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TIMES PROPERTY HOLDINGS LIMITED

時代地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013 AND APPOINTMENT OF CHIEF FINANCIAL OFFICER, AND RESIGNATION AND APPOINTMENT OF JOINT COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

ANNUAL RESULTS HIGHLIGHTS

- Revenue of the year increased by 203.2% to RMB9,694.7 million;
- Profit of the year attributable to owners of the Company increased by 172.0% to RMB987.0 million;
- Net gearing ratio decreased to 93.2% from 116.2%;
- As at 31 December 2013, the Group's land reserves amounted to approximately 8.17 million sq.m.;
- The Board proposed a final dividend of RMB10.94 cents per share for the year ended 31 December 2013, a total of approximately RMB188.5 million, representing approximately 20% of the distributable profit (excluding changes in fair value of investment properties and the impact of the related deferred tax).

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Times Property Holdings Limited (“**Times Property**” or the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

	<i>Notes</i>	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
REVENUE	4	<u>9,694,735</u>	<u>3,197,142</u>
Cost of sales		<u>(7,354,711)</u>	<u>(2,288,184)</u>
GROSS PROFIT		2,340,024	908,958
Other income and gains	4	78,700	138,269
Selling and marketing costs		(411,137)	(204,279)
Administrative expenses		(285,629)	(145,098)
Other expenses		(16,493)	(34,377)
Finance costs	6	(87,706)	(42,055)
Share of profits and losses of associates		<u>2,371</u>	<u>5</u>
PROFIT BEFORE TAX	5	1,620,130	621,423
Income tax expense	7	<u>(646,200)</u>	<u>(267,775)</u>
PROFIT FOR THE YEAR		<u>973,930</u>	<u>353,648</u>
Attributable to:			
Owners of the Company	8	987,022	362,916
Non-controlling interests		<u>(13,092)</u>	<u>(9,268)</u>
		<u>973,930</u>	<u>353,648</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic and diluted			
– For profit for the year		<u>RMB75 cents</u>	<u>RMB28 cents</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Profit for the year	<u>973,930</u>	<u>353,648</u>
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(9,748)</u>	<u>(3,005)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(9,748)</u>	<u>(3,005)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>964,182</u>	<u>350,643</u>
Attributable to:		
Owners of the Company	977,274	359,911
Non-controlling interests	<u>(13,092)</u>	<u>(9,268)</u>
	<u>964,182</u>	<u>350,643</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	<i>Notes</i>	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		633,806	432,936
Prepaid land lease payments		1,385,474	1,229,089
Investment properties		1,582,000	1,540,000
Investments in associates		45,304	42,934
Deferred tax assets		84,737	83,504
		<hr/>	<hr/>
Total non-current assets		3,731,321	3,328,463
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		–	4,642
Prepaid land lease payments		755,881	265,813
Properties under development		13,217,733	9,350,228
Completed properties held for sale		803,464	2,641,554
Trade receivables	<i>10</i>	472,532	32,546
Prepayments, deposits and other receivables		1,895,624	3,580,567
Held-to-maturity investments		–	305,700
Amount due from the immediate holding company		–	437,507
Amount due from the ultimate holding company		–	16
Amount due from an associate		70,210	63,880
Amounts due from directors		–	3,438
Available-for-sale investments		3,100	3,100
Tax prepayments		222,349	234,409
Restricted bank deposits		1,946,083	897,299
Cash and cash equivalents		1,721,481	936,446
		<hr/>	<hr/>
Total current assets		21,108,457	18,757,145
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade payables	<i>11</i>	2,413,862	2,872,646
Other payables and accruals		9,392,801	8,718,085
Interest-bearing bank loans and other borrowings		1,977,494	3,177,263
Amount due to a director		–	101,478
Tax payable		397,896	207,061
		<hr/>	<hr/>
Total current liabilities		14,182,053	15,076,533
		<hr/>	<hr/>
NET CURRENT ASSETS		6,926,404	3,680,612
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,657,725	7,009,075
		<hr/>	<hr/>

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	5,425,054	2,499,536
Deferred tax liabilities	<u>1,224,250</u>	<u>1,303,426</u>
Total non-current liabilities	<u>6,649,304</u>	<u>3,802,962</u>
Net assets	<u>4,008,421</u>	<u>3,206,113</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	135,778	–
Reserves	3,669,965	2,719,726
Proposed final dividend	<u>188,486</u>	<u>–</u>
	<u>3,994,229</u>	<u>2,719,726</u>
Non-controlling interests	<u>14,192</u>	<u>486,387</u>
Total equity	<u>4,008,421</u>	<u>3,206,113</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. The registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, property leasing and property management in the People's Republic of China (the "PRC").

In the opinion of the directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd. ("Asiaciti"), which was incorporated in the British Virgin Islands ("BVI") and the ultimate holding company is Renowned Brand Investments Limited ("**Renowned Brand**"), which was incorporated in BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("**Mr. Shum**"), the Founder of the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 11 December 2013 (the "**Listing**").

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by the International Accounting Standards Boards Committee and the disclosure requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements has been prepared under the historical cost convention, except for investment properties, certain payables included in "other payables and accruals" and available-for-sale investments, which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 Changes in accounting policies and disclosures

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

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Government Loans</i>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – <i>Transition Guidance</i>
IFRS 13	<i>Fair Value Measurement</i>
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
IAS 19 Amendments	Amendments to IAS 19 – <i>Employee Benefits</i>
IAS 27 Revised	<i>Separate Financial Statements</i>
IAS 28 Revised	<i>Investments in Associates and Joint Ventures</i>
IAS 36 Amendments	Amendments to IAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
IFRIC-20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
Annual Improvements 2009-2011 Cycle	Amendments to a number of IFRSs issued in May 2012

The adoption of the new and revised IFRSs has had no significant financial effect on these financial statements.

2.2 Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the consolidated financial statements:

IFRS 9	<i>Financial Instruments</i> ³
IFRS 9, IFRS 7 and IAS 39 Amendments	Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 ³
IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) – <i>Investment Entities</i> ¹
IAS 19 Amendments	Amendments to IAS 19 <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i> ²
IAS 32 Amendments	Amendments to IAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ¹

- Annual Improvements to IFRS 2010-2012 Cycle
- Annual Improvements to IFRS 2011-2013 Cycle

IAS 39 Amendments	Amendments to IAS 39 <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> ¹
IFRIC 21	<i>Levies</i> ¹

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 No mandatory effective date yet determined but is available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

- (a) Property development: Development and sale of properties
- (b) Property leasing: Property leasing (including lease of self-owned properties and sublease of leased properties)
- (c) Property management: Provision of property and hotel management services
- (d) Others: Supermarket operation, an incidental and non-core business of the Group[#]

[#] Foshan Zhide Wangu Supermarket Company Limited, the subsidiary of the Group operating the supermarket, was disposed of in the first quarter of 2013.

The property development projects undertaken by the Group during the year are all located in the PRC.

Management monitors the results of the Group's 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 interest income, finance costs, share of profits and losses of associates, as well as head office and corporate income and expenses are excluded from this measurement.

The Group's revenue from external customers is derived solely from its operations in the PRC, and no non-current assets of the Group are located outside the PRC.

Segment assets exclude deferred tax assets, tax prepayments, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, interest-bearing bank loans and other borrowings, and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2013	Property development RMB'000	Property leasing RMB'000	Property management RMB'000	Others RMB'000	Total RMB'000
Segment revenue					
Sales to external customers	9,443,320	154,412	97,003	–	9,694,735
Segment results	1,707,737	30,856	4,990	676	1,744,259
Reconciliation:					
Interest income					9,574
Unallocated corporate expense					(48,368)
Finance costs					(87,706)
Share of profits and losses of associates					2,371
Profit before tax					<u>1,620,130</u>
Segment assets	18,540,619	2,185,019	20,876	–	20,746,514
Reconciliation:					
Unallocated assets					4,093,264
Total assets					<u>24,839,778</u>
Segment liabilities	11,506,794	247,485	52,384	–	11,806,663
Unallocated liabilities					9,024,694
Total liabilities					<u>20,831,357</u>
Other segment information					
Depreciation	(14,529)	(40,853)	(266)	–	(55,648)
Fair value gains on investment properties	–	42,000	–	–	42,000

Year ended 31 December 2012	Property development <i>RMB'000</i>	Property leasing <i>RMB'000</i>	Property management <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
Sales to external customers	3,090,787	38,423	67,932	–	3,197,142
Segment results	528,405	133,296	(7,996)	–	653,705
Reconciliation:					
Interest income					21,376
Unallocated corporate expense					(11,608)
Finance costs					(42,055)
Share of profits and losses of associates					<u>5</u>
Profit before tax					<u><u>621,423</u></u>
Segment assets	17,153,558	1,903,369	10,419	10,028	19,077,374
Reconciliation:					
Unallocated assets					<u>3,008,234</u>
Total assets					<u><u>22,085,608</u></u>
Segment liabilities	11,437,046	112,922	34,603	6,161	11,590,732
Unallocated liabilities					<u>7,288,763</u>
Total liabilities					<u><u>18,879,495</u></u>
Other segment information					
Depreciation	(16,142)	(217)	(95)	–	(16,454)
Fair value gains on investment properties	<u>–</u>	<u>110,000</u>	<u>–</u>	<u>–</u>	<u>110,000</u>

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the gross proceeds from the sale of properties, gross rental income received and receivables and property management fee income, net of business tax and surcharges during the year.

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

	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Sale of properties	9,443,320	3,090,787
Gross rental income from:		
lease of self-owned properties	40,112	38,423
sublease of leased properties	114,300	–
Property management fee income	97,003	67,932
	<u>9,694,735</u>	<u>3,197,142</u>
Other income		
Bank interest income	6,435	9,055
Other interest income	3,139	12,321
Others	18,027	9,037
	<u>27,601</u>	<u>30,413</u>
Gains, net		
Gains on acquisition of a subsidiary	7,685	–
Gains on deregistration/disposal of subsidiaries	1,414	–
Fair value gains on investment properties	42,000	110,000
Fair value changes in certain other payables to a non-controlling shareholder	–	(2,144)
	<u>51,099</u>	<u>107,856</u>
	<u>78,700</u>	<u>138,269</u>

5. PROFIT BEFORE TAX

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

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Cost of properties sold	7,201,640	2,212,941
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	3,922	4,084
Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business	69,674	–
Cost of property management service provided	81,140	69,494
Depreciation	55,648	16,454
Changes in fair value of investment properties	(42,000)	(110,000)
Changes in fair value of certain other payables to a non-controlling shareholder	–	2,144
Auditors' remuneration	3,588	2,348
Employee benefit expense (excluding directors' remuneration)		
Wages and salaries	229,223	96,210
Pension scheme contributions	13,039	9,690
Less: Amount capitalised in properties under development	(148,894)	(50,523)
	<u>93,368</u>	<u>55,377</u>
Minimum lease payments under operating leases regarding office premises and leased properties for the subleasing business (Reversal of impairment)/impairment of completed properties held for sale	81,318	3,893
	(1,665)	1,665
Reversal of impairment of prepayments, deposits and other receivables	(1,000)	–
Loss on disposal of items of property, plant and equipment	34	658
Gain on acquisition of a subsidiary	(7,685)	–

6. FINANCE COSTS

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Interest expense	612,016	488,296
Less: Interest capitalised	(524,310)	(446,241)
	<u>87,706</u>	<u>42,055</u>

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income arising in Hong Kong during the year.

PRC corporate income tax

The PRC corporate income tax (“CIT”) in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for each of the year, based on the existing legislation, interpretations and practices in respect thereof.

Except for Guangzhou Ruixian Landscaping Co., Ltd (“**Guangzhou Ruixian**”), Fogang Shengxin Water and Electricity Garden Engineering Co., Ltd (“**Fogang Shengxin**”) and Fogang Bairui Decoration Engineering Co., Ltd. (“**Fogang Bairui**”), other subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax rate of 25%.

Corporate income tax for Guangzhou Ruixian, Fogang Shengxin and Fogang Bairui is levied on a deemed basis on a rate of 2.5% of their respective revenue amounts.

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax (“LAT”) (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in the PRC (being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

During the year, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Current:		
PRC CIT	490,815	118,185
LAT	244,216	123,168
Deferred	<u>(88,831)</u>	<u>26,422</u>
Total tax charge for the year	<u><u>646,200</u></u>	<u><u>267,775</u></u>

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2013		2012	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Profit before tax	<u>1,620,130</u>		<u>621,423</u>	
Tax at the PRC statutory tax rate	405,033	25.0	155,356	25.0
Effect of different income tax regimes of certain companies	2,822	0.2	15	–
Income not subject to tax	(1,921)	(0.1)	–	–
Expenses not deductible for tax	14,702	0.9	14,359	2.3
Provision for LAT	244,216	15.1	123,168	19.8
Tax effect of LAT	(61,054)	(3.8)	(30,792)	(5.0)
Tax losses not recognised	14,483	0.9	3,632	0.6
Profits and losses attributable to associates	(593)	–	(1)	–
Withholding taxes on undistributed profits of the subsidiaries in the PRC	<u>28,512</u>	<u>1.8</u>	<u>2,038</u>	<u>0.3</u>
Tax charge at the Group's effective rate	<u>646,200</u>	<u>40.0</u>	<u>267,775</u>	<u>43.0</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of shares of 1,315,822,000 (2012: 1,292,220,000) in issue during the year.

The calculation of basic earnings per share is based on:

	2013	2012
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<u>987,022</u>	<u>362,916</u>

The weighted average numbers of shares in issue during the years ended 31 December 2013 and 2012 are based on the assumption that 1,292,220,000 shares were in issue as if the 1,292,219,799 shares issued by capitalisation of share premium account for allotment and issue to Asiaciti on 11 December 2013 (the “**Capitalisation Issue**”) were outstanding throughout the entire periods presented.

Weighted average number of ordinary shares

	2013	2012
	'000	'000
Shares issued pursuant to Capitalisation Issue	1,292,220	1,292,220
Effect of shares issued upon global offering on 11 December 2013	<u>23,602</u>	<u>–</u>
Weighted average number of ordinary shares	<u>1,315,822</u>	<u>1,292,220</u>

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2012 in respect of a dilution as the Group had no potential dilutive ordinary shares in issue during the years.

9. DIVIDENDS

On 6 June 2013 and 16 September 2013, dividends of RMB442.4 million and approximately US\$70.2 million (equivalent to RMB431.5 million approximately) were respectively declared by the Company out of its distributable reserves to Asiatici. Such dividends were subsequently used to set off the current accounts with Asiatici.

The Board recommended the payment of a final dividend of RMB10.94 cents per share for the year ended 31 December 2013 (2012: Nil).

The proposed final dividend for the year is subject to the approval of the Company's shareholders (the "Shareholders") at the forthcoming annual general meeting.

10. TRADE RECEIVABLES

The Group's trade receivables mainly arise from the sale of properties. Considerations in respect of the properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values due to their short-term maturity.

An aged analysis of the trade receivables as at the end of the reporting period is as follows:

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Within 3 months	461,843	21,327
4 to 6 months	796	9,752
7 to 12 months	6,870	1,467
After 1 year	<u>3,032</u>	<u>—</u>
	<u>472,532</u>	<u>32,546</u>

The balances of the trade receivables as at 31 December 2013 and 2012 were neither past due nor impaired and related to a large number of diversified customers for whom there was no recent history of default.

11. TRADE PAYABLES

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

	2013 <i>RMB'000</i>	2012 <i>RMB'000</i>
Within 1 year	1,906,519	2,185,743
Over 1 year	<u>507,343</u>	<u>686,903</u>
	<u>2,413,862</u>	<u>2,872,646</u>

The trade payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

The fair values of trade payables at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of the Group, I am pleased to present the annual results of the Group for the year ended 31 December 2013 (“**Year 2013**”).

1. Performance

As at 31 December 2013, the Group recorded a revenue of RMB9,694.7 million, profit for the year amounted to RMB973.9 million, earnings attributable to owners of the Company amounted to RMB987.0 million, while earnings per share amounted to RMB75 cents, and the Board recommended the payment of a final dividend of RMB10.94 cents per share.

2. Review of Year 2013

There were changes of the Chinese government and a stable growth of the real estate market in 2013. Despite regulation-and-control policies continuously being imposed in the PRC real estate market, the Group managed to obtain significant achievements during the year:

Successfully listed on the main board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

It was a significant milestone and also a qualitative leap in the Company's development, and has laid a solid foundation for the Company to live up to be an excellent corporation.

Achieved Rapid Growth in terms of Size and Profit

In 2013, the Group was able to achieve the sales target of RMB11.1 billion, marking an increase of 58.0% as compared with that of 2012, and to achieve an increase in revenue and profit for the year of 203.2% and 175.4%, respectively as compared with that of the previous year. Due to the successful listing and the rapid profit growth, the Group's net gearing ratio decreased substantially to 93.2% as at 31 December 2013.

Breakthrough Achieved in regard to Delivered Area and Customer Satisfaction

In 2013, total gross floor area (“**GFA**”) delivered by the Group amounted to approximately 1.152 million sq.m., representing an increase of 199.8% over 2012. Besides, according to survey data from an independent third party, approximately 81.0% of the residents were satisfied with our property management services, in line with the benchmark level of the industry. Overall strength of the Group reached a higher level.

Benefited from our clear development strategies and efficient execution ability, the Group strived to lead the above achievements.

The Group adhered to the strategy of deepening its regional footholds. We had our investments concentrated in cities that the Group has entered and major resources focused in Guangdong, an active and prosperous market in PRC. Currently, the Group has become one of the largest real estate enterprises in Guangdong. As at 31 December 2013, the Group possessed a land reserve of approximately 8.17 million sq.m.

The Group adhered to prudent investment strategies. We managed to meet the expected earning targets by utilizing diversified methods of land acquisition at low cost. In particular, through active participations in urban redevelopment projects at early stages, we have not only obtained sufficient land reserves with a competitive cost, but also become one of the major beneficiaries of city upgrade and reconstitution.

The Group adhered to consumer-focused strategies. We focused on our core target customer group, consumers who were mainly first-time home buyers and first-time living standard improvers. Our sales were firmly guaranteed as these consumers' income rose up and eagerness for a better living standard lit up.

The Group adhered to effectively managed operation strategies with higher turnover rate. Under the perfect operation control system and with the support of the industry-leading information system technology platform, we realized a comprehensive management in the entire project cycle from site selection to property delivery, ensuring that we are able to improve efficiency of project development with sustained product quality and achieving rapid growth in terms of business scale.

3. Outlook for Year 2014

Looking forward to the coming year, we believe that, following the gradually increased efforts of the government in implementing reformation policies, the continuing process of new urbanization and the rising income of the mass, the Chinese economy will maintain steady growth continuously. Under these circumstances, we believe the overall real estate industry will remain a satisfying growth.

The outstanding sales performances in Year 2013 have brought healthy cash flows to the Group and facilitate us in a good position to support the deepening of our footholds in existing markets and the acquisitions of more land reserves with good quality.

The Group will continue to adhere to the strategies of focusing on selected regions, residential business and customers with robust demands and improvement-oriented demands, and to achieve high-quality and sustainable growth in size in such way with high turnover rate and high sell-through rate.

4. Acknowledgement

For fifteen years since the foundation of Times Property, “empowering more people to live with a lifestyle they are seeking for” has been the Company’s persistent mission, and also the spirit and value for which the Company survives.

During the fifteen years, we saw major and minor fluctuations across the industry as well as the market. We wouldn’t be here today without the Group’s persistence in its mission, and support from all levels.

On behalf of the Board, I would like to express my appreciation to all buyers of our projects, all employees, business partners, newly-added cornerstone investors and public investors of Times Property for their support to and trust in us.

Looking ahead, Times Property will stay adhered to its mission of “empowering more people to live with a lifestyle they are seeking for”, and realize the next leap-forward growth together with our Shareholders. Let’s set off for the new journey at the new starting point.

Shum Chiu Hung

*Chairman of the Board, Executive Director
and Chief Executive Officer*

20 February 2014

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2013, the Group recorded a total revenue of RMB9,694.7 million, representing an increase of 203.2% when compared with that of the year ended 31 December 2012. Profit attributable to ordinary equity holders amounted to RMB973.9 million, representing an increase of 175.4% when compared with 2012. The net profit for the year ended 31 December 2013, excluding change in fair values of investment properties, net of deferred tax increased to RMB942.4 million, representing an increase of 247.6% when compared with that of year 2012. Basic earnings per share were RMB75 cents (2012: RMB28 cents).

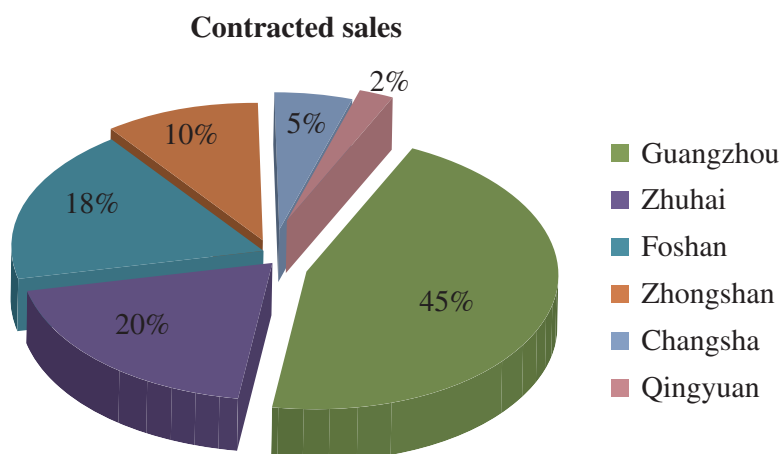
The Board recommended the payment of a final dividend of RMB10.94 cents per share.

Property Development

The Group has established an extensive foothold in Guangdong Province and has strategically expanded into Changsha of Hunan Province. During year 2013, the Group had in total 22 projects on various stages, including 21 projects in major cities of Guangdong Province, namely, Guangzhou, Foshan, Zhongshan, Zhuhai and Qingyuan, and 1 project in Changsha, Hunan Province. For the year ended 31 December 2013, although the PRC Central Government and the local governments introduced various measures to regulate the property market, with projects situated in prime locations delivered with high construction quality, the Group still managed to accomplish expected contracted sales for the year. For the year ended 31 December 2013, the Group's contracted sales⁽¹⁾ amounted to approximately RMB11.1 billion with total GFA of approximately 1,010,371 sq.m.. The Group focuses in its projects on peripheral facilities, seeking to enhance customers' experience in art and to fulfill needs of the middle to upper class households. The table below illustrates the contracted sales achieved by the Group by region for the year ended 31 December 2013:

Region	Available for sale project numbers	Contracted sales area (sq.m.)	Contracted sales amount (RMB million)	Contracted sales amount (%)
Guangzhou	6	259,702	5,028.8	45%
Zhuhai	5	238,492	2,088.9	20%
Foshan	4	231,564	2,026.9	18%
Zhongshan	2	135,632	1,055.0	10%
Changsha	1	99,449	598.1	5%
Qingyuan	1	45,532	258.2	2%
Total	19	1,010,371	11,055.9	100%

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.



Property Portfolio Summary

As of 31 December 2013, we had completed projects with an aggregate GFA of approximately 1.2 million sq.m., projects under development with an aggregate GFA of approximately 3.2 million sq.m., and projects for future development with an aggregate GFA of approximately 4.9 million sq.m., respectively.

The following table sets forth the GFA breakdown of our property portfolio by planned use under various stages of development as of 31 December 2013:

Planned Use⁽¹⁾	Completed GFA (sq.m.)	GFA Under Development (sq.m.)	GFA Held For Future Development (sq.m.)
Residential	967,754	2,450,069	4,596,721
Commercial	41,127	174,894	80,299
Car park	47,338	219,959	132,613
Ancillary ⁽²⁾	150,238	408,351	77,304
Total GFA	<u>1,206,457</u>	<u>3,253,274</u>	<u>4,886,937</u>
Total attributable GFA⁽³⁾	<u>1,205,169</u>	<u>3,214,733</u>	<u>4,849,219</u>

Notes:

- (1) The table above includes saleable GFA and non-saleable GFA. GFA for residential, commercial and car park use consists mostly of saleable GFA. GFA for ancillary use consists mostly of non-saleable GFA.
- (2) “Ancillary” comprises above-ground and underground ancillary facilities, which are non-saleable and for purposes other than residential use, commercial use or car park use. The Group did not generate any revenue from this GFA.
- (3) “Total attributable GFA” comprises the portion of the total GFA that is attributable to the Group, based on the Group’s effective interest in the relevant project.

Portfolio of Property Development Projects

The tables below is a summary of the portfolio of property development projects as of 31 December 2013⁽¹⁾.

Project	Project type	Actual/ Expected completion dates	Site area (sq.m.)	Total GFA ⁽²⁾ (sq.m.)	Completed			Under development			GFA held for future development ⁽⁶⁾ (sq.m.)	Ownership interest ⁽⁷⁾ (%)
					Total GFA ⁽²⁾ (sq.m.)	GFA available for sale ⁽³⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽⁵⁾ (sq.m.)	Total GFA ⁽²⁾ (sq.m.)	Saleable GFA ⁽⁶⁾ (sq.m.)			
Guangzhou												
Ocean Times (時代南灣)	Residential and commercial	2011-2015	354,156	585,585	202,862	5,899	2,360	376,923	346,777	–	100	
Times Bund (時代外灘)	Residential and commercial	2013-2015	92,123	264,965	126,771	–	–	148,102	133,164	31,273	99	
Times King City (Guangzhou) (時代傾城 (廣州))	Residential and commercial	2014-2015	60,238	277,334	–	–	–	277,334	230,225	–	100	
Times Peanut II (時代•花生II)	Residential and commercial	2014	30,965	123,531	–	–	–	123,531	96,753	–	70	
Guangzhou Tianhe Project (Pige Factory Project) (廣州天合項目 (皮革廠項目))	Industrial ⁽⁸⁾	–	34,325	–	–	–	–	–	–	–	100	
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project) (廣州天斯項目 (輕出石榴崗項目))	Industrial ⁽⁹⁾	–	45,579	–	–	–	–	–	–	–	70	
Guangzhou Wuyang Paint Factory (廣州五羊油漆廠)	Apartment and commercial	2015	17,480	74,813	–	–	–	–	–	74,813	50	
Foshan												
Times City Phase I to VI (時代城一至六期)	Residential and commercial	2010-2017	505,776	1,134,683	491,618	12,200	4,882	217,733	212,872	421,755	100	
Foshan Stainless Steel Factory Project (phase VII of Times City) (佛山不銹鋼廠項目 或時代城七期)	Residential and commercial	2016	12,860	32,148	–	–	–	–	–	32,148	100	
Times Cloud Atlas (Foshan) (時代雲圖(佛山))	Residential and commercial	2014-2015	37,996	219,917	–	–	–	219,917	179,942	–	100	
Foshan Fengrui Project (佛山豐睿項目)	Residential and commercial	2015	34,308	115,236	–	–	–	–	–	115,236	100	
Zhongshan												
Times King City (Zhongshan) (時代傾城(中山))	Residential and commercial	2013-2015	471,821	572,778	206,404	–	–	366,374	312,667	–	100	
Zhongshan Shiqi Project (中山石岐項目)	Residential and commercial	2015	46,667	116,666	–	–	–	–	–	116,666	100	

Project	Project type	Actual/ Expected completion dates	Site area (sq.m.)	Total GFA ⁽²⁾ (sq.m.)	Completed			Under development		GFA held for future development ⁽⁶⁾ (sq.m.)	Ownership interest ⁽⁷⁾ (%)
					Total GFA ⁽²⁾ (sq.m.)	GFA available for sale ⁽³⁾⁽⁴⁾ (sq.m.)	Other GFA ⁽⁵⁾ (sq.m.)	Total GFA ⁽²⁾ (sq.m.)	Saleable GFA ⁽⁶⁾ (sq.m.)		
Zhuhai											
Zhuhai Jingrun Project (phase 4 of Times Eolia City) (珠海景潤項目(時代•山湖海四期))	Residential and commercial	2013-2014	51,003	154,224	63,541	–	–	90,683	89,784	–	100
Zhuhai Pingsha Project (珠海平沙項目)	Residential and Commercial	2015	81,393	262,373	–	–	–	262,373	211,762	–	100
Zhuhai Guoji Project (Phase 1 of Times King City (Zhuhai)) (珠海國基項目 (時代傾城(珠海)一期))	Residential and commercial	2015	52,950	171,041	–	–	–	171,041	145,874	–	100
Zhuhai Baijiao Project (phase 2 and 3 of Times King City (Zhuhai)) (珠海白蕉項目(時代傾城(珠海)二、三期))	Residential and commercial	2016-2017	198,204	396,400	–	–	–	–	–	396,400	100
Zhuhai Friendship River Project (珠海友誼河項目)	Residential and commercial	2016-2017	119,169	297,923	–	–	–	–	–	297,923	100
Qingyuan											
Times King City (Qingyuan) (時代傾城(清遠))	Residential and commercial	2014-2018	204,458	832,190	–	–	–	458,985	422,617	373,205	100
Fogang Shilian Project (佛岡石聯項目)	Residential and commercial	Pending	551,087	1,102,173	–	–	–	367,391	367,391	734,782	100
Fogang Huanghua Lake Project (佛岡黃花湖項目)	Residential and commercial	Pending	477,020	953,800	–	–	–	–	–	953,800	100
Changsha											
Times King City (Changsha) (時代傾城(長沙))	Residential and commercial	2013-2020	460,138	1,627,077	115,261	–	–	172,879	166,711	1,338,937	100
Total			3,939,716	9,283,127	1,206,457	18,099	7,242	3,253,274	2,916,539	4,886,937	
Total attributable GFA⁽¹⁾			3,907,092	9,206,013	1,205,169	18,099	7,242	3,214,733	2,886,181	4,849,219	

Notes:

- (1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but have not obtained the requisite construction permits or (ii) the Group has signed a land grant contract with the relevant government authority, but have not obtained the land use rights certificate(s). The figures for total GFA and saleable are based on figures provided in the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate. The categories of information are based on our internal records.
- (2) “Total GFA” is based on figures stated in the surveying reports, planning permit for construction works or completion certificates by relevant government departments. It includes the attributable value of amenities.
- (3) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.
- (4) “GFA available for sale” does not include the portion of GFA for ancillary use, which is not available for sale and has yet to be delivered to purchasers of properties in the relevant property developments, of each of the completed projects or phases of projects.
- (5) “Other GFA” comprises the portion of GFA for ancillary use, which is not available for sale and has yet to be delivered to purchasers of properties in each of the completed projects.
- (6) “Saleable GFA” and “GFA held for future development” are derived from the Group’s internal records and estimates.
- (7) “Ownership interest” is based on the Group’s effective ownership interest in the respective project companies.
- (8) We are in the process of converting the land use for Guangzhou Tianhe Project from industrial use to residential and commercial use.
- (9) We are in the process of converting the land use for Guangzhou Tiansi Project from industrial use to residential and commercial use.
- (10) “Residual Properties” include properties of Times King City (Zengcheng), Times Deconstruction, Times Peanut, Times Yiyun (Foshan), Times King City (Foshan), Times Sweet House (Jinshazhou), Times Mont Blanc (Zhongshan), Times Eolia City (Zhuhai) and Times Laguna (Zhuhai), see section entitled “- Description of Our Projects” below.
- (11) “Total attributable GFA” comprises the portion of the total GFA that is attributable to us, based on our effective interests in the relevant project.

DESCRIPTION OF OUR PROJECTS

Guangdong Province

Guangzhou

(1) *Times Bund* (時代外灘)

Times Bund is located in Panyu District (番禺區), Guangzhou, Guangdong Province. Times Bund is a residential development that comprises high-rise apartment buildings and ancillary facilities such as a multi-function clubhouse, an elementary school and a kindergarten. It is one of our “Prosperity Series” properties developed with the “Luxurious and Extraordinary” theme. The Group commenced this project in July 2011 and expect to complete construction of various phases of this project from 2013 to 2015. It occupies an aggregate site area of approximately 92,123 sq.m. with a total GFA of 264,965 sq.m.. This project is being developed by Guangzhou Panyu Nanying Real Estate Co., Ltd.

The Group awarded the “2013 China Real Estate Development Enterprise Classic Project Top 10” (2013中國房地產開發企業典型項目10強) by China Real Estate Research Association (中國房地產研究會), China Real Estate Industry Association (中國房地產業協會) and China Real Estate Appraisal Center (中國房地產測評中心), the “2012 Guangzhou Real Estate Network Festival Most Artistic Mansion Award” (2012廣州地產網絡盛典最佳藝術豪宅大獎) by Sohu Focus (搜狐焦點), the “Most Anticipated Property Award – Times Bund” (最受期待樓盤獎—時代外灘) by Yangcheng Evening News (羊城晚報), the “2011 China (South China) Best High-end Residence – Times Bund” award (2011中國(華南)最佳高端住宅—時代外灘) by Sina House, Baidu House (新浪樂居百度樂居) and the “2011 Real Estate Brand List of “Influence Guangzhou” – Most Artistic Community – Times Bund” award (影響廣州2011地產品牌榜：2011影響廣州•最佳藝術社區—時代外灘) by Guangzhou Xinkuai Newspaper (廣州新快報社) in December 2011.

(2) *Ocean Times* (時代南灣)

Ocean Times is located in Nansha District (南沙區), Guangzhou, Guangdong Province. Ocean Times is a residential development that comprises high-rise apartment buildings, townhouses and ancillary facilities such as community service centers and kindergartens. It is one of our “Prosperity Series” properties developed with the “Luxurious and Extraordinary” theme. The Group commenced this project in April 2010 and expect to complete construction of various phase of this project from 2011 to 2015. It occupies an aggregate site area of approximately 354,156 sq.m. with a total GFA of 585,585 sq.m. This project is being developed by Guangzhou Times Hongtai Investment Co., Ltd.

The Group awarded the “2012 Most Representative Real Estate – Ocean Times” (2012年度最具代表性樓盤—時代南灣) by Sina House (新浪樂居) in December 2012, the “Best Investment Properties – Ocean Times” (最佳投資置業獎—時代南灣) by Yangcheng Evening News (羊城晚報) in February 2012, the “Most Investment Value Real Estate – Ocean Times (Guangzhou)” award (最具投資價值樓盤—時代南灣(廣州)) by Sohu Focus (搜狐焦點) in January 2012, and the “2012 Guangzhou Real Estate Network Festival Best Seaview Real Estate – Ocean Times” (2012廣州地產網絡盛典最佳海景樓盤—時代南灣) by Sohu Focus (搜狐焦點).

(3) *Times Peanut II (時代•花生II)*

Times Peanut II is located in Baiyun District (白雲區), Guangzhou, Guangdong Province. Times Peanut II, a project developed under the “Urban Redevelopment” policy, is a residential development that comprises high-rise apartment buildings, commercial properties which are primarily used as retail shops and extensive ancillary facilities such as a kindergarten and a swimming pool. It is one of our “Growth Series” properties developed with the “Fashionable and Dynamic” theme. The Group commenced development of this project in November 2012 and expect to complete construction in 2014. It occupies an aggregate site area of approximately 30,965 sq.m. with a total GFA of 123,531 sq.m. This project is being developed by Guangzhou Tianlang Trading Co., Ltd (“**Guangzhou Tianlang**”).

(4) *Times King City (Guangzhou) (時代傾城(廣州))*

Times King City (Guangzhou) is located in Panyu District (番禺區), Guangzhou, Guangdong Province. Times King City (Guangzhou) is a residential development and comprises high-rise apartment buildings, commercial properties which are primarily used as retail shops and ancillary facilities such as kindergarten and senior community center. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced development of this project in June 2013 and expect to complete construction of various phase of this projects from 2014 to 2015. It occupies an aggregate site area of approximately 60,238 sq.m. with a total GFA of 277,334 sq.m.. This project is being developed by Guangdong Guangchang Industrial Development Co., Ltd.

(5) *Guangzhou Tianhe Project (Pige Factory Project) (廣州天合項目(皮革廠項目))*

Guangzhou Tianhe Project is located in Baiyun District (白雲區), Guangzhou, Guangdong Province, with an aggregate site area of approximately 34,325 sq.m.. This project will be developed by Guangzhou Tianhe Construction Material Co., Ltd. The Group are in the process of converting the land use for Guangzhou Tianhe Project from industrial use to residential and commercial use.

(6) *Guangzhou Tiansi Project (Qingchu Shiliu Gang Project) (廣州天斯項目(輕出石榴崗項目))*

Guangzhou Tiansi Project is located in Haizhu District (海珠區), Guangzhou, Guangdong Province, with an aggregate site area of approximately 45,579 sq.m.. This project will be developed by Guangzhou Tiansi Property Management Co., Ltd. Guangzhou Tiansi Project will be developed under the “Urban Redevelopment” policy. The Group are in the process of converting the land use for Guangzhou Tiansi Project from industrial use to residential and commercial use.

(7) *Guangzhou Wuyang Paint Factory Project(廣州五羊油漆廠項目)*

Guangzhou Wuyang Paint Factory is located in Baiyun District (白雲區), Guangzhou, Guangdong Province. It is a commercial development project that mainly comprises high-rise apartment buildings. The Group commenced development of this project in November 2013 and expect to complete construction in 2015. It occupies an aggregate site area of approximately 17,480 sq.m. with a total GFA of 74,813 sq.m.. This project is being developed by Guangzhou Lvdi Baiyun Asset Co., Ltd.

Foshan

(1) Times City Phase I to VI (時代城一至六期)

Times City is located in Sanshui District (三水區), Foshan, Guangdong Province, and is one of the largest property development projects in Foshan in terms of GFA. Times City is a residential development that comprises mid-rise apartment buildings, commercial properties which are primarily used as retail shops and extensive ancillary facilities such as a kindergarten, clubhouse, swimming pool, tennis court, soccer field, supermarket and a park. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced development of this project in June 2008, completed construction of certain phases of this project since 2010 and expect to complete construction of other phases of this project from time to time until 2017. It occupies an aggregate site area of approximately 518,636 sq.m. with a total GFA of 1,166,831 sq.m.. This project is being developed by Foshan Sanshui Yuhua Real Estate Development Co., Ltd.

The Group received the “China New Vision of Real Estate “City Landmark”” (中國地產新視角”城市地標性建築獎”) from Sohu Focus (搜狐焦點) in January 2011.

(2) Foshan Stainless Steel Factory Project (phase VII of Times City) (佛山不銹鋼廠項目(時代城七期))

Foshan Stainless Steel Factory Project is located in Sanshui District, Foshan, Guangdong Province, next to the phase II of Times City. Foshan Stainless Steel Factory Project will be a residential development that comprises mid-rise apartment buildings and commercial properties which are primarily used as retail shops. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. It occupies an aggregate site area of approximately 12,860 sq.m. with a total GFA of 32,148 sq.m..

(3) Times Cloud Atlas (Foshan) (時代雲圖(佛山))

Times Cloud Atlas (Foshan) is located in Chancheng District (禪城區), Foshan, Guangdong Province. Times Cloud Atlas (Foshan) is a residential development and comprises high-rise apartment buildings, commercial properties which will be primarily used as retail shops and ancillary facilities such as gym facility. It will be one of our “Growth Series” properties developed with the “Fashionable and Dynamic” theme. The Group commenced development of this project in March 2013 and expect to complete construction of various phases of this project from 2014 to 2015. It occupies an aggregate site area of approximately 37,996 sq.m. with a total GFA of 219,917 sq.m.. This project is being developed by Foshan Times Yongheng Investment Co., Ltd.

(4) Foshan Fengrui Project (佛山豐睿項目)

Foshan Fengrui Project is located in Nanhai District (南海區), Foshan, Guangdong Province. It will be a residential development and is expected to comprise high-rise apartment buildings and commercial properties which will be primarily used as retail shops. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group expect to commence development of this project in March 2014 and complete construction in 2015. It occupies an aggregate site area of approximately 34,308 sq.m. with a total GFA of 115,236 sq.m.. This project will be developed by Foshan Fengrui Real Estate Co., Ltd.

Zhongshan

(1) Times King City (Zhongshan) (時代傾城(中山))

Times King City (Zhongshan) is located in Shaxi Town (沙溪鎮), Zhongshan, Guangdong Province. Times King City (Zhongshan) is a residential development that comprises high-rise apartment buildings, commercial properties and extensive ancillary facilities such as a clubhouse and swimming pool. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced this project in June 2011, completed construction of certain phases of this project since 2013 and expect to complete construction of the phases of this project from time to time until 2015. It occupies an aggregate site area of approximately 110,074 sq.m. with a total GFA of 572,778 sq.m.. This project is being developed by Zhongshan Wanlian Real Estate Development Co., Ltd.

(2) Zhongshan Shiqi Project (中山石岐項目)

Zhongshan Shiqi Project is located in Shiqi District (石岐區), Zhongshan, Guangdong Province. Zhongshan Shiqi Project is a residential development that is to comprises high-rise apartment buildings and commercial properties which will be primarily used as retail shops. It is one of our “Growth Series” properties developed with the “Fashionable and Dynamic” theme. The Group expect to commence development of this project in March 2014 and complete construction in 2015. This project occupies an aggregate site area of approximately 46,667 sq.m. with a total GFA of 116,666 sq.m.. This project will be developed by Zhongshan Hengsheng Real Estate Investment Co., Ltd.

Zhuhai

(1) Zhuhai Jingrun Project (phase 4 of Times Eolia City) (珠海景潤項目(時代•山湖海四期))

Zhuhai Jingrun Project is located in Jinwan District (金灣區), Zhuhai, Guangdong Province. Zhuhai Jingrun Project is a residential development and comprises high-rise apartment buildings and commercial properties which will be primarily used as retail shops and ancillary facilities such as a clubhouse and kindergarten. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced development of this project in August 2011, completed construction of certain phases of this project since 2013 and expect to complete construction of other phases of this project from time to time until 2014. It occupies an aggregate site area of approximately 51,003 sq.m. with a total GFA of 154,224 sq.m.. This project is being developed by Zhuhai Jingrun Real Estate Development Co., Ltd.

(2) Zhuhai Pingsha Project (珠海平沙項目)

Zhuhai Pingsha Project is located in Pingsha Town (平沙鎮), Zhuhai, Guangdong Province. Zhuhai Pingsha Project is a residential development and comprises high-rise apartment buildings, commercial properties that will be primarily used as retail shops and ancillary facilities such as a kindergarten and swimming pool. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced this project in March 2013 and expect to complete construction in 2015. It occupies an aggregate site area of approximately 81,393 sq.m. with a total GFA of 262,373 sq.m.. This project is being developed by Zhuhai Shenghui Real Estate Development Co., Ltd.

- (3) *Zhuhai Guoji Project (phase 1 of Times King City (Zhuhai)) (珠海國基項目(時代傾城(珠海一期))*

Zhuhai Guoji Project is located in Dou Men District (斗門區), Zhuhai, Guangdong Province. Zhuhai Guoji Project is a residential development and comprises high-rise apartment buildings, commercial properties which will be primarily used as retail shops and ancillary facilities such as a clubhouse. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced development of this project in May 2013 and expect to complete construction in 2015. It occupies an aggregate site area of approximately 52,950 sq.m. with a total GFA of 171,041 sq.m.. This project is being developed by Zhuhai Guoji Real Estate Development Co., Ltd.

- (4) *Zhuhai Baijiao Project (phase 2 and 3 of Times King City (Zhuhai)) (珠海白蕉項目(時代傾城(珠海)二、三期))*

Zhuhai Baijiao Project is located in Dou Men District (斗門區), Zhuhai, Guangdong Province. Zhuhai Baijiao Project will be a residential development and is expected to comprise high-rise apartment buildings, commercial properties which will be primarily used as retail shops. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced development of this project in March 2014 and complete construction of various phases of this project from 2016 to 2017. It occupies an aggregate site area of approximately 198,204 sq.m. with a total GFA of 396,400 sq.m.. This project will be developed by Zhuhai Jiayu Real Estate Development Co., Ltd.

- (5) *Zhuhai Friendship River Project (珠海友誼河項目)*

Zhuhai Friendship River Project is located in Doumen District (斗門區), Zhuhai, Guangdong Province. Zhuhai Friendship River Project will be a residential development that is expected to comprise high-rise apartment buildings and commercial properties which will be primarily used as retail shops. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group expect to commence development of this project in September 2014 and complete construction of various phases of this project from 2016 to 2017. It occupies an aggregate site area of approximately 119,169 sq.m. with a total GFA of 297,923 sq.m.. This project will be developed by Zhuhai Jinrong Real Estate Development Co., Ltd.

Qingyuan

- (1) *Times King City (Qingyuan) (時代傾城(清遠))*

Times King City (Qingyuan) is located in Qingcheng District (清城區), Qingyuan, Guangdong Province. Times King City (Qingyuan) will be an integrated development that will comprise high-rise residential apartment buildings, commercial properties which will be used as retail shops, and extensive ancillary facilities such as clubhouses, primary school and kindergarten. It will be one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced this project in April 2013 and expect to complete construction of various phases of this project from 2014 to 2018. It occupies an aggregate site area of approximately 204,458 sq.m. with a total GFA of 832,190 sq.m.. This project is being developed by Qingyuan Rongjing Investment Co., Ltd.

(2) *Fogang Shilian Project (佛岡石聯項目)*

Fogang Shilian Project is located in Shijiaozhen (石角鎮), Fogang, Qingyuan, Guangdong Province. Fogang Shilian Project will be a residential development and is expected to comprise high-rise apartment buildings, mid-rise apartment buildings, low-rise apartment buildings and commercial properties which are primarily used as retail shops. It occupies an aggregate site area of approximately 551,087 sq.m.. with a total GFA of 1,102,173 sq.m.. This project is being developed by Fogang Times Real Estate Development Co., Ltd.

(3) *Fogang Huanghua Lake Project (佛岡黃花湖項目)*

Fogang Huanghua Lake Project is located in Tangtang Town (湯塘鎮), Fogang, Qingyuan, Guangdong Province. Fogang Huanghua Lake Project will be a residential development and is expected to comprise high-rise apartment buildings, mid-rise apartment buildings, low-rise apartment buildings and commercial properties which are primarily used as retail shops. It occupies an aggregate site area of approximately 477,020 sq.m.. with a total GFA of 953,800 sq.m.. This project will be developed by Fogang Zhongyi Asset Development Limited Liability Company.

Hunan Province

Changsha

Times King City (Changsha) (時代傾城(長沙))

Times King City (Changsha) is located in Wangcheng District (望城區), Changsha, Hunan Province. Times King City (Changsha) is an integrated residential development that comprises high-rise apartment buildings, commercial properties which will be primarily used as retail shops and extensive ancillary facilities such as clubhouses and kindergartens. It is one of our “Blossom Series” properties developed with the “Noble and Elegant” theme. The Group commenced this project in June 2011, completed construction of certain phases of this project since 2013 and expect to complete construction of other phases of this projects from time to time until 2020. It occupies an aggregate site area of approximately 460,138 sq.m. with a total GFA of 1,627,077 sq.m.. This project is being developed by Changsha Meiguiyuan Real Estate Development Co., Ltd.

Properties for Leasing and Sub-leasing

As at 31 December 2013, the GFA that the Group held at Times Property Center for rental purposes was approximately 47,068 sq.m. and the GFA for Guangzhou Zhide Commercial Management Co., Ltd. (the “**Guangzhou Zhide**”) and its subsidiary for sub-leasing purposes was approximately 206,783 sq.m.. For the year ended 31 December 2013, the Group’s rental income amounted to RMB154.4 million, contributing to 1.6% of the total turnover.

Property Management Services

Property management fee income represents revenue generated from property management services provided in relation to delivered properties. For the year ended 31 December 2013, the Group provided property management services for 30 project phases. Our revenue from property management services increased from RMB67.9 million for the year ended 31 December 2012 to RMB97.0 million for the year ended 31 December 2013. This increase was primarily due to the increase in the number of project phases that we managed with the delivery of the properties we made in year 2013.

Land Reserves

The Group continued to expand its land reserves through various channels, including participations in public land auctions, urban redevelopment projects, primary development, cooperation, and through acquisition of project companies.

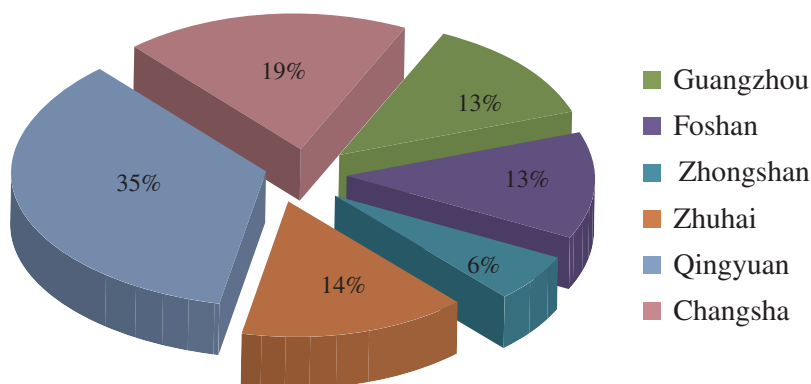
Month of acquisition	Location	Attributable interest %	Site Area sq.m.	Attributable GFA per maximum allowed plot ratio sq.m.	Land cost (RMB in million)
July 2013	Foshan	100	34,308.0	115,236.0	284.5
December 2013	Foshan	100	12,860.0	32,148.0	67.5
November 2013	Zhongshan	100	46,667.0	116,666.0	200.0
December 2013	Zhuhai	100	119,169.0	297,923.0	1,004.0
July 2013	Guangzhou	50	17,480.0	74,813.0	445.7
January 2013	Zhuhai	100	52,950.0	171,041.0	141.1
			<u>283,434.0</u>	<u>807,827.0</u>	<u>2,142.8</u>

For the year ended 31 December 2013, the Group acquired six parcels of land in Guangzhou, Zhuhai, Foshan and Zhongshan, the aggregating land cost amounted to approximately RMB2,143 million, the average land cost per sq.m. was approximately RMB2,653 per sq.m.. The planned GFA at maximum allowed plot ratios attributable to the Group aggregated would be approximately 807,827 sq.m..

As at 31 December 2013, the Group had total land reserves of approximately 8.17 million sq.m., which the Group believes will be sufficient to support the Group’s development need in the next five years. The table below set forth detailed information of land reserves in major cities the Group entered.

Region	Reserves (sq.m.)	ASP/sq.m.
Guangzhou	1,040,242	2,420
Foshan	1,023,872	1,248
Zhongshan	483,040	1,326
Zhuhai	1,218,420	1,854
Qingyuan	2,888,163	249
Changsha	1,511,815	773
Total	<u>8,165,552</u>	<u>1,051</u>

Land Reserves By City (GFA)



Outlook

In 2013, the Central Government and local governments introduced various tightening measures for the property market to rein in speculative activities. Despite these measures inflicted short-term repercussions in the industry, the Group remains optimistic about the prospect of the property market in China and believes the customer demand will remain strong. Deepening of the urbanization policy and easing of the “single child policy” will also stimulate the market demand. In the future, the Group aims to maximize return for the Shareholders through competitive costing, accumulation of land reserves in areas with high growth potential, strengthening our “Life Stylist” positioning to bring modern and artistic lifestyles to middle to upper class households.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property development, property leasing and sub-leasing and property management services, which contributed about 97.4%, 1.6% and 1% respectively of the revenue of year 2013. The Group's revenue increased by RMB6,497.6 million, or 203.2%, to RMB9,694.7 million for the year ended 31 December 2013 from RMB3,197.1 million for the year ended 31 December 2012. This increase was primarily attributable to an increase in revenue from the sale of properties.

The table below sets forth our revenue by operating segments for the years indicated:

	2013		2012	
	<i>RMB in millions</i>	%	<i>RMB in millions</i>	%
Sale of properties	9,443.3	97.4	3,090.8	96.7
Rental income	154.4	1.6	38.4	1.2
Management fee income	97.0	1.0	67.9	2.1
	<u>9,694.7</u>	<u>100.0</u>	<u>3,197.1</u>	<u>100.0</u>

Property development

The Group's revenue from sales of properties increased by RMB6,352.5 million, or 205.5%, to RMB9,443.3 million for the year ended 31 December 2013 from RMB3,090.8 million for the year ended 31 December 2012. This increase was primarily due to an increase in the total delivered GFA from approximately 384,348 sq.m. for the year ended 31 December 2012 to approximately 1,152,208 sq.m. for the year ended 31 December 2013. The projects that contributed substantially to the Group's revenue for the year ended 31 December 2013 mainly include Times Bund (Guangzhou), Ocean Times (Guangzhou), Times Sweet House (Jinshazhou), Times King City (Zengcheng), Times City (Foshan), Times King City (Zhongshan) and Times Eolia City (Zhuhai).

Property leasing and sub-leasing

The Group's gross rental income increased by RMB116.0 million, or 301.9%, to RMB154.4 million for the year ended 31 December 2013 from RMB38.4 million for the year ended 31 December 2012. This increase was primarily due to the fact that we acquired Guangzhou Zhide in December 2012 and engaged in sub-leasing business through Guangzhou Zhide and its subsidiaries, which recorded rental income amounted to approximately RMB114.3 million for the year ended 31 December 2013.

Property management services

The Group's revenue from property management services increased by RMB29.1 million, or 42.8%, to RMB97.0 million for the year ended 31 December 2013 from RMB67.9 million for the year ended 31 December 2012. This increase was primarily due to the increase in the number of project phases that we managed with the delivery of the properties we made in year 2013.

Cost of sales

The Group's cost of sales increased by RMB5,066.5 million, or 221.4%, to RMB7,354.7 million for the year ended 31 December 2013 from RMB2,288.2 million for the year ended 31 December 2012. This increase was primarily attributable to an increase in the total GFA of properties delivered. The table below sets forth a breakdown of our cost of sale for the periods indicated:

	Year ended 31 December			
	2013		2012	
	(RMB in thousands)	(%)	(RMB in thousands)	(%)
Cost of properties sold				
Land acquisition costs	1,339,222	18.2	420,479	18.4
Construction costs	5,468,332	74.4	1,649,003	72.1
Capitalised finance costs	392,421	5.3	145,124	6.3
Subtotal	7,199,975	97.9	2,214,606	96.8
GFA delivered	1,152,208 sq.m.		384,348 sq.m.	
Direct operating expenses (including repairs and maintenance) arising from rental-earning properties	73,596	1.0	4,084	0.2
Cost of property management services provided	81,140	1.1	69,494	3.0
Total	7,354,711	100.0	2,288,184	100.0

Gross profit

As a result of above, the Group's gross profit increased by RMB1,431.1 million, or 157.4%, to RMB2,340.0 million for the year ended 31 December 2013 from RMB909.0 million for the year ended 31 December 2012. For the year ended 31 December 2013, the Group's gross profit margin decreased to 24.1% from 28.4% for the year ended 31 December 2012. This decrease was primarily due to the fact that projects with lower gross profit margin, such as Times King City (Changsha), Times King City (Zhongshan) and Times Bund, took up a larger proportion of our total revenue for the year ended 31 December 2013. It is our marketing strategy to seize the market share by offering lower price for new market regions and new projects and then gradually increase the price so as to achieve higher gross profit margin afterwards.

Other income and gains

The Group had other income and gains of RMB78.7 million for the year ended 31 December 2013, when compared with that of RMB138.3 million for the year ended 31 December 2012. This decrease was primarily due to the decrease in fair value gains on Times Property Center in year 2013 compared with that of year 2012, which was in line with slightly increase in the capital value of commercial properties nearby during year 2013.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB206.9 million, or 101.3%, to RMB411.1 million for the year ended 31 December 2013 from RMB204.3 million for the year ended 31 December 2012. This increase was attributable to higher advertising, staff and other promotional costs incurred in our pre-sale activities for a larger number of our projects and the fact that we commenced pre-sales in new geographic markets, for example, in relation to Times King City (Qingyuan), which was our first property project in Qingyuan during 2013. As a result, more sales, marketing activities incurred and sales commission paid in relation to the higher GFA we delivered also increased.

Administrative expenses

The Group's administrative expenses increased by RMB140.5 million, or 96.8%, to RMB285.6 million for the year ended 31 December 2013 from RMB145.1 million for the year ended 31 December 2012. This increase was primarily due to the expansion of business in year 2013 and the commencement of our sub-leasing after the acquisition of Guangzhou Zhide in December 2012, which led to an increase in human costs, office expenses, depreciation and amortisation and rental expenses for properties to be sub-leased. The Group also incurred higher legal and professional fee in the year ended 31 December 2013 due to the Listing.

Other expenses

The Group's other expenses decreased by RMB17.9 million, or 52.0%, to RMB16.5 million for the year ended 31 December 2013 from RMB34.4 million for the year ended 31 December 2012. This decrease was primarily due to the decrease of donation and sponsorship made by the Group during year 2013 as compared to 2012.

Finance costs

The Group's finance costs increased by RMB45.6 million, or 108.3%, to RMB87.7 million for the year ended 31 December 2013 from RMB42.1 million for the year ended 31 December 2012. This increase was primarily due to the increase in bank and other borrowings in 2013 in relation to the Group's expanding property development activities.

Share of profits and losses of associates

The Group's share of profits and losses of associates significantly increased to RMB2.4 million for the year ended 31 December 2013 from RMB5,000 for the year ended 31 December 2012. The increase was arisen from the share of profit of Guangzhou Baiyun Heyintai Micro-credit Co. Ltd., an associate in which the Group has a 20% equity interest.

Income tax expenses

The Group's income tax expenses increased by RMB378.4 million, or approximately 141.3%, to RMB646.2 million for the year ended 31 December 2013 from RMB267.8 million for the year ended 31 December 2012. This increase was primarily attributable to an increase in the profit before tax for the year ended 31 December 2013. The Group's effective income tax rate decreased to 40.0% for the year ended 31 December 2013 from 43.0% for the year ended 31 December 2012. The decrease was primarily due to the lower average LAT rates in 2013 as compared to 2012 since projects with low gross profits were delivered more than 2012 in terms of proportion to the total projects delivered during the respective years.

Profit for the year

As a result of the foregoing, the Group's profit increased by RMB620.3 million, or 175.4%, to RMB973.9 million for the year ended 31 December 2013 from RMB353.6 million for the year ended 31 December 2012. The Group's net profit margin decreased to 10.1% for the year ended 31 December 2013 from 11.1% for the year ended 31 December 2012.

Loss attributable to non-controlling interests

As at 31 December 2013, the Group recorded loss attributable to non-controlling Shareholders of RMB13.1 million, which increased by about RMB3.8 million as compared to the loss of RMB9.3 million for the year ended 31 December 2012. The increase in losses was primarily due to the fact that Guangzhou Tianlang, which engaged in property development, was still under the stage of development and pre-sale and its revenue then has not yet been recognised, and Guangzhou Guangdechang Commercial Management Services Co., Ltd, which engaged in sub-leasing operation, was still under construction and has not yet commenced operation.

Profit attributable to owners of our Company

As a result of the foregoing, profit attributable to owners of the Company increased by RMB624.1 million, or 172.0%, to RMB987.0 million for the year ended 31 December 2013 from RMB362.9 million for the year ended 31 December 2012.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2013, the carrying balance of the Group's cash and bank deposits was approximately RMB3,667.6 million (31 December 2012: RMB1,833.7 million), representing an increase of 100.0% when compared with that of 31 December 2012. Under relevant PRC laws and regulations, some of the Group's project are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development processes and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 31 December 2013, the Group's restricted bank deposit was RMB1,946.1 million.

Exchangeable Notes and the Restructuring Deed

On 9 January 2008, several investors provided loans to one of the Group's controlling Shareholders, Asiatici, in an aggregate principal amount of US\$200.0 million (approximately RMB1,440 million). Meanwhile, Asiatici issued to the investors the exchangeable notes in an aggregate principal amount of US\$200 million. The relevant proceeds were provided to the Group for use in its business operation and funding various property development projects. Pursuant to the restructuring deed (the "**Restructuring Deed**") dated 12 July 2013 entered into by and among our Company, Mr. Shum, Asiatici, Renowned Brand, East Profit Management Limited and Highup Holdings Limited, part of the debt aforesaid owed by Asiatici to the investors has assumed by the Company. As at 31 December 2013, the balance due to the investors by the Company was approximately US\$86.0 million. On 6 January 2014, the Company paid all outstanding installments (being the third to fifth installments due on 15 January 2014, 15 March 2014 and 15 May 2014, respectively) under the Restructuring Deed in full. Given the sufficiency of working capital and the benefits of releasing the Company from the secured obligations and allowing the Company to focus its attention on operation, the Board decided to pay all outstanding installments in full ahead of the schedule. Further details of the exchangeable notes and the Restructuring Deed are set out in the section entitled "History and Corporate Structure – Pre-IPO Investment and Debt Restructuring" in the prospectus of the Company dated 29 November 2013). As a result, all the Company's obligations under the Restructuring Deed was deemed to be discharged in full.

Borrowings

The Group had aggregate borrowings of approximately RMB7,402.5 million as at 31 December 2013, of which approximately RMB1,977.5 million were due within one year, approximately RMB5,207.1 million were due within two and five years and approximately RMB218.0 million are due in over five years. As at 31 December 2013, the Group's outstanding bank loans were secured by its completed properties held for sale, properties under development, investment properties, and pledged time deposit with carrying values of approximately RMB20.0 million, RMB1,847.5 million, RMB1,582.0 million, and RMB70.0 million, respectively.

The Group's domestic bank loans carried a floating interest rate linked with the base lending rate of The People's Bank of China. As at 31 December 2013, the Group was exposed to interest rate risk, primarily in relation to our bank loans bearing floating interest rates, which amounted to be RMB5,316.9 million.

Gearing ratio

As at 31 December 2013, the Group's net debts (total borrowings net of cash and bank balance) over total adjust equity (all components of equity and the net amount due to Mr. Shum) was 93.2% (31 December 2012: 116.2%). The Group's net current assets increased by 88.2% from RMB3,680.6 million as at 31 December 2012 to RMB6,926.4 million as at 31 December 2013, and the current ratio increased from 1.2 times as at 31 December 2012 to 1.5 times as at 31 December 2013.

Foreign currency risks

The Group mainly operates in the PRC. The Group's functional currency and the currency in which the Group denominates and settles substantially all of its transactions are in Renminbi. Any depreciation of the Renminbi would adversely affect the value of any dividends the Group pay to the shareholders outside of the PRC. The Group currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk.

Financial guarantee

As of 31 December 2013, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB4,068.4 million (31 December 2012: approximately RMB3,210.2 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fail to do so, the mortgagor bank may auction the underlying property and recover any additional amount outstanding from the Group as the guarantor of the mortgage loans. In line with industry practices, the Group do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

After balance sheet event

- (a) On 6 January 2014, the Company settled all outstanding instalments (being the third to fifth instalments due on 15 January 2014, 15 March 2014 and 15 May 2014, respectively of the Restructuring Deed). Given the sufficiency of working capital and the benefits of releasing the Company from the secured obligations and allowing the Company to focus its attention on operation, the Group decided to pay all outstanding instalments in full ahead of the schedule.
- (b) On 15 January 2014, Foshan Times Yongheng Investment Co., Ltd., a subsidiary of the Company, won the bidding to acquire a parcel of land located in Chancheng District, Foshan City, through on-line public bidding. The consideration of the land is RMB632,820,000, of which Foshan Times Yongheng investment Co., Ltd. has paid RMB68,040,000 as of the date of approval of these financial statements.
- (c) On 8 February 2014, Qingyuan Xilong Real Estate Development Co., Ltd., a subsidiary of the Company, won the bidding to acquire a parcel of land located in Qingcheng District, Qingyuan City, through on-line public bidding. The consideration of the land is RMB197,000,000, of which Qingyuan Xilong Real Estate Development Co., Ltd. has paid RMB40,000,000 as of the date of approval of these financial statements.

Material acquisitions and disposals of assets

For the year ended 31 December 2013, the Group i) acquired subsidiaries of Zhuhai Guoji Real Estate Development Co., Ltd., Zhuhai Doumen District Jinwu Real Estate Development Co., Ltd., Guangzhou Tiansi Property Management Co., Ltd., ii) disposed subsidiaries of the Foshan Zhide Wangu Supermarket Company Ltd., Zhuhai Times Shengyuan Bio-technology Co., Ltd. and iii) deregistered subsidiary of Guangzhou Times Zhongtong Real Estate Investment Co., Ltd.

Employees and remuneration policy

As at 31 December 2013, the Group had approximately 2,711 employees (31 December 2012: approximately 2,470 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing (after deducting underwriting fees and related expenses) amounted to approximately HKD1,477.4 million, was intended to be applied in the manner disclosed in the Company's prospectus dated 29 November 2013, of which approximately 33.3% was used for settling part of the outstanding installments under the Restructuring Deed, approximately 56.7% is intended to be used for financing new existing projects, including the land acquisition and construction costs of potential development projects, land purchase and the remaining for the Group's general corporate purposes.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB10.94 cents per share for the year ended 31 December 2013 (2012: Nil) to the Shareholders. The final dividend will be payable on 19 May 2014 and is subject to the approval of Shareholders at the forthcoming annual general meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 April 2014 to 30 April 2014, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming annual general meeting to be held on 30 April 2014 (the "AGM"). In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Investor Services Limited, at shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 24 April 2014.

The record date for qualifying to receive the proposed final dividend is 12 May 2014. In order to determine the right of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from 8 May 2014 to 12 May 2014, both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Investor Services Limited, at shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 7 May 2014.

CORPORATE GOVERNANCE PRACTICES

The Group are committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code of corporate governance.

Save for the deviation disclosed below, in the opinion of the Directors, the Company has complied with all the code provision as set out in the CG Code during the period since 11 December 2013 (the “**Listing Date**”) on the Stock Exchange and up to the date of this announcement.

In accordance with the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Shum currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company’s present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will be maintained.

Under code provision A.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company is liaising with various intermediaries and will select the appropriate insurance policy and arrange appropriate insurance cover for the Directors as soon as practicable.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of Appendix 10 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 December 2013.

Since the Listing Date, the Company has also adopted its own code of conduct regarding employees’ securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company’s securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period commencing on the Listing Date to 31 December 2013, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries.

AUDIT COMMITTEE

The audit committee has reviewed the accounting principles and policies adopted by the Group and the annual results for the year ended 31 December 2013.

ANNUAL GENERAL MEETING

The AGM of the Company for the year ended 31 December 2013 is scheduled to be held on 30 April 2014. A notice convening the AGM will be issued and disseminated to the Shareholders in due course.

PUBLICATION OF THE ANNUAL RESULTS AND 2013 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.timesgroup.cn) and the 2013 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

APPOINTMENT OF CHIEF FINANCIAL OFFICER AND RESIGNATION AND APPOINTMENT OF JOINT COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

The Board announces that Miss Mei Jing (梅菁) (“**Miss Mei**”) has tendered resignation as the joint company secretary of the Company, an authorised representative under the Listing Rules and an authorised representative under the Companies Ordinances (collectively, the “**Authorised Representative**”) with effect from 21 February 2014. The Board and Miss Mei confirmed that there is no circumstances connected with her resignation that need to be brought to the notice of the Stock Exchange and the Shareholders.

The Board further announces that Mr. Chan Wai Kin (陳偉健) (“**Mr. Chan**”) will be appointed as the chief financial officer (the “**CFO**”), the joint company secretary and the Authorised Representative of the Company with effect from 21 February 2014. Mr. Chan will be mainly responsible for Group financial reporting and investor relations related matters.

The biographical details of Mr. Chan are set out as follows:

Mr. Chan, aged 33, has approximately ten years of experience in accounting and financing. During April 2012 to September 2013, he was the executive director, chief financial officer and company secretary of Golden Wheel Tiandi Holdings Company Limited (“**Golden Wheel Tiandi**”, stock code: 1232), a company listed on the Stock Exchange. He worked with Deloitte Touche Tohmatsu as an auditor from December 2005 to August 2010 and with KPMG as an auditing manager from August 2010 to October 2011. Mr. Chan graduated from Indiana University at Bloomington in the United States of America with a degree of bachelor of science in business in May 2005. He is a member of Hong Kong Institute of Certified Public Accountants since July 2009. Mr. Chan is also currently a non-executive director of Golden Wheel Tiandi and involves in the review of financial reports and in the area of investor relations.

The Board would like to take this opportunity to express its gratitude to Miss Mei for her past contribution to the Company during her term of service and welcome Mr. Chan on his appointment as the CFO, the joint company secretary and the Authorised Representative of the Company.

By order of the Board
Times Property Holdings Limited
Shum Chiu Hung
Chairman

Guangzhou, the PRC, 20 February 2014

As at the date of this announcement, the executive Directors are Shum Chiu Hung, Guan Jianhui, Bai Xihong, Li Qiang, Cen Zhaoxiong and Niu Jimin; and the independent non-executive Directors are Sun Hui, Lin Rupeng and Wong Wai Man.