over 20 years of experience in property development as a professional project manager. As a front-runner in property development using private capital in the city of Chongqing, Mr. Tsang has been over-all in charge of a number of large-scale property projects in the city since 1991.

Mr. LEUNG Chun Cheong, aged 64, was appointed Executive Director of the Company on 3 June 1998. He also serves as a Director of several subsidiaries of the Company. Mr. Leung has joined the Group since 1995. He is responsible for overseeing the financial control of the Group. Previously, Mr. Leung had held senior positions in various companies in Hong Kong. He has over 35 years of extensive experience in professional accounting and finance. Mr. Leung is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Leung is currently an Executive Director of Qualipak.

Mr. LEUNG Wai Fai, aged 52, was appointed Executive Director of the Company on 3 December 1999. He also serves as a Director of several subsidiaries of the Company. Mr. Leung is responsible for overseeing the corporate finance and management of our Group. Graduated from the University of Wisconsin-Madison, the United States of America with a bachelor's degree in Business Administration in 1985, Mr. Leung is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. He has over 20 years of extensive experience in accounting and financial reporting. In addition, Mr. Leung is an Executive Director of Cross-Harbour, a Non-executive Director of Qualipak and a Group Financial Controller of Yugang.

NON-EXECUTIVE DIRECTOR

Mr. WONG Yat Fai, aged 54, was appointed Independent Non-executive Director of the Company on 20 September 2006 and was re-designated as Non-executive Director of the Company on 1 October 2007. Mr. Wong holds a professional diploma in banking from the Hong Kong Polytechnic University. He has over 15 years of working experience with an international banking group. Mr. Wong is currently an Executive Director of ICube Technology Holdings Limited and a Non-executive Director of Y.T. Realty, the shares of both companies are listed on the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Fung Jeffrey, GBS, JP, aged 62, was appointed Independent Non-executive Director of the Company on 3 June 1998. Mr. Lam holds a bachelor's degree from Tufts University in the United States of America. He has over 30 years of experience in the toy industry and is currently the Managing Director of Forward Winsome Industries Limited which is engaged in toy manufacturing. Mr. Lam was awarded a Gold Bauhinia Star by the Government of the HKSAR in 2011. He also holds a number of other public and community service positions including Member of the National Committee of the Chinese People's Political Consultative Conference, Member of the Legislative Council and Non-Official Member of the Executive Council in Hong Kong, Chairman of Mega Events Funds Assessment Committee, Member of the Board of the West Kowloon Cultural District Authority, Board Member of the Airport Authority Hong Kong, General Committee Member of the Hong Kong General Chamber of Commerce, Members of the Fight Crime Committee and Independent Commission Against Corruption Complaints Committee. In addition, Mr. Lam is an Independent Non-executive Director of Hsin Chong Construction Group Ltd., Wynn Macau, Limited, China Overseas Grand Oceans Group Ltd., Sateri Holdings Limited, Chow Tai Fook Jewellery Group Limited and Shougang Concord Technology Holdings Limited, the shares of all these companies are listed on the Stock Exchange.

Mr. LEUNG Yu Ming Steven, aged 54, was appointed Independent Non-executive Director of the Company on 1 October 2007. Mr. Leung holds a Degree of Master in Accountancy from Charles Sturt University in Australia and a Degree of Bachelor of Social Sciences from the Chinese University of Hong Kong. He is an associate of the Institute of Chartered Accountants in England and Wales, a certified practicing accountant of CPA Australia and a fellow of the Association of Chartered Certified Accountants in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Leung is a practicing certified public accountant in Hong Kong. He previously worked in Nomura International (Hong Kong) Limited as Assistant Vice-President in the International Finance and Corporate Finance Department. He commenced public practice in auditing and taxation in 1990 and is currently the senior partner of a firm of certified public accountants. He has over 25 years of experience in assurance, accounting, taxation, financial management and corporate finance. Mr. Leung is an Independent Non-executive Director of Suga International Holdings Limited, Yugang, Y.T. Realty and Cross-Harbour, the shares of all these companies are listed on the Stock Exchange.

Dr. WONG Lung Tak Patrick, BBS, JP, aged 66, was appointed Independent Non-executive Director of the Company on 1 October 2007. Dr. Wong is a Certified Public Accountant (Practicing) and a Certified Tax Adviser in Hong Kong and also a Chartered Secretary in the United Kingdom and in Hong Kong. He is currently the Managing Practising Director of Patrick Wong CPA Limited. He has over 30 years experience in the accountancy profession. Dr. Wong holds a Doctor of Philosophy in Business degree, was awarded a Badge of Honour by the Queen of England in 1993 and was appointed a Justice of the Peace in 1998. He was also awarded a Bronze Bauhinia Star by the Government of the HKSAR in 2010. He was appointed Adjunct Professor, School of Accounting and Finance of the Hong Kong Polytechnic University from 2002 to 2013. Dr. Wong is an independent non-executive director of Galaxy Entertainment Group Limited, China Precious Metal Resources Holdings Co., Ltd., Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Water Oasis Group Limited, Real Nutriceutical Group Limited, Sino Oil and Gas Holdings Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited and Excel Development (Holdings) Limited, the shares of all these companies are listed on the Stock Exchange.

To our Shareholders,

I am pleased to present the annual results of the Group for the year ended 31 December 2013.

For the year ended 31 December 2013, the Group recorded a consolidated revenue of HK$6,844.9 million, representing a decrease of 7.9% compared to HK$7,432.7 million in 2012. The Group's net profit was HK$662.9 million, a slight decrease of 1.4%. The Group attained a profit attributable to shareholders of HK$505.4 million (2012: HK$529.2 million). The basic earnings per share for the year was HK19.53 cents (2012: HK20.45 cents).

BUSINESS REVIEW

In 2013, the international economic climate remained complicated and challenging. Recovery of the US economy has picked up pace with signs of improvement. The economic environment in the Euro zone was affected by the lingering debt crisis. China's overall economy has been running smoothly, albeit with a slowing GDP growth. Overall the real GDP growth was at about 7.7%. The new "Five National Measures" have further expanded restrictions on property purchase. Yet, China's property market has sustained its solid momentum which is driven primarily by first-time home buyers and end-users.

As at 31 December 2013, the Group's geographic presence has expanded to five cities in Western China, namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. These cities have seen strong local economic growth with the GDP growth for the year 2013 reaching 12.3%, 10.2%, 16.0%, 10.2% and 11.1% respectively, which are all above the national figure. As the economic and commercial hub of their own provinces, these cities saw healthy economic development through the promotion of investment and consumption demand, which, in turn, led to increased demands for housing and office spaces.

During the year, the Group recorded an aggregate contract sales of approximately RMB9,775.7 million with an aggregate contract sales GFA of approximately 1,132,400 sqm, representing an annual growth of 24.4% and 10.0% respectively. The contract sales achieved was approximately 11.1% above the full year sales target of RMB8.8 billion.

The ASP was approximately RMB8,600 per sqm, representing an increase of 13.2% as compared to last year, due to the increase in product mix of non-residential products which carried higher ASPs.

In 2013, 8 projects were completed on schedule. The revenue from property sales decreased by 8.2% for the year to HK$6,798.4 million, compared to HK$7,408.4 million in 2012, primarily due to the completion certificate for First City, the Guiyang project, being available only by the end of the year, despite on time completion of the construction. Accordingly the revenue of this project's residential portion could only be recognized in January 2014 after delivery. During 2013, the booked ASP decreased by 8.6% to approximately RMB7,480 per sqm. This decrease is mainly due to the changes in the product mix, offering more mid-end products to satisfy the local market demand. The booked gross profit for the year was HK$2,290.7 million, representing a 7.6% decrease, compared to 2012, and was mainly attributable to the decrease in the ASP booked in the year. The booked gross profit margin was 33.7% (2012: 33.5%) which mainly came from the delivery of the property units of L'Ambassadeur, Verakin New Park City, Sky Villa and Villa Royale.

During 2013 and up to the date of this report, the Group has maintained a systematic and prudent approach in land bank replenishment, acquiring 5 quality land lots with a total planned GFA of 3.4 million sqm at an average of RMB870 per sqm to further increase its land bank to a GFA of 14.1 million sqm. The Group also ventured into a new city, Xi'an, by acquiring an on-going project, in line with its strategy to invest in major economic centers, especially provincial capitals, in Western China, where the real estate markets have excellent development potential. The existing development land bank attributable to the Group now approximates to 10.2 million sqm of GFA.

The Group is developing certain substantial high-end commercial investment properties on its core landbank in the Yubei District, Central Chongqing. In order to pool more resources to step up the development speed of this project, the Group entered into an agreement to dispose of its project in Zhaomu Mountain Area, Chongqing, at an estimated pre-tax profit of HK$457.4 million in November 2013. The disposal was completed in January 2014 with a cash proceed of HK$1.8 billion which substantially strengthened the Group's working capital.

The Group is currently in a sound financial position with a net gearing of 10.3% as at 31 December 2013 (2012: 12.4%). A new three year term loan facility of HK$3.4 billion was obtained in January 2013 to refinance a syndicated loan and bridging loans of a total of HK$2.8 billion and to finance the general corporate requirements of the Group.

PROSPECTS

The world economy appears to be in a recovery phase. China's economy has slowed down but is still expected to maintain a reasonable level. Policy regulations are still in place to ensure that the growth of China's real estate market remains healthy.

The government's strategy to accelerate urbanization will support the development of the second-tier cities. There is huge potential for the property market in each of the cities, namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an, in which the Group is operating, due to the improving local economic condition which is the main driver of housing demand. The Group aims to source land with high appreciation potential, with a focus on rapid asset turnover, so as to further strengthen its competitiveness in these cities.

In 2013, the Group set a target to double its yearly contract sales in 3 to 4 years' time. Accordingly, the Group's contract sales grew by 24.4% in 2013, showing that the Group is on track. The target contract sales for 2014 is RMB11 billion which is about 12.5% up from 2013. This will be achieved from sales of 23 projects in 5 cities. The Completion GFA in 2014 will be about 1.5 million sqm. Based on the existing development schedule, the Group expects the total area for construction start up in 2014 to be around 3.6 million sqm. Together with the area under construction of 4.5 million sqm as at 31 December 2013, the total area under development at the end of 2014 is expected to be over 8.1 million sqm - about 57% of the Group's land bank. The high quality, low cost, and geographically well distributed land lots of the Group will sustain its long term development. The Group will strategically select and develop land lots in line with the macroeconomic environment in key cities in Western China to achieve quick asset turnover, and to benefit from the economic growth in the region. The Group will continue to implement a prudent cost control strategy to maximize its performance.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Board, management and staff for their diligence, loyalty and dedication. I am grateful to our shareholders, strategic partners and bankers for their support and confidence which have contributed towards the Group's success.

Cheung Chung Kiu
Chairman

Hong Kong, 25 March 2014

RESULTS

For the year ended 31 December 2013, the Group achieved a revenue of HK$6,844.9 million, representing a decrease of approximately 7.9% from last year and a net profit decrease of 1.4% to HK$662.9 million. The Group attained a profit attributable to shareholders for the year ended 31 December 2013 of HK$505.4 million (2012: HK$529.2 million), a decrease of about 4.5% from last year. The basic earnings per share for the year were HK19.53 cents (2012: HK 20.45 cents).

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK$0.045 (2012: HK$0.045) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 10 June 2014. Subject to approval at the AGM, dividend warrants will be sent to shareholders on or about 18 June 2014.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 28 May 2014 to Friday, 30 May 2014, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration by 4:30 p.m. on Tuesday, 27 May 2014.

The Register of Members of the Company will also be closed from Friday, 6 June 2014 to Tuesday, 10 June 2014, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of the above address for registration by 4:30 p.m. on Thursday, 5 June 2014.

BUSINESS REVIEW

In 2013, recovery of the U.S. economy has picked up pace. The European economy is forecast to return to a small growth. China's economic growth continued, the actual GDP growth for 2013 was 7.7% against 7.8% in 2012. For the property market, the restrictive measures ("New Five National Measures") imposed by the central government have not significantly dampened the market sentiments. Driven by the continuous growth of disposable income per capita, acceleration of urbanization and increased housing demand for self use and improvement purposes, China's real estate market showed a significant overall upward trend with rises in both the home prices and transaction volumes. Year 2013 has been exciting and strategically important for the Group as the first project in Xi'an was added to the Group's portfolio. Expanding to other key cities in Western China will enable the Group to benefit from the economic growth in the region through diversification.

Recognized Revenue

During 2013, 8 projects were completed on schedule with a total completion area of 1,171,000 sqm which is about 14.4% more than that in the previous year. As the completion certificate of the First City project in Guiyang was issued at the end of December, despite on time completion of the project, revenue for this project's residential portion could only be recognized in 2014 upon the project delivery to buyers. As a result, the Group recorded a slight decline of approximately 2.3% and 8.2% from the previous year for the recognized delivered area and revenue from property sales in the amount of 719,700 sqm (2012: 737,000 sqm) and HK$6,798.4 million (RMB5,383.3 million) (2012: HK$7,408.4 million (RMB6,025.0 million)) respectively. To cope with the policy change in the past years to support the first time home buyers which are plentiful in Western China, the Group adjusted its product mix to offer more mid-end products which carry a lower ASP. Hence the ASP of the recognized property sales decreased by 8.6% to RMB7,480 per sqm (2012: RMB8,180 per sqm). The gross profit margin was 33.7% which maintained at almost the same level as that of the previous year (2012: 33.5%).

L'Ambassadeur

Sales Centre of Academic Heights

The table below summarizes the recognized sales revenue by projects for 2013:

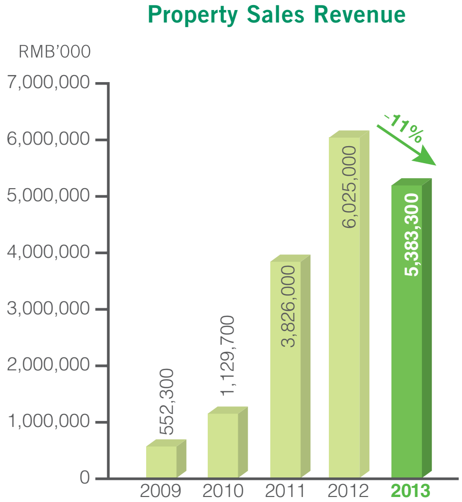
Projects	Usage	GFA (sqm)	Sales Revenue Net of Business Tax (RMB'000)	ASP Net of Business Tax (RMB)	The Group's Interest
Chongqing					
L'Ambassadeur Phases I, II & III	Residential	67,500	545,900	8,090/sqm	100%
	Commercial	6,600	114,400	17,280/sqm	
	Car Park	29,300	114,900	146,150/unit	
i-City Phases I, II & III	Residential	13,600	111,700	8,220/sqm	100%
	Commercial	3,400	81,300	23,590/sqm	
	Car Park	2,600	8,700	118,400/unit	
One Central Midtown & 9 Central Midtown	Residential	800	5,800	7,240/sqm	100%
	Office	500	5,200	10,450/sqm	
	Commercial	2,500	71,900	28,870/sqm	
Mansions on the Peak	Residential	2,300	65,100	28,800/sqm	100%
Phoenix County Phases I & II	Residential	18,500	197,700	10,700/sqm	100%
	Commercial	600	15,500	25,190/sqm	
	Car Park	8,300	33,400	135,900/unit	
Academic Heights Phase I	Residential	62,700	292,800	4,670/sqm	100%
Verakin New Park City - Zones J, K, L, N, P & W	Residential	325,900	2,190,000	6,720/sqm	51%
	Commercial	6,300	89,800	14,250/sqm	
Others	Residential/ Office/ Commercial/ Car Park	7,100	29,100		
Chengdu					
Villa Royale Phases I & II	Residential	41,100	445,400	10,830/sqm	51%
	Car Park	7,700	27,900	136,500/unit	
Sky Villa Phases I & II	Residential	29,000	499,100	17,240/sqm	51%
	Car Park	3,000	10,100	125,000/unit	
Others	Residential/ Car Park	1,800	9,800		
Guiyang					
First City, Guiyang Phase I	Commercial	4,500	64,100	14,260/sqm	85%
Other districts					
Radiant Bay Phase I	Residential	67,400	310,900	4,610/sqm	100%
Silver Lining	Residential	2,800	24,100	8,610/sqm	70%
	Car Park	3,900	18,700	147,680/unit	
TOTAL		719,700	5,383,300		

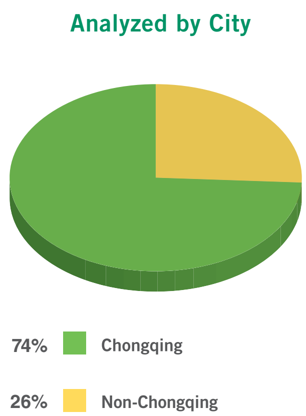
In terms of location, Chongqing accounted for 74% (2012: 74%) and 78% (2012: 79%) of the recognized revenue and booked area respectively, while non-Chongqing districts accounted for the remaining 26% (2012: 26%) and 22% (2012: 21%) of the recognized revenue and booked area. In terms of usage, about 87% (2012: 91%) was for residential and the balance was for non-residential purposes.

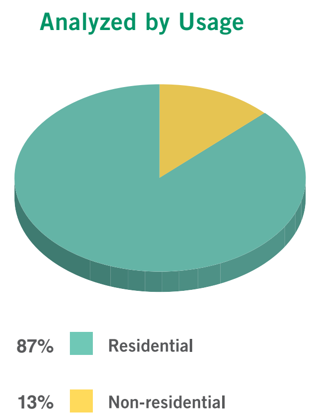
Radiant Bay

As at 31 December 2013, the unrecognized revenue was approximately RMB13.9 billion, representing a total area sold of approximately 1,696,000 sqm. This has laid a solid foundation for the year 2014. The revenue can be recognized only when construction of the relevant property has been completed, with completion certificates issued and the property delivered to the purchaser.

Phoenix County







Eight projects were completed on schedule in 2013. The total GFA completed by the Group in 2013 amounted to approximately 1,171,000 sqm (2012: 1,024,000 sqm). The details are as follows:

Projects	**Usage**	**GFA** (sqm)	**Percentage of Area Sold as at 31 December 2013**	**The Group's Interest**
Chongqing				
L'Ambassadeur Phase III	Residential	77,800	90%	100%
	Others	22,500		
Academic Heights Phase I	Residential	105,600	77%	100%
	Commercial	3,700		
	Others	21,200		
Phoenix County Phase II	Residential	17,100	97%	100%
Verakin New Park City				51%
— Zone K	Residential	42,600	65%	
	Others	300		
— Zone P	Residential	78,600	100%	
	Commercial	1,500	100%	
	Others	18,000		
— Zone N	Residential	174,800	100%	
	Commercial	7,300	100%	
	Others	42,400		
— Zone L	Residential	68,400	86%	
	Commercial	1,300	55%	
	Others	17,800		
Chengdu				
Villa Royale Phase II	Residential	51,500	75%	51%
	Others	9,900	73%	
Sky Villa Phase II	Residential	45,000	91%	51%
	Others	16,300	76%	
Dazhou				
Radiant Bay Phase I	Residential	124,800	66%	100%
	Commercial	9,300		
	Others	30,300		
Guiyang				
First City, Guiyang Phase I	Residential	91,900	95%	85%
	Commercial	54,700	24%	
	Others	36,400	11%	
TOTAL		1,171,000		


Delivery of Academic Heights Phase I

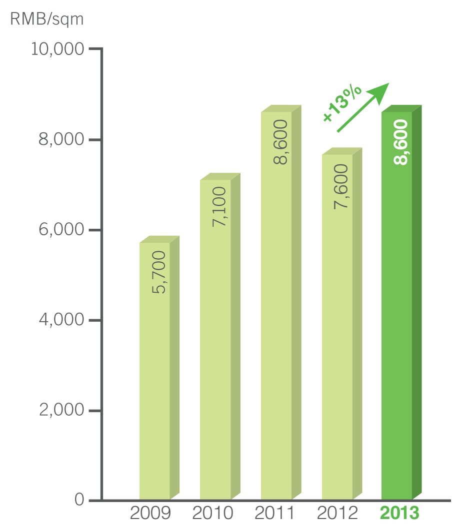

First City, Guiyang

Contract Sales

With the implementation of property purchase restrictions, speculative demand has been effectively curbed. In 2013, the Group continued to adjust its geographical and product mix. To extend its presence in Western China, the Group acquired its first project in Xi'an which started its pre-sale in January 2014. As to the product mix, the Group continued to focus on products targeting first-time homebuyer and end-users. Benefiting from the increasing fundamental demand, the property market kept growing at a steady pace.

During the year, the Group's contract sales came from 18 projects in 5 cities. Thirteen projects were existing projects with new phases, while the remaining was from 5 new projects. These new projects were Zhongyu Plaza and Residence Serene in Chongqing, and Sky Villa Condominiums, Residence du Paradis and Residence du Lac in Chengdu. Benefiting from timely marketing plans and effective sales strategies, the Group achieved a total contract sales of approximately RMB9,775.7 million in 2013, representing a significant growth of 24.4% as compared to the previous year and was 11.1% above the sales target of RMB8.8 billion. The GFA sold increased by 10.0% to 1,132,400 sqm from the previous year.

Contract ASP




Sales Centre of Residence Serene


Show Flat of Brighton Place & Plaza

Major projects under promotion in the year, namely Zhongyu Plaza, Sky Villa Condominiums, Residence du Paradis and First City, Guiyang, have contributed to most of the contract sales, and have achieved a total transaction amount of approximately RMB3,364.0 million, representing 34.4% of the total contract sales value in 2013.

The ASP for residential properties in 2013 remains at RMB7,500 per sqm as similar modestly sized units were offered to meet end-user demand. There were more projects and contribution from commercial and office units in 2013, with about 203,000 sqm GFA pre-sold (2012: 40,300 sqm), which enjoyed a higher ASP of RMB14,800 per sqm. This raised the overall average selling price for contract sales in 2013 to RMB8,600 per sqm, an increase of 13.2% from RMB7,600 in 2012.

The breakdown of the contract sales in 2013 is as follows:

Projects	Usage	Approximate Contract Sales Area (sqm)	Approximate Contract Sales Revenue (RMB'000)	Approximate Contract ASP Before Business Tax (RMB)
Chongqing				
L'Ambassadeur Phases I, II, III & IV	Residential	38,000	358,400	9,400/sqm
	Commercial	9,900	175,000	17,800/sqm
	Car Park	29,700	123,200	154,800/unit
Verakin New Park City — Zones J, K, L, M, O, P, S & U	Residential	83,000	669,100	8,100/sqm
	Commercial	6,100	136,800	22,600/sqm
	Office	18,900	140,400	7,400/sqm
Bishan Verakin New Park City — Zones A, B & C	Residential	97,400	501,700	5,200/sqm
	Commercial	10,200	176,200	17,200/sqm
i-City Phases I, II & III	Residential	10,400	73,800	7,100/sqm
	Commercial	8,700	159,900	18,400/sqm
	Office	10,000	97,800	9,700/sqm
	Car Park	1,800	7,100	133,100/unit
Riverside One, Wanzhou Phases II & III	Residential	51,200	266,700	5,200/sqm
	Commercial	8,900	106,400	12,000/sqm
	Car Park	9,700	26,000	86,200/unit
Phoenix County Phases I, II & III	Residential	79,300	643,100	8,100/sqm
	Commercial	600	16,400	26,700/sqm
	Car Park	8,300	35,400	143,800/unit
Academic Heights Phases I, II & III	Residential	66,900	345,200	5,200/sqm
Zhongyu Plaza	Office	51,200	841,400	16,400/sqm
Residence Serene Phase I	Commercial	1,500	55,700	37,000/sqm
	Office	800	10,800	14,100/sqm
Others	Residential/ Commercial/ Car park	4,300	89,500	
		606,800	5,056,000	

Grand Launch of Phoenix County

Grand Launch of Phoenix County

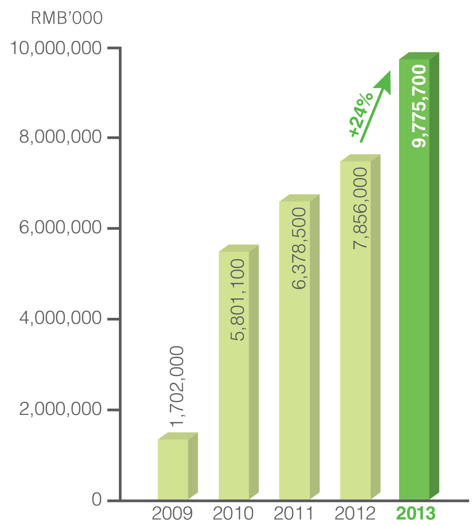
Projects	Usage	Approximate Contract Sales Area (sqm)	Approximate Contract Sales Revenue (RMB'000)	Approximate Contract ASP Before Business Tax (RMB)
Chengdu				
Sky Villa Phases II & III	Residential	39,600	683,700	17,300/sqm
	Car Park	4,300	16,200	138,400/unit
Sky Villa Condominiums	Residential	72,500	748,600	10,300/sqm
	Commercial	900	47,000	55,200/sqm
Brighton Place & Plaza Phases I, II, III, IV & V	Residential	1,400	11,900	8,300/sqm
	Commercial	6,300	231,600	36,600/sqm
	Office	16,200	143,100	8,900/sqm
Villa Royale Phases I, II & V	Residential	32,700	389,400	11,900/sqm
	Car Park	7,600	29,700	150,000/unit
Residence du Paradis Phase I	Residential	103,800	675,400	6,500/sqm
Residence du Lac Phase I	Residential	44,200	286,800	6,500/sqm
Others	Residential	1,800	10,200	
		331,300	3,273,600	
Guiyang				
First City, Guiyang Phases I, II, III & IV	Residential	63,700	437,900	6,900/sqm
	Commercial	15,400	243,400	15,800/sqm
	Office	34,700	333,700	9,600/sqm
	Car Park	4,100	36,700	119,700/unit
		117,900	1,051,700	
Other Districts				
Silver Lining	Residential	3,900	33,500	8,600/sqm
	Car Park	1,200	6,300	157,200/unit
Radiant Bay Phases I & II	Residential	71,300	354,600	5,000/sqm
		76,400	394,400	
TOTAL		1,132,400	9,775,700	


Show Flat of Residence du Paradis

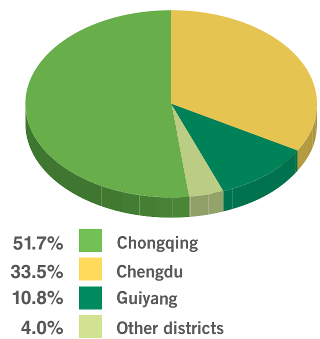

Show Flat of Residence du Lac


Sales Centre of Zhongyu Metropol

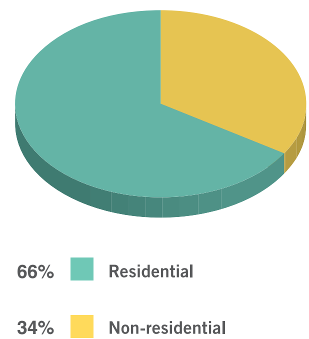
Contract Sales



Analyzed by City



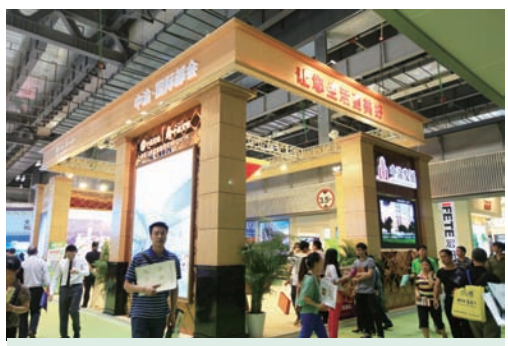
Analyzed by Usage



For the 2013 contract sales, about 52%, 33%, 11% and 4% came from Chongqing, Chengdu, Guiyang and other cities respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	2013	2012	Percentage change
Chongqing	8,300	7,000	+19%
Chengdu	9,900	9,500	+4%
Guiyang	8,900	8,400	+6%
Others	5,200	5,000	+4%
Overall for the Group	8,600	7,600	+13%


Bishan Verakin New Park City


Chongqing Zhong Yu participated in Chongqing Spring Property Exhibition 2013

In terms of usage, about 66% were for residential and 34% for non-residential properties. The ASPs breakdown by usage is as follows:

ASP (RMB)	2013	2012	Percentage change
Residential (per sqm)	7,500	7,500	—
Commercial (per sqm)	20,100	20,700	-3%
Office (per sqm)	11,900	10,100	+18%
Carparks (per unit)	136,000	116,500	+17%

As at 31 December 2013, the Group recorded RMB1.3 billion of subscription sales which will be converted to contract sales in the coming months.

Land Bank

The land price in 2013 was in an upward trend. To support sustainable development, the Group continued to keep a close watch on the land market to replenish or augment its land bank. The following land lots were acquired, either through public auction as arranged by the PRC government or through acquisition of the project companies holding the land use rights, during the year. The Group's first project in Xi'an was acquired during the year. Altogether 5 new sites with a total planned GFA of about 3.4 million sqm were added to the land bank of the Group for a total consideration of RMB3.0 billion. The average GFA cost was around RMB870 per sqm. The majority of the units to be built will be medium-sized units which are the preferred products of the first-home buyers.


Chongqing Spring Property Exhibition 2013

	Land Location	Acquisition Month	Usage	Consideration (RMB million)	Planned GFA (sqm)	Unit Land Cost (RMB)	The Group's Interest
1.	Wudang District, Guiyang	February	Residential & Commercial	330	626,000	530	85%
2.	Hefei Road, Guiyang	May	Residential & Commercial	919	1,313,000	700	85%
3.	Weiyang District, Xi'an	May	Residential & Commercial	550	640,000	860	100%
4.	Bishan County, Chongqing	October	Residential & Commercial	137	145,000	940	26%
5.	Shapingba District, Chongqing	December	Residential & Commercial	1,027	675,000	1,520	51%
				2,963	3,399,000		

As at the report date, the Group has land lots in five cities, namely Chongqing, Chengdu, Guiyang, Xi'an and Dazhou. The Group's strategy to expand its business to other key cities in Western China will enable it to benefit from the economic growth in the region while diversifying risks.

During the year, to further refine its land bank portfolio, the Group entered into agreements to dispose of several parcels of land. The received proceeds were used to finance land bank acquisition and working capital of the Group during the year.

1. In January 2013, the Group completed the disposal of all of its 60% interest in the Villa Splendido Project in Yutang Town, Dujiangyan District, Chengdu, at a consideration of about RMB331.9 million. The disposal represented an opportunity for the Group to realize its project investment with an attractive return. The disposal resulted in a pre-tax gain of approximately HK$171.9 million.

2. In November 2013, the Group entered into an agreement to dispose of its project in Zhaomu Mountain, Chongqing, at a consideration of about RMB1,425.5 million, to pool more resources to step up the development speed of its investment property portfolio in Jiazhou Zone. The disposal was completed in January 2014 and the expected pre-tax gain from this disposal was approximately HK$457.4 million, which will be accounted for in the fiscal year 2014.


Chongqing Zhong Yu participated in Chongqing Autumn Property Exhibition 2013

3. As a result of the authority's failure to engineer a high voltage power line in accordance with the terms of the land grant contract for the Ertang Project in Chongqing, and taking into consideration of the new local city planning that would have hampered our development plan, the Group accepted the re-possession offer of the land lot from the local government. The deposit paid for the land lot in the amount of RMB376.9 million was returned to the Group forthwith.

As at the report date, the Group's land bank held for development stood at 14.1 million sqm GFA (attributable GFA amounting to about 10.2 million sqm) which is sufficient for the Group's next 5-6 years of development. The average GFA cost is around RMB1,860 per sqm.

As at the report date, the Group's land bank has a well-diversified portfolio. The breakdown by usage is as follows:

Usage	Completed Properties held for Investment GFA (sqm)	Properties held for Own Use GFA (sqm)	Completed Properties held for Sale GFA (sqm)	Land held for Development GFA (sqm)		Total GFA (sqm)	Percentage of Total GFA
				Total	Attributable		
Commercial	28,000	11,000	135,000	1,912,000	1,518,000	2,086,000	13.8
Residential	2,000		202,000	6,294,000	4,121,000	6,498,000	42.8
Office			2,000	1,754,000	1,422,000	1,756,000	11.6
Hotel & serviced apartment			10,000	178,000	125,000	188,000	1.2
Townhouse & villa			195,000	456,000	319,000	651,000	4.3
Others (Car park and other auxiliary facilities)	53,000	11,000	437,000	3,489,000	2,694,000	3,990,000	26.3
TOTAL	83,000	22,000	981,000	14,083,000	10,199,000	15,169,000	100.0

In terms of usage, about 49% of the land held for development is for residential, serviced apartments as well as town-house and villa development and the remaining 51% for office, commercial and other developments. In respect of the total 397,000 sqm completed residential, townhouse and villa properties held for sale, about 52% have been pre-sold and are pending delivery.

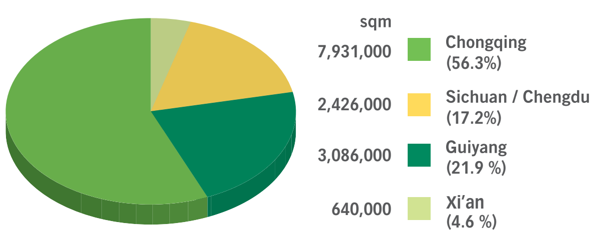
Construction Ceremony of Academic Heights Phase III

The breakdown of the land bank held for development by location is as follows:

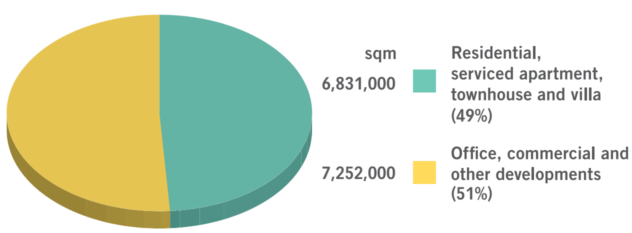
Locations	Total GFA (sqm)	Attributable GFA (sqm)	Percentage of Total GFA
Chongqing	7,931,000	5,579,000	56.3
Sichuan			
— Chengdu	2,181,000	1,112,000	15.5
— Dazhou	245,000	245,000	1.7
Guizhou			
— Guiyang	3,086,000	2,623,000	21.9
Xi'an	640,000	640,000	4.6
TOTAL	14,083,000	10,199,000	100.0

Around 56% of the land bank held for development is located in Chongqing whilst the remaining 44% is in Chengdu, Dazhou, Guiyang and Xi'an.

By Location



By Usage



There were 19 projects in different stages of development during the year. The total area under construction as at 31 December 2013 was about 4.5 million sqm which is about 32% of the Group's total land bank.

As at the report date, the details of the Group's land bank held for development are as follows:

Locations/Project Names	**Expected Completion Date**	**GFA** (sqm)	**The Group's Interest**
Chongqing, Yubei District			
— Phoenix County	2014 - 2015	311,000	100%
— Zhongyu Plaza	2014 - 2015	420,000	100%
— L'Ambassadeur	2014	103,000	100%
— Residence Serene	2015 - 2016	297,000	100%
— Lot #17-1	2016 or after	211,000	100%
— Lot #9	2016 or after	656,000	100%
— Lot #4	2016 or after	752,000	100%
— Lot #3-1	2016 or after	361,000	100%
— Xinpaifang	2016 or after	26,000	100%
— Others	2016 or after	91,000	100%
Chongqing, Jiangbei District	2015 or after	1,030,000	25%
Chongqing, Nan'an District			
— Verakin New Park City	2014 - 2017	863,000	51%
Chongqing, Wanzhou District			
— Riverside One, Wanzhou	2014	237,000	100%
— Wanzhou Project	2016 or after	413,000	100%
Chongqing, Shapingba District			
— Academic Heights	2014 - 2015	370,000	100%
— Verakin Xiyong Project	2016 or after	675,000	51%
Chongqing, Bishan County, Ludao New District			
— Bishan Verakin New Park City	2014 or after	969,000	26%
Chongqing, Rongchang County			
— Verakin Riviera	2015	146,000	25%
Chengdu, Jinjiang District			
— Sky Villa	2015	215,000	51%
— Sky Villa Condominiums	2015	125,000	51%
Chengdu, Shuangliu County			
— Villa Royale	2015 or after	142,000	51%
Chengdu, Qingyang District			
— Brighton Place & Plaza	2014 - 2015	369,000	51%
Chengdu, Yizhou Avenue			
— Celestial Centre	2016	117,000	51%
Chengdu, Huafu Avenue			
— Residence du Lac	2016 or after	399,000	51%
Chengdu, LongQuan Yi District			
— Residence du Paradis	2015 or after	814,000	51%
Sichuan, Dazhou, Tongchuan District			
— Radiant Bay	2015 or after	245,000	100%
Guiyang, Guanshanhu District			
— First City, Guiyang	2015 or after	1,147,000	85%
Guiyang, WuDang District			
— Florentia Town	2016 or after	626,000	85%
Guiyang, Hefei Road	2016 or after	1,313,000	85%
Xi'an, Weiyang District			
— Zhongyu Metropol	2016 or after	640,000	100%
TOTAL		14,083,000	


Show Flat of Sky Villa


Villa Royale Low-rise Duplexes


Virtual Perspective of Sky Villa Condominiums

Investment Property

Supported by the favourable rental market, the Group's attributable gross rental income reached approximately HK$20.0 million, which increased by 17.0% as compared to last year.

As of 31 December 2013, the Group owned investment properties under lease of approximately 82,923 sqm GFA in total, comprising of commercial properties, residential properties, and car parks and auxiliary facilities of approximately 34.2%, 2.8% and 63.0% respectively.

As at 31 December 2013, the book value of the investment properties of the Group totalled HK$411.3 million of which HK$18.3 million arose from increase in fair value.


Sales Centre of Lot No.10

Investment Property Under Development

Due to its superior location, maturity, and other qualities, the Group's core land bank in the Yubei district is developing into one of the most important city centres in Chongqing.

Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10 which have been earmarked for development as separate but interlinked projects, consisting of hotels, commercial and residential complexes.

Preliminary foundation work has started for Lot No. 4. This important land lot will be developed to create a top-tier integrated commercial complex, including Grade A office buildings, entertainment centres, cinemas and retail stores. The Group signed a pre-leasing agreement with a high-end department store operator, Taiwan Shin Kong Mitsukoshi in April 2013. This marked the entrance of Shin Kong Mitsukoshi with its well known brand "Shin Kong Place" into Chongqing. The mode of co-operation is purely based on lease arrangements consisting of rental fee levied on two factors, namely, area occupied and monthly turnover amount. The department store is expected to commence operation in 2016 with a total GFA of around 250,000 sqm.


Virtual Perspective of Lot No.4

The Group intends to keep the trophy commercial properties for rental purposes and expects to build up the investment property portfolio in the coming years.

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK$67.4 million (2012: HK$188.1 million). There was a gain of HK$83.2 million (2012: HK$187.4 million) realized on the partial disposals of available-for-sale investments held by the Group. The realized gains and unrealized losses on listed securities amounted to HK$0.8 million and HK$27.9 million respectively (2012: realized loss and unrealized gains on listed securities were HK$7.4 million and HK$1.4 million respectively). Dividend income and interest income from investment in notes receivable totalled HK$15.0 million (2012: HK$9.8 million).

To efficiently manage the funds, the Group's financing and treasury activities were centrally coordinated at the corporate level. Faced with low interest environment in 2013, the Group strived to secure a better return on bank deposits by investing its idle cash in a portfolio of listed securities and unlisted investment funds. The investment policy remains conservative by limiting the value of the portfolio to no more than 10% of the total assets of the Group in the past few years.

As at 31 December 2013, the value of the portfolio was HK$906.7 million which was about 1.8% of the total assets of the Group. The Group will monitor closely the usage of unused cash and adjust the size of its investment portfolio.

Financial Position

The Group has maintained a strong financial position during the year. As of 31 December 2013, the Group had aggregate cash and bank balance and time deposits amounting to HK$9,636.3 million (2012: HK$8,172.8 million). The Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Group as at 31 December 2013 was 10.3% (2012: 12.4%) calculated by total borrowings less bank balances and cash divided by owners' equity. During the period, the payment of land premium and related costs as well as construction costs were RMB2.7 billion and RMB5.1 billion respectively. These payments were mainly financed by internal resources generated from cash received from property presales and external bank borrowings. The cash collection ratio for the property business was 91% during the year under review. The average borrowing interest rate for the year ended 31 December 2013 was 6.73% (2012: 6.09%) per annum which is relatively low in the market.

CORPORATE STRATEGY AND OUTLOOK

The world economy appears to continue its modest growth. In the US, the recent federal spending cuts have created uncertainty while the economic recovery of the European Union is relatively slow. In China, the economy continues to grow steadily, albeit at a slower pace. The central government has maintained its tightening policies over the property market but further tough controls are not expected.

L Zone of Verakin New Park City

Amid the moderate pace of the economic growth in China, China's economy and property policies are favorable in the long run to the sustainable growth of the property sector. Coupled with the continuous growth of disposable income and accelerated urbanization, housing demand for self-use and upgrading purposes is expected to remain strong.

To support healthy and sustainable growth, the Group will continue to adhere to its prudent investment strategy and be ever cautious and selective in land acquisitions but will remain open to add high quality land parcels with huge potential of value appreciation into the Group's land reserve to expand the Group's saleable resources in future years. The Group will maintain a land bank policy of keeping its land bank sufficient for the next 5 to 6 years' development.

Looking forward, the Group will enhance the development progress for existing projects and shall continue to strategically select and develop property projects which are in line with its development strategies and economic environment. The Group will closely monitor changes in the market demands, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress, maximize the performance of its operation and generate the greatest returns for its shareholders. As part of this prudent and cautious investment strategy, the Group will from time to time consider any investment and/or cooperation opportunities that may further improve its equity structure and cash flow and enhance returns from its projects in order to accelerate further growth of the Group as a whole.

As the portfolio of investment properties will generate steady and reliable income and enlarge the overall income base of the Group, the Group will continue to develop and keep the trophy commercial properties for rental purposes and enjoy the long term appreciation in value.

The Group has adopted a fast asset turnover model since 2013 and targets to double its yearly contract sales in 3 to 4 years' time. The 2013 contract sales was 24.4% higher than that of the previous year. The contract sales target for 2014 is RMB11 billion which is approximately 12.5% more than the 2013 contract sales. This will be achieved from the sales of 23 projects in 5 cities. As at 31 December 2013, the unrecognized contract sales amounted to approximately RMB13.9 billion representing a pre-sold GFA of about 1.7 million sqm. Together with the contract sales for the first two months of 2014, the total unrecognized contract sales to be delivered in 2014 and beyond amounted to RMB15.1 billion.

Riverside One, Wanzhou

Project Colleagues of Academic Heights

L'Ambassadeur Wrap-up Conference

The completion area of properties in 2014 and 2015 will be about 1.5 million sqm and 2.3 million sqm respectively with details set out below:

Locations	Projects	Residential Area (sqm)	Commercial/ Car park/ Other Area (sqm)	Total Area (sqm)	The Group's Interests
Year 2014					
Chongqing	Phoenix County Phase III	101,000	22,000	123,000	100%
	Zhongyu Plaza	—	242,000	242,000	100%
	L'Ambassadeur Phase IV	71,000	32,000	103,000	100%
	Riverside One, Wanzhou Phase III	182,000	55,000	237,000	100%
	Academic Heights Phase II	116,000	49,000	165,000	100%
	Verakin New Park City — Zone M	192,000	42,000	234,000	51%
	Verakin New Park City — Zone O	22,000	12,000	34,000	51%
	Bishan Verakin New Park City — Zone B	119,000	36,000	155,000	26%
Chengdu	Brighton Place & Plaza Phases I to IV	169,000	69,000	238,000	51%
TOTAL		972,000	559,000	1,531,000	
Year 2015					
Chongqing	Phoenix County Phases II & III	140,000	48,000	188,000	100%
	Zhongyu Plaza	—	178,000	178,000	100%
	Academic Heights Phase III	124,000	81,000	205,000	100%
	Residence Serene Phase I	—	116,000	116,000	100%
	Verakin New Park City — Zone S	—	95,000	95,000	51%
	Bishan Verakin New Park City — Zone A	54,000	38,000	92,000	26%
Chengdu	Sky Villa Phase III	157,000	58,000	215,000	51%
	Sky Villa Condominiums	80,000	45,000	125,000	51%
	Brighton Place & Plaza Phase V	—	131,000	131,000	51%
	Residential du Paradis Phase I	162,000	77,000	239,000	51%
	Villa Royale Phases IV & V	36,000	9,000	45,000	51%
Dazhou	Radiant Bay Phase II	40,000	6,000	46,000	100%
Guiyang	First City, Guiyang Phases II to IV	214,000	409,000	623,000	85%
TOTAL		1,007,000	1,291,000	2,298,000	

For 2014 and 2015 respectively, 90% and 36% of the target completion residential areas have been pre-sold as at 28 February 2014. The target completion area for year 2014 is about 31% higher when compared with the 2013 completion area of 1,171,000 sqm.

Show Flat of Villa Royale

As at 31 December 2013, the Group had a total of 19 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in 2014 to be around 3.6 million sqm. Together with the area under construction of 4.5 million sqm as at 31 December 2013, the total area under development at the end of 2014 is expected to be over 8.1 million sqm - about 57% of the Group's total land bank.

In the face of market fluctuations, the Group will continue to implement prudent and effective measures to enhance its control over construction and ensure the development and completion of its projects is on schedule.

First City, Guiyang

As at 31 December 2013, the outstanding land premium was about RMB1.3 billion which is payable in the year 2014 and 2015. The expected construction cost for the year 2014 is about RMB7.5 to 8.0 billion. At the same time, a prudent cash flow management will be adopted to keep the Group's gearing at a healthy level in order to ensure the financial stability of the Group and support its long term growth.

FINANCIAL REVIEW

Investments

At 31 December 2013, the Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK$906.7 million (31 December 2012: HK$699.2 million). Owing to the price fluctuation in the Hong Kong stock market during the year, the Group recorded an unrealized fair value loss of HK$27.9 million on listed investment. The amount of dividends and interest income from investments for the year was HK$25.6 million (2012: HK$14.6 million).

Liquidity and Financial Resources

Throughout the year, the Group's had maintained a healthy and stable liquidity to safeguard the healthy development of the Group's business. As at 31 December 2013, the Group's aggregate cash and bank balances and time deposits totalled HK$9,636.3 million (31 December 2012: HK$8,172.8 million), among which deposits pledged to banks was HK$781.2 million (31 December 2012: HK$1,572.4 million). Of these aggregate balances, the carrying amount of the restricted cash was HK$3,079.1 million (31 December 2012: HK$2,953.9 million). Pursuant to relevant regulations, the Group was required to deposit a proportion of proceeds from properties pre-sales in designated bank accounts. Before the completion of the projects, the proceeds deposited could only be used for payment of expenditures in relation to the relevant property construction.

The Group has maintained an appropriate level of external borrowings for the Group's operation. As at 31 December 2013, the total borrowings amounted to HK$11,094.0 million (31 December 2012: HK$9,816.3 million). The average borrowing interest rate for the year ended 31 December 2013 was 6.73% (2012: 6.09%) per annum. The total finance costs charged to the consolidated statement of profit or loss increased by approximately 40.0 % as compared to the previous year and amounted to HK$90.3 million, after capitalization of HK$643.7 million (2012: HK$433.3 million) into the cost of properties under development. Secured debts accounted for approximately 66% of total borrowings as at 31 December 2013 (31 December 2012: 75%).

As at 31 December 2013, the Group was at a net borrowing position of HK$1,457.7 million after netting off total bank and other borrowings against cash balance (31 December 2012: HK$1,643.5 million).

The maturity profile of the bank borrowings, and the cash and bank balances as at 31 December 2013 were as follows:

Currency of Bank Loans	**RMB** HK$'M	**HK$** HK$'M	**US$** HK$'M	**Total** HK$'M	**Percentage** %
Bank borrowings repayable:					
— Within 1 year or on demand	2,449.6	1,113.7	—	3,563.3	32
— In the second year	955.0	741.7	—	1,696.7	15
— In the third to fifth years, inclusive	3,014.9	2,727.5	—	5,742.4	52
— Beyond five years	91.6	—	—	91.6	1
Total bank borrowings	6,511.1	4,582.9	—	11,094.0	100
Less: Cash and bank balances and time deposits	(8,321.6)	(1,302.7)	(12.0)	(9,636.3)	
Net borrowing position	(1,810.5)	3,280.2	(12.0)	1,457.7	

The Group had a total undrawn bank loan facilities of HK$678 million, most of which are arranged on a medium to long term basis, which helps minimize refinancing risk. With sufficient committed banking facilities in place, and continual cash inflow from property sales, the Group has adequate financial resources to meet the needs of a fast-changing market and to safeguard the healthy development of the Group's business.

The Group's owners' equity as at 31 December 2013 was HK$14.2 billion (31 December 2012: HK$13.2 billion) and the net assets per share is HK$5.48 (31 December 2012: HK$5.12).

Contingent Liabilities/Financial Guarantees

At 31 December 2013, the Group had the following contingent liabilities/financial guarantees:

1. Guarantees given to banks in connection with facilities granted to an associate in the amount of HK$526.1 million (31 December 2012: HK$455.0 million).

2. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$7,492.6 million (31 December 2012: HK$5,685.9 million).

Pledge of Assets

At 31 December 2013, the Group has pledged the following assets:

1.	Leasehold properties as security for general banking facilities granted to the Group.	HK$93.0 million
2.	Fixed deposits as security for general banking facilities granted to the Group.	HK$781.2 million
3.	Properties under development, prepaid land lease payments, completed properties held for sale and investment properties pledged to secure banking facilities granted to the Group.	RMB9,791.0 million

Exchange Risks

The Group's property business mainly operates in the PRC. Sales transactions and all major cost items are denominated in RMB. Therefore the foreign exchange exposure for the property business is minimal. The directors expect that any fluctuation of the RMB's exchange rate will not have material adverse effect on the operation of the Group.

EVENT AFTER THE REPORTING PERIOD

On 15 January 2014, the disposal of Ho Yeung Group Limited has been completed.

EMPLOYEES

At 31 December 2013, the Group had approximately 1,932 employees and incurred wages and salaries in the amount of approximately HK$347 million for 2013. The Group remunerates its staff based on their merit, qualification, competence and the prevailing market wage level. In order to attract, retain and motivate executives and key employees, the Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. No equity-settled share option expense was charged off to the income statement for both years of 2012 and 2013. Other benefits include contributions to a mandatory provident fund and medical insurance.

The Group adopts a proactive approach on investor relations and strives to provide investors with updates and accurate information on the Group's development. The Group has an open-minded attitude and believes effective communication is two-ways and therefore also encourages investors to give feedback to the Group. To enable easy access to information on the Company's latest major development, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website, www.ccland.com.hk, under the column of "Investor Relations".

INVESTOR RELATIONS ACTIVITIES

To facilitate on-going and timely dialogues with the investment community, the Group held analyst briefings after the results announcement. Global roadshows were conducted during the year to enable overseas investors to better understand the Group's performance and the outlook of the Group. The management of the Group also actively participated in investment forums organized by leading international investment banks. Site visits were arranged to give institutional investors a better understanding of the Group's property projects.

Besides the company's business development, the Company also updates the investors about the latest national and local government policy on the China property market.

To keep the investors updated on the sales progress of the Group, property sales figures were released every month. A long-term and close relationship has been established between the Company and the investment community. The Group also maintains a current distribution list of investors to provide them with corporate news and announcements through e-mails. The Group believes continuous communication is extremely important to let investors have a timely update on the latest development of the Group.

ACHIEVEMENT AND AWARD

With the aim to strike for excellence in delivering the investor relations work, the Company achieved awards of "***Best Investor Relations Company (Hong Kong)***" and "***Best Investor Relations Professional (Hong Kong)***" in the fourth Asian Excellence Recognition Awards 2014 organized by Corporate Governance Asia Magazine.

Looking ahead, the Company will continue to maintain a strong relationship with investors in order to enhance the Company's strength and corporate governance quality, promoting the long-term development of the Company.

2012 Annual Results Announcement

The Company is committed to maintaining a high standard of corporate governance. The Board considers that sound corporate management and governance practices are essential to the Company's healthy growth under all business environments.

CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions set out in the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made of all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

Currently, the Board is chaired by Mr. Cheung Chung Kiu. It consists of five executive directors and four non-executive directors, three of whom are independent. Names and other details of the members of the Board are set out under the heading of "Directors' Profile" on pages 32 to 33. The Board determines and keeps under review the objectives of the Group. It makes decisions on overall strategies and actions necessary for achieving these objectives, monitors and controls financial and operating performance, formulates appropriate policies, and identifies and ensures best practices of corporate governance. The current structure and composition of the Board have provided it with an appropriate mix of skills, knowledge, experience and diversity. The Board reviews its structure and composition from time to time to ensure that appropriate expertise and independence are maintained.

The Company has received confirmation from each director that he has given sufficient time and attention to the affairs of the Company during the year. Directors have also disclosed to the Company the changes, if any, in the number and nature of offices they held in public companies or organizations and other significant commitment, including the identity of the public companies or organizations and an indication of the time involved.

Set out below are details of directors' attendance of board, committees and general meetings in 2013:

	Attendance/Number of meetings held				
Name of directors	**Regular Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**
Executive Directors					
Cheung Chung Kiu *(Chairman)*	4/4	—	1/1	1/1	1/1
Lam How Mun Peter *(Deputy Chairman & Managing Director)*	4/4	—	1/1	1/1	1/1
Tsang Wai Choi *(Deputy Chairman)*	4/4	—	—	—	1/1
Leung Chun Cheong	4/4	—	—	—	1/1
Leung Wai Fai	4/4	—	—	—	1/1
Non-executive Director					
Wong Yat Fai	4/4	—	—	—	1/1
Independent Non-executive Directors					
Lam Kin Fung Jeffrey	4/4	3/3	1/1	1/1	1/1
Leung Yu Ming Steven	4/4	3/3	1/1	1/1	1/1
Wong Lung Tak Patrick	4/4	3/3	1/1	1/1	1/1

During the year, the non-executive directors (including independent non-executive directors) have met once with the Chairman without the presence of the executive directors, to consider and discuss various matters in respect of the management and corporate governance of the Company.

The Chairman sets the agenda for the Board and takes the lead in the formulation of objectives, strategies and actions at the directorate level. He ensures that members of the Board receive accurate, timely and clear information, and that matters to be taken into consideration are given their due weight, so that sound decisions can be made. With the assistance of the Company Secretary, the Chairman ensures that the Board properly exercises its powers, its meetings and procedures comply with all rules and requirements, and full and proper records are maintained. Procedures are also put in place for each director to have access to supporting papers and relevant information for each scheduled meeting. All directors also have access to the services of the Company Secretary and her team, and may take independent professional advice upon request, at the Company's expense.

The day-to-day management of the Group is delegated by the Board to the Managing Director who is supported by the various committees of the Board and management of the Company for recommending strategies to the Board, and determining and implementing operational decisions. The Managing Director assumes full accountability for the day-to-day management of the Group. All committees of the Board have specific terms of reference clearly defining their respective powers and responsibilities. All committees are required by their terms of reference to report to the Board in relation to their decisions or recommendations. Through participating in the Company's board meetings and committees meetings, attending general meetings, and participating in continuous professional development, all directors are able to make contribution required from them to the Board and to the development of the Company.

The Company provides directors with regular updates on changes to and developments of the Group's business, and on the latest developments in the laws, rules and regulations relating to directors' duties and responsibilities to help them make informed decisions and discharge their duties and responsibilities as directors of the Company.

During the year under review, all directors have participated in continuous professional development to develop and refresh their knowledge and skills as listed company directors. All directors have provided the Company with their records of the training they received for the year. A summary of the records of their training is as follows:

Name of Directors	**Training Received**
Cheung Chung Kiu	Attending seminar and reading materials regarding updates on rules and regulations relating to listed companies and corporate governance; reading material regarding operation and management of listed companies and finance
Lam How Mun Peter	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, operation and management of listed companies and finance
Tsang Wai Choi	Attending seminars regarding corporate governance and finance, e-learning regarding ethics and code of conduct and operation and management of listed companies and reading material regarding relevant industry
Leung Chun Cheong	Attending seminars regarding operation and management of listed companies and finance
Leung Wai Fai	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance and finance and e-learning regarding finance
Wong Yat Fai	Attending seminars regarding updates on rules and regulations relating to listed companies and corporate governance
Lam Kin Fung Jeffrey	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and relevant industry
Leung Yu Ming Steven	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct and finance
Wong Lung Tak Patrick	Attending seminars and reading materials regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and finance

CHAIRMAN AND MANAGING DIRECTOR

The roles of Chairman and Managing Director are separate. The main responsibility of Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of the committees of the Board, Managing Director is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions.

NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent. All non-executive directors are appointed for a specific term of not more than three years and are subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Bye-laws.

BOARD COMMITTEES

The Board has set up the Executive Committee which comprises all executive directors on the Board. Under its terms of reference, the Executive Committee is responsible for overseeing the management and daily operations of the Group and any other matters delegated by the Board. In addition to the Executive Committee, the Board has set up the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board does not have a Corporate Governance Committee and its functions would be carried out by the Board as a whole.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Lam Kin Fung Jeffrey. The major roles and functions of the Audit Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

The Audit Committee has reviewed together with the management and independent auditors the accounting policies and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including reviewing the Group's consolidated results for the year ended 31 December 2013. When reviewing the Company's interim and annual reports, the Audit Committee has focused not only on the impact of the changes in accounting policies and practices, but also on the compliance with applicable accounting standards, the Listing Rules and relevant legal requirements. It has also reviewed the financial statements before submission to the Board.

The Audit Committee has reviewed with the management, among other matters, the system of internal control covering all material controls, including financial, operational and compliance controls and risk management functions and the arrangements for employees to raise concerns in confidence about possible improprieties in financial reporting and other related matters. It has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Audit Committee has reviewed the engagement of independent auditors and the effectiveness of the audit process.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Leung Yu Ming Steven. The major roles and functions of the Remuneration Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

The Remuneration Policy for executive directors of the Company is determined with reference to the Group's operating results, duties and level of responsibility of the executive directors and the prevailing market conditions which are reviewed annually in order to provide remuneration and compensation packages competitive to attract, retain and motivate high quality executives to serve the Group. The fee for non-executive directors is determined with reference to each of their duties and level of responsibility with the Company and is reviewed on an annual basis. Details of the directors' remuneration for 2013 are set out in note 9 to the financial statements on pages 96 to 97.

During 2013, the Remuneration Committee has assessed the performance of the executive directors, reviewed and discussed, among other matters, the remuneration packages (including the annual performance bonus policy) of the executive directors, the remuneration of the non-executive directors, the existing share option scheme, the retirement benefit scheme, and the long-term incentive arrangement. It has also reviewed the Remuneration Policy and its implementation. Being given the delegated responsibility, the Remuneration Committee has determined the remuneration packages of the executive directors of the Company.

NOMINATION COMMITTEE

The Nomination Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Cheung Chung Kiu. The major roles and functions of the Nomination Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

The Nomination Policy for directors is formulated with reference to the skills and experience of the Board appropriate for the requirements of the Group's business. The Nomination Committee will review the Board's structure, size and composition (including the skills, knowledge and experience) and diversity. It will assess the independence of independent non-executive directors. It will also make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, and make recommendations on the appointment or re-appointment of directors and succession planning for directors, including the Chairman as appropriate. It is responsible for identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

During the year, the Company has adopted a Board Diversity Policy setting out the approach to achieve a diverse Board. Taking into account factors including the size of the Board, its composition of executive and non-executive directors, and the Company's principal activities and needs, selection of candidates shall be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During 2013, the Nomination Committee has reviewed and discussed, among other matters, the structure, size and composition including the skills, knowledge, experience and diversity of the Board and also assessed the independence of independent non-executive directors of the Board. It has also reviewed the Nomination Policy and the Board Diversity Policy and their implementation.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Corporate Governance Policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its Corporate Governance Policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

During the year, members of the Board have reviewed and discussed, among other things, the Company's policies and practices on corporate governance at regular board meetings. They have also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board has reviewed the code of conduct applicable to employees and directors setting out the standards of behaviour that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

INDEPENDENT AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's independent auditors, Messrs. Ernst & Young amounted to a total of HK$7,276,000, of which HK$6,290,000 was for audit services and HK$986,000 for non-audit services including review, tax and consultancy services.

In addition, the remuneration paid/payable to the independent auditors of certain subsidiaries of the Company amounted to a total of HK$855,000 for audit services.

COMPANY SECRETARY

The Company Secretary has undertaken not less than 15 hours of relevant professional training during 2013.

SHAREHOLDERS' RIGHTS

The following is a brief summary of certain rights of shareholders, which are subject to applicable laws and regulations, including without limitation, the Companies Act, the Listing Rules and the Bye-laws.

1. Convening special general meeting

Members may by a written requisition require the directors to convene an SGM. A valid requisition may be made by a member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which at that date carries the right to vote at general meetings of the Company. The requisition must state the purposes of the requisitioned SGM, and must be signed by the requisitionists. The requisition may consist of several documents in like form each signed by one or more requisitionists, which must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary.

If directors do not duly convene an SGM within 21 days from the date of deposit of the requisition, the requisitionists (or any of them representing more than one-half of their total voting rights) may themselves convene an SGM, which must be held within three months of the date of deposit of the requisition. The SGM must be convened by the requisitionists in the same manner as nearly as possible as that in which SGM is to be convened by directors. The requisitionists are entitled to be repaid any reasonable expenses they incur as a result of the failure of directors duly to convene an SGM. These expenses will be payable by the Company and any sum so repaid shall be retained by the Company out of any fees or other remuneration payable by the Company to the defaulting directors in respect of their services.

2. Putting forward proposals at shareholders' meetings

In addition to the right to requisition an SGM, members of the Company may by a written requisition and at their expense (unless the Company otherwise resolves) require the Company to:

(a) give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting of the Company; and
(b) circulate to members of the Company entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

A valid requisition may be made by either:

(a) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition the right to vote at the meeting to which the requisition relates; or
(b) not less than 100 members of the Company.

The requisition signed by the requisitionists (or two or more copies which between them bear the signatures of all the requisitionists) must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary and,

(a) in the case of a requisition requiring notice of a resolution to be moved at an annual general meeting, not less than six weeks before the annual general meeting; and
(b) in the case of any other requisition, not less than one week before the general meeting.

The requisitionists must deposit or tender with the requisition a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the requisition.

3. Proposing a person for election as director

Shareholders may propose a person for election as director, the procedures for which are available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

4. Sending enquiries to the Board

Shareholders may send any enquiries to the Board by mail, email or telephone to the Company's Head of Investor Relations, whose contact details are as follows:

Address: Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Email: ccland@ccland.com.hk
Telephone: +852 2820 7315

INVESTOR RELATIONS

The Company has adopted a Shareholders Communication Policy. The use and effectiveness of such policy are monitored and reviewed regularly by the Board. The Company recognises the importance of shareholders' privacy and therefore will not disclose shareholders' information without their consent, unless required by law to do so. To achieve equal access to information on the Company's latest major developments, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website under the column of "Investor Relations". In addition to financial reports, all announcements and circulars of the Company including results announcements, notices of general meetings and associated explanatory documents released by the Company to the Stock Exchange are posted on the Company's website. Other information such as presentation materials and press releases to be issued to shareholders and potential investors of the Company will also be made available on the Company's website. Shareholders should direct their questions about their shareholdings to the Company's share registrars. For enquiry about the information of the Company, shareholders may contact our Head of Investor Relations, whose contact details are set out under the heading of "Sending enquiries to the Board" above. Shareholders are encouraged to participate in the Company's general meetings where members of the Board will be available to answer their questions.

The Company has also adopted a Disclosure of Inside Information Policy. It sets out a framework for the release and control of inside information to ensure that the Company is able to meet its legal and regulatory obligations and requirements as a listed corporation. The Board is generally responsible for ensuring that the Group complies with its disclosure obligations regarding inside information and has established a disclosure group comprising certain directors and management to assist it in determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. Inside information should be disclosed by way of an announcement in accordance with the requirements of the SFO and the Listing Rules. Before relevant information is fully disclosed to the public, the disclosure group will help the Board to ensure that such information is kept strictly confidential.

The Company's constitutional documents are made available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations". During the year, there was no significant change in them save for certain provisions in the Bye-laws which were amended to reflect, principally, the current relevant laws of Bermuda. Details of the amendment were disclosed in the Company's circular dated 12 April 2013.

INTERNAL CONTROLS

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. The Company has maintained an internal audit function which forms part of the permanent establishment of the Group and is internally resourced and staffed by qualified accounting personnel with suitable experience.

The internal audit function monitors the adequacy and effectiveness of the internal control system established within the Company and its subsidiaries for safeguarding assets against unauthorized use, for maintaining proper accounting records, and for ensuring the reliability of financial information. Functional reporting and financial reporting procedures appropriate to the business of the Company's subsidiaries are established for application within the Group. These procedures are designed to enable timely and reliable functional and financial reporting by subsidiaries of the Group and to provide reasonable assurance against material misstatement, errors, losses or fraud. The work of the internal audit function is generally focused on identifying, monitoring and reporting on major risks faced by the Group, including those related to business operations, compliance with laws and regulations and financial reporting. The Board is responsible for ensuring that recommendations made by the internal audit function are properly implemented.

The Board recognizes that the Group's internal control system plays a key role in both the management of risks and the assurance of continued compliance with laws and regulations by the Group. The Audit Committee has kept under review the Group's internal control system. The Board has also conducted an annual review of the effectiveness of the Group's internal control system. Based on its review, the Audit Committee will advise the Board on the adequacy of the Group's internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

During the year under review, the Board considers that the Group has complied with the provisions on internal controls as stipulated in the CG Code. The Board is satisfied that the Group's internal control system including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and that no significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external independent auditors of the Company, Messrs Ernst & Young, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on page 65.

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities of its subsidiaries focus on property development and investment, as well as treasury investments, details of which are set out in note 20 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2013 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 66 to 141.

The directors recommend the payment of a final dividend of HK$0.045 per share in respect of the year to the shareholders on the Company's register of members at the close of business on 10 June 2014.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 142. The summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of movements in the property, plant and equipment of the Company and of the Group and investment properties and properties under development of the Group during the year are set out in notes 16, 17 and 24.1 to the financial statements. Further details of the Group's major properties are set out on pages 143 to 145.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 34 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no pre-emptive rights provision in the Companies Act or in the Bye-laws.

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

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

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 35(b) to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2013, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act, amounted to HK$156,489,000 of which HK$116,470,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account in the amount of HK$9,524,823,000 may be distributed in form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group had made charitable contributions amounting to HK$5,797,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30% of the Group's revenues and less than 30% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers, respectively.

None of the directors, their associates or shareholders, who to the knowledge of the directors own more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest customers and suppliers.

DIRECTORS

The directors during the year and up to the date of this report were as follows:

Executive directors:
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter *(Deputy Chairman and Managing Director)*
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive director:
Mr. Wong Yat Fai

Independent non-executive directors:
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

In accordance with Bye-law 87 of the Bye-laws, Dr. Lam How Mun Peter, Mr. Leung Chun Cheong and Dr. Wong Lung Tak Patrick will retire and, being eligible, will offer themselves for re-election at the AGM. All other directors will continue to be in office.

The Company has received from each of the independent non-executive directors, Messrs. Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Wong Lung Tak Patrick, an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent.

DIRECTORS' BIOGRAPHIES

Updated biographical details of the directors are set out on pages 32 to 33.

Mr. Lam Kin Fung Jeffrey was appointed on 24 October 2013 as independent non-executive director of Shougang Concord Technology Holdings Limited, the shares of which are listed on the Stock Exchange. On 1 January 2014, Mr. Lam was appointed as a member of the Independent Commission Against Corruption Complaints Committee.

Dr. Wong Lung Tak Patrick was appointed on 21 November 2013 as independent non-executive director of Excel Development (Holdings) Limited, the shares of which are listed on the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

No director offering for re-election at the AGM has a service contract with any company in the Group which is not terminable by such company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

REMUNERATION DETAILS

Details of the directors' remuneration and the five highest-paid individuals in the Group are set out in notes 9 and 10 to the financial statements respectively.

REMUNERATION POLICY

The remuneration policy for employees of the Group is formulated based on the merit, qualifications and competence of individual employee which are reviewed regularly in order to provide compensation packages at market rates sufficient to reward successful performance and attract, retain and motivate employees. The Company has adopted a share option scheme as a long-term incentive to eligible employees and directors, details of which are set out in note 38 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2013, details of the interests and short positions of each of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in shares of the Company (long positions)

Name of directors	Interests in shares: Personal interests	Interests in shares: Corporate interests	Interests in underlying shares pursuant to share options granted by the Company [3]	Aggregate interests	Approximate percentage [4]
Mr. Cheung Chung Kiu	—	1,331,205,790 [1&2]	—	1,331,205,790	51.43
Dr. Lam How Mun Peter	324,502	—	43,039,000	43,363,502	1.68
Mr. Tsang Wai Choi	3,394,242	—	—	3,394,242	0.13
Mr. Leung Chun Cheong	666,948	—	1,500,000	2,166,948	0.08
Mr. Leung Wai Fai	—	—	3,000,000	3,000,000	0.12

Notes:

1. 1,070,810,231 of such shares were held through Thrivetrade Limited ("Thrivetrade"), a company wholly-owned by Mr. Cheung Chung Kiu ("Mr. Cheung"). Accordingly, Mr. Cheung was deemed to be interested in the same number of shares held through Thrivetrade.

2. 260,395,559 of such shares were held through Regulator Holdings Limited ("Regulator"), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited ("Yugang-BVI"), which is in turn a direct wholly-owned subsidiary of Yugang International Limited ("Yugang"). Yugang was owned by Chongqing Industrial Limited ("CIL"), Timmex Investment Limited ("Timmex") and Mr. Cheung as to approximately 44.06% in aggregate. CIL was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited ("Peking Palace"), Miraculous Services Limited ("Miraculous Services") and Prize Winner Limited ("Prize Winner") respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited ("Palin") as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of shares held through Regulator.

3. Details of the directors' interests in the underlying shares of the Company pursuant to share options granted by the Company are set out in the section headed "Share Options" below.

4. Approximate percentage refers to the aggregate interests of a director expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2013.

Save as disclosed above, as at 31 December 2013, the Company had not been notified of any 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) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions" above and "Share Options" below, and in the share option scheme disclosures set out in note 38 to the financial statements, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors, or any of their associates, had any rights to subscribe for shares of the Company, or had exercised any such rights during the year.

SHARE OPTIONS

The Company adopted a share option scheme (the "Scheme") on 29 April 2005, details of which were disclosed in the Company's circular dated 13 April 2005 and are set out in note 38 to the financial statements. Details of the share options granted under the Scheme and their movements during the year are set out below:

Name or category of participants	Number of share options: At 1 January 2013	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At 31 December 2013	Date of grant [1]	Exercise period	Exercise price [2] HK$ per share	Closing price immediately before date of grant HK$ per share
Directors										
Lam How Mun Peter	17,500,000	–	–	–	–	17,500,000	07-05-2009	07-05-2009 to 06-05-2019	3.27	3.47
	21,539,000	–	–	–	–	21,539,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	4,000,000	–	–	–	–	4,000,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	43,039,000	–	–	–	–	43,039,000				
Leung Chun Cheong	1,500,000	–	–	–	–	1,500,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Leung Wai Fai	3,000,000	–	–	–	–	3,000,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	47,539,000	–	–	–	–	47,539,000				
Employees										
In aggregate	10,100,000	–	–	–	–	10,100,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	800,000	–	–	–	–	800,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	10,900,000	–	–	–	–	10,900,000				
Others										
In aggregate	7,475,000	–	–	–	–	7,475,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Total	65,914,000	–	–	–	–	65,914,000				

Notes:

1. Certain share options granted are subject to a vesting period beginning from the date of grant until the commencement of the exercise period.

2. The exercise price of the share options is subject to adjustment in case of any rights issues or bonus issues, or any other changes in the Company's share capital.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER SFO

As at 31 December 2013, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held	Approximate percentage [4]
(a) Long Positions			
Thrivetrade	Beneficial owner	1,070,810,231 [1]	41.37
Regulator	Beneficial owner	260,395,559 [2]	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559 [2]	10.06
Yugang	Interest of controlled corporation	260,395,559 [2]	10.06
CIL	Interest of controlled corporation	260,395,559 [2]	10.06
Palin	Interest of controlled corporation	260,395,559 [2]	10.06
T. Rowe Price Associates, Inc. and its Affiliates	Beneficial owner	180,001,000	6.96
JPMorgan Chase & Co.	Beneficial owner and custodian corporation/approved lending agent	181,156,867 [3]	6.99
(b) Short Positions			
JPMorgan Chase & Co.	Beneficial owner	50,000	0.00

Notes:

1. These shares were included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

2. The interests held by Regulator, Yugang-BVI, Yugang, CIL and Palin respectively as shown above refer to interests in the same block of shares. The said shares were also included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

3. Of its interests in 181,156,867 shares, JPMorgan Chase & Co. had interests in 252,500 shares as beneficial owner and in 180,904,367 shares as a custodian corporation/approved lending agent. 180,904,367 shares were in the lending pool.

4. Approximate percentage refers to the number of shares which a shareholder held or had short positions in expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2013.

Save as disclosed above, as at 31 December 2013, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

CONNECTED TRANSACTION

During the year and up to the date of this report, the Group had entered into the following connected transaction:

On 6 September 2013, 重慶同景置業有限公司 (Chongqing Verakin Real Estate Company Limited, an indirect subsidiary of the Company) entered into an agreement with 重慶宏聲遠景實業（集團）有限公司 (Chongqing Hong Sheng Yuan Jing Industrial (Group) Company Limited) to acquire 57% of the project interest in a land plot with a total site area of 95,312 sqm located in 重慶市南岸區黃桷埡鎮聯合村 (Lianhe Village, Huang Jue Ya Town, Nan'an District, Chongqing), for the development and construction of residential properties on the land for sale and the returns on investment therefrom, at a total consideration of RMB200,000,000.

DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

1. On 24 August 2010, a jointly-controlled entity held as to 25% by the Company entered into a facility agreement (the "JV Facility Agreement") as borrower with, among others, various financial institutions as lenders for a 3-year term loan facility in an aggregate principal amount of HK$1,000,000,000 ("Initial Facility"). On 22 December 2010, a supplement to the JV Facility Agreement was executed whereby the Initial Facility was enlarged to HK$1,400,000,000 by an additional term loan facility in the aggregate principal amount of HK$400,000,000 for a term of 36 months from the date of the JV Facility Agreement. On 31 October 2012, a second supplement to the JV Facility Agreement was executed whereby the enlarged facility was further enlarged to HK$1,830,000,000 by an additional term loan facility in the aggregate principal amount of up to HK$430,000,000 with a final maturity date falling 36 months from the date of the JV Facility Agreement. On 23 August 2013, a third supplement to the JV Facility Agreement was executed whereby the final maturity date under the JV Facility Agreement was extended to 24 August 2016. On 17 December 2013, a fourth supplement to the JV Facility Agreement was executed whereby the facility was further enlarged by an amount of HK$300,000,000 to an aggregate amount up to HK$2,130,000,000 with the same final maturity date on 24 August 2016. Under the JV Facility Agreement, it is (among other matters) an event of default if Mr. Cheung Chung Kiu ("Mr. Cheung") ceases to (i) save for a certain exception, own beneficially (directly or indirectly, through any other entity or entities wholly and beneficially owned by him or by virtue of his entitlement as beneficiary under any family trust arrangement(s)) at least 35% of the issued share capital of the Company; or (ii) exercise management control over the Company. On and at any time after the occurrence of an event of default which is continuing, commitments of the lenders under the JV Facility Agreement may immediately be cancelled, and/or all or any part of the loans together with accrued interest and all other amounts accrued or outstanding under certain finance documents defined in the JV Facility Agreement may become immediately due and payable or payable on demand, and/or certain security documents defined in the JV Facility Agreement or any of them may become immediately enforceable. As at 31 December 2013, the outstanding loan balance was HK$2,104,368,000.

2. On 28 December 2011, the Company as borrower executed a facility agreement with, among others, various companies in the Group as guarantors and various financial institutions as lenders for a 3-year term loan facility in an aggregate amount of HK$600,000,000. Under the facility agreement, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 31 December 2013, the outstanding loan balance was HK$420,000,000.

3. On 14 December 2012, the Company accepted the offer in a facility letter dated 7 December 2012 of a term loan facility for an amount of HK$400,000,000 available for drawdown within 6 months from the date of the facility letter with a term of 3 years from the date of drawdown pursuant to the facility letter. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, the facility or any part thereof may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 31 December 2013, the outstanding loan balance was HK$360,000,000.

4. On 25 January 2013, the Company as borrower executed a facility agreement with, among others, various companies in the Group as guarantors and various financial institutions as lenders for a 3-year term loan facility for an aggregate amount of HK$3,400,000,000. Under the facility agreement, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. As at 31 December 2013, the outstanding loan balance was HK$3,400,000,000.

5. On 27 June 2013, the Company accepted the offer in a facility letter dated 25 June 2013 by a bank as lender of a facility for an amount of HK$500,000,000 or its equivalent for a term of 3 years. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung, save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company. Upon occurrence of an event of default during the committed period from the date of acceptance of the facility letter to the date falling 2 years after the date of such acceptance (whether or not it is continuing), the lender may at any time by notice to the Company declare that the lender's obligation to make the facility available be terminated, whereupon the amount available under the facility shall be reduced to zero forthwith; and/or that if any advance is outstanding, each advance and all interest accrued and all other sums payable under the facility letter be immediately due and payable whereupon the same shall become so due and payable. On or at any time after the making of the aforesaid declaration, the lender shall be entitled, to the exclusion of the Company, to select the duration of interest period(s) until the facility is repaid in full. As at 31 December 2013, the outstanding loan balance was HK$500,000,000.

6. On 13 August 2013, the Company accepted the offer in a facility letter dated 23 July 2013 of a term loan facility for an amount of HK$500,000,000 or its equivalent in USD available for drawdown within 6 months from the acceptance date of the facility letter for a term of 3 years from the date of first drawdown. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; and (iii) does not or ceases to have management control of the Company. After the occurrence of an event of default which is continuing, the lender may on and at any time by notice in writing to the Company declare that the facility has become immediately due and payable, whereupon the facility shall become immediately due and payable and any undrawn balance of the facility shall automatically be cancelled and no longer be available to the Company. As at 31 December 2013, the facility has not been utilized.

EVENT AFTER THE REPORTING PERIOD

Details of significant events which took place subsequent to the reporting period are set out in note 47 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2013 and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as independent auditors of the Company will be proposed at the AGM.

On behalf of the Board

Cheung Chung Kiu
Chairman

Hong Kong, 25 March 2014

EY 安永

To the shareholders of C C Land Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of C C Land Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 66 to 141, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 auditors' judgement, 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 auditors consider 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.

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.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

25 March 2014

Consolidated Statement of Profit or Loss

Year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	5	**6,844,850**	7,432,699
Cost of sales		**(4,720,846)**	(4,933,700)
Gross profit		**2,124,004**	2,498,999
Other income and gains	5	**480,307**	299,281
Selling and distribution expenses		**(387,256)**	(314,070)
Administrative expenses		**(451,969)**	(425,740)
Other expenses	6	**(27,942)**	(12,288)
Finance costs	7	**(90,293)**	(64,475)
Share of profits and losses of:			
Joint ventures		**(13,913)**	(18,264)
Associates		**(14,571)**	(7,504)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	8	**1,618,367**	1,955,939
Income tax expense	11	**(955,449)**	(1,295,913)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**662,918**	660,026
DISCONTINUED OPERATIONS			
Profit for the year from discontinued operations	37	**—**	12,220
PROFIT FOR THE YEAR		**662,918**	672,246
Attributable to:			
Owners of the parent	12	**505,395**	529,237
Non-controlling interests		**157,523**	143,009
		662,918	672,246
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	15		
Basic and diluted for profit for the year		**HK19.53 cents**	HK20.45 cents
Basic and diluted for profit from continuing operations		**HK19.53 cents**	HK19.95 cents

Details of dividends are disclosed in note 14 to the financial statements.

	2013 HK$'000	2012 HK$'000 (Restated)
PROFIT FOR THE YEAR	**662,918**	672,246
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**91,277**	7,425
Deferred tax	**945**	(4,398)
	92,222	3,027
Share of other comprehensive income of joint ventures	**(2,143)**	(701)
Share of other comprehensive income of associates	**48,363**	(1,161)
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries	**(12,562)**	(4,467)
Exchange differences on translation of foreign operations	**489,007**	(14,416)
	476,445	(18,883)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**614,887**	(17,718)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**614,887**	(17,718)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,277,805**	654,528
Attributable to:		
Owners of the parent	**1,057,787**	511,605
Non-controlling interests	**220,018**	142,923
	1,277,805	654,528

Consolidated Statement of Financial Position

31 December 2013

	Notes	**2013 HK$'000**	2012 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	16	**169,884**	170,685
Investment properties	17	**411,330**	379,946
Prepaid land lease payments	18	**124,048**	1,136,304
Golf club membership	19	**10,540**	—
Investments in joint ventures	21	**30,576**	34,971
Investments in associates	22	**1,280,688**	1,244,445
Available-for-sale investments	23	**593,865**	514,207
Properties under development	24.1	**8,817,886**	7,736,592
Interests in land use rights for property development	24.2	**2,169,803**	2,737,739
Deferred tax assets	33	**63,724**	16,557
Total non-current assets		**13,672,344**	13,971,446
CURRENT ASSETS			
Properties under development	24.1	**17,008,302**	13,486,744
Completed properties held for sale	24.3	**5,450,528**	2,988,501
Prepaid land lease payments	18	**2,574**	22,546
Prepayments, deposits and other receivables	25	**1,949,268**	2,213,604
Equity investments at fair value through profit or loss	26	**312,864**	184,945
Prepaid income tax and land appreciation tax		**170,534**	127,036
Deposits with brokerage companies	27	**1,652**	1,203
Pledged deposits	28	**781,247**	1,572,424
Restricted bank balances	28	**3,079,115**	2,953,902
Time deposits with original maturity over three months	28	**69,074**	—
Cash and cash equivalents	28	**5,706,852**	3,646,512
		34,532,010	27,197,417
Non-current assets and assets of a disposal group classified as held for sale	13	**1,491,434**	406,021
Total current assets		**36,023,444**	27,603,438
CURRENT LIABILITIES			
Trade and bills payables	29	**3,597,205**	2,707,350
Other payables and accruals	30	**14,220,545**	9,730,424
Loans from non-controlling shareholders of subsidiaries	31	**1,088,971**	1,044,834
Interest-bearing bank borrowings	32	**3,563,358**	6,878,628
Tax payable		**2,244,193**	1,693,759
Consideration payable on acquisition of subsidiaries	36	**202,125**	1,100
		24,916,397	22,056,095
Liabilities directly associated with the assets classified as held for sale	13	**—**	78,355
Total current liabilities		**24,916,397**	22,134,450

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
NET CURRENT ASSETS		**11,107,047**	5,468,988
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,779,391**	19,440,434
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	32	**7,530,630**	2,937,669
Deferred tax liabilities	33	**1,297,838**	1,551,231
Consideration payable on acquisition of subsidiaries	36	**100,513**	—
Total non-current liabilities		**8,928,981**	4,488,900
Net assets		**15,850,410**	14,951,534
EQUITY			
Equity attributable to owners of the parent			
Issued capital	34	**258,822**	258,780
Reserves	35(a)	**13,926,337**	12,984,027
		14,185,159	13,242,807
Non-controlling interests		**1,665,251**	1,708,727
Total equity		**15,850,410**	14,951,534

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2013

		Attributable to owners of the parent									
	Notes	Issued capital HK$'000	Share premium account HK$'000	Surplus account HK$'000 (Note)	Exchange fluctuation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2012		254,392	9,455,753	90,554	1,906,913	56,802	1,036,737	180,638	12,981,789	1,623,871	14,605,660
Profit for the year		—	—	—	—	—	529,237	—	529,237	143,009	672,246
Other comprehensive income for the year:											
Changes in fair value of available-for-sale investments, net of tax		—	—	—	—	3,027	—	—	3,027	—	3,027
Share of other comprehensive income of joint ventures (as restated)		—	—	—	(701)	—	—	—	(701)	—	(701)
Share of other comprehensive income of associates (as restated)		—	—	—	(1,161)	—	—	—	(1,161)	—	(1,161)
Release of exchange fluctuation reserve upon disposal of subsidiaries	37(c)	—	—	—	(4,467)	—	—	—	(4,467)	—	(4,467)
Exchange differences on translation of foreign operations		—	—	—	(14,330)	—	—	—	(14,330)	(86)	(14,416)
Total comprehensive income for the year		—	—	—	(20,659)	3,027	529,237	—	511,605	142,923	654,528
Disposal of subsidiaries	37(c),(e)	—	—	—	—	—	—	—	—	(57,196)	(57,196)
Contribution by a non-controlling shareholder		—	—	—	—	—	—	—	—	1,850	1,850
Dividend paid to a non-controlling shareholder		—	—	—	—	—	—	—	—	(1,470)	(1,470)
Forfeiture of share options		—	—	—	—	—	6,051	(6,051)	—	—	—
Final 2011 dividend approved		—	—	—	—	—	(101,757)	—	(101,757)	—	(101,757)
Shares issued as scrip dividends	34	4,388	68,096	—	—	—	—	—	72,484	—	72,484
Release upon distribution of the Packaging Business	37(b)	—	—	(90,554)	—	—	90,554	—	—	(1,251)	(1,251)
Interim 2012 special dividend	14	—	—	—	—	—	(221,314)	—	(221,314)	—	(221,314)
At 31 December 2012		258,780	9,523,849*	-*	1,886,254*	59,829*	1,339,508*	174,587*	13,242,807	1,708,727	14,951,534

	Notes	Attributable to owners of the parent								
		Issued capital HK$'000	Share premium account HK$'000	Exchange fluctuation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2013		**258,780**	**9,523,849**	**1,886,254**	**59,829**	**1,339,508**	**174,587**	**13,242,807**	**1,708,727**	**14,951,534**
Profit for the year		—	—	—	—	505,395	—	505,395	157,523	662,918
Other comprehensive income for the year:										
Changes in fair value of available-for-sale investments, net of tax		—	—	—	92,222	—	—	92,222	—	92,222
Share of other comprehensive income of joint ventures		—	—	(2,143)	—	—	—	(2,143)	—	(2,143)
Share of other comprehensive income of associates		—	—	48,363	—	—	—	48,363	—	48,363
Release of exchange fluctuation reserve upon disposal of subsidiaries	37(a)	—	—	(12,562)	—	—	—	(12,562)	—	(12,562)
Exchange differences on translation of foreign operations		—	—	426,512	—	—	—	426,512	62,495	489,007
Total comprehensive income for the year		—	—	460,170	92,222	505,395	—	1,057,787	220,018	1,277,805
Disposal of subsidiaries	37(a)	—	—	—	—	—	—	—	(75,942)	(75,942)
Contribution by a non-controlling shareholder		—	—	—	—	—	—	—	3,115	3,115
Dividend paid to a non-controlling shareholder		—	—	—	—	—	—	—	(190,667)	(190,667)
Final 2012 dividend approved	14	—	—	—	—	(116,451)	—	(116,451)	—	(116,451)
Shares issued as scrip dividends	34	42	974	—	—	—	—	1,016	—	1,016
At 31 December 2013		**258,822**	**9,524,823***	**2,346,424***	**152,051***	**1,728,452***	**174,587***	**14,185,159**	**1,665,251**	**15,850,410**

Note: The surplus account represented the aggregated of the reserves other than the retained profits of the subsidiaries at 1 April 1998 and the excess of the nominal value of the shares issued and issuable by the Company over the nominal value of the issued share capital of the subsidiaries acquired pursuant to the group reorganisation in 1998. The amount was released to retained profits upon the distribution of the Packaging Business in 2012.

* These reserve accounts comprise the consolidated reserves of HK$13,926,337,000 (2012: HK$12,984,027,000) in the consolidated statement of financial position.

	Notes	**2013 HK$'000**	2012 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax			
From continuing operations	4	**1,618,367**	1,955,939
From discontinued operations	4	**—**	13,405
Adjustments for:			
Write-down of completed properties held for sale to net realisable value	4	**208,925**	—
Depreciation		**25,956**	22,651
Amortisation of prepaid land lease payments	4	**12,634**	22,489
Finance costs	4	**90,293**	64,515
Share of profits and losses of joint ventures	4	**13,913**	18,264
Share of profits and losses of associates	4	**14,571**	7,996
Interest income on bank deposits		**(85,618)**	(72,777)
Interest income from unlisted debt investments	5	**(5,032)**	(9,346)
Other interest income	5	**(54,867)**	(13,827)
Fair value losses/(gains) on equity investments at fair value through profit or loss, net	5,6	**27,942**	(1,378)
Fair value gains on investment properties	5	**(18,260)**	(7,630)
Gain on disposal of available-for-sale investments, net	5	**(83,168)**	(187,376)
Dividend income from listed equity investments	5	**(19,290)**	(4,306)
Dividend income from unlisted equity investments	5	**(1,303)**	(916)
Loss on disposal of items of property, plant and equipment	6	**—**	60
Loss on disposal of investment properties	6	**—**	149
Loss/(gain) on disposal of subsidiaries, net		**(171,910)**	1,891
		1,573,153	1,809,803
Increase in properties under development		**(6,463,848)**	(5,987,252)
Decrease in completed properties held for sale	24.3	**4,507,743**	4,930,109
Decrease in inventories		**—**	3,545
Decrease/(increase) in trade, bills and other receivables, prepayments and deposits		**326,532**	(496,627)
Decrease/(increase) in equity investments at fair value through profit or loss		**(155,861)**	185,478
Decrease/(increase) in deposits with brokerage companies		**(449)**	336
Increase in restricted bank balances		**(32,715)**	(410,636)
Increase in trade, bills and other payables and accruals		**4,967,905**	1,999,012
Cash generated from operations		**4,722,460**	2,033,768
Tax paid, net		**(848,554)**	(643,752)
Interest paid		**(690,738)**	(476,337)
Net cash flows from operating activities		**3,183,168**	913,679

	Notes	2013 HK$'000	2012 HK$'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries that are not a business		**(385,540)**	—
Loans to a joint venture		**(11,662)**	(12,468)
Loans to an associate		**(16,552)**	(8,682)
Investment in an associate		**(94,439)**	—
Decrease in balances with associates		**111,657**	—
Decrease/(increase) in pledged time deposits		**840,416**	(1,420,376)
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**(69,074)**	71,530
Payment of land premium and related transaction costs		**(3,431,202)**	(3,624,585)
Re-possession of lands by local government	24.2	**479,414**	—
Purchases of items of property, plant and equipment	16	**(17,065)**	(25,248)
Purchases of unlisted equity investments		**(40,000)**	—
Purchases of golf club membership		**(10,540)**	—
Interest received from bank deposits		**85,618**	72,777
Interest received from unlisted debt investments		**5,032**	10,271
Other interest received		**54,867**	13,827
Dividend income from listed equity investments		**19,290**	4,306
Dividend income from unlisted equity investments		**1,303**	916
Proceeds from disposal of items of property, plant and equipment		**122**	6,624
Proceeds from disposal of subsidiaries		**407,496**	430,521
Proceeds from disposal of investment properties		**—**	443
Proceeds from disposal of unlisted equity investments		**141,350**	427,818
Proceeds from disposal of unlisted debt investments		**—**	65,360
Net cash flows used in investing activities		**(1,929,509)**	(3,986,966)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(115,435)**	(29,273)
Dividend paid to a non-controlling shareholder		**(190,667)**	(1,470)
Cash and bank balances distributed in respect of the distribution of the Packaging Business	37(b)	**—**	(62,900)
Capital contribution by a non-controlling shareholder		**3,115**	1,850
Advance from/(loan to) non-controlling shareholders		**(34,441)**	70,541
Additions of bank borrowings, net		**1,157,769**	2,719,969
Payment of loan procurement fee		**(115,171)**	(23,834)
Net cash flows from financing activities		**705,170**	2,674,883
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,958,829**	(398,404)
Cash and cash equivalents at beginning of year		**3,647,228**	4,046,330
Effect of foreign exchange rate changes, net		**100,795**	(698)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**5,706,852**	3,647,228
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**5,126,168**	3,619,336
Non-pledged time deposits with original maturity of less than three months when acquired		**580,684**	27,176
Cash and cash equivalents as stated in the consolidated statement of financial position	28	**5,706,852**	3,646,512
Cash and bank balances attributable to a disposal group classified as held for sale	13(c)	**—**	716
Cash and cash equivalents as stated in the consolidated statement of cash flows		**5,706,852**	3,647,228

Statement of Financial Position

31 December 2013

	Notes	**2013 HK$'000**	2012 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**234**	299
Golf club membership	19	**10,540**	—
Investments in subsidiaries	20	**1,000,390**	1,000,390
Total non-current assets		**1,011,164**	1,000,689
CURRENT ASSETS			
Prepayments, deposits and other receivables	25	**760**	610
Prepaid income tax		**—**	19
Due from subsidiaries	20	**13,513,935**	12,969,947
Cash and cash equivalents	28	**202,897**	3,084
Total current assets		**13,717,592**	12,973,660
CURRENT LIABILITIES			
Other payables and accruals	30	**30,181**	14,754
Due to a subsidiary	20	**950**	350
Interest-bearing bank borrowings	32	**1,113,751**	3,277,587
Total current liabilities		**1,144,882**	3,292,691
NET CURRENT ASSETS		**12,572,710**	9,680,969
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,583,874**	10,681,658
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	32	**3,469,153**	412,237
Total non-current liabilities		**3,469,153**	412,237
Net assets		**10,114,721**	10,269,421
EQUITY			
Issued capital	34	**258,822**	258,780
Reserves	35(b)	**9,855,899**	10,010,641
Total equity		**10,114,721**	10,269,421

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

1. CORPORATE INFORMATION

C C Land Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The address of the principal place of business of the Company is Rooms 3308-10, 33/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

(i) property development and investment; and

(ii) treasury investment.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain equity and debt investments which have been measured at fair value. Non-current asset and assets of a disposal group classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity, and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities*
HKFRS 10	*Consolidated Financial Statements*
HKFRS 11	*Joint Arrangements*
HKFRS 12	*Disclosure of Interests in Other Entities*
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 — *Transition Guidance*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements — Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 27 (2011)	*Separate Financial Statements*
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets — Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

Other than as further explained below regarding the impact of HKFRS 10, HKFRS 11, HKFRS 12, HKFRS 13, HKAS 19 (2011), amendments to HKFRS 10, HKFRS 11, HKFRS 12, HKAS 1 and HKAS 36, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 10 replaces the portion of HKAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements and addresses the issues in HK(SIC)-Int 12 *Consolidation — Special Purpose Entities*. It establishes a single control model used for determining which entities are consolidated. To meet the definition of control in HKFRS 10, an investor must have (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. The changes introduced by HKFRS 10 require management of the Group to exercise significant judgement to determine which entities are controlled.

As a result of the application of HKFRS 10, the Group has changed the accounting policy with respect to determining which investees are controlled by the Group.

The application of HKFRS 10 does not change any of the consolidation conclusions of the Group in respect of its involvement with investees as at 1 January 2013.

(b) HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures* and HK(SIC)-Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. It describes the accounting for joint arrangements with joint control. It addresses only two forms of joint arrangements, i.e., joint operations and joint ventures, and removes the option to account for joint ventures using proportionate consolidation. The classification of joint arrangements under HKFRS 11 depends on the parties' rights and obligations arising from the arrangements. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities of the arrangement and is accounted for on a line-by-line basis to the extent of the joint operators' rights and obligations in the joint operation. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement and is required to be accounted for using the equity method in accordance with HKAS 28 (2011).

The application of HKFRS 11 does not change the equity accounting conclusions of the Group in respect of its investments in joint ventures.

(c) HKFRS 12 sets out the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities previously included in HKAS 27 *Consolidated and Separate Financial Statements*, HKAS 31 *Interests in Joint Ventures* and HKAS 28 *Investments in Associates*. It also introduces a number of new disclosure requirements for these entities. Details of the disclosures for subsidiaries, joint ventures and associates are included in notes 20, 21 and 22 to the financial statements.

(d) The HKFRS 10, HKFRS 11 and HKFRS 12 Amendments clarify the transition guidance in HKFRS 10 and provide further relief from full retrospective application of these standards, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. The amendments clarify that retrospective adjustments are only required if the consolidation conclusion as to which entities are controlled by the Group is different between HKFRS 10 and HKAS 27 or HK(SIC)-Int 12 at the beginning of the annual period in which HKFRS 10 is applied for the first time.

(e) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended. Additional disclosures required by HKFRS 13 for the fair value measurements of investment properties and financial instruments are included in notes 17 and 45 to the financial statements.

(f) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

(g) HKAS 19 (2011) includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The revised standard introduces significant changes in the accounting for defined benefit pension plans including removing the choice to defer the recognition of actuarial gains and losses. Other changes include modifications to the timing of recognition for termination benefits, the classification of short-term employee benefits and disclosures of defined benefit plans. As the Group does not have any defined benefit plan or employee termination plan and the Group does not have any significant employee benefits that are expected to be settled for more than twelve months after the reporting period, the adoption of the revised standard has had no effect on the financial position or performance of the Group.

(h) The HKAS 36 Amendments remove the unintended disclosure requirement made by HKFRS 13 on the recoverable amount of a cash-generating unit which is not impaired. In addition, the amendments require the disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the reporting period, and expand the disclosure requirements regarding the fair value measurement for these assets or units if their recoverable amounts are based on fair value less costs of disposal. The amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided HKFRS 13 is also applied. The Group has early adopted the amendments in these financial statements. The amendments have had no impact on the financial position or performance of the Group.

(i) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments*: *Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[4]
HKFRS 9, HKFRS 7 and HKAS 39 Amendments	*Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39*[4]
HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — *Investment Entities*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKAS 19 Amendments	Amendments to HKAS 19 *Employee Benefits — Defined Benefit Plans: Employee Contributions*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities*[1]
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement — Novation of Derivatives and Continuation of Hedge Accounting*[1]
HK(IFRIC)-Int 21	*Levies*[1]
Annual Improvements *2010-2012 Cycle*	Amendments to a number of HKFRSs issued in January 2014[2]
Annual Improvements *2011-2013 Cycle*	Amendments to a number of HKFRSs issued in January 2014[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning on or after 1 January 2016
4 No mandatory effective date yet determined but is available for adoption

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs *(continued)*

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

HKFRS 9 issued in November 2009 is the first part of phase 1 of a comprehensive project to entirely replace HKAS 39 *Financial Instruments: Recognition and Measurement*. This phase focuses on the classification and measurement of financial assets. Instead of classifying financial assets into four categories, an entity shall classify financial assets as subsequently measured at either amortised cost or fair value, on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. This aims to improve and simplify the approach for the classification and measurement of financial assets compared with the requirements of HKAS 39.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities (the "Additions") and incorporated in HKFRS 9 the current derecognition principles of financial instruments of HKAS 39. Most of the Additions were carried forward unchanged from HKAS 39, while changes were made to the measurement of financial liabilities designated as at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. However, loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of the Additions.

HKAS 39 is aimed to be replaced by HKFRS 9 in its entirety. Before this entire replacement, the guidance in HKAS 39 on impairment of financial assets continues to apply. The previous mandatory effective date of HKFRS 9 was removed by the HKICPA in December 2013 and a mandatory effective date will be determined after the entire replacement of HKAS 39 is completed. However, the standard is available for application now. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss in accordance with HKFRS 9 rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The Group expects that these amendments will not have any impact on the Group as the Company is not an investment entity as defined in HKFRS 10.

The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to setoff" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2014.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 are stated at cost less any impairment losses.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures are included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed operation and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value measurement

The Group measures its investment properties, available-for-sale investments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, completed properties held for sale, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2% to 5% or over the unexpired terms of the leases if less than 50 years
Leasehold improvements	20% or over the unexpired terms of the leases if less than 5 years
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	20% to 25%
Plant and machinery	10%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment classified as held for sale are not depreciated or amortised.

Golf club membership

Golf club membership acquired is measured on initial recognition at cost and its useful life is assessed to be indefinite.

Golf club membership is tested for impairment annually and not amortised. Its useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as revenue in the statement of profit or loss. These net fair value changes do not include any dividends on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets *(continued)*

Available-for-sale financial investments *(continued)*

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

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. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment the loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Financial assets carried at amortised cost *(continued)*

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, 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 discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of revenue. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, financial guarantee contracts, loans from non-controlling shareholders of subsidiaries, consideration payable on acquisition of subsidiaries and interest-bearing bank borrowings.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial liabilities *(continued)*

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at bank, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of properties, when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of the relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement, and the collectibility of related receivables is reasonably assured;

(b) rental income from properties, in the period in which the properties are let and on a straight-line basis over the lease terms;

(c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

(d) dividend income, when the shareholders' right to receive payment has been established; and

(e) income from the sale of listed securities, on the trade date.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 38 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 4.46% (2012: 3.30%) has been applied to the expenditure on the individual assets.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Dividends

When final dividends proposed by the directors have been approved by the shareholders and declared in a general meeting, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain subsidiaries, joint ventures and associates in the People's Republic of China (the "PRC") are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and, their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Judgements *(continued)*

Classification between investment properties and owner-occupied properties *(continued)*

If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after its completion, whereas, the properties are accounted for as investment properties under construction included in investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at cost, while the properties held to earn rental and/or for capital appreciation are transferred to completed investment properties. Investment properties, both under construction or completed, are subject to revaluation at the end of each reporting period.

Investment properties stated at fair value are recovered through sale or through use

The Group has investment properties located in the PRC which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption made in HKAS 12 *Income Taxes* that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there is sufficient evidences such as historical transaction, future development plan and management's intention to demonstrate the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by the management at each reporting date.

Estimation uncertainty

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

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contract and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2013 was HK$411,330,000 (2012: HK$379,946,000). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are disclosed in note 17 to the financial statements.

Valuation of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost to completion (if any), which are estimated based on the best available information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Impairment loss on other receivables

In determining whether impairment loss on other receivable is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the Group's responsible personnel discusses with the relevant counterparties and reports to management on the recoverability. Impairment loss is only made for receivables that are unlikely to be collected.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment of all non-financial assets at each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of an unlisted equity investment

One of the unlisted equity investments of the Group has been valued based on the market value of its H-share traded in Hong Kong after applying a marketability discount rate. The valuation requires the Group to make an estimate about the marketability discount rate and hence is subject to uncertainty. The fair value of this unlisted equity investment as at 31 December 2013 was HK$60,915,000. Further details are disclosed in note 23 to the financial statements.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss.

Land appreciation taxes

Land appreciation tax in the PRC is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to land appreciation taxes. However, the implementation of these taxes varies amongst various cities in Mainland China and the Group has not finalised its land appreciation tax returns for some of its completed property development projects with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the statement of profit or loss and the provision for land appreciation taxes in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in note 33 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments (2012: four) as follows:

Property development and investment segment	—	Development and investment of properties located in Mainland China
Treasury investment segment	—	Investments in securities and notes receivable, and provision of financial services
Sale of packaging products segment	—	Manufacture and sale of watch boxes, gift boxes, eyewear cases, bags and pouches, and display units (discontinued in 2012 (note 37(b)))
Sale of travel bags segment	—	Manufacture and sale of soft luggage, travel bags, backpacks and briefcases (discontinued in 2012 (note 37(c)))

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2013

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	6,829,073	15,777	6,844,850
Segment results	1,679,976	68,091	1,748,067
Corporate and unallocated income			2,088
Corporate and unallocated expenses			(41,495)
Finance costs			(90,293)
Profit before tax			1,618,367
Other segment information:			
Share of profits and losses of:			
Joint ventures	(13,913)	—	(13,913)
Associates	(14,571)	—	(14,571)
Capital expenditure in respect of items of property, plant and equipment	17,065	—	17,065
Depreciation	28,428	21	28,449
Amortisation of prepaid land lease payments	12,634	—	12,634
Fair value gains on investment properties	18,260	—	18,260
Fair value losses on equity investments at fair value through profit or loss, net	—	27,942	27,942
Write-down of completed properties held for sale to net realisable value	208,925	—	208,925
Investments in joint ventures	30,576	—	30,576
Investments in associates	1,280,688	—	1,280,688

4. OPERATING SEGMENT INFORMATION *(continued)*

Reportable segment information *(continued)*

Year ended 31 December 2012

	Continuing operations			Discontinued operations			
	Property development and investment HK$'000 (Restated)	Treasury investment HK$'000	Total continuing operations HK$'000 (Restated)	Sale of packaging products HK$'000	Sale of travel bags HK$'000	Total discontinued operations HK$'000	Total Group HK$'000 (Restated)
Segment revenue							
Sales to external customers	7,430,261	2,438	7,432,699	168,007	31,675	199,682	7,632,381
Segment results	1,899,268	189,017	2,088,285	15,618	(2,173)	13,445	2,101,730
Corporate and unallocated income			2,104			—	2,104
Corporate and unallocated expenses			(69,975)			—	(69,975)
Finance costs			(64,475)			(40)	(64,515)
Profit before tax			1,955,939			13,405	1,969,344
Other segment information:							
Share of profits and losses of:							
Joint ventures	(18,264)	—	(18,264)	—	—	—	(18,264)
Associates	(7,504)	—	(7,504)	(492)	—	(492)	(7,996)
Capital expenditure in respect of items of property, plant and equipment	24,686	—	24,686	—	562	562	25,248
Depreciation	23,751	28	23,779	—	295	295	24,074
Amortisation of prepaid land lease payments	22,470	—	22,470	—	19	19	22,489
Fair value gains on investment properties	7,630	—	7,630	—	—	—	7,630
Fair value gains on equity investments at fair value through profit or loss, net	—	1,378	1,378	—	—	—	1,378
Investments in joint ventures	34,971	—	34,971	—	—	—	34,971
Investments in associates	1,244,445	—	1,244,445	—	—	—	1,244,445

Geographical information

(a) *Revenue from external customers*

Over 90% of the Group's revenue is derived from external customers of the Group's continuing operations in Mainland China.

(b) *Non-current assets*

Over 90% of the Group's non-current assets are located in Mainland China.

Information about major customer

For the years ended 31 December 2012 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue from continuing operations.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents gross proceeds from sale of properties, net of business tax and other sales related taxes from the sale of properties; gains/losses on disposal of equity investments at fair value through profit or loss, net; gross rental income received and receivable from leased properties; and dividend and interest income from listed and unlisted investments during the year.

An analysis of the Group's revenue, other income and gains from continuing operations is as follows:

	2013 HK$'000	2012 HK$'000
Revenue		
Sale of properties	**6,798,444**	7,408,442
Gross rental income	**19,986**	17,100
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	**795**	(7,411)
Dividend income from listed equity investments	**19,290**	4,306
Dividend income from unlisted equity investments	**1,303**	916
Interest income from unlisted debt investments	**5,032**	9,346
	6,844,850	7,432,699
Other income and gains		
Bank interest income	**85,618**	72,754
Other interest income	**54,867**	13,827
Exchange gains, net	**19,503**	—
Gains on disposal of subsidiaries (note 37(a),(d),(e))	**171,910**	10,044
Gain on disposal of available-for-sale investments, net	**83,168**	187,376
Gain on disposal of land quota	**40,222**	—
Fair value gains on investment properties (note 17)	**18,260**	7,630
Fair value gains on equity investments at fair value through profit or loss, net	**—**	1,378
Others	**6,759**	6,272
	480,307	299,281

6. OTHER EXPENSES

An analysis of other expenses from continuing operations is as follows:

	Group	
	2013 HK$'000	2012 HK$'000
Fair value losses on equity investments at fair value through profit or loss, net	**27,942**	—
Loss on disposal of investment properties	**—**	149
Loss on disposal of items of property, plant and equipment	**—**	60
Loss on disposal of subsidiaries (note 37(c))	**—**	11,935
Exchange losses, net	**—**	144
	27,942	12,288

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Group	
	2013 **HK$'000**	2012 HK$'000
Interest on bank loans wholly repayable:		
Within five years	**718,422**	482,971
Beyond five years	**15,567**	14,766
	733,989	497,737
Less: Interest capitalised	**(643,696)**	(433,262)
	90,293	64,475

8. PROFIT BEFORE TAX

The Group's profit before tax from continuing operations is arrived at after charging/(crediting):

	Notes	**2013** **HK$'000**	2012 HK$'000
Cost of properties sold	24.3	**4,507,743**	4,930,109
Write-down of completed properties held for sale to net realisable value	24.3	**208,925**	—
Depreciation	4	**28,449**	23,779
Less: Amount capitalised		**(2,493)**	(1,423)
		25,956	22,356
Amortisation of prepaid land lease payments	4	**12,634**	22,470
Minimum lease payments under operating leases in respect of land and buildings		**9,459**	8,274
Auditors' remuneration		**6,790**	6,750
Employee benefit expense (including directors' remuneration (note 9)):			
Wages and salaries		**346,653**	290,301
Pension scheme contributions		**11,307**	7,133
Less: Amount capitalised		**(109,878)**	(75,708)
		248,082	221,726
Foreign exchange differences, net		**(19,503)**	144
Gross rental income, net of business tax		**(19,986)**	(17,100)
Direct operating expenses (including repairs and maintenance) arising on rental-earning properties		**4,178**	3,591
Net rental income		**(15,808)**	(13,509)

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Section 161 of the Hong Kong Companies Ordinance, is as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Fees	**2,100**	1,870
Other emoluments:		
Salaries, allowances and benefits in kind	**15,810**	16,040
Performance related bonuses*	**16,700**	14,000
Pension scheme contributions	**702**	720
	33,212	30,760
	35,312	32,630

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Company's operating results, individual performance of the directors and comparable market statistics during the year.

During the year, the Group provided a leasehold property in Hong Kong as staff quarter for one of the executive directors of the Company. The estimated monetary value of such accommodation, included in the amount disclosed above, using the rateable value as an approximation, was HK$600,000 (2012: HK$600,000).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2012: Nil).

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2013	2012
	HK$'000	HK$'000
Mr. Lam Kin Fung Jeffrey	**600**	520
Mr. Leung Yu Ming Steven	**500**	450
Dr. Wong Lung Tak Patrick	**500**	450
	1,600	1,420

There were no other emoluments payable to the independent non-executive directors during the year (2012: Nil).

9. DIRECTORS' REMUNERATION *(continued)*

(b) Executive directors and a non-executive director

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2013					
Executive directors:					
Mr. Cheung Chung Kiu	**—**	**—**	**—**	**—**	**—**
Dr. Lam How Mun Peter	**—**	**7,750**	**8,500**	**330**	**16,580**
Mr. Tsang Wai Choi	**—**	**4,550**	**5,000**	**210**	**9,760**
Mr. Leung Chun Cheong	**—**	**1,495**	**1,200**	**69**	**2,764**
Mr. Leung Wai Fai	**—**	**2,015**	**2,000**	**93**	**4,108**
	—	**15,810**	**16,700**	**702**	**33,212**
Non-executive director:					
Mr. Wong Yat Fai	**500**	**—**	**—**	**—**	**500**
	500	**15,810**	**16,700**	**702**	**33,712**
2012					
Executive directors:					
Mr. Cheung Chung Kiu	—	—	—	—	—
Dr. Lam How Mun Peter	—	7,100	7,000	300	14,400
Mr. Tsang Wai Choi	—	3,900	4,000	180	8,080
Mr. Lam Hiu Lo*	—	—	—	—	—
Mr. Leung Chun Cheong	—	1,618	1,500	76	3,194
Mr. Leung Wai Fai	—	1,820	1,500	84	3,404
Ms. Poon Ho Yee Agnes*	—	953	—	48	1,001
Mr. Wu Hong Cho**	—	649	—	32	681
	—	16,040	14,000	720	30,760
Non-executive director:					
Mr. Wong Yat Fai	450	—	—	—	450
	450	16,040	14,000	720	31,210

* Mr. Lam Hiu Lo and Ms. Poon Ho Yee Agnes resigned as executive directors of the Company with effect from 12 July 2012.

** Mr. Wu Hong Cho retired as an executive director of the Company with effect from 18 May 2012.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2012: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2012: two) non-director, highest paid employees are as follows:

	Group 2013 HK$'000	2012 HK$'000
Salaries, allowances, and benefits in kind	**4,030**	3,510
Performance related bonuses	**8,000**	7,000
Pension scheme contributions	**186**	162
	12,216	10,672

10. FIVE HIGHEST PAID EMPLOYEES *(continued)*

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	No. of individuals 2013	2012
HK$4,000,001 to HK$5,000,000	**1**	1
HK$6,000,001 to HK$7,000,000	**—**	1
HK$7,000,001 to HK$8,000,000	**1**	—
	2	2

11. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	2013 HK$'000	2012 HK$'000
Group:		
Current charge for the year		
Hong Kong	**667**	1,334
Mainland China	**655,413**	710,958
	656,080	712,292
Underprovision/(overprovision) in prior years		
Hong Kong	**61**	(452)
Mainland China	**4,904**	8,116
	4,965	7,664
Land appreciation tax charge for the year	**639,806**	879,549
Deferred tax (note 33)	**(345,402)**	(303,592)
Total tax charge for the year from continuing operations	**955,449**	1,295,913

A reconciliation of the tax expense applicable to profit before tax from continuing operations at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Group 2013 HK$'000	2012 HK$'000 (Restated)
Profit before tax from continuing operations	**1,618,367**	1,955,939
Tax at the statutory tax rates of different jurisdictions	**417,030**	489,512
Adjustments in respect of current tax of previous periods	**4,965**	7,664
Profits and losses attributable to joint ventures	**2,296**	3,014
Profits and losses attributable to associates	**3,643**	1,876
Income not subject to tax	**(14,046)**	(34,856)
Expenses not deductible for tax	**74,143**	143,639
Tax losses utilised from previous periods	**(20,874)**	(6,782)
Tax losses not recognised	**9,022**	33,080
Land appreciation tax	**639,806**	879,549
Tax effect of land appreciation tax	**(159,952)**	(219,887)
Others	**(584)**	(896)
Tax expense from continuing operations at the Group's effective rate	**955,449**	1,295,913

11. INCOME TAX *(continued)*

There was no share of tax expense attributable to joint ventures during the year ended 31 December 2013 (2012: Nil).

The share of tax expense attributable to associates amounting to HK$3,134,000 (2012: Nil) is included in "Share of profits and losses of associates" on the face of the consolidated statement of profit or loss.

12. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2013 includes a loss of HK$39,265,000 (2012: HK$63,274,000) which has been dealt with in the financial statements of the Company.

13. NON-CURRENT ASSETS AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Details of the assets and liabilities of the non-current assets and a disposal group of the Group classified as held for sale are as follows:

	Notes	**2013** **HK$'000**	2012 HK$'000
Assets			
Interests in land use rights for property development	13(a)	**1,452,133**	—
Investment in an associate	13(b)	**39,301**	38,108
Disposal group classified as held for sale	13(c)	—	367,913
Non-current assets and assets of a disposal group classified as held for sale		**1,491,434**	406,021
Liabilities			
Liabilities directly associated with the assets classified as held for sale	13(c)	—	78,355

(a) Interests in land use rights for property development classified as held for sale — Ho Yeung Group

On 13 November 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Ho Yeung Group Limited ("Ho Yeung", and together with its subsidiary, the "Ho Yeung Group") and a shareholder's loan owed by Ho Yeung Group to the Group for a total consideration of RMB1,425,480,000 (equivalent to HK$1,827,747,000).

Ho Yeung Group is principally engaged in property development and investment in Mainland China. The disposal of Ho Yeung Group was completed on 15 January 2014. The major assets of the Ho Yeung Group comprise interests in land use rights for property development amounting to HK$1,452,133,000 (note 24.2) which were classified as non-current assets held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2013. The cumulative income recognised in other comprehensive income in relation to the Ho Yeung Group represents an exchange fluctuation reserve of HK$81,747,000.

(b) Investment in an associate classified as held for sale — Sichuan Hengchen

On 30 November 2010, the Group entered into a share transfer agreement with a non-controlling shareholder of Sichuan Hengchen Real Estate Development Company Limited ("Sichuan Hengchen") to dispose of its entire 60% equity interest in Sichuan Hengchen. Sichuan Hengchen is principally engaged in property development and investment in Mainland China. The partial disposal of 30% equity interest in Sichuan Hengchen was completed on 30 March 2011.

Upon completion of the first 30% disposal, the Group ceased to have control over Sichuan Hengchen thereafter. The Group has accounted for the investment retained in Sichuan Hengchen as an associate held for sale which was stated at its fair value at the date the control was lost and was presented as a non-current asset held for sale as at 31 December 2012 and 2013. The disposal of this remaining 30% equity interest in Sichuan Hengchen is expected to be completed in 2014.

13. NON-CURRENT ASSETS AND A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(c) Disposal group classified as held for sale — Keen Star Group

On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Limited ("Keen Star") and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. Keen Star and its subsidiary (collectively the "Keen Star Group") are principally engaged in property development and investment in Mainland China. The assets and liabilities of the Keen Star Group were classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2012. The disposal of the Keen Star Group was completed on 3 January 2013. For details of the disposal of the Keen Star Group, please refer to note 37(a) to the financial statements.

The major classes of assets and liabilities of the Keen Star Group classified as held for sale as at 31 December 2012 are as follows:

	Notes	2012 HK$'000
Assets		
Property, plant and equipment	16	2,009
Properties under development	24.1	358,528
Prepayments, deposits and other receivables		6,660
Cash and cash equivalents		716
Assets classified as held for sale		367,913
Liabilities		
Other payables and accruals		1,744
Loans from a non-controlling shareholder		76,611
Liabilities directly associated with the assets classified as held for sale		78,355
Net assets directly associated with the disposal group — Keen Star Group		289,558

Cumulative income recognised in other comprehensive income:

	2012 HK$'000
Exchange fluctuation reserve	12,562

14. DIVIDENDS

	2013 HK$'000	2012 HK$'000
Special interim (note 37(b))	—	221,314
Proposed final — HK$0.045 (2012: HK$0.045) per ordinary share	**116,470**	116,451
	116,470	337,765

Year ended 31 December 2013

The final dividend of HK$0.045 per ordinary share for the year ended 31 December 2013 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the AGM.

No interim dividend was declared in respect of the year ended 31 December 2013.

Year ended 31 December 2012

The Company declared a final dividend of HK$0.045 per ordinary share amounted to HK$116,451,000 in respect of the year ended 31 December 2012 with a scrip alternative offered to shareholders to elect to receive the final dividend by an allotment of new shares in lieu of cash. A scrip dividend of HK$1,016,000 was paid on 3 July 2013 by issuing 423,217 ordinary shares of HK$0.10 each in the Company at a market value of HK$2.4 per share and a cash dividend of HK$115,435,000 was paid on the same date.

The Company had also declared a special interim dividend in respect of the year ended 31 December 2012 which was satisfied by way of a distribution in specie of the entire 100% interest in the issued share capital of Qualipak International Holdings Limited ("Qualipak") to qualifying shareholders of the Company (the "Distribution"). Under the Distribution, each qualifying shareholder of the Company received one share of Qualipak for every whole multiple of twenty ordinary shares of the Company held by the qualifying shareholders.

Further details for the spin-off of Qualipak and the Distribution are set out in note 37(b) to the financial statements.

15. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

The calculations of basic and diluted earnings per share are based on:

	2013 HK$'000	2012 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:		
From continuing operations	**505,395**	516,374
From discontinued operations	—	12,863
	505,395	529,237

	Number of shares 2013	2012
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**2,588,010,924**	2,587,799,895

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2012 and 2013 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2013					
At 1 January 2013:					
Cost	149,402	1,911	39,926	54,030	245,269
Accumulated depreciation	(25,249)	(1,635)	(21,126)	(26,574)	(74,584)
Net carrying amount	124,153	276	18,800	27,456	170,685
At 1 January 2013, net of accumulated depreciation	124,153	276	18,800	27,456	170,685
Additions	—	7	9,717	7,341	17,065
Transfer from completed properties held for sale (note 24.3)	4,524	—	—	—	4,524
Acquisition of subsidiaries that are not a business (note 36)	—	—	633	768	1,401
Disposals	—	—	(70)	(52)	(122)
Depreciation provided during the year	(10,605)	(65)	(8,732)	(9,047)	(28,449)
Exchange realignment	3,444	—	135	1,201	4,780
At 31 December 2013, net of accumulated depreciation	121,516	218	20,483	27,667	169,884
At 31 December 2013:					
Cost	158,038	1,918	50,729	64,592	275,277
Accumulated depreciation	(36,522)	(1,700)	(30,246)	(36,925)	(105,393)
Net carrying amount	121,516	218	20,483	27,667	169,884

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Group *(continued)*

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Plant and machinery HK$'000	Total HK$'000
31 December 2012						
At 1 January 2012:						
Cost	128,041	1,731	35,453	48,655	7,347	221,227
Accumulated depreciation	(23,331)	(1,412)	(15,697)	(20,226)	(4,654)	(65,320)
Net carrying amount	104,710	319	19,756	28,429	2,693	155,907
At 1 January 2012, net of accumulated depreciation	104,710	319	19,756	28,429	2,693	155,907
Additions	3,685	180	11,709	9,674	—	25,248
Transfer from completed properties held for sale (note 24.3)	53,117	—	—	—	—	53,117
Assets included as held for sale (note 13(c))	(1,613)	—	(189)	(207)	—	(2,009)
Disposal of subsidiaries (note 37(c),(e))	(24,672)	—	(2,915)	(273)	(2,585)	(30,445)
Disposals	(4,100)	—	(1,283)	(1,301)	—	(6,684)
Depreciation provided during the year	(6,961)	(223)	(8,115)	(8,667)	(108)	(24,074)
Exchange realignment	(13)	—	(163)	(199)	—	(375)
At 31 December 2012, net of accumulated depreciation	124,153	276	18,800	27,456	—	170,685
At 31 December 2012:						
Cost	149,402	1,911	39,926	54,030	—	245,269
Accumulated depreciation	(25,249)	(1,635)	(21,126)	(26,574)	—	(74,584)
Net carrying amount	124,153	276	18,800	27,456	—	170,685

As at 31 December 2013, certain of the Group's leasehold buildings of HK$93,001,000 (2012: HK$40,983,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

The carrying value of the Group's land and buildings shown above comprises:

	2013 HK$'000	2012 HK$'000
Land and buildings held under medium term leases situated in:		
Hong Kong	**14,284**	14,654
Mainland China	**107,232**	109,499
	121,516	124,153

16. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Company

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
31 December 2013			
At 1 January 2013:			
Cost	**1,566**	**644**	**2,210**
Accumulated depreciation	**(1,566)**	**(345)**	**(1,911)**
Net carrying amount	**—**	**299**	**299**
At 1 January 2013, net of accumulated depreciation	**—**	**299**	**299**
Depreciation provided during the year	**—**	**(65)**	**(65)**
At 31 December 2013, net of accumulated depreciation	**—**	**234**	**234**
At 31 December 2013:			
Cost	**1,566**	**644**	**2,210**
Accumulated depreciation	**(1,566)**	**(410)**	**(1,976)**
Net carrying amount	**—**	**234**	**234**
31 December 2012			
At 1 January 2012:			
Cost	1,566	644	2,210
Accumulated depreciation	(1,373)	(281)	(1,654)
Net carrying amount	193	363	556
At 1 January 2012, net of accumulated depreciation	193	363	556
Depreciation provided during the year	(193)	(64)	(257)
At 31 December 2012, net of accumulated depreciation	—	299	299
At 31 December 2012:			
Cost	1,566	644	2,210
Accumulated depreciation	(1,566)	(345)	(1,911)
Net carrying amount	—	299	299

17. INVESTMENT PROPERTIES

	Group	
	2013 HK$'000	2012 HK$'000
Carrying amount at 1 January	**379,946**	372,949
Disposals during the year	**—**	(592)
Net gain from a fair value adjustment (note 5)	**18,260**	7,630
Exchange realignment	**13,124**	(41)
Carrying amount at 31 December	**411,330**	379,946

17. INVESTMENT PROPERTIES *(continued)*

The Group's investment properties are situated in Mainland China and are held under the following lease terms:

	Group 2013 HK$'000	2012 HK$'000
Long term leases	—	75,587
Medium term leases	**411,330**	304,359
Carrying amount at 31 December	**411,330**	379,946

At 31 December 2013, certain of the Group's investment properties of HK$189,418,000 (2012: HK$171,437,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

The Group's investment properties are leased to third parties under operating leases, further summary details of which are included in note 39(a) to the financial statements.

The Group's investments properties were revalued at the end of reporting period by Greater China Appraisal Professional Services Group, independent professionally qualified valuers. The valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

In the opinion of the directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Residential properties HK$'000	Non-residential properties HK$'000	Car parking spaces HK$'000	Total HK$'000
At 1 January 2013	11,790	226,231	141,925	379,946
Net gain/(loss) from fair value adjustments	(83)	(1,347)	19,690	18,260
Exchange realignment	364	6,994	5,766	13,124
At 31 December 2013	12,071	231,878	167,381	411,330

Unrealised gains included in the consolidated statements of profit or loss for investment properties for the year ended 31 December 2013 were HK$18,260,000 (2012: HK$7,630,000).

Description of valuation techniques used and key inputs to valuation on investment properties is as follows:

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	15 to 17.5
		Capitalisation rate	4%
Non-residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	9 to 84
		Capitalisation rate	5.5% to 6.5%
Car parking spaces	Income capitalisation method	Estimated monthly rental value per unit (RMB)	360 to 420
		Capitalisation rate	4%

Significant increases/(decreases) in estimated rental value per square meter or per unit in isolation would result in significantly higher/(lower) fair value of the investment properties. Significant increases/(decreases) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

Generally, a change in the assumption made for the estimated monthly rental values per square meter or per unit is accompanied by a directionally similar change in the development profit and an opposite change in the capitalisation rate.

18. PREPAID LAND LEASE PAYMENTS

	Group 2013 HK$'000	2012 HK$'000
Carrying amount at 1 January	**1,158,850**	802,988
Acquisition of subsidiaries that are not a business (note 36)	**741,671**	—
Transfer from interests in land use rights for property development (note 24.2)	**65,441**	381,921
Transfer to properties under development (note 24.1)	**(1,862,717)**	—
Disposal of subsidiaries (note 37(c))	**—**	(3,356)
Amortised during the year	**(12,634)**	(22,489)
Exchange realignment	**36,011**	(214)
Carrying amount at 31 December	**126,622**	1,158,850
Current portion	**(2,574)**	(22,546)
Non-current portion	**124,048**	1,136,304

The Group's leasehold lands are situated in Mainland China and are held under the following lease terms:

	Group 2013 HK$'000	2012 HK$'000
Long term leases	**92,755**	321,956
Medium term leases	**33,867**	836,894
	126,622	1,158,850

At 31 December 2013, there was no pledge of the Group's prepaid land lease payments to secure banking facilities granted to the Group. At 31 December 2012, the Group's prepaid land lease payments with a carrying value of HK$724,855,000 were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

19. GOLF CLUB MEMBERSHIP

Group and Company

	HK$'000
31 December 2013	
Cost at 1 January 2012, 31 December 2012 and 1 January 2013	—
Additions	10,540
Cost at 31 December 2013	10,540

20. INVESTMENTS IN SUBSIDIARIES

	Company 2013 HK$'000	2012 HK$'000
Unlisted shares, at cost	**1,000,390**	1,000,390

The amounts due from and to subsidiaries included in the Company's current assets and current liabilities of HK$13,513,935,000 (2012: HK$12,969,947,000) and HK$950,000 (2012: HK$350,000), respectively, are unsecured, interest-free and have no fixed terms of repayment except for an amount due from a subsidiary of HK$4,582,904,000 (2012: HK$3,689,824,000) that bears interest at a fixed rate of 3.475% or floating rates ranging from HIBOR + 2% to HIBOR + 4.25% per annum (2012: floating rates ranging from HIBOR + 1.9% to HIBOR + 4% per annum).

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company	Principal activities
Ample Win Limited*	Hong Kong	Ordinary HK$1	100	Investment holding
C C Land Management Limited	Hong Kong	Ordinary HK$1	100	Corporate management
Charm Best Investment Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Cheer Gain Development Limited*	Hong Kong	Ordinary HK$1	100	Investment holding
Dragon Pioneer Development Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Excel Sky (Hong Kong) Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Global Palace Investments Limited*	British Virgin Islands ("BVI")/ Hong Kong	Ordinary US$1,000	100	Property holding
Good Wave International Limited#	BVI	Ordinary US$1	100	Investment holding
Grand Fortune Enterprises Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Harbour Crest Holdings Limited#	BVI	Ordinary US$1	100	Investment holding
Ho Yeung*/#	BVI	Ordinary US$1	100	Investment holding
Join Wise Enterprises Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Joy Wealthy Investment Limited	Hong Kong	Ordinary HK$1	85	Investment holding
Joyview Group Limited*/#	BVI	Ordinary US$1	100	Investment holding
Marvel Leader Investments Limited#	BVI	Ordinary US$50,000	100	Investment holding
Massive Vast Group Limited#	BVI	Ordinary US$1	100	Investment holding
Mega Star International Investment Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Merry Full Investments Limited#	BVI	Ordinary US$1	100	Investment holding

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company	Principal activities
Mighty Gain Enterprises Limited*/#	BVI	Ordinary US$1	100	Investment holding
Starthigh International Limited#	BVI	Ordinary US$1	100	Investment holding
Victor Shiny Limited*	Hong Kong	Ordinary HK$1	100	Investment holding
Victory Joy Investments Limited*/#	BVI	Ordinary US$1	100	Investment holding
Wealthy New Limited*/#	BVI	Ordinary US$1	100	Investment holding
Win Harbour Investments Limited ("Win Harbour")#	BVI	Ordinary US$50,000	85	Investment holding
Win Peak Group Limited#	BVI	Ordinary US$1	100	Investment holding
Worthwell Investments Limited	BVI/Hong Kong	Ordinary US$50,000	100	Treasury investment
Chengdu Guojia Cheer Gain Property Company Limited ("Chengdu Guojia")*/**/### (成都國嘉志得置業有限公司)	PRC/Mainland China	Registered RMB1,375,000,000	51	Property development and investment
Chengdu Guojia Zhong Yu Real Estate Company Limited*/** (成都國嘉中渝置業有限公司)	PRC/Mainland China	Registered RMB50,000,000	51	Property development and investment
Chengdu Yongping Real Estate Company Limited*/** (成都市永平置業有限公司)	PRC/Mainland China	Registered RMB20,000,000	51	Property development and investment
Chengdu Zhongyi Property Development Company Limited*/**/## (成都眾怡房地產開發有限公司)	PRC/Mainland China	Registered RMB200,000,000	51	Property development and investment
Chongqing Juxin Property Development (Group) Company Limited*/**/## (重慶聚信房地產開發（集團）有限公司)	PRC/Mainland China	Registered RMB469,200,000	100	Property development and investment

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company	Principal activities
Chongqing Lian Xian Investment Company Limited*/** (重慶聯星投資有限公司)	PRC/Mainland China	Registered RMB320,000,000	51	Property development and investment
Chongqing Lucky Boom Realty Company*/## (重慶瑞昌房地產有限公司)	PRC/Mainland China	Registered US$50,000,000	100	Property development and investment
Chongqing Verakin Gonghao Real Estate Company Limited ("Chongqing Gonghao")*/**/*** (重慶同景共好置地有限公司)	PRC/Mainland China	Registered RMB300,000,000	26	Property development and investment
Chongqing Verakin Real Estate Company Limited ("Chongqing Verakin")*/** (重慶同景置業有限公司)	PRC/Mainland China	Registered RMB302,800,000	51	Property development and investment
Chongqing Verakin Wenlong Real Estate Company Limited*/**/*** (重慶同景文龍置地有限公司)	PRC/Mainland China	Registered RMB50,000,000	26	Property development and investment
Chongqing Victor Shiny Real Estate Development Company Limited*/## (重慶浚亮房地產開發有限公司)	PRC/Mainland China	Registered US$200,000,000	100	Property development and investment
Chongqing Zhong Yu Property Development Company Limited*/## (重慶中渝物業發展有限公司)	PRC/Mainland China	Registered US$131,000,000	100	Property development and investment
Guiyang Zhong Yu Real Estate Development Company Limited*/**/## (貴陽中渝置地房地產開發有限公司)	PRC/Mainland China	Registered US$130,000,000	85	Property development and investment
Sichuan Senxin Real Estate Company Limited*/**/## (四川森信置業有限公司)	PRC/Mainland China	Registered US$29,800,000	100	Property development and investment
Sichuan Zhong Yu Real Estate Company Limited*/**/## (四川中渝置地有限公司)	PRC/Mainland China	Registered US$15,000,000	100	Property development and investment

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company	Principal activities
Sichuan Yongqiao Land Company Limited*/** (四川雍橋置業有限公司)	PRC/Mainland China	Registered RMB100,000,000	100	Property development and investment
Xian Yuansheng Enterprises Limited ("Xian Yuansheng")*/** (西安遠聲實業有限公司)	PRC/Mainland China	Registered RMB120,000,000	100	Property development and investment
Yunnan Zhong Yu Land Development Company Limited*/** (雲南中渝置地發展有限公司)	PRC/Mainland China	Registered RMB50,000,000	70	Property development and investment

These are investment holding companies which have no specific principal place of operations.

These companies are registered as wholly-owned foreign enterprises under PRC law.

This company is registered as a Sino-foreign joint venture under PRC law.

* Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network

** Direct translation from the Chinese name which is for identification purposes only

*** These companies are subsidiaries of a non-wholly-owned subsidiary of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.

Note: Except for Marvel Leader Investments Limited and Mighty Gain Enterprises Limited, the equity interests of all principal subsidiaries are indirectly held by the Company.

During the year, the Group acquired Xian Yuansheng from independent third parties. Further details of the acquisition are disclosed in note 36 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Name of subsidiary	Percentage of equity interests held by non-controlling interests		Profit/(loss) for the year allocated to non-controlling interests		Dividends paid to non-controlling interests		Accumulated balances of non-controlling interests at the reporting dates	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	%	%	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Chongqing Verakin	**49**	49	**82,724**	48,302	**190,667**	—	**552,987**	640,638
Chengdu Guojia	**49**	49	**83,588**	85,780	**—**	—	**606,145**	492,931
Chongqing Gonghao	**49**	49	**(13,981)**	(5,752)	**—**	—	**166,033**	174,812
Win Harbour	**15**	15	**1,605**	(6,318)	**—**	—	**180,816**	174,624

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Chongqing Verakin

	2013 **HK$'000**	2012 HK$'000
Revenue	**2,904,416**	2,309,934
Total expenses	**(2,824,590)**	(2,232,289)
Profit for the year	**173,776**	107,015
Total comprehensive income for the year	**173,776**	107,015
Current assets	**6,695,095**	5,760,524
Non-current assets	**2,271,575**	2,606,290
Current liabilities	**(7,052,481)**	(6,043,655)
Non-current liabilities	**(585,741)**	(794,481)
Net cash flows from/(used in) operating activities	**(40,893)**	487,374
Net cash flows used in investing activities	**(136,508)**	(795,900)
Net cash flows from financing activities	**215,976**	258,654
Net increase/(decrease) in cash and cash equivalents	**38,575**	(49,872)

Chengdu Guojia

	2013 **HK$'000**	2012 HK$'000
Revenue	**1,238,457**	1,488,703
Total expenses	**(1,079,709)**	(1,332,284)
Profit for the year	**170,588**	175,062
Total comprehensive income for the year	**231,050**	174,941
Current assets	**10,439,534**	5,998,422
Non-current assets	**1,579,081**	1,485,431
Current liabilities	**(7,721,002)**	(4,984,781)
Non-current liabilities	**(2,160,989)**	(593,498)
Net cash flows from operating activities	**2,446,488**	750,483
Net cash flows used in investing activities	**(1,320,092)**	(758,805)
Net cash flows from financing activities	**82,386**	217,004
Net increase in cash and cash equivalents	**1,208,782**	208,682

Chongqing Gonghao

	2013 **HK$'000**	2012 HK$'000
Total expenses	**(29,400)**	(12,053)
Loss for the year	**(28,533)**	(11,739)
Total comprehensive income for the year	**(28,533)**	(11,739)
Current assets	**2,129,751**	705,436
Non-current assets	**959,352**	1,283,051
Current liabilities	**(2,298,866)**	(1,261,746)
Non-current liabilities	**(451,394)**	(369,982)
Net cash flows used in operating activities	**(403,352)**	(304,525)
Net cash flows used in investing activities	**(96,819)**	(570,159)
Net cash flows from financing activities	**490,246**	932,361
Net increase/(decrease) in cash and cash equivalents	**(9,925)**	57,677

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Win Harbour

	2013 HK$'000	2012 HK$'000
Revenue	**81,559**	—
Total expenses	**(71,852)**	(42,862)
Profit/(loss) for the year	**10,702**	(42,121)
Total comprehensive income for the year	**41,278**	(42,709)
Current assets	**2,560,075**	1,518,265
Non-current assets	**1,301,799**	735,668
Current liabilities	**(2,137,501)**	(734,294)
Non-current liabilities	**(518,932)**	(355,476)
Net cash flows from/(used in) operating activities	**295,804**	(35,111)
Net cash flows used in investing activities	**(623,911)**	(187,754)
Net cash flows from financing activities	**150,083**	357,649
Net increase/(decrease) in cash and cash equivalents	**(178,024)**	134,784

21. INVESTMENTS IN JOINT VENTURES

	Group	
	2013 HK$'000	2012 HK$'000 (Restated)
Share of net liabilities	**(63,518)**	(47,461)
Loans to a joint venture	**94,094**	82,432
	30,576	34,971

The loans to a joint venture are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing
Ocean Champion Investments Limited ("Ocean Champion")	Ordinary shares of US$1 each	BVI	50	50	50
Fancy Style Investments Limited ("Fancy Style")	Ordinary shares of US$1 each	BVI	50	50	50

Ocean Champion is a vessel holding company while Fancy Style is principally engaged in vessel operation and maintenance services.

All the joint ventures are unlisted and indirectly held by the Company.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2013 HK$'000	2012 HK$'000
Share of the joint ventures' loss for the year	**(13,913)**	(18,264)
Share of the joint ventures' other comprehensive income	**(2,144)**	(700)
Share of the joint ventures' total comprehensive income	**(16,057)**	(18,964)
Aggregate carrying amount of the Group's investments in joint ventures	**30,576**	34,971

22. INVESTMENTS IN ASSOCIATES

	Group 2013 HK$'000	Group 2012 HK$'000 (Restated)
Share of net assets	**303,926**	174,034
Loans to an associate	**987,560**	971,008
Due from/(to) associates	**(10,798)**	99,403
	1,280,688	1,244,445

The loans to an associate and amounts due from/to associates are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the associates are as follows:

Name	Place of incorporation/ registration and business	Particulars of shares held	Percentage of ownership interest attributable to the Group 2013	2012	Principal activities
Benefit East Investments Limited ("Benefit East")	BVI/Hong Kong	Ordinary share of US$1 each	**25**	25	Investment holding
Chongqing Verakin Wenhao Real Estate Company Limited ("Verakin Wenhao")* (重慶同景文浩置業有限公司)	PRC/ Mainland China	Registered RMB100,000,000	**24.99**	24.99	Property development and investment
Chongqing Verakin Wenhong Real Estate Company Limited ("Verakin Wenhong")* (重慶同景文宏置地有限公司)	PRC/ Mainland China	Registered RMB20,000,000	**24.99**	24.99	Property development and investment
China Technology Finance Leasing Company Limited ("China Technology Finance Leasing") (華科融資租賃有限公司)	PRC/ Mainland China	Registered RMB300,000,000	**25**	—	Finance leasing business

* Direct translation from the Chinese name which is for identification purposes only

The Group's shareholdings in these associates comprise equity shares held through subsidiaries of the Company.

The Group's voting power held in relation to China Technology Finance Leasing is 14.29% (2012: Nil).

Benefit East, Verakin Wenhao and its wholly-owned subsidiary, Verakin Wenhong (collectively as the "Verakin Wenhao Group"), and China Technology Finance Leasing, are considered as material associates of the Group and are accounted for using the equity method.

22. INVESTMENTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised financial information of Benefit East and reconciled to the carrying amount in the consolidated financial statements:

	2013 HK$'000	2012 HK$'000 (Restated)
Current assets	**6,828,601**	6,187,455
Non-current assets	**1,372**	650
Current liabilities	**(4,101,676)**	(3,905,015)
Non-current liabilities	**(2,088,093)**	(1,815,927)
Net assets	**640,204**	467,163
Reconciliation to the Group's interest in Benefit East:		
Proportion of the Group's ownership	**25%**	25%
Group's share of net assets of Benefit East	**160,051**	116,791
Carrying amount of the investment in Benefit East	**1,147,611**	1,087,799
Loss for the year	**(16,561)**	(30,015)
Other comprehensive income for the year	**189,602**	(4,644)
Total comprehensive income for the year	**173,041**	(34,659)

The following table illustrates the summarised financial information of Verakin Wenhao Group and reconciled to the carrying amount in the consolidated financial statements:

	2013 HK$'000	2012 HK$'000
Current assets	**739,863**	414,899
Non-current assets	**630**	501
Current liabilities	**(646,430)**	(298,578)
Net assets	**94,063**	116,822
Reconciliation to the Group's interest in Verakin Wenhao Group:		
Proportion of the Group's ownership held through a 51%-owned subsidiary	**49%**	49%
Group's share of net assets of Verakin Wenhao Group	**46,091**	57,243
Carrying amount of the investment in Verakin Wenhao Group	**35,293**	156,646
Loss for the year	**(26,148)**	N/A#
Total comprehensive income for the year	**(26,148)**	N/A#

Verakin Wenhao Group became an associate of the Group on 25 December 2012.

The following table illustrates the summarised financial information of China Technology Finance Leasing and reconciled to the carrying amount in the consolidated financial statements:

	2013 HK$'000	2012 HK$'000
Current assets	**199,709**	—
Non-current assets	**216,818**	—
Current liabilities	**(25,389)**	—
Net assets	**391,138**	—
Reconciliation to the Group's interest in China Technology Finance Leasing:		
Proportion of the Group's ownership	**25%**	—
Group's share of net assets of China Technology Finance Leasing	**97,784**	—
Carrying amount of the investment in China Technology Finance Leasing	**97,784**	—
Revenue	**17,676**	—
Profit for the year	**9,529**	—
Other comprehensive income for the year	**3,852**	—
Total comprehensive income for the year	**13,381**	—

23. AVAILABLE-FOR-SALE INVESTMENTS

	Group 2013 HK$'000	2012 HK$'000
Listed equity investment in Mainland China, at fair value	**151,457**	188,927
Unlisted equity investments, at cost	**—**	292,825
Unlisted equity investments, at fair value	**412,356**	—
Unlisted debt investments, at fair value	**30,052**	32,455
	593,865	514,207

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$91,277,000 (2012: HK$7,425,000).

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets with no fixed maturity date or coupon rate and investments in debt securities with a fixed interest rate at 12% per annum which will mature in 2015. The Group does not intend to dispose of these investments in the near future.

As at 31 December 2012, the unlisted equity investments with a carrying amount of HK$292,825,000 were stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably.

The market value of the Group's listed available-for-sale investments at the date of approval of these financial statements was approximately HK$148,042,000.

24.1 PROPERTIES UNDER DEVELOPMENT

	Group 2013 HK$'000	2012 HK$'000
At beginning of year	**21,223,336**	19,422,083
Additions (including development costs and capitalised interests and expenses)	**7,064,630**	6,389,554
Assets classified as held for sale (note 13(c))	**—**	(358,528)
Transfer from prepaid land lease payments (note 18)	**1,862,717**	—
Transfer from interests in land use rights for property development (note 24.2)	**2,133,258**	3,687,289
Transfer to completed properties held for sale (note 24.3)	**(7,120,252)**	(6,802,977)
Disposal of subsidiaries (note 37(d),(e))	**—**	(1,110,506)
Exchange realignment	**662,499**	(3,579)
At end of year	**25,826,188**	21,223,336

Properties under development expected to be completed:

	Group 2013 HK$'000	2012 HK$'000
Beyond normal operating cycle included under non-current assets	**8,817,886**	7,736,592
Within normal operating cycle included under current assets	**17,008,302**	13,486,744
	25,826,188	21,223,336

Properties under development expected to be completed within normal operating cycle and recovered:

	Group 2013 HK$'000	2012 HK$'000
Within one year	**8,699,732**	4,151,902
After one year	**8,308,570**	9,334,842
	17,008,302	13,486,744

24.1 PROPERTIES UNDER DEVELOPMENT *(continued)*

The Group's properties under development are situated in Mainland China and are held under the following leases:

	2013 HK$'000	2012 HK$'000
Long term leases	**8,947,641**	8,470,813
Medium term leases	**16,878,547**	12,752,523
	25,826,188	21,223,336

At 31 December 2013, the Group's properties under development with an aggregate carrying amount of HK$12,149,652,000 (2012: HK$10,997,965,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

24.2 INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

	Group	
	2013 HK$'000	2012 HK$'000
At beginning of year	**2,737,739**	3,150,527
Additions	**3,476,609**	3,656,968
Assets classified as held for sale (note 13(a))	**(1,452,133)**	—
Transfer to prepaid land lease payments (note 18)	**(65,441)**	(381,921)
Transfer to properties under development (note 24.1)	**(2,133,258)**	(3,687,289)
Re-possession of lands by local government	**(479,414)**	—
Exchange realignment	**85,701**	(546)
At end of year	**2,169,803**	2,737,739

The Group's interests in land use rights for property development were in respect of the rights to use certain land situated in Mainland China under the following leases:

	2013 HK$'000	2012 HK$'000
Long term leases	**1,030,838**	920,043
Medium term leases	**1,138,965**	1,817,696
	2,169,803	2,737,739

At the end of the reporting period, the Group was in the progress of obtaining the relevant certificates of the above land use rights.

24.3 COMPLETED PROPERTIES HELD FOR SALE

	Group	
	2013 HK$'000	2012 HK$'000
At beginning of year	**2,988,501**	1,184,707
Transfer from properties under development (note 24.1)	**7,120,252**	6,802,977
Transfer to property, plant and equipment (note 16)	**(4,524)**	(53,117)
Properties sold (note 8)	**(4,507,743)**	(4,930,109)
Write-down to net realisable value (note 8)	**(208,925)**	—
Exchange realignment	**62,967**	(15,957)
At end of year	**5,450,528**	2,988,501

The Group's completed properties held for sale are situated in Mainland China and are held under the following leases:

	2013 HK$'000	2012 HK$'000
Long term leases	**2,279,691**	1,470,749
Medium term leases	**3,170,837**	1,517,752
	5,450,528	2,988,501

At 31 December 2013, the Group's completed properties held for sale with an aggregate carrying amount of HK$114,029,000 (2012: HK$42,412,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Prepayments	**769,900**	510,948	**618**	602
Deposits and other receivables	**588,833**	1,174,868	**142**	8
Amounts due from non-controlling shareholders of subsidiaries	**590,535**	527,788	**—**	—
	1,949,268	2,213,604	**760**	610

As at 31 December 2013, business tax and other tax surcharges on deposits received from pre-sale of properties levied by the relevant PRC tax authorities amounted to HK$496,548,000 (2012: HK$379,704,000). Such tax and surcharges are classified as and included in "Prepayments" above.

Except for an amount of HK$390,142,000 (2012: HK$378,296,000) which bears interest at 12% per annum, the amounts due from non-controlling shareholders of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

26. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2013	2012
	HK$'000	HK$'000
Listed equity investments in Hong Kong, at market value	**312,864**	184,945

The above investments at 31 December 2012 and 2013 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets as at fair value through profit or loss.

The market value of the Group's equity investments at fair value through profit or loss at the date of approval of these financial statements was approximately HK$328,581,000.

27. DEPOSITS WITH BROKERAGE COMPANIES

Deposits with brokerage companies are carried at an average interest rate of 0.15% per annum (2012: 0.06% per annum).

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

		Group		Company	
		2013	2012	**2013**	2012
	Notes	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Cash and bank balances		**8,405,276**	6,573,238	**2,604**	3,084
Time deposits		**1,231,012**	1,599,600	**200,293**	—
		9,636,288	8,172,838	**202,897**	3,084
Less: Pledged bank balances and time deposits	(a)	**(781,247)**	(1,572,424)	**—**	—
Restricted bank balances	(b)	**(3,079,115)**	(2,953,902)	**—**	—
Time deposits with original maturity over three months		**(69,074)**	—	**—**	—
Cash and cash equivalents		**5,706,852**	3,646,512	**202,897**	3,084

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS *(continued)*

Notes:

(a) The bank balances and time deposits were pledged to banks to secure general banking facilities granted to the Group (note 32(a)).

(b) Restricted bank balances represent deposits placed with certain PRC banks where the usages of which are restricted to PRC property development activities.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$8,321,571,000 (2012: HK$7,772,301,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

29. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2013	2012
	HK$'000	HK$'000
Within 1 year	**3,597,205**	2,707,350

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Deposits received	**13,700,113**	9,420,830	**—**	—
Other payables	**427,974**	238,920	**6,528**	919
Accruals	**92,458**	70,674	**23,653**	13,835
	14,220,545	9,730,424	**30,181**	14,754

Other payables are non-interest-bearing and are normally settled within one year.

31. LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

Except for an amount of HK$540,114,000 (2012: HK$640,075,000) which bears interest at 12% per annum (2012: 12% per annum), the amounts are unsecured, interest-free and have no fixed terms of repayment.

32. INTEREST-BEARING BANK BORROWINGS

Group

	2013			2012		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans — secured	**RMB base lending rate/ RMB base lending rate x (1 + 5% to 1 + 42%)/ HIBOR + 2% to HIBOR + 3.5%/ fixed rate of 3.475%**	**2014**	**2,859,607**	RMB base lending rate/ RMB base lending rate x (1 + 5% to 1 + 20%)/ HIBOR + 2% to HIBOR + 2.5%/ fixed rate of 5.6%	2013	4,851,041
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2014**	**703,751**	HIBOR + 1.9% to HIBOR + 4%	2013	2,027,587
			3,563,358			6,878,628

32. INTEREST-BEARING BANK BORROWINGS *(continued)*

Group

	2013 Contractual interest rate	2013 Maturity	2013 HK$'000	2012 Contractual interest rate	2012 Maturity	2012 HK$'000
Non-current						
Bank loans — secured	RMB base lending rate x (1 + 5% to 1 + 30%)/ HIBOR + 2.375% to HIBOR + 3.5%/ fixed rate of 7.38% to 7.5%	2015 - 2022	4,511,477	RMB base lending rate/ RMB base lending rate x (1 + 10% to 1 + 25%)	2014 - 2022	2,525,432
Bank loans — unsecured	HIBOR + 4.25%	2016	3,019,153	HIBOR + 4%	2014	412,237
			7,530,630			2,937,669
			11,093,988			9,816,297
Analysed into:						
Bank loans repayable:						
Within one year or on demand			3,563,358			6,878,628
In the second year			1,696,658			1,413,969
In the third to fifth years, inclusive			5,742,396			1,452,787
Beyond five years			91,576			70,913
			11,093,988			9,816,297

Company

	2013 Contractual interest rate	2013 Maturity	2013 HK$'000	2012 Contractual interest rate	2012 Maturity	2012 HK$'000
Current						
Bank loans — secured	HIBOR + 2% to HIBOR + 3.5%	2014	410,000	HIBOR + 2% to HIBOR + 2.5%	2013	1,250,000
Bank loans — unsecured	HIBOR + 4% to HIBOR + 4.25%/ fixed rate of 3.475%	2014	703,751	HIBOR + 1.9% to HIBOR + 4%	2013	2,027,587
			1,113,751			3,277,587
Non-current						
Bank loans — secured	HIBOR + 2.375% to HIBOR + 3.5%	2016	450,000	—	—	—
Bank loans — unsecured	HIBOR + 4.25%	2016	3,019,153	HIBOR + 4%	2014	412,237
			3,469,153			412,237
			4,582,904			3,689,824

32. INTEREST-BEARING BANK BORROWINGS *(continued)*

Notes:

(a) Certain of the Group's bank loans are secured by certain of the Group's assets with aggregate carrying amounts as listed below:

	Notes	**2013 HK$'000**	2012 HK$'000
Property, plant and equipment	16	**93,001**	40,983
Investment properties	17	**189,418**	171,437
Prepaid land lease payments	18	**—**	724,855
Properties under development	24.1	**12,149,652**	10,997,965
Completed properties held for sale	24.3	**114,029**	42,412
Time deposits	28	**781,247**	1,572,424

In addition to the above, as at 31 December 2013, a bank loan of HK$96,664,000 (2012: HK$93,729,000) is secured by a land use right owned by Verakin Wenhong, an associate of the Group.

As at 31 December 2012, a bank loan of HK$604,304,000 was secured by a land use right owned by Chengdu Shengshi Jingwei Real Estate Investment Company Limited ("Shengshi Jingwei"), a subsidiary disposed in prior year. The charge on this land has been released in January 2013.

(b) Except for certain bank loans of HK$1,899,082,000 (2012: HK$240,488,000) which bear at fixed interest rates, all bank loans bear interest at floating interest rates.

(c) The carrying amounts of the Group's bank loans which are denominated in the following currencies:

	2013 HK$'000	2012 HK$'000
Hong Kong dollars (HK$)	**4,582,904**	3,689,824
RMB	**6,511,084**	6,126,473
	11,093,988	9,816,297

(d) Certain subsidiaries of the Company have guaranteed the Company's bank loans up to HK$4,680,000,000 (2012: HK$3,715,000,000). The Company's bank loans are secured by time deposits of HK$581,255,000 (2012: HK$1,270,272,000) placed by its subsidiary and/or a specific performance obligation imposed on Mr. Cheung, pursuant to which Mr. Cheung is required to control 35% or more of the beneficial shareholding interest in the issued capital of the Company, to carry 35% or more of the voting rights and to have management control of the Company. Non-compliance with the aforesaid obligation by Mr. Cheung would constitute an event of default under the relevant loan agreement.

33. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

	Revaluation of properties HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Development cost HK$'000	Revaluation of available-for-sale investments HK$'000	Total HK$'000
At 1 January 2012	1,929,266	1,757	4,307	28,474	1,963,804
Deferred tax charged to other comprehensive income during the year	—	—	—	4,398	4,398
Deferred tax charged/(credited) to the statement of profit or loss during the year					
— continuing operations (note 11)	(209,796)	73	42,791	—	(166,932)
— discontinued operations	—	(10)	—	—	(10)
Disposal of subsidiaries (notes 37(b) and (c))	—	(1,486)	—	—	(1,486)
Exchange realignment	(1,377)	(2)	(51)	(5)	(1,435)
At 31 December 2012 and 1 January 2013	**1,718,093**	**332**	**47,047**	**32,867**	**1,798,339**
Deferred tax credited to other comprehensive income during the year	**—**	**—**	**—**	**(945)**	**(945)**
Deferred tax credited to the statement of profit or loss during the year from continuing operations (note 11)	**(187,117)**	**—**	**(21,973)**	**—**	**(209,090)**
Exchange realignment	**69,459**	**—**	**(1,843)**	**1,029**	**68,645**
At 31 December 2013	**1,600,435**	**332**	**23,231**	**32,951**	**1,656,949**

Deferred tax assets

Group

	Provision for land appreciation tax HK$'000	Losses available for offsetting taxable profits HK$'000	Total HK$'000
At 1 January 2012	104,829	22,189	127,018
Deferred tax credited/(charged) to the statement of profit or loss during the year from continuing operations (note 11)	156,465	(19,805)	136,660
Exchange realignment	28	(41)	(13)
At 31 December 2012 and 1 January 2013	**261,322**	**2,343**	**263,665**
Deferred tax credited to the statement of profit or loss during the year from continuing operations (note 11)	**112,162**	**24,150**	**136,312**
Exchange realignment	**20,984**	**1,874**	**22,858**
At 31 December 2013	**394,468**	**28,367**	**422,835**

33. DEFERRED TAX *(continued)*

Deferred tax assets *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2013 HK$'000	2012 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**63,724**	16,557
Deferred tax liabilities recognised in the consolidated statement of financial position	**(1,297,838)**	(1,551,231)
	(1,234,114)	(1,534,674)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and associates established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2013, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and associates established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries and associates will distribute such earnings in the foreseeable future. The aggregate amount of temporary difference associated with investments in subsidiaries and associates in Mainland China for which deferred tax liabilities have not been recognised totally approximately HK$3,470,246,000 as at 31 December 2013 (2012: HK$2,456,102,000).

The Group has tax losses arising in Hong Kong of HK$113,587,000 (2012: HK$74,191,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK$110,108,000 (2012: HK$154,100,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

34. SHARE CAPITAL

Shares

	2013 HK$'000	2012 HK$'000
Authorised:		
5,000,000,000 (2012: 5,000,000,000) ordinary shares of HK$0.10 (2012: HK$0.10) each	**500,000**	500,000
Issued and fully paid:		
2,588,223,112 (2012: 2,587,799,895) ordinary shares of HK$0.10 (2012: HK$0.10) each	**258,822**	258,780

During the year ended 31 December 2013, 423,217 (2012: 43,876,637) ordinary shares of HK$0.10 each in the Company were issued at HK$2.40 (2012: HK$1.652) per share as scrip dividends.

34. SHARE CAPITAL *(continued)*

Shares *(continued)*

A summary of transactions during the year with reference to the above movement in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	Issued capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 January 2012	2,543,923,258	254,392	9,455,753	9,710,145
Shares issued as scrip dividends	43,876,637	4,388	68,096	72,484
At 31 December 2012 and 1 January 2013	2,587,799,895	258,780	9,523,849	9,782,629
Shares issued as scrip dividends	423,217	42	974	1,016
At 31 December 2013	2,588,223,112	258,822	9,524,823	9,783,645

Share options

Details of the Company's share option scheme are set out in note 38 to the financial statements.

35. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 70 to 71.

(b) Company

	Notes	Share premium account HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000
At 1 January 2012		9,455,753	158,331	516,399	180,638	10,311,121
Total comprehensive income for the year		—	—	(45,505)	—	(45,505)
Final 2011 dividend approved		—	—	(101,757)	—	(101,757)
Shares issued as scrip dividends	34	68,096	—	—	—	68,096
Release upon distribution of the Packaging Business		—	(158,331)	158,331	—	—
Interim 2012 special dividend	14	—	—	(221,314)	—	(221,314)
Forfeiture of share options		—	—	6,051	(6,051)	—
At 31 December 2012 and 1 January 2013		**9,523,849**	**—**	**312,205**	**174,587**	**10,010,641**
Total comprehensive income for the year		**—**	**—**	**(39,265)**	**—**	**(39,265)**
Final 2012 dividend approved	14	**—**	**—**	**(116,451)**	**—**	**(116,451)**
Shares issued as scrip dividends	34	**974**	**—**	**—**	**—**	**974**
At 31 December 2013		**9,524,823**	**—**	**156,489**	**174,587**	**9,855,899**

The contributed surplus of the Company represented the difference between the consolidated shareholders' funds of Qualipak Development Limited at the date on which its shares were acquired by the Company, and the nominal value of the Company's shares issued and issuable for the acquisition. The amount was released to retained profits upon the distribution of the Packaging Business during the year ended 31 December 2012.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

36. ACQUISITION OF SUBSIDIARIES THAT ARE NOT A BUSINESS

Year ended 31 December 2013

On 9 May 2013, the Group entered into two acquisition agreements with certain independent third parties to acquire the 100% equity interest in Xian Xingchuang Estate Limited ("Xian Xingchuang") and the 100% equity interest in Allywing Investments Limited ("Allywing") for an aggregate cash consideration of RMB550,000,000 (equivalent to HK$691,224,000). Xian Xingchuang and Allywing are investment holding companies and hold respectively 40% and 60% equity interest in Xian Yuansheng Enterprises Limited ("Xian Yuansheng"). The acquisitions of Xian Xingchuang and Allywing were completed on 21 May 2013 and 3 September 2013, respectively.

Xian Yuansheng is a property development company in Mainland China. On the date of the acquisitions, Xian Yuansheng had not carried out any significant business transactions except for holding two parcels of land in Xian. The above acquisitions have been accounted for by the Group as acquisition of assets as the entities acquired by the Group do not constitute a business.

The net assets acquired by the Group in the above acquisitions are as follows:

	Notes	2013 HK$'000
Net assets acquired:		
Property, plant and equipment	16	**1,401**
Prepaid land lease payments	18	**741,671**
Prepayments, deposits and other receivables		**2,370**
Cash and bank balances		**4,146**
Other payables		**(58,364)**
		691,224
Satisfied by:		
Cash		**389,686**
Consideration payable		**301,538**
		691,224

An analysis of the cash flows in respect of the acquisitions of Xian Xingchuang, Allywing and Xian Yuansheng is as follows:

	2013 HK$'000
Cash consideration	**389,686**
Cash and bank balances acquired	**(4,146)**
Net outflow of cash and cash equivalents included in cash flows from investing activities	**385,540**

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES

Year ended 31 December 2013

(a) On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. The disposal of the Keen Star Group was completed on 3 January 2013 and a gain on disposal of subsidiaries of HK$171,910,000 was recognised in the consolidated statement of profit or loss.

Details of the aggregate net assets of the Keen Star Group disposed of in the current year and its financial impacts are summarised below:

	Notes	2013 HK$'000
Net assets disposed of:		
Property, plant and equipment	16	**2,009**
Properties under development	24.1	**358,528**
Prepayments, deposits and other receivables		**41,908**
Cash and cash equivalents		**716**
Other payables and accruals		**(1,744)**
Loans from a non-controlling shareholder		**(76,611)**
Non-controlling interests		**(75,942)**
		248,864
Exchange reserve released upon disposal of the Keen Star Group		**12,562**
Gain on disposal of subsidiaries — Keen Star Group	5	**171,910**
Satisfied by:		
Cash		**408,212**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Keen Star Group is as follows:

	2013 HK$'000
Cash consideration	**408,212**
Cash and bank balances disposed of	**(716)**
Net inflow of cash and cash equivalents in respect of the disposal of the Keen Star Group	**407,496**

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(b) During the year ended 31 December 2012, the Group completed the spin-off of its business of manufacturing and sale of packaging products and display products (the "Packaging Business") through a separate listing of its wholly-owned subsidiary, Qualipak International Holdings Limited ("Qualipak") on the Main Board of the Stock Exchange. Details of which were set out in the prospectus of Qualipak dated 28 June 2012. Upon the listing of Qualipak on 12 July 2012, the Group's entire 100% interest in Qualipak was distributed as a special interim dividend to the Company's shareholders and Qualipak ceased to be a subsidiary of the Company thereafter.

The results of the Packaging Business for the period from 1 January 2012 to the date of spin-off which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	2012 HK$'000
Revenue	168,007
Cost of sales	(133,986)
Gross profit	34,021
Other income and gains	1,680
Selling and distribution expenses	(6,979)
Administrative expenses	(11,928)
Other expenses	(684)
Share of profits and losses of associates	(492)
Profit before tax from the discontinued operation — Packaging Business	15,618
Income tax expense	(1,188)
Profit for the year from the discontinued operation — Packaging Business	14,430
Attributable to:	
Owners of the parent	14,166
Non-controlling interests	264
	14,430

The net cash flows incurred by the Packaging Business are as follows:

	2012 HK$'000
Operating activities	21,449
Investing activities	(7,626)
Financing activities	(10,721)
Net cash inflow	3,102

	2012
Basic and diluted earnings per share from the discontinued operation — Packaging Business	HK0.55 cents

The calculations of basic and diluted earnings per share from the Packaging Business are based on:

	2012
Profit attributable to ordinary equity holders of the parent from the discontinued operation — Packaging Business	HK$14,166,000
Weighted average number of ordinary shares in issue during the year, as adjusted to reflect the scrip dividend issued during the year, used in the basic and diluted earnings per share calculation	2,587,799,895

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(b) *(continued)*

Details of the aggregate net assets of the Packaging Business distributed by the Company as a result of the spin-off and their financial impacts are summarised below:

	2012 HK$'000
Net assets distributed:	
Property, plant and equipment	119,736
Prepaid land lease payments	19,395
Investments in associates	133
Inventories	37,515
Trade and bills receivables	46,642
Prepayments, deposits and other receivables	6,523
Pledged time deposits	7,506
Cash and bank balances	62,900
Trade payables	(40,664)
Other payables and accruals	(34,014)
Tax payable	(2,096)
Deferred tax liabilities	(1,011)
Non-controlling interests	(1,251)
	221,314
Satisfied by:	
Special interim dividend (note 14)	221,314

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the Packaging Business is as follows:

	2012 HK$'000
Cash and bank balances distributed and outflow of cash and cash equivalents in respect of the distribution of the Packaging Business	(62,900)

(c) On 1 February 2012, the Group entered into a sale and purchase agreement with an independent third party and a non-controlling shareholder of Hoi Tin Universal Limited ("Hoi Tin (HK)"), a then 60% owned subsidiary of the Company, to dispose of its entire 100% equity interest in Ensure Success Holdings Limited ("Ensure Success") for an aggregate consideration of HK$20,000,000. Ensure Success and its subsidiaries were engaged in the manufacture and sale of soft luggage, travel bags, backpacks and briefcases (the "Luggage Business"). The Group decided to cease the Luggage Business because it planned to focus its resources on the property development and investment business. The disposal of the Luggage Business was completed on 26 March 2012.

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(c) *(continued)*

The results of the Luggage Business for the period from 1 January 2012 to the date of completion of the disposal which have been included in the consolidated statement of profit or loss as a discontinued operation are presented below:

	2012 HK$'000
Revenue	31,675
Cost of sales	(30,005)
Gross profit	1,670
Other income and gains	337
Selling and distribution expenses	(714)
Administrative expenses	(3,455)
Other expenses	(11)
Finance costs	(40)
Loss before tax from the discontinued operation — Luggage Business	(2,213)
Income tax credit	3
Loss for the year from the discontinued operation — Luggage Business	(2,210)
Attributable to:	
Owners of the parent	(1,303)
Non-controlling interests	(907)
	(2,210)

The net cash flows incurred by the Luggage Business are as follows:

	2012 HK$'000
Operating activities	2,549
Investing activities	617
Financing activities	(1,428)
Net cash inflow	1,738

	2012
Basic and diluted loss per share from the discontinued operation — Luggage Business	HK(0.05) cents

The calculations of basic and diluted loss per share from Luggage Business are based on:

	2012
Loss attributable to ordinary equity holders of the parent from the discontinued operation — Luggage Business	HK$(1,303,000)
Weighted average number of ordinary shares in issue during the year, as adjusted to reflect the scrip dividend issued during the year, used in the basic and diluted loss per share calculation	2,587,799,895

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(c) *(continued)*

Details of the aggregate net assets of the Luggage Business disposed of during the year ended 31 December 2012 and their financial impacts are summarised below:

	Notes	2012 HK$'000
Net assets disposed of:		
Property, plant and equipment	16	29,944
Prepaid land lease payments	18	3,356
Trade receivables		30,816
Prepayments, deposits and other receivables		3,019
Prepaid income tax		20
Inventories		18,055
Cash and bank balances		3,453
Trade payables		(28,895)
Other payables and accruals		(5,011)
Shareholder's loan		(17,927)
Deferred tax liabilities	33	(475)
Non-controlling interests		47
		36,402
Exchange reserve release upon disposal of the Luggage Business		(4,467)
Loss on disposal of subsidiaries — the Luggage Business	6	(11,935)
		20,000
Satisfied by:		
Cash		20,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Luggage Business is as follows:

	2012 HK$'000
Cash consideration	20,000
Cash and bank balances disposed of	(3,453)
Net inflow of cash and cash equivalents in respect of the disposal of the Luggage Business	16,547

(d) On 16 October 2012, the Group entered into a sale and purchase agreement with independent third parties to dispose of its entire interest in Shengshi Jingwei, a 51% indirectly-held subsidiary and a shareholder's loan owed by Shengshi Jingwei to the Group of RMB573,511,000 (equivalent to HK$707,297,000) for an aggregate consideration of RMB680,400,000 (equivalent to HK$839,119,000). The disposal was completed on 21 November 2012 and a gain on disposal of a subsidiary of HK$9,914,000 was recognised in the statement of profit or loss.

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(d) *(continued)*

Details of the aggregate net assets of Shengshi Jingwei disposed of during the year ended 31 December 2012 and their financial impacts are summarised below:

	Notes	2012 HK$'000
Net assets disposed of:		
Properties under development	24.1	828,723
Prepayments, deposits and other receivables		482
Shareholder's loan		(707,297)
		121,908
Gain on disposal of a subsidiary		
— Shengshi Jingwei	5	9,914
		131,822
Satisfied by:		
Cash		431,646
Other receivable		407,473
Shareholder's loan		(707,297)
		131,822

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the Shengshi Jingwei is as follows:

	2012 HK$'000
Cash consideration and net inflow of cash and cash equivalents in respect of the disposal of Shengshi Jingwei	431,646

(e) On 10 December 2012, the Group entered into an equity transfer agreement with a non-controlling shareholder of Verakin Wenhao to dispose of its 2% equity interest in Verakin Wenhao. Verakin Wenhao Group are principally engaged in property development and investment in Mainland China. The partial disposal of 2% equity interest in Verakin Wenhao was completed on 25 December 2012 at a consideration of RMB2,000,000. Upon the completion of the disposal of 2% equity interest, the Group ceased to have control over Verakin Wenhao Group thereafter. The Group has accounted for the remaining 49% equity interest in Verakin Wenhao Group as interests in associates, which were stated at their fair value at the date the control was lost.

37. SPIN-OFF OF QUALIPAK/DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2012 *(continued)*

(e) *(continued)*

Details of the aggregate net assets of Verakin Wenhao Group disposed of in the prior year and their financial impacts are summarised below:

	Notes	2012 HK$'000
Net assets disposed of:		
Property, plant and equipment	16	501
Properties under development	24.1	281,783
Prepayments, deposits and other receivables		34,946
Cash and bank balances		17,672
Other payables and accruals		(118,676)
Shareholder's loan		(99,403)
Non-controlling interests		(57,243)
		59,580
Gain on disposal of subsidiaries		
— Verakin Wenhao Group	5	130
Fair value of retained interests in associates		
— Verakin Wenhao Group		(57,243)
		2,467
Satisfied by:		
Other receivable		2,467

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of Verakin Wenhao Group is as follows:

	2012 HK$'000
Cash and bank balances as disposed of and outflow of cash and cash equivalents in respect of the disposal of Verakin Wenhao Group	(17,672)

38. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which was adopted at the special general meeting of the Company held on 29 April 2005. Under the Scheme, share options may be granted to directors and employees of the Group and those who have contributed or will contribute to the Group, at any time within 10 years after its adoption, at the discretion of the Board. The following is a summary of the Scheme.

For the purpose of this section, reference to the "Eligible Group" means (i) the Company and each of its substantial shareholders; (ii) each associate or substantial shareholder or direct or indirect associated company or joint venture of the Company or any substantial shareholder referred to in (i) above; (iii) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (ii) above; (iv) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iii) above; and (v) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iv) above; and reference to "Employee" means any full-time or part-time employee (including any executive and non-executive director, proposed executive and non-executive director) of any member of the Eligible Group.

Purpose

The purposes of the Scheme are to recognise the contribution of and to motivate Employees and other person(s) who may make a contribution to the Group, to provide incentives and to help the Group retain its existing Employees and recruit additional Employees and to provide them with a direct economic interest in attaining the long-time business objectives of the Group.

Participants

The participants include any director, officer and Employee of any member of the Eligible Group; and any executive, officer or employee of any business, consultant, professional and other advisers to any member of the Eligible Group or any person proposed to be appointed to any of the aforesaid positions who, in the sole opinion of the Board, has contributed or is expected to contribute to the Group.

38. SHARE OPTION SCHEME *(continued)*

Maximum number of shares available for subscription

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

Maximum entitlement of each participant

Unless approved by the shareholders of the Company at a general meeting, the total number of shares issued and to be issued upon the exercise of options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company.

Maximum period for exercising an option

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board to each grantee. Such period of time shall not exceed 10 years from the date of grant of the option.

Basis of determining the exercise price

The exercise price per share shall be determined by the Board and shall be at least the higher of:

(i) the closing price of shares as stated in daily quotation sheet of the Stock Exchange on the date on which the option is offered, which must be a trading day;

(ii) the average closing price of shares as stated in daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date as mentioned in (i) above; and

(iii) the nominal value of the shares.

A consideration of HK$1 is payable on acceptance of the offer of grant of an option.

Life of the Scheme

The Scheme shall remain in force for a period of 10 years from 29 April 2005 to 28 April 2015.

The movement of share options under the Scheme during the year is as follows:

	2013		2012	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 January	**3.30**	**65,914**	3.30	66,674
Forfeited during the year	**—**	**—**	3.31	(760)
At 31 December	**3.30**	**65,914**	3.30	65,914

There were no share options exercised during the years ended 31 December 2012 and 2013.

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2013

Number of options '000	**Exercise price* HK$ per share**	**Exercise period**
17,500	**3.27**	07-05-2009 to 06-05-2019
43,614	**3.31**	03-09-2010 to 02-09-2020
4,800	**3.31**	01-01-2011 to 02-09-2020
65,914		

38. SHARE OPTION SCHEME *(continued)*

Life of the Scheme *(continued)*

2012

Number of options '000	Exercise price* HK$ per share	Exercise period
17,500	3.27	07-05-2009 to 06-05-2019
43,614	3.31	03-09-2010 to 02-09-2020
4,800	3.31	01-01-2011 to 02-09-2020
65,914		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

There was no share options granted during the years ended 31 December 2012 and 2013. There was no share option expense recognised during the year (2012: Nil).

At the end of the reporting period, the Company had 65,914,000 (2012: 65,914,000) share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 65,914,000 (2012: 65,914,000) additional ordinary shares of the Company and additional share capital of HK$6,591,000 (2012: HK$6,591,000) and share premium of HK$210,884,000 (2012: HK$210,884,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 65,914,000 share options outstanding under the Scheme, which represented approximately 2.5% of the Company's shares in issue as at that date.

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 17) and some other properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2013 HK$'000	2012 HK$'000
Within one year	**12,556**	15,197
In the second to fifth years, inclusive	**501,406**	55,894
After five years	**5,754,510**	159,164
	6,268,472	230,255

During the year, no contingent rental receivable was recognised by the Group (2012: Nil).

(b) As lessee

The Group leases certain of its office properties and quarters under operating lease arrangements. The leases for the office properties and quarters are negotiated for terms of one to three years.

As at 31 December 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2013 HK$'000	2012 HK$'000
Within one year	**9,917**	5,808
In the second to fifth years, inclusive	**11,808**	9,745
	21,725	15,553

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39(b) above, the Group had the following commitments in respect of property development expenditures at the end of the reporting period:

	Group	
	2013	2012
	HK$'000	HK$'000
Contracted, but not provided for	**8,655,469**	9,886,241

At the end of the reporting period, the Company did not have any significant commitments.

41. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Guarantees given to banks in connection with facilities granted to:				
Subsidiaries	**—**	—	**160,258**	369,982
Associate	**526,092**	455,000	**526,092**	455,000
	526,092	455,000	**686,350**	824,982

As at 31 December 2013, the banking facilities granted to the subsidiaries subject to guarantees given to the banks by the Company were utilised to the extent of approximately HK$160,258,000 (2012: HK$332,984,000), and the banking facilities guaranteed by the Group to an associate were utilised to the extent of approximately HK$526,092,000 (2012: HK$455,000,000).

42. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees:

	Group	
	2013	2012
	HK$'000	HK$'000
Guarantees in respect of mortgage facilities provided for certain customers	**7,492,646**	5,685,928

The Group have arranged bank financing for certain purchasers of their property units and provided guarantees to secure the obligations of these purchasers for repayments. The guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within one year upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loans by the purchasers of 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 any accrued interest and penalty owed by the defaulted purchasers to the banks and the banks are entitled to take over the legal titles and possession of the related properties. The guarantee period starts from the dates of grant of the mortgages. The directors of the Company consider that the fair value of the guarantees is not significant and in the case of default on payments, the net realisable value of the related properties will exceed the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore no provision has been made in the financial statements for the guarantees.

43. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in the financial statements, the Group incurred rental expense of HK$960,000 (2012: HK$452,000) to a company under common control of a controlling shareholder of the Company, for the year ended 31 December 2013 which was mutually agreed between the Group and the related company.

(b) Other transactions with related parties

Details of the Group's loans to its joint venture and associate and balances with associates as at the end of the reporting period are set out in notes 21 and 22 to the financial statements.

(c) During the year, certain of the Group's buildings and prepaid land lease payments with an aggregate carrying amount of HK$13,104,000 (2012: HK$13,774,000) were provided to a family member of a director for the operation of a school free of charge.

(d) On 20 June 2012, a subsidiary of the Group entered into a three-year agreement ending 11 July 2015 with a company under common control of a controlling shareholder of the Company to lease office premises in Hong Kong. The amounts of rental expense for the year are included in note 43(a) to the financial statements. The amounts of rental expense for the year ending 31 December 2014 and 2015 expects to be approximately HK$960,000 and HK$508,000, respectively.

(e) Compensation of key management personnel of the Group

	2013 **HK$'000**	2012 HK$'000
Short term employee benefits paid to key management personnel	**35,312**	32,630

Further details of directors' emoluments are included in note 9 to the financial statements.

The related party transaction in respect of item (a) above also constitutes a connected transaction as defined in Chapter 14A of the Listing Rules.

44. FINANCIAL INSTRUMENTS BY CATEGORY

Except for certain available-for-sale investments and equity investments at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Company and the Group as at 31 December 2012 and 2013 are loans and receivables and financial liabilities at amortised cost.

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, time deposits with original maturity over three months, deposits with brokerage companies, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loans from non-controlling shareholders of subsidiaries, amounts due from/to subsidiaries, joint ventures and associates, and current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the director and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and assumptions used to estimate the fair values are summarised below.

The fair values of the non-current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries have been calculated by discounting the expected future cash flows using rates currently available for instruments on with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries as at 31 December 2013 was assessed to be insignificant. Management has assessed that the fair values of the non-current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries approximate to their carrying amounts.

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The fair values of listed available-for-sale equity investments and unlisted available-for-sale debt investments are based on quoted market prices. The fair value of one of the Group's unlisted available-for-sale equity investments has been estimated based on its H-share traded in Hong Kong with a marketability discount. For the rest of the unlisted equity available-for-sale investments measured at fair value, their fair values are derived from the net asset value per share of the investment. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable input to the valuation of financial instruments:

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of the input to fair value**
Unlisted available-for-sale equity investments	Discounted market value	Discount for lack of marketability	25%	5% increase/(decrease) in marketability discount would result in decrease/(increase) in fair value by HK$4,063,000

Discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Group

As at 31 December 2013

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	**Significant observable inputs (Level 2) HK$'000**	**Significant unobservable inputs (Level 3) HK$'000**	**Total HK$'000**
Available-for-sale investments:				
Equity investments	**502,898**	**—**	**60,915**	**563,813**
Debt investments	**30,052**	**—**	**—**	**30,052**
Equity investments at fair value through profit or loss	**312,864**	**—**	**—**	**312,864**
	845,814	**—**	**60,915**	**906,729**

As at 31 December 2012

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
Available-for-sale investments:				
Equity investments	188,927	—	—	188,927
Debt investments	32,455	—	—	32,455
Equity investments at fair value through profit or loss	184,945	—	—	184,945
	406,327	—	—	406,327

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Assets measured at fair value: *(continued)*

The movements in fair value measurements in Level 3 during the year are as follows:

	2013 HK$'000
Available-for-sale investments — unlisted:	
At 1 January	—
Addition	**20,662**
Total gains recognised in other comprehensive income	**40,253**
At 31 December	**60,915**

The Group did not have any financial liabilities measured at fair value as at 31 December 2012 and 2013.

The Company did not have any financial assets and financial liabilities measured at fair value as at 31 December 2012 and 2013.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (2012: Nil).

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments at fair value through profit or loss, available-for-sale investments, deposits and other receivables, trade and other payables, loans from non-controlling shareholders of subsidiaries, consideration payable on acquisition of subsidiaries, interest-bearing bank borrowings, and cash and bank balances. Details of the major financial instruments and the Group's relevant accounting policies are disclosed in note 2.4 to the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances and bank borrowings with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000
2013		
HK$	**100**	**(32,802)**
US$	**100**	**120**
RMB	**150**	**48,144**
HK$	**(100)**	**32,802**
US$	**(100)**	**(120)**
RMB	**(150)**	**(48,144)**
2012		
HK$	100	(32,957)
US$	100	65
RMB	150	28,295
HK$	(100)	32,957
US$	(100)	(65)
RMB	(150)	(28,295)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Foreign currency risk

The Group's property development and investment business are mainly operated in Mainland China and sales transactions and all major cost items are denominated in RMB. RMB is not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and in certain cases the remittance of currency out of Mainland China.

The Group currently does not have any foreign currency hedging policy. However, management of the Group monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of currencies other than the functional currencies of the relevant operating units, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in rates	**Increase/ (decrease) in profit before tax HK$'000**
2013		
If HK$ weakens against RMB	**3%**	**15,186**
If HK$ strengthens against RMB	**(3%)**	**(15,186)**
2012		
If HK$ weakens against RMB	3%	29,075
If HK$ strengthens against RMB	(3%)	(29,075)

Credit risk

No credit terms are granted to the customers of the Group's property development and investment business.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure the obligation of such purchasers for repayments. Details of these guarantees are disclosed in note 42 to the financial statements.

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments classified as available-for-sale investments (note 23) and equity investments at fair value through profit or loss (note 26) as at 31 December 2013. The Group's listed investments are listed on the Hong Kong and Shanghai stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year are as follows:

	31 December 2013	**High/low 2013**	31 December 2012	High/low 2012
Hong Kong — Hang Seng Index	**23,306**	**24,112/ 19,426**	22,657	22,719/ 18,056
Shanghai — A Share Index	**2,116**	**2,445/ 1,850**	2,269	2,478/ 1,949

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Equity price risk *(continued)*

The following table demonstrates the sensitivity to every 10% decrease (2012: 10% decrease) in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, the impact on the available-for-sale investments is on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact on the statement of profit or loss.

	Carrying amount of equity investments HK$'000	Decrease in profit before tax HK$'000	Decrease in other components of equity HK$'000
2013			
Equity investments at fair value through profit or loss listed in Hong Kong	**312,864**	**(31,286)**	**—**
An available-for-sale investment listed in Shanghai	**151,457**	**—**	**(15,146)**
Total	**464,321**	**(31,286)**	**(15,146)**
2012			
Equity investments at fair value through profit or loss listed in Hong Kong	184,945	(18,495)	—
An available-for-sale investment listed in Shanghai	188,927	—	(18,893)
Total	373,872	(18,495)	(18,893)

The Group's management manages the above exposure by maintaining a well-diversified investment portfolio.

Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities to meet its construction commitments and other business operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Group

	2013				
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	**4,119,436**	**2,104,100**	**5,888,451**	**107,247**	**12,219,234**
Loans from non-controlling shareholders	**1,088,971**	**—**	**—**	**—**	**1,088,971**
Trade and bills payables	**3,597,205**	**—**	**—**	**—**	**3,597,205**
Financial liabilities included in other payables and accruals	**427,974**	**—**	**—**	**—**	**427,974**
Consideration payable on acquisition of subsidiaries	**202,125**	**100,513**	**—**	**—**	**302,638**
	9,435,711	**2,204,613**	**5,888,451**	**107,247**	**17,636,022**
Financial guarantees issued: Maximum amount guaranteed	**8,018,738**	**—**	**—**	**—**	**8,018,738**

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

Group *(continued)*

	2012				
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	7,164,989	1,579,319	1,551,912	83,782	10,380,002
Loans from non-controlling shareholders	1,044,834	—	—	—	1,044,834
Trade and bills payables	2,707,350	—	—	—	2,707,350
Financial liabilities included in other payables and accruals	238,920	—	—	—	238,920
Consideration payable on acquisition of subsidiaries	1,100	—	—	—	1,100
	11,157,193	1,579,319	1,551,912	83,782	14,372,206
Financial guarantees issued: Maximum amount guaranteed	6,140,928	—	—	—	6,140,928

Company

	2013			
	On demand or less than 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank borrowings	**1,285,472**	**865,191**	**2,743,882**	**4,894,545**
Other payables	**6,528**	**—**	**—**	**6,528**
Due to a subsidiary	**950**	**—**	**—**	**950**
	1,292,950	**865,191**	**2,743,882**	**4,902,023**
Financial guarantees issued: Maximum amount guaranteed	**686,350**	**—**	**—**	**686,350**

	2012		
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	3,321,442	429,877	3,751,319
Other payables	919	—	919
Due to a subsidiary	350	—	350
	3,322,711	429,877	3,752,588
Financial guarantees issued: Maximum amount guaranteed	824,982	—	824,982

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 2012.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Capital management *(continued)*

The Group monitors capital using net gearing ratio, which is net debts divided by equity attributable to owners of the parent. Net debts include interest-bearing bank borrowings less cash and bank balances and time deposits. The net gearing ratios as at the ends of the reporting periods were as follow:

Group

	2013 HK$'000	2012 HK$'000
Interest-bearing bank borrowings (note 32)	**11,093,988**	9,816,297
Less: Cash and bank balances and time deposits (note 28)	**(9,636,288)**	(8,172,838)
Net debts	**1,457,700**	1,643,459
Equity attributable to owners of the parent	**14,185,159**	13,242,807
Net gearing ratio	**10.3%**	12.4%

47. EVENT AFTER THE REPORTING PERIOD

As set out in note 13(a) to the financial statements, the Group entered into a sale and purchase agreement dated 13 November 2013 with an independent third party to dispose of its entire 100% equity interest in Ho Yeung Group and the shareholder's loan owed by Ho Yeung Group to the Group for a total consideration of RMB1,425,480,000 (equivalent to HK$1,827,747,000). The disposal of Ho Yeung Group was completed on 15 January 2014 and the Group expects to record a gain on disposal before tax of approximately HK$457,362,000.

48. COMPARATIVE AMOUNTS

Certain comparative figures of shares of profits and losses, other comprehensive income and net assets of associates and joint ventures; and balances with and loans to associates and a joint venture have been reclassified to conform to the current year's presentation. These reclassifications have no impact on the Group's total equity as at both 31 December 2013 and 2012, and on the Group's profits for the years ended 31 December 2013 and 2012.

49. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 25 March 2014.

Five-Year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial year as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

RESULTS

	Year ended 31 December				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
CONTINUING OPERATIONS					
REVENUE	**6,844,850**	7,432,699	4,702,212	1,350,350	653,529
PROFIT/(LOSS) BEFORE TAX	**1,618,367**	1,955,939	1,032,252	365,059	(24,530)
Income tax expense	**(955,449)**	(1,295,913)	(649,698)	(142,607)	(33,054)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	**662,918**	660,026	382,554	222,452	(57,584)
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	—	12,220	34,241	33,109	14,658
PROFIT/(LOSS) FOR THE YEAR	**662,918**	672,246	416,795	255,561	(42,926)
Attributable to:					
Owners of the parent	**505,395**	529,237	300,995	260,082	(58,358)
Non-controlling interests	**157,523**	143,009	115,800	(4,521)	15,432
	662,918	672,246	416,795	255,561	(42,926)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	At 31 December				
	2013	2012	2011	2010	2009
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		(Restated)	(Restated)	(Restated)	(Restated)
Property, plant and equipment	**169,884**	170,685	155,907	266,935	269,971
Investment properties	**411,330**	379,946	372,949	338,323	297,094
Prepaid land lease payments	**124,048**	1,136,304	784,860	1,899,345	2,258,873
Golf club membership	**10,540**	—	—	—	—
Investments in joint ventures	**30,576**	34,971	41,467	55,933	—
Investments in associates	**1,280,688**	1,244,445	1,087,782	1,027,799	728,011
Held-to-maturity investments	**—**	—	115,391	114,969	—
Available-for-sale investments	**593,865**	514,207	696,920	822,491	900,599
Properties under development	**8,817,886**	7,736,592	7,350,068	7,164,334	5,920,718
Interests in land use rights for property development	**2,169,803**	2,737,739	3,150,527	—	986,864
Other non-current assets	**63,724**	16,557	—	—	35,650
Non-current assets	**13,672,344**	13,971,446	13,755,871	11,690,129	11,397,780
Current assets	**36,023,444**	27,603,438	21,887,385	15,720,394	9,146,110
Current liabilities	**(24,916,397)**	(22,134,450)	(14,167,566)	(9,315,552)	(3,913,701)
Net current assets	**11,107,047**	5,468,988	7,719,819	6,404,842	5,232,409
Non-current liabilities	**(8,928,981)**	(4,488,900)	(6,870,030)	(4,879,147)	(4,074,532)
Non-controlling interests	**(1,665,251)**	(1,708,727)	(1,623,871)	(950,098)	(748,022)
Equity attributable to owners of the parent	**14,185,159**	13,242,807	12,981,789	12,265,726	11,807,635

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
Two parcels of land (Lot Nos. 16 and 17-1) located to the south of Xingai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Auxiliary Facilities and Car Park	54,000	314,000	2014 or after	100%
A site (Lot No. 9) located to the east of Songpai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	81,300	656,000	2016 or after	100%
A site (Lot No. 10) located to the southeast of the junction of Xingai Road, and Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial, Office, Hotel, Auxiliary Facilities and Car Park	72,400	420,000	2014-2015	100%
Three parcels of land (Lot No. 19) located in the junction of Xingai Road and Jinshan Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office, Auxiliary Facilities and Car Park	143,900	297,000	2015-2016	100%
A site (Lot No. 3-1) located to the east of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	47,900	361,000	2016 or after	100%
A site (Lot No. 4) located to the west of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	96,900	752,000	2016 or after	100%
Two sites (Lot No. 20 and Lot No. 11-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	19,900	60,000	2016 or after	100%
A site (Lot No. 22) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	5,300	20,000	2016 or after	100%
A site (Lot No. 7-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	5,200	11,000	2016 or after	100%
A site located in No. 2, Xingsheng Branch, Longta Street, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial and Car Park	91,400	311,000	2014-2015	100%
A site located in No. 1 Zhongxin Section, Huaxin Street Jie Dao, Qiao Bei Village, Jiangbei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	205,000	1,030,000	2015 or after	25%

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT *(Continued)*

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site located in Tongjiang Avenue, Chayuan New District, Nan'an District, Chongqing, PRC	Residential, Commercial and Car Park	249,900	863,000	2014-2017	51%
A site located in Chenjiaba She No. 1, Xinxing She Nos. 4 and 5, Jiangnan New District, Wanzhou District, Chongqing, PRC	Residential, Commercial and Car Park	51,100	237,000	2014	100%
Two parcels of land located in Zone 3 Liangfengcun and Zone 5 Fenfangyancun, Jinjiang District, Chengdu, Sichuan, PRC	Residential, and Car Park	82,100	340,000	2015	51%
A site located in Chaoyang Road Central, Tongchuan District, Dazhou, Sichuan, PRC	Residential, Commercial and Car Park	43,900	245,000	2015 or after	100%
A site located in Section 2, Chuandadao, Xinchengnan Region, Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	121,100	142,000	2015 or after	51%
A site located in Xiyong Zone, Shapingba District, Chongqing, PRC	Residential, Commercial and Car Park	92,200	370,000	2014-2015	100%
A site located in North Wing of International Exhibition Centre, Guanshanhu District, Guiyang, Guizhou Province, PRC	Residential, Commercial, Office and Car Park	274,000	1,147,000	2015 or after	85%
Two parcels of land located in 2, 3 and 4 she, Yang Yu Cun, Bicheng Jie Dao, Bishan County, Chongqing, PRC	Residential, Commercial and Car Park	254,500	969,000	2014 or after	26%
A site located in Section 1, Guang Hua Avenue, Xi San Huan, Chengdu, Sichuan, PRC	Residential, Commercial, Office and Car Park	76,100	369,000	2014-2015	51%
A site located in Chenjiaba She No. 1, Xinxing She Nos. 1, 2, 3, 7 and 11, Jiangnan New District, Wanzhou District, Chongqing, PRC	Residential, Commercial and Car Park	119,400	413,000	2016 or after	100%
A site located in Right side of Exit Rongchang, Chengyu Highway, Beibu New District (Administrative Centre), Rongchang County, Chongqing, PRC	Residential, Commercial and Car Park	52,000	146,000	2015	25%
A site located near the midsection of Yizhou Avenue, Southern Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	16,800	117,000	2016	51%

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT *(Continued)*

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site located in Huafu Avenue, Gongxing Town, Shuangliu County, Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	99,900	399,000	2016 or after	51%
A site located in Xinpaifang, Yubei District, Chongqing, PRC	Commercial, Office and Car Park	8,600	26,000	2016 or after	100%
A site located in Jinfeng Road, Damian Town, Long Quan Yi District, Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	99,600	814,000	2015 or after	51%
A site located in No. 1 Zhenhua Square of Upper Village and Longtang Village, Wudang District, Guiyang, Guizhou Province, PRC	Residential, Commercial and Car Park	131,700	626,000	2016 or after	85%
A site located to the west of Changlingnan Road, Guanshanhu District, Guiyang, Guizhou Province, PRC	Residential, Commercial and Car Park	321,000	1,313,000	2016 or after	85%
A site located in the east zone of Caotan Nongchang, Weiyang District, Xi'an, Shannxi Province, PRC	Residential, Commercial and Car Park	154,100	640,000	2016 or after	100%
A site located in No. 28-2 Xiyong Avenue, Shapingba District, Chongqing, PRC	Residential, Commercial and Car Park	206,000	675,000	2016 or after	51%

GROUP II — PROPERTY INTEREST HELD BY THE GROUP FOR INVESTMENT

Property Location	Usage	Attributable GFA (sqm)	Tenure	The Group's Interest
California Garden, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Residential Car parking spaces	22,060 2,323 15,646	Medium term lease Medium term lease Medium term lease	100% 100% 100%
California City Garden, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Car parking spaces Auxiliary facilities	4,685 12,094 2,565	Medium term lease Medium term lease Medium term lease	100% 100% 100%
Kechuang Building, No. 8 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Car parking spaces	2,823	Medium term lease	100%
Huijingtai, No. 3 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Car parking spaces	1,541 10,951	Medium term lease Medium term lease	100% 100%
Underground Carpark, No. 2 Xingai Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Car parking spaces	8,236	Medium term lease	100%

Definitions

"AGM"	annual general meeting of the Company to be held on 30 May 2014
"ASP"	average selling price
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Companies Act"	Companies Act 1981 of Bermuda as amended from time to time
"Company" or "C C Land"	C C Land Holdings Limited
"Director(s)"	the director(s) of the Company
"GDP"	gross domestic product
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HIBOR"	Hong Kong Inter-bank Offered Rate
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
"PRC" or "China" or "Mainland China"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	special general meeting
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"sqm"	square meters
"%"	percent