WARDERLY INTERNATIONAL HOLDINGS LIMITED
匯多利國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 607)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The board (the "Board") of directors (the "Directors") of Warderly International Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2013, together with the comparative figures for the previous year prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	**2013** **RMB'000**	2012 *RMB'000* (Restated)
Continuing operation			
Revenue	*4*	**859,393**	399,140
Cost of sales		**(627,327)**	(245,051)
Gross profit		**232,066**	154,089
Change in fair value of convertible bonds	*17*	**(292,866)**	–
Change in fair value of property held for sale transferred to investment property		**1,324**	–
Other income	*5*	**2,307**	2,067
Selling expenses		**(29,858)**	(21,109)
Administrative expenses		**(25,816)**	(27,656)
Finance costs	*6*	**(412)**	–
(Loss) profit before tax		**(113,255)**	107,391
Income tax expense	*7*	**(88,083)**	(73,994)
(Loss) profit for the year from continuing operation		**(201,338)**	33,397

* *for identification purpose only*

	Notes	**2013**	2012
		RMB'000	*RMB'000*
			(Restated)
Discontinued operation			
Loss for the year from discontinued operation	*8*	**(32,042)**	–
(Loss) profit and total comprehensive (expense) income for the year	*9*	**(233,380)**	33,397
(Loss) profit and total comprehensive (expense) income for the year attributable to owners of the Company:			
– from continuing operation		**(209,704)**	30,466
– from discontinued operation		**(32,042)**	–
		(241,746)	30,466
Profit and total comprehensive income for the year attributable to non-controlling interests:			
– from continuing operation		**8,366**	2,931
– from discontinued operation		**–**	–
		8,366	2,931
		(233,380)	33,397
(Loss) earnings per share	*11*		
From continuing and discontinued operation			
– Basic and diluted		**(20.92) cents**	2.76 cents
From continuing operation			
– Basic and diluted		**(18.15) cents**	2.76 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	31 December 2013 RMB'000	31 December 2012 RMB'000 (Restated)	1 January 2012 RMB'000 (Restated)
Non-current assets				
Plant and equipment		**2,898**	2,229	1,999
Investment property	*12*	**5,600**	–	–
Goodwill	*13*	**–**	–	–
		8,498	2,229	1,999
Current assets				
Held for trading investments		**–**	400	3,000
Other receivables, prepayments and deposits	*14*	**53,608**	88,068	87,623
Tax prepaid		**–**	11,054	13,717
Properties under development		**880,104**	1,367,338	1,061,489
Properties held for sale		**405,484**	57,723	302,774
Amounts due from related parties		**–**	–	137,015
Pledged bank deposits		**1,445**	210	58,000
Bank balances and cash		**116,358**	154,074	78,662
		1,456,999	1,678,867	1,742,280
Assets classified as held for sale		**–**	–	–
		1,456,999	1,678,867	1,742,280
Current liabilities				
Trade and other payables	*15*	**188,563**	103,662	204,044
Receipt in advance		**476,702**	861,336	696,138
Income tax payables		**41,399**	33,780	831
Amounts due to related parties		**–**	61,109	327,688
Bank and other borrowings				
– due within one year	*16*	**155,000**	131,500	130,000
		861,664	1,191,387	1,358,701
Liabilities classified as held for sale		**–**	–	–
		861,664	1,191,387	1,358,701
Net current assets		**595,335**	487,480	383,579
Total assets less current liabilities		**603,833**	489,709	385,578

	Notes	**31 December 2013** **RMB'000**	31 December 2012 RMB'000 (Restated)	1 January 2012 RMB'000 (Restated)
Capital and reserves				
Issued equity		**439,307**	400,000	100,000
Reserves		**(661,881)**	(29,754)	88,455
(Capital deficiency) Equity attributable to owners of the Company		**(222,574)**	370,246	188,455
Non-controlling interests		**27,829**	19,463	42,123
(Capital deficiency) Total equity		**(194,745)**	389,709	230,578
Non-current liabilities				
Convertible bonds	*17*	**683,247**	–	–
Bank and other borrowings	*16*			
– due after one year		**115,000**	100,000	155,000
Deferred tax liabilities		**331**	–	–
		798,578	100,000	155,000
Total equity and non-current liabilities		**603,833**	489,709	385,578

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revised) of the Cayman Islands. Its shares (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company and its subsidiaries (collectively referred to as the "Group") is property development. In the opinion of the directors of the Company, the parent and the ultimate holding company of the Company is Magnolia Wealth International Limited ("Magnolia Wealth"), a limited company incorporated in the British Virgin Islands ("BVI").

Upon the completion of the Reverse Takeover Transaction (as defined hereinunder), the Group changed the functional currency of the Company and presentation currency of its consolidated financial statements from Hong Kong Dollar ("HK$") to Renminbi ("RMB") because, in the opinion of the directors of the Company, the turnover are entirely contributed by the property development business in the People's Republic of China ("PRC") from the date of the completion of reverse takeover transaction ("Reverse Takeover Transaction") and this could provide users with more comparable information with other companies in similar industries. Comparative figures have been represented in RMB. Also, the presentation currency is also the functional currency of the Company.

The change in functional currency of the Company was applied prospectively from date of change in accordance with HKAS 21 *The Effect of Changes in Foreign Exchange Rate*. On the date of the change of functional currency, all assets, liabilities, issued capital and other components of equity and profit and loss account items were translated into RMB at the exchange rate on that date.

The change in presentation currency of the Group has been applied retrospectively in accordance with HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, and the comparative figures as at 1 January 2012 and 31 December 2012 and for the year ended 31 December 2012 have also been restated to RMB accordingly.

The changes in functional and presentation currencies have no significant impact on the financial positions of the Group as at 1 January 2012, 31 December 2012 and 2013, or the results and cash flows of the Group for the years ended 31 December 2012 and 2013.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

On 12 December 2013, open offer, debt restructuring and reverse takeover involving a new listing application was completed. The Group acquired the entire equity interest of Nanjing Fullshare Asset Management Limited ("Nanjing Fullshare"), a company incorporated in the PRC with limited liability from Nanjing Fullshare Industrial Holding Group Co. Limited ("Nanjing Fullshare Holding"), at cash consideration of HK$500,000,000. Magnolia Wealth, an underwriter of the open offer of the company, is acting in concert with Nanjing Fullshare Holding. Nanjing Fullshare is an investment holding company which is wholly owned by Nanjing Fullshare Holding, immediately before the completion of Reverse Takeover Transaction. Nanjing Fullshare and its subsidiaries (the "Nanjing Fullshare Group") are principally engaged in property development in the PRC. The details of the Reverse Takeover Transaction are set out in the Company's circular dated 28 October 2013 and in the announcement of the Company dated 12 December 2013.

Open Offer

During the year ended 31 December 2013, the Company carried out the open offer (the "Open Offer") to raise HK$84,400,000 on the basis of 4 offer shares for every 1 existing share held on the record date at the offer price of HK$0.05 each of 1,688,000,000 offer shares (the "Offer Shares") with Magnolia Wealth being the underwriter of the Open Offer. Upon the completion of the Open Offer, the number of the issued share capital of the Company increased by 1,688,000,000 to 2,110,000,000.

As the Offer Shares were not fully subscribed by the existing shareholders of the Company, Magnolia Wealth has taken up 1,103,036,404 Offer Shares, representing approximately 52.28% of the total issued share capital as enlarged by the Offer Shares.

The details of the Open Offer are set out in the prospectus and announcement of the Company dated 21 November 2013 and 10 December 2013 respectively.

Debt Restructuring

During the year ended 31 December 2013, the Company also completed the debt restructuring and settled the amounts due to certain creditors of the Company (the "Scheme Creditors") by the way of the schemes of arrangement to be made between the Company and the Scheme Creditors under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Hong Kong Scheme") and the Companies Law (2007 Revision) of the Cayman Islands (the "Cayman Scheme", together with the Hong Kong Scheme, hereinafter collectively referred to as the "Schemes") respectively. On 12 December 2013, the Schemes were effective. Pursuant to the Schemes, all amounts due to Scheme Creditors have been fully discharged for a cash payment of HK$37,000,000 (the "Debt Restructuring").

The details of the Debt Restructuring are set out in the circular and announcement of the Company dated 28 October 2013 and 12 December 2013 respectively.

Reverse Takeover Transaction

The Reverse Takeover Transaction has been accounted for as a reverse acquisition under Hong Kong Financial Reporting Standard 3 (Revised) *Business Combination* ("HKFRS 3 (Revised)") as Magnolia Wealth has taken up approximately 52.28% ordinary shares of the Company through the Open Offer and Mighty Fame Limited, a wholly owned subsidiary of the Company, has acquired entire equity interest of Nanjing Fullshare at cash consideration of HK$500,000,000 from Nanjing Fullshare Holding. For accounting purpose, the aforesaid transactions were deemed as reverse takeover transaction. As a result, the Company (together with its subsidiaries before the completion of the Reverse Takeover Transaction, collectively referred to as the "Existing Group"), the accounting acquiree, is deemed to have been acquired by Nanjing Fullshare, the accounting acquirer. These consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Nanjing Fullshare Group and accordingly:

(i) The assets and liabilities of the Nanjing Fullshare Group are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Existing Group are recognised and measured initially at their fair value in accordance with the HKFRS 3 (Revised); and

(iii) The comparative information presented in these consolidated financial statements is restated to be that of the Nanjing Fullshare Group.

In preparing these consolidated financial statements, the Nanjing Fullshare Group has applied the acquisition method to account for the acquisition of the Existing Group. In applying the acquisition method, the consideration deemed to be given by Nanjing Fullshare was approximately RMB39,307,000 (equivalent to approximately HK$50,344,000), calculated based on HK$0.05 each (i.e. offer price under the Open Offer) of approximately 1,006,964,000 ordinary shares of the Company (the "Deemed Consideration"), which represented the number of issued ordinary shares of the Company minus the number of ordinary shares held by Magnolia Wealth as at the date of completion of the Reverse Takeover Transaction. The separately identifiable assets and liabilities of the Existing Group were recorded in the consolidated statement of financial position at their fair value upon the completion date of the Reverse Takeover Transaction. Goodwill arising on the acquisition of the Existing Group of approximately RMB32,980,000, being the excess of the Deemed Consideration over the identifiable assets and liabilities of the Existing Group upon the completion date of the Reverse Takeover Transaction, was recorded. The results of the Existing Group have been consolidated to the Company's consolidated financial statements since the completion date of the Reverse Takeover Transaction.

Going concern

The consolidated financial statements have been prepared on a going concern basis notwithstanding the capital deficiency of approximately RMB194,745,000 as at 31 December 2013. The Group's liabilities as at 31 December 2013 mainly included trade and other payables, bank and other borrowings and convertible bonds.

In the opinion of the directors of the Company, due to the change in fair value of the convertible bonds from the date of issuance of the convertible bonds (i.e. 12 December 2013) of approximately RMB390,381,000 to the end of the reporting period (i.e. 31 December 2013) of approximately RMB683,247,000, the Group recorded a capital deficiency of approximately RMB194,745,000 as at 31 December 2013. Such fair value increment of convertible bonds of approximately of RMB292,866,000 shall not have any cash outflow to the Group.

Accordingly, the directors of the Company considered that the Group has sufficient working capital to meet its financial obligations as and when they fall due. The consolidated financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the Group not able to continue as a going concern.

Change of Financial Year-end date

During the current financial year, the reporting period end date of the Group was changed from 30 April to 31 December because the directors of the Company considered that the core business of the Group are in the PRC and the financial year of all PRC companies end on 31 December. The change of financial year end date of the Company from 30 April to 31 December will make the financial year end date of the Company consistent with the financial year end date for the PRC subsidiaries. This will facilitate the Company in preparing and updating its financial statements for the preparation of consolidated accounts, and enable the Company to better utilise its resources and facilitate better planning and operational processes of the Company.

Accordingly, the corresponding comparative amounts shown for the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes of the Company have been restated and cover a twelve month period from 1 January 2012 to 31 December 2012.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 *Consolidated Financial Statements*, HKFRS 11 *Joint Arrangements*, HKFRS 12 *Disclosure of Interests in Other Entities*, HKAS 27 (as revised in 2011) *Separate Financial Statements* and HKAS 28 (as revised in 2011) *Investments in Associates and Joint Ventures*, together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and HK(SIC) Int-12 *Consolidation – Special Purpose Entities*. HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusion.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 *Fair Value Measurement*

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and nonfinancial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The Group has applied the amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferred Accounts[4]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) * – Int 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

The directors of the Company anticipate that, except as described below, the application of the other new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

4. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the net amounts received and receivable for properties sold by the Group to outside customers less sales related taxes.

Segment Information

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors of the Company) in order to allocate resources to the segment and to assess its performance.

For management purpose, the Group operates in one continuing business unit based on their products, and has one continuing reportable and operating segment: Property development. The directors of the Company monitors the revenue of its business unit as a whole based on the monthly sales and pre-sales for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and results; and segments assets and liabilities are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position respectively.

An operating segment regarding the manufacturing and sale of household electrical appliances was discontinued in the current year, which is described in more detail in note 8.

Information about geographical areas

As all the Group's revenue is derived from customers based in the PRC (country of domicile) and most of the Group's non-current assets are located in the PRC, no geographical information is presented.

Information about major customers

During the year ended 31 December 2013, there was no one (2012: nil) single external customer contributing over 10% of the Group's revenue.

5. OTHER INCOME

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Interest income	**1,902**	1,803
Government grants *(Note)*	**–**	100
Gain on disposal of plant and equipment	**283**	–
Others	**122**	164
	2,307	2,067

Note: Unconditional government grants in respect of encouragement of expansion of enterprise were granted to the Group during the year ended 31 December 2012.

6. FINANCE COSTS

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Interest expenses on:		
bank borrowings wholly repayable within five years	**22,959**	19,541
convertible bonds	**412**	–
Less: Interest capitalised in the cost of qualifying assets	**(22,959)**	(19,541)
	412	–

Borrowing costs capitalised during the years ended 31 December 2013 and 2012 arose from specific borrowings.

7. INCOME TAX EXPENSE

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Continuing operation		
Current tax:		
PRC Enterprise Income Tax ("EIT")	**37,075**	29,774
PRC Land Appreciation Tax ("LAT")	**50,677**	44,220
Deferred tax:		
Current year	**331**	–
	88,083	73,994

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2013 and 2012.

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

(b) Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of Nanjing Fullshare and its subsidiaries is 25% for the years ended 31 December 2013 and 2012.

(c) The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, PRC LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

8. DISCONTINUED OPERATION

On 5 April 2013, the Company entered into a sale agreement to dispose of entire interest in Up Stand Holdings Limited and its subsidiary (collectively referred to as the "Disposal Group"), which carried out all of the Existing Group's manufacturing and sale of household electrical appliances operation (the "Disposal"), at a cash consideration of HK$10,000,000 (equivalent to approximately RMB7,808,000). The Disposal was effected in order to make the Group solely be engaged in property development. The Disposal was completed on 12 December 2013.

The loss for the year from discontinued operation is analysed as follows:

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Impairment loss on goodwill (note 13)	**32,042**	–
Loss on disposal of manufacturing and sale of household electrical appliances operation	**–**	–
	32,042	–

As the Reverse Takeover Transaction and the Disposal were completed on the same date (i.e. 12 December 2013), only impairment loss on goodwill of approximately RMB32,042,000 and no cash flows were recorded in relation to the discontinued operation for the year ended 31 December 2013.

At the date of the completion of the Reverse Takeover Transaction (i.e. 12 December 2013), the major classes of assets and liabilities of the Disposal Group were as follows:

	RMB'000
Plant and equipment	2,765
Inventories	3,223
Trade receivables	3,389
Other receivables, prepayment and deposits	808
Bank balances and cash	829
Total assets classified as held for sale	11,014
Trade and other payables classified as held for sale	4,144

9. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year from continuing operation has been arrived at after charging (crediting):

	2013 *RMB'000*	2012 *RMB'000* (Restated)
Continuing operation		
(a) *Staff costs, excluding director's and chief executives's emolument*		
Salaries, wages and other benefits	**10,744**	6,245
Retirement benefits scheme contributions	**1,590**	727
	12,334	6,972
(b) *Other items*		
Auditors' remuneration	**794**	23
Depreciation of plant and equipment	**997**	898
Operating lease rentals of properties	**1,746**	1,388
Costs of properties held for sale recognised as expenses (included as cost of sales)	**627,327**	245,051
Plant and equipment written off	**13**	–

10. DIVIDENDS

	2013 *RMB'000*	2012 *RMB'000* (Restated)
Dividends recognised as distribution	**–**	174,266

No dividend was paid or proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period.

During the year ended 31 December 2012, a final dividend of approximately RMB174,266,000 was proposed and paid to Nanjing Fullshare Holding and Nanjing Jiasheng Property Development Co. Ltd., a former shareholder of Jiangsu Province Fullshare Property Development Limited ("Jiangsu Fullshare"), by Jiangsu Fullshare.

11. (LOSS) EARNINGS PER SHARE

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

	2013	2012
	RMB'000	*RMB'000*
		(Restated)
For continuing and discontinued operation		
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share for the year attributable to the owners of the Company	**(241,746)**	30,466
For continuing operation		
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share for the year attributable to the owners of the Company	**(209,704)**	30,466
For discontinued operation		
Loss		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	**(32,042)**	–

	2013	2012
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**1,155,454**	1,103,036
Effect of dilutive potential ordinary shares: Conversion of convertible bonds *(note)*	**–**	–
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**1,155,454**	1,103,036

From continuing and discontinued operations

The weighted average number of shares used for the purpose of calculating basic earnings per share for the year ended 31 December 2012 is determined by reference to the pre-combination capital of Nanjing Fullshare multiplied by the exchange ratio established in the Reverse Takeover Transaction.

The weighted average number of shares used for the purpose of calculating basic earnings per share for the year ended 31 December 2013 is determined by reference to the pre-combination capital of the Nanjing Fullshare multiplied by the exchange ratio established in the Reverse Takeover Transaction and the weighted average total actual shares of the Company in issue after the completion of the Reverse Takeover Transaction.

No diluted earnings per share for the year ended 31 December 2012 is presented because the Nanjing Fullshare did not have potential ordinary shares outstanding during that year.

Note: The computation of diluted earnings per share for the year ended 31 December 2013 does not assume the conversion of the Company's outstanding HK$500,000,000 convertible bonds, which was issued upon the completion of the Reverse Takeover Transaction since its exercise would result in an increase in earnings per share for the year ended 31 December 2013.

From continuing operation

The denominators used are the same as those detailed above for basic and diluted (loss) earnings per share for the year ended 31 December 2013 and 2012.

From discontinued operation

Basic and diluted loss per share for the discontinued operation for the year ended 31 December 2013 was RMB2.77 cents (2012: nil) per share based on the loss for the year from the discontinued operation attributable to the owners of the Company of approximately RMB32,042,000 (2012: nil) and the denominators detailed above for basic and diluted loss per share for the year ended 31 December 2013.

12. INVESTMENT PROPERTY

	RMB'000
FAIR VALUE	
Transferred from properties held for sale during the year ended 31 December 2013	4,276
Increase in fair value of property held for sale transferred to investment property recognised in profit or loss	1,324
At 31 December 2013	5,600

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment property as at the date of property transferred from properties held for sale and at 31 December 2013 has been arrived at on the basis of a valuation carried out on the respective dates by CBRE Limited, an independent qualified professional valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties in the similar locations and conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment property and information about the fair value hierarchy at the date of transfer and as at 31 December 2013 are as follows:

	Level 2	**Fair value as at the date of transfer and as at 31 December 2013**
	RMB'000	*RMB'000*
Commercial property unit located in the PRC	5,600	5,600

There were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 during the year.

The Group is in the process of obtaining the building ownership certificate for the investment property.

13. GOODWILL

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)
COST		
At beginning of the year	**–**	–
Arising on acquisition of the Existing Group	**32,980**	–
Derecognised upon disposal of subsidiaries	**(32,980)**	
At the end of the year	**–**	–
IMPAIRMENT		
At beginning of the year	**–**	–
Impairment loss recognised in the year	**32,042**	–
Elimination upon disposal of subsidiaries	**(32,042)**	
At the end of the year	**–**	–
CARRYING VALUES		
At 31 December	**–**	–

The carrying amount of goodwill arising from the acquisition of the Existing Group allocated to the cash generating unit of manufacturing, sales and trading household electrical appliances ("CGU"). The CGU of manufacturing, sales and trading household electrical appliances had been disposed of at a cash consideration of HK$10,000,000 (equivalent to approximately RMB7,808,000) immediately after the completion of the acquisition of the Existing Group.

For the purpose of impairment testing, the recoverable amount is determined based on the fair value less cost of disposal. At the date of completion of the acquisition of the Existing Group, the directors of the Company considered that the recoverable amount of the CGU is approximately RMB7,808,000 and the net asset value of the CGU is approximately RMB6,870,000, accordingly, an impairment loss on goodwill of approximately RMB32,042,000 is recognised at the date of completion of the aforesaid acquisition.

The fair value of CGU amounted to approximately RMB7,808,000 (Level 1 fair value measurement) represents the actual transaction price by reference to the sale and purchase agreement entered between the Group and a connected party during the year ended 31 December 2013.

14. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Other receivables and deposits (note)	**24,182**	30,296	31,174
Other tax prepaid	**24,335**	47,310	37,315
Prepayments	**5,091**	10,462	19,134
	53,608	88,068	87,623

The Group does not hold any collateral over these balances.

Note: Included in the Group's other receivables and deposits are security deposits with an aggregate balance of RMB21,679,000 (2012: RMB18,470,000) which are paid to certain PRC's government authorities for the property development in the PRC. Such security deposits will be released upon completion of construction. All other receivables and deposits were neither past due nor impaired.

The directors of the Company consider that there has not been a significant change in credit quality of the other receivables, prepayments and deposits and there is no recent history of default, therefore the amounts are considered recoverable.

15. TRADE AND OTHER PAYABLES

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Trade payables	**28,321**	23,824	30,722
Bills payables	**1,445**	210	58,000
Other tax payables	**38**	6,665	5,420
Other payables	**12,063**	8,019	77,503
Dividend payable	**–**	17,427	–
Accrued expenses	**146,696**	47,517	32,399
	188,563	103,662	204,044

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of reporting period:

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Within 90 days	**24,412**	21,761	15,325
91-180 days	**990**	41	14,335
181-365 days	**2,737**	1,337	1,020
Over 1 year	**182**	685	42
	28,321	23,824	30,722

The Group has financial risk management policies in place to ensure that all trade payables are settled within the credit timeframe.

16. BANK AND OTHER BORROWINGS

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Unsecured	**90,000**	–	–
Secured	**180,000**	231,500	285,000
	270,000	231,500	285,000
Carrying amount repayable:			
On demand or within one year	**155,000**	131,500	130,000
More than one year but not exceeding two years	**115,000**	100,000	155,000
	270,000	231,500	285,000
Less: amounts due within one year shown under current liabilities	**(155,000)**	(131,500)	(130,000)
Amounts shown under non-current liabilities	**115,000**	100,000	155,000

17. CONVERTIBLE BONDS

On 12 December 2013, the Company issued 2% convertible bonds with principal amount of HK$500,000,000 (equivalent to approximately RMB390,381,000). The convertible bonds can be converted up to 10,000,000,000 ordinary shares at HK$0.05 each. The convertibles bonds entitled their holders to convert them into ordinary shares of the Company at any time from the date of the issue up to and including the date which 5 business days prior to the maturity date (i.e. 12 December 2018) of the convertible bonds. The convertible bonds cannot be early redeemed by their holders or the Company. None of the convertible bonds was converted into ordinary shares of the Company during the year ended 31 December 2013. If the convertible bonds have not been converted at any time before the due date, they would be repaid by the Company on 12 December 2018.

	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
		(Restated)
Convertible bonds issued by the Company:		
At beginning of the year	**–**	–
Issue of convertible bonds during the year	**390,381**	–
Change in fair value of convertible bonds	**292,866**	–
At the end of the year	**683,247**	–

The convertible bonds of the Group will be matured in December 2018, hence the convertible bonds of the Group were classified as non-current liabilities as at 31 December 2013 (31 December and 1 January 2012: nil).

The fair value of the convertible bonds at 31 December 2013 is approximately HK$875,103,000 (equivalent to approximately RMB683,247,000), which is determined taking into account a valuation carried out by AVISTA Valuation Advisory Limited, an independent qualified valuer not connected to the Group, using the binomial model.

18. CAPITAL COMMITMENTS

At the end of the reporting periods, the Group had the following capital commitments for properties under development:

	31 December 2013	31 December 2012	1 January 2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Authorised but not contracted for	**1,351,191**	1,967,473	1,978,281
Contracted but not provided for	**446,738**	603,305	548,076

19. PLEDGE OF ASSETS

(a) At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

	31 December 2013	31 December 2012	1 January 2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Properties under development	**526,184**	776,764	412,425
Pledged bank deposits	**1,445**	210	58,000
	527,629	776,974	470,425

(b) At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to Nanjing Jiasheng Landscape:

	31 December 2013	31 December 2012	1 January 2012
	RMB'000	*RMB'000*	*RMB'000*
		(Restated)	(Restated)
Property under development – Land use rights	**–**	133,685	133,685

20. CONTINGENT LIABILITIES

(a) Guarantees in respect of mortgage facilities for purchasers of the Group's property units

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	**485,887**	259,107	190,753

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration and receipt of such certificate by the bank; or (ii) the satisfaction of mortgaged loan 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 accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. The directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value are immaterial.

The fair value of the Group's financial guarantees has been assessed by CBRE Limited, an independent qualified valuer not connected to the Group.

(b) Guarantees in respect of banking facilities for Nanjing Jiasheng Landscape

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000* (Restated)	1 January 2012 *RMB'000* (Restated)
Guarantees in respect of banking facilities for Nanjing Jiasheng Landscape	–	75,000	75,000

BUSINESS REVIEW

The Group's revenue mainly came from sales of real properties.

Property sales

For the twelve months ended 31 December 2013 (the "Review Period"), the revenue of property sales of the Group was approximately RMB859,393,000, representing a growth of 115.31% over the same period of 2012. The Group delivered properties with an aggregate gross floor area ("GFA") of approximately 156,960 sq.m. and one car parking space (27.68 sq.m.). Gross profit margin for property sales decreased to 27% comparing to 2012. For the twelve months ended 31 December 2013, the average selling price recognised was RMB5,475 per sq.m. and the average selling price of car parking space recognised was RMB82,128 each.

For the twelve months ended 31 December 2013, the Group made contracted sales of approximately RMB465,481,000, representing a decrease of 29.66% over the same period of 2012. The Group made contracted sales for an aggregate GFA of approximately 76,272.71 sq.m. and one car parking space (27.68 sq.m.), representing a decrease of 31.75% and 92.85% respectively over the same period of 2012.

As of 31 December 2013, the Group's contracted sales with contract signed but not yet delivered were RMB603,476,000 with a total area of 95,532.44 sq.m., which laid a solid foundation for the sustaining and steady growth of its future revenue.

Progress of property development for the JiuZongGou land parcel（九總溝地塊）in Yancheng, Jiangsu, the PRC

As of the date of this announcement, the Group's development of the JiuZongGou land parcel located at east of Kaichuang Road in Yancheng, Jiangsu is still in the preliminary planning stage. The development will mainly consist of high-rise apartment buildings with commercial ancillary facilities and a kindergarten. The Group expected phase 1 construction of the project to commence in June 2014.

Projects held for future development

As of 31 December 2013, there was no addition of project held for future development.

As at 31 December 2013, the Group had projects held for future development as follows:

XiChengFuDi（西城府邸）: XiChengFuDi occupies a total site area of approximately 139,205 sq.m. and is expected to have an aggregate GFA of approximately 421,621 sq.m. and an aggregate saleable area of approximately 415,048 sq.m. upon completion. As of 31 December 2013, the project has an aggregate GFA of approximately 278,570 sq.m. held for future development.

JiuZongGou Land Parcel（九總溝地塊）: The Group wholly owned a parcel of land with a total site area of approximately 89,123 sq.m. which is held for future development. As of 31 December 2013, the project has an aggregate GFA of approximately 277,881 sq.m. held for future development.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased from approximately RMB399,140,000 for the twelve months ended 31 December 2012 to approximately RMB859,393,000 for the twelve months ended 31 December 2013. The increase was mainly due to the completion and delivery of section 2 of phase 3 of XiChengYiPin (西城逸品), phase 1 of TongJingYueCheng (同景躍城) and ShuXiangYuan (書香苑) during the middle of 2013. The relevant delivered GFA of the Group's properties increased from approximately 83,149 sq.m. for the twelve months ended 31 December 2012 to approximately 156,987 sq.m. for the twelve months ended 31 December 2013.

Cost of sales

The cost of sales of the Group increased approximately 156% from approximately RMB245,051,000 for the twelve months ended 31 December 2012 to approximately RMB627,327,000 for the twelve months ended 31 December 2013. The significant increase was mainly due to the completion and delivery of section 2 of Phase 3 of XiChengYiPin (西城逸品), phase 1 of TongJingYueCheng (同景躍城) and ShuXiangYuan (書香苑) during the middle of 2013.

Gross profit and margin

Due to the foregoing, the gross profit of the Group increased approximately 51% from approximately RMB154,089,000 for the twelve months ended 31 December 2012 to approximately RMB232,066,000 for the twelve months ended 31 December 2013.

The gross profit margin of the Group for the twelve months ended 31 December 2013 was approximately 27%, decreasing from approximately 39% for the same period of last year. This was mainly attributable to the higher cost of section 2 of Phase 3 of XiChengYiPin (西城逸品) comparing to other projects.

Other income

Other income increased approximately 12% from approximately RMB2,067,000 for the twelve months ended 31 December 2012 to approximately RMB2,307,000 for the twelve months ended 31 December 2013. In line with 2012, other income mainly consisted of interest income.

Selling and distribution expenses

Selling and distribution expenses of the Group increased approximately 41% from approximately RMB21,109,000 for the twelve months ended 31 December 2012 to approximately RMB29,858,000 for the twelve months ended 31 December 2013. This was mainly due to the significant increase in the volume of pre-sold properties throughout 2013 which led to a corresponding increase in related selling and distribution expenses.

Administrative expenses

Administrative expenses of the Group decreased approximately 7% from approximately RMB27,656,000 for the twelve months ended 31 December 2012 to approximately RMB25,816,000 for the twelve months ended 31 December 2013. This was mainly due to the implementation of cost saving policy and strict cost control.

Fair value loss on convertible bonds

For the year ended 31 December 2013, the Group incurred a loss of approximately RMB292,866,000 on fair value assessment of convertible bonds. This was due to the non-cash accounting loss incurred as a result of the change in fair value of the convertible bonds in the principal amount of HK$500 million during the period from the completion of subscription on 12 December 2013 to 31 December 2013.

Finance costs

For the year ended 31 December 2013, the Group incurred finance costs of approximately RMB412,000, which represents the interest expense accrued for the convertible bonds in the principal amount of HK$500 million at the interest rate of 2% per annum over the period from the completion of subscription on 12 December 2013 to the end of 2013.

Profit/loss before taxation from continuing operation

Profit before taxation of the Group was approximately RMB107,391,000 for the twelve months ended 31 December 2012. The Group incurred a loss before taxation of approximately RMB113,255,000 for the twelve months ended 31 December 2013. This was mainly due to the loss of approximately RMB292,866,000 on fair value assessment of convertible bonds more than offset the increase of profit before tax of approximately RMB74,937,000 arising from the delivery of XiChengYiPin（西城逸品）, ShuXiangYuan（書香苑）and Phase 1 of TongJingYueCheng（同景躍城）during 2013.

Taxation

Loss for the year from discontinued operations

Loss for the year from discontinued operations was approximately RMB32,042,000 which was the result of the goodwill impairment loss of approximately RMB32,042,000 from the reverse takeover transaction.

Profit/loss for the year

For the year ended 31 December 2013, the Group recorded loss of approximately RMB233,380,000 (2012: profit of approximately RMB33,397,000).

Excluding the fair value loss of approximately RMB292,866,000 from the convertible bonds and the impairment loss on goodwill from discontinued operation of approximately RMB32,042,000, the Group would have recorded a net profit for the year of approximately RMB91,528,000 for the year ended 31 December 2013.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group financed its operations mainly by internally generated funds and borrowings.

Cash position

As at 31 December 2013, the Group had cash and bank balances of approximately RMB116,358,000 (31 December 2012: RMB154,074,000), a decrease of approximately 24% from 31 December 2012.

Bank and other Borrowings

As at 31 December 2013, the Group had total bank and other borrowings of approximately RMB270,000,000, including bank loans of approximately RMB180,000,000 and other loans of approximately RMB90,000,000. Among the total bank and other borrowings, approximately RMB155,000,000 is repayable within one year and approximately RMB115,000,000 more than one year but not exceeding two years.

Convertible bonds

As at 31 December 2013, the fair value of the Group's convertible bonds in the principal amount of HK$500 million was approximately RMB683,247,000. As they will be matured in December 2018, they were classified as non-current liabilities.

Leverage

The Group had total cash and bank balances of approximately RMB116,358,000 as at 31 December 2013 (2012: approximately RMB154,074,000). Balances of bank and other borrowings, amounts due to related parties and convertible bonds were approximately RMB953,247,000 as at 31 December 2013 (2012: approximately RMB292,609,000). The gearing ratio of the Group as at 31 December 2013, calculated as a ratio of total bank and other borrowings, amounts due to related parties and convertible bonds to total assets, was approximately 65% (2012: approximately 17%). Net liabilities were approximately RMB194,745,000 (2012: net assets of approximately RMB389,709,000).

The Group recorded total current assets of approximately RMB1,456,999,000 as at 31 December 2013 (2012: approximately RMB1,678,867,000) and total current liabilities of approximately RMB861,664,000 (2012: approximately RMB1,191,387,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.7 as at 31 December 2013 (2012: approximately 1.4).

FOREIGN EXCHANGE EXPOSURE

Sales and purchases of the Group were transacted in Renminbi. Save for the convertible bonds in the principal amount of HK$500 million were denominated in Hong Kong dollar, most of the Group's monetary assets and liabilities were denominated in Renminbi. The Directors of the Company awared that the fluctuations in exchange rate between Hong Kong dollar and Renmibi may give rise to potential foreign currency risk. The Group currently did not have a foreign currency hedging policy and will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

TREASURY POLICIES

Save for the convertible bonds in the principal amount of HK$500 million were denominated in Hong Kong dollar and bear interest at fixed rates per annum, the Group's borrowings are in Renminbi and mainly at variable interest rates. Bank balances and cash held by the Group were denominated in Renminbi and Hong Kong dollar. The Group currently did not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

PLEDGE OF ASSETS

Details of the Group's pledged assets for the year ended 31 December 2013 are set out in note 19 to the consolidated results in this announcement.

INVESTMENT

Details of the Group's investment properties for the year ended 31 December 2013 are set out in note 12 to the consolidated results in this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

During the Review Period, save for the acquisition of the entire equity interests in Nanjing Fullshare Asset Management Limited*（南京豐盛資產管理有限公司）and its subsidiary (details of which were disclosed in the circular of the Company published on 28 October 2013), there was no other material acquisition. The acquisition was completed on 12 December 2013 and constituted a very substantial acquisition under Chapter 14 of the Rules Governing the Listing of Securites on the Stock Exchange ("the Listing Rules").

On 18 January 2013, the Company disposed of the entire interests in Rich Honest (Europe) Limited ("RHE") and Olevia Home Appliances Limited ("Olevia"), which are incorporated in Hong Kong with limited liability and Warderly Group Limited ("WGL"), which is incorporated in the British Virgin Islands with limited liability, at a cash consideration of HK$1 each to Mr. Kan Che Kin, Billy Albert, a former executive director and controlling shareholder of the Company. The principal activities of RHE, Olevia and WGL are manufacturing and sale of electrical appliances, development and distribution of household electrical appliances and investment holding respectively and they have been dormant since October 2011, April 2012 and April 2007 respectively. The disposal of RHE, Olevia and WGL constituted a connected transaction under Chapter 14A of the Listing Rules and a disclosable transaction under Chapter 14 of the Listing Rules.

On 5 April 2013, the Company entered into a disposal agreement to dispose of the entire interest in Up Stand Holdings Limited ("Up Stand"), a wholly owned subsidiary of the Company, and its subsidiary, Dongguan Up Stand Electrical Manufacturing Company Limited, whose principal activities are manufacturing and sale of household electrical appliances and audio-visual products. The disposal of Up Stand was completed on 12 December 2013. The disposal of Up Stand constituted a connected transaction under Chapter 14A of the Listing Rules and a very substantial disposal under Chapter 14 of the Listing Rules. Details of the disposal of Up Stand are included in note 8 to the consolidated results in this announcement.

The Company confirms that it has complied with all the disclosure requirements under Chapters 14 and 14A of the Listing Rules.

CAPITAL COMMITMENT

Details of capital commitment of the Group for the year ended 31 December 2013 are set out in note 18 to the consolidated results in this announcement.

EVENT AFTER REPORTING PERIOD

No significant event occurred after the balance sheet date.

SEGMENTAL INFORMATION

Details of segmental information of the Group for the year ended 31 December 2013 are set out in note 4 to the consolidated results in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group for the year ended 31 December 2013 are set out in note 20 to the consolidated results in this announcement.

STAFF AND REMUNERATION POLICIES

As at 31 December 2013, the Group had about 106 employees (2012: 77 employees). The Group's total staff costs (including executive Directors and chief executive's emoluments) amounted to approximately RMB14,112,000 for the year ended 31 December 2013 (2012: RMB7,004,000).

Employee remunerations are determined according to operating results of the Company, job requirement, market salary level and ability of individuals. The Company regularly reviews its remuneration policy and programs and makes adjustment to bring them in line with industrial level. In addition to basic salaries, the Company has established revenue sharing program and performance appraisal plan to provide reward according to the Company's results and employees' individual performance.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control system of the Group and to review the Company's interim and annual reports and financial statements. The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013. The audit committee of the Company currently comprises three independent non-executive Directors.

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

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

PROSPECT

The Group expects that the PRC government will continue the control measures to maintain the healthy development of the property market. However, as the pace of urbanization accelerates, the rigid demand for property will be huge and the quest for quality properties has become a major trend. The Group's positioning matches well with this trend and therefore will have great potential for development and growth.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. It believes that high standard of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standard of accountability and protect interests of shareholders and other stakeholders of the Company.

The Company has complied with the Code Provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended 31 December 2013 except for the following deviations:

1. Code Provision A.2.1

Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate. During the year, the positions of chairman and chief executive officer of the Company ("CEO") were held by Mr. Kan Che Kin, Billy Albert ("Mr. Kan") until 12 December 2013 and the positions were then taken up by Mr. Ji Changqun ("Mr. Ji"). The Board believed that holding of both positions of chairman and CEO by the same person allowed more effective planning and execution of business strategies. The Board has full confidence in Mr. Ji and believes that his dual roles will be beneficial to the Group.

2. Code Provision A.4.1

Non-executive Directors should be appointed for specific term, subject to re-election. The independent non-executive Directors ("INEDs") were not appointed for a specific term, but they were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company at least once every three years. On 12 December 2013, Mr. Li Siu Yui, Mr. Ip Woon Lai and Mr. Lee Kong Leong resigned as INEDs and Mr. Chi-Keung Lau, Mr. Chow Siu Lui and Mr. Tsang Sai Chung were appointed as INEDs.

3. Code Provision A.1.8

Under the Code Provision A.1.8, the Company should arrange appropriate insurance cover in respect of any legal action against its Directors. Before the resumption of trading in the Shares, the Company did not arrange such insurance coverage for the Directors due to its suspension status.

Following the resumption of trading in Shares, the Company has arranged appropriate insurance coverage for the Directors with effect from 30 December 2013.

4. Code Provision A.6.7

Under the Code Provision A.6.7, non-executive directors, including independent non-executive directors, should attend board, committee and general meetings. One of the former INEDs, namely Mr. Li Siu Yui was unable to attend the extraordinary general meeting of the Company (the "EGM") held on 13 November 2013 as he had other business engagements. However, he subsequently requested the company secretary of the Company to report to him on the views of the shareholders of the Company in the EGM. As such, the Board considers that the development of a balanced understanding of the views of the shareholders of the Company among the INEDs was ensured.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for approving, among other things, the audited consolidated financial statements of the Group for the year ended 31 December 2013, will be held at 3:30 p.m.. on 11 April 2014, details of which are set out in the notice of annual general meeting of the Company which will be published in due course.

By Order of the Board
Warderly International Holdings Limited
Ji Changqun
Chairman

Hong Kong, 28 February 2014

As at the date of this announcement, the executive Directors are Mr. Ji Changqun, Mr. Shi Zhiqiang, Mr. Zhou Yanwei and Mr. Eddie Hurip and the independent non-executive Directors are Mr. Chi-Keung Lau, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.