新城控股
FUTURE HOLDINGS

Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

ANNUAL RESULTS HIGHLIGHTS

– Revenue increased by 18.6% to RMB20,771.3 million;

– Gross profit rose by 19.2% to RMB4,683.2 million;

– Net profit for the year was RMB1,717.1 million, of which RMB981.3 million was attributable to the equity holders of the Company;

– Core earnings* was RMB1,688.8 million, of which RMB960.5 million was attributable to equity holders of the Company;

– Achieved contracted sales of RMB20,624 million with corresponding GFA of approximately 2,205,800 sq.m., representing an increase of 27.8% and 18.8%, respectively;

– Cash and cash equivalents increased by 52.8% to RMB7,411.7 million;

– Net debt-to-equity ratio** reached 52.8% at the end of the year; and

– The Board recommended a final dividend of RMB0.05 per Share.

The board (the "**Board**") of directors (the "**Directors**") of Future Land Development Holdings Limited (the "**Company**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013 together with the comparative figures for the year 2012 as follows:

* *Core earnings equal to net profit less after-tax fair value gains on investment properties.*

** *Net debt-to-equity ratio equals total borrowings less cash, cash equivalents and restricted cash divided by total equity and multiplying by 100%.*

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2013

	Note	**Year ended 31 December 2013** *RMB'000*	2012 *RMB'000*
Revenue	*8*	**20,771,255**	17,517,266
Cost of sales	*9*	**(16,088,038)**	(13,587,371)
Gross profit		**4,683,217**	3,929,895
Fair value gains on investment properties		**37,839**	31,086
Selling and marketing costs	*9*	**(592,032)**	(474,921)
Administrative expenses	*9*	**(680,028)**	(569,883)
Other income		**151,674**	9,475
Other expenses		**(4,152)**	(4,347)
Other gains – net		**46,270**	13,626
Operating profit		**3,642,788**	2,934,931
Finance income	*10*	**121,793**	48,052
Finance costs	*10*	**(516,693)**	(159,712)
Finance costs – net		**(394,900)**	(111,660)
Share of results of an associated company		**(11,422)**	(5,110)
Profit before income tax		**3,236,466**	2,818,161
Income tax expense	*11*	**(1,519,329)**	(1,232,777)
Profit for the year		**1,717,137**	1,585,384
Attributable to:			
Equity holders of the Company		**981,262**	930,819
Non-controlling interests		**735,875**	654,565
		1,717,137	1,585,384
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	*12*	**RMB0.17**	RMB0.21
Dividends	*13*	**283,400**	283,400

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Profit for the year	**1,717,137**	1,585,384
Other comprehensive income	**–**	–
Total comprehensive income for the year	**1,717,137**	1,585,384
Attributable to:		
Equity holders of the Company	**981,262**	930,819
Non-controlling interests	**735,875**	654,565
	1,717,137	1,585,384

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	As at 31 December 2013 RMB'000	2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		**116,009**	117,074
Investment properties		**3,307,000**	3,105,600
Intangible assets		**9,836**	7,267
Investments in associates		**43,468**	229,890
Investment in a joint venture		**10,000**	–
Deferred income tax assets		**499,738**	361,193
Available-for-sale financial assets		**221,187**	181,187
Land use rights		**367,248**	367,248
Other receivables	*4*	**198,538**	–
		4,773,024	4,369,459
Current assets			
Prepayments for leasehold land		**3,285,498**	4,313,847
Properties held or under development for sale		**28,728,964**	24,493,752
Trade and other receivables and prepayments	*4*	**2,112,831**	1,666,266
Restricted cash		**886,180**	1,148,089
Cash and cash equivalents		**7,411,713**	4,852,130
		42,425,186	36,474,084
Total assets		**47,198,210**	40,843,543
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Issued and fully paid capital	*5*	**4,617**	4,617
Reserves		**6,717,031**	5,746,486
		6,721,648	5,751,103
Non-controlling interests		**3,876,311**	2,643,924
Total equity		**10,597,959**	8,395,027

	Note	As at 31 December 2013 RMB'000	2012 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	6	**11,715,075**	4,509,670
Deferred income tax liabilities		**432,922**	402,872
		12,147,997	4,912,542
Current liabilities			
Trade and other payables	7	**10,368,476**	9,597,029
Advances from pre-sale of properties		**10,235,042**	11,663,869
Current income tax liabilities		**1,673,306**	1,143,835
Borrowings	6	**2,174,501**	5,130,436
Dividends payable		**929**	805
		24,452,254	27,535,974
Total liabilities		**36,600,251**	32,448,516
Total equity and liabilities		**47,198,210**	40,843,543
Net current assets		**17,972,932**	8,938,110
Total assets less current liabilities		**22,745,956**	13,307,569

NOTES:

1 GENERAL INFORMATION

Future Land Development Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of its registered office is Floor 4, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands.

The principal activities of the Company and its subsidiaries (together, the "**Group**") are property development and property investment in the People's Republic of China (the "**PRC**"). The Company's parent company is Wealth Zone Hong Kong Investments Limited ("**Wealth Zone Hong Kong**") and the Company's ultimate holding company is First Priority Group Limited, both of which are incorporated in the British Virgin Islands. The ultimate controlling party of the Group is Mr. Wang Zhenhua ("**Mr. Wang**" or the "**Controlling Shareholder**").

To prepare for the initial listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group has undertaken a reorganisation (the "**Reorganisation**") pursuant to which the Company became the holding company of the subsidiaries comprising the Group. Details of the Reorganisation are set out in the prospectus of the Company dated 19 November 2012.

The Company's shares began to list on the Main Board of the Stock Exchange on 29 November 2012 (the "**Listing**").

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2013 but are extracted from those financial statements.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and investment properties, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies.

New standards and amendments adopted by the Group in 2013

The following new standards and amendments to existing standards are mandatory for the first time for the financial year beginning on 1 January 2013 and are relevant to the Group's operations.

- HKAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012). The main change resulting from the amendment is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

- HKFRS 7 (Amendment) "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2013). The amendment requires new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

- HKFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013). The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

- HKAS 27 (Revised 2011) "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013). The standard includes the provisions on separate financial statements that are left after the control provisions of HKAS 27 have been included in the new HKFRS 10.

- HKFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013). The standard is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

- HKAS 28 (Revised 2011) "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013). The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of HKFRS 11.

- HKFRS 12 "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013). The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

- HKFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013). The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

- HKFRSs 10, 11 and 12 (Amendments) "Transition Guidance" (effective for annual periods beginning on or after 1 January 2013). These amendments provide additional transition relief to HKFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosures related to unconsolidated structured entities, the amendments remove the requirement to present comparative information for periods before HKFRS 12 is first applied.

- Annual improvements 2011 – These annual improvements address six issues in the 2009-2011 reporting cycle. They include the following changes which are relevant to the Group's operations:

  HKAS 1 "Presentation of Financial Statements"

  HKAS 16 "Property, Plant and Equipment"

  HKAS 32 "Financial Instruments: Presentation"

  HKAS 34 "Interim Financial Reporting"

- Annual improvement 2012 – Amendment to HKFRS 13 "Fair Value Measurement". This amendment is a clarification that there is no change in measurement requirements for short-term receivables and payables when the effect of not discounting is immaterial.

The adoption of the above new standards and amendments and other newly effective HKFRSs starting from 1 January 2013 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2013.

The Group has not early adopted any new standards, amendments and interpretations to the existing standards that have been issued but are not effective in 2013. The Group is in the process of making an assessment on the impact of these new standards, amendments and interpretations and does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (the "**CODM**") that are used to make strategic decisions. The chairman, Mr. Wang has been identified as the CODM.

The Group manages its business by two operating segments, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Jiangsu Future Land Co., Ltd., a company listed on the Shanghai Stock Exchange with domestically listed foreign investment shares (the "**B share company**").

- Property projects not within the B share company (the "**Non-B share companies**").

The B share company is mainly engaged in development of residential properties, while the Non-B share companies are mainly engaged in development of mixed-use complexes. All the property development projects are in the PRC, and accordingly majority of the revenue of the Group are derived from the PRC and most of the assets are located in the PRC.

The CODM assesses the performance of the operating segments based on a measure of revenue and profit before income tax and fair value gains on investment properties. The measurement basis excludes the effects of income tax expense and fair value gains on investment properties.

	Year ended 31 December 2013				
	B share company *RMB'000*	**Non-B share companies** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**16,583,969**	**4,188,605**	**20,772,574**	**(1,319)**	**20,771,255**
Segment profit before fair value gains on investment properties and income tax expense	**2,973,596**	**318,804**	**3,292,400**	**(93,773)**	**3,198,627**
Finance income	**52,466**	**69,327**	**121,793**	**–**	**121,793**
Finance costs	**(66,254)**	**(450,439)**	**(516,693)**	**–**	**(516,693)**
Depreciation and amortisation	**(16,371)**	**(5,500)**	**(21,871)**	**–**	**(21,871)**
Share of results of an associated company	**(11,422)**	**–**	**(11,422)**	**–**	**(11,422)**

A reconciliation to profit for the year is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	**3,198,627**
Fair value gains on investment properties	**37,839**
Income tax expense	**(1,519,329)**
Profit for the year	**1,717,137**

	As at 31 December 2013				
Segment assets	**33,886,077**	**13,334,828**	**47,220,905**	**(22,695)**	**47,198,210**
Segment assets include:					
Investments in associates	**43,468**	**–**	**43,468**	**–**	**43,468**
Investment in a joint venture	**10,000**	**–**	**10,000**		**10,000**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**29,933**	**173,046**	**202,979**	**–**	**202,979**
Segment liabilities	**27,005,135**	**9,617,811**	**36,622,946**	**(22,695)**	**36,600,251**

	Year ended 31 December 2012				
	B share company *RMB'000*	Non-B share companies *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	14,300,447	3,221,061	17,521,508	(4,242)	17,517,266
Segment profit before fair value gains on investment properties and income tax expense	2,336,309	497,652	2,833,961	(46,886)	2,787,075
Finance income	39,759	8,293	48,052	–	48,052
Finance costs	(51,199)	(108,513)	(159,712)	–	(159,712)
Depreciation and amortisation	(15,458)	(6,050)	(21,508)	–	(21,508)
Share of results of an associated company	(5,110)	–	(5,110)	–	(5,110)

A reconciliation to profit for the year is as follows:

Total segment profits before fair value gains on investment properties and income tax expense after elimination	2,787,075
Fair value gains on investment properties	31,086
Income tax expense	(1,232,777)
Profit for the year	1,585,384

	As at 31 December 2012				
Segment assets	29,280,647	11,581,191	40,861,838	(18,295)	40,843,543
Segment assets includes:					
Investments in associates	229,890	–	229,890	–	229,890
Additions to non-current assets (other than financial instruments and deferred tax assets)	15,590	640,106	655,696	–	655,696
Segment liabilities	23,904,212	8,562,599	32,466,811	(18,295)	32,448,516

4 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**2,250**	3,265
Notes receivable	**4,400**	300
Total trade receivables	**6,650**	3,565
Less: Provision for impairment of receivables	**–**	–
Trade receivables – net	**6,650**	3,565
Prepaid business tax and surcharges (a)	**567,828**	645,416
Prepaid income tax and land appreciation tax (a)	**382,333**	377,514
Receivable from a related party	**362,565**	180,000
Tender deposits (b)	**276,420**	196,190
Prepayments for construction costs	**157,406**	89,491
Deposit for trust financing arrangement (c)	**125,000**	–
Deposits with public housing fund centres (d)	**122,920**	116,989
Deposits for timely project construction (e)	**101,125**	–
Deposits for property maintenance (f)	**73,538**	–
Receivable in connection with the disposal of a subsidiary	**35,156**	–
Others	**100,428**	57,101
	2,311,369	1,666,266
Less: Non-current portion of other receivables (c, f)	**(198,538)**	–
Current portion	**2,112,831**	1,666,266

Trade receivables are mainly arisen from sales of properties and leases of investment properties. Proceeds in respect of properties sold are normally received within three months after signing of related sales and purchase agreements, and rentals in respect of leased properties are generally received in advance.

(a) Business tax, surcharges and land appreciation tax are provisionally levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised. In addition, a deemed profit at 5% to 15% of advances received by the Group is added to the accounting income when calculating taxable income and the prepaid income tax is similarly recorded as prepayments.

(b) This balance represents the tender deposits for bidding of land use rights, which will be subsequently received or transferred to prepayments for leasehold land.

(c) The Group deposited RMB125,000,000 in Jiangsu International Trust Co., Ltd. for revolving trust financing to its subsidiaries. As at 31 December 2013, the subsidiaries had repaid all the trust financing to Jiangsu International Trust Co., Ltd. and the deposit will be refunded in 2015.

(d) This balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the issue of the properties' ownership certificate by government authorities to these purchasers and submitted to the public housing fund centres.

(e) This balance represents the deposits for timely project construction, which will be subsequently received in the course of construction and are expected to be recovered in the next 12 month.

(f) This balance represents the deposits for property maintenance after first delivery of the relevant properties, which will be subsequently recovered in ten years thereafter.

The aging analysis of trade receivables as at 31 December 2013 and 2012 are as follows:

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Less than 1 year	**6,650**	2,555
Between 1 and 2 years	**–**	–
Between 2 and 3 years	**–**	–
Over 3 years	**–**	1,010
	6,650	3,565

The maximum exposure to credit risk at 31 December 2013 and 2012 is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2013 and 2012, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2013 and 2012, the carrying amounts of trade and other receivables and prepayments are primarily denominated in RMB.

5 SHARE CAPITAL

Group and Company

(a) Authorised shares

	Number of authorised shares
	Hong Kong Dollars ("HKD") share
As at 1 January 2012, 31 December 2012 and 31 December 2013	10,000,000,000

(b) Issued shares

	Number of issued shares	**Ordinary shares**
	HKD0.001 each	*RMB*
As at 1 January 2012	4,250,000,000	3,466,077
Issuance of ordinary shares (i)	1,418,000,000	1,150,992
As at 31 December 2012 and 31 December 2013	5,668,000,000	4,617,069

(i) On 29 November 2012, the Company issued 1,418,000,000 HKD ordinary shares of HKD0.001 each at HKD1.45 per share in connection with the Listing, and raised gross proceeds of approximately HKD2,056,100,000 (equivalent to RMB1,668,936,000). The excess of RMB1,667,785,008 over the par value of RMB1,150,992 for the 1,418,000,000 HKD ordinary shares issued, net of the relevant incremental costs of RMB65,165,000 directly contributable to the new shares issued, was credited to "share premium" with amount of RMB1,602,620,008.

6 BORROWINGS

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Non-current, secured and borrowed from:		
– Banks (a)	**10,179,459**	6,242,070
– Trust financing arrangements – conventional loans (b)	**–**	1,875,460
– Senior notes due January 2018 ("**2018 Notes**") (c (i))	**1,189,147**	–
– Senior notes due April 2016 ("**2016 Notes**") (c (ii))	**1,477,928**	–
Non-current, unsecured and borrowed from a bank	**400,000**	–
	13,246,534	8,117,530
Less: Current portion of long-term borrowings	**(1,531,459)**	(3,607,860)
	11,715,075	4,509,670
Current, secured and borrowed from:		
– Banks (a)	**643,042**	1,210,716
– Trust financing arrangements – conventional loans (b)	**–**	311,860
Current portion of long-term borrowings	**1,531,459**	3,607,860
	2,174,501	5,130,436

(a) These bank borrowings of the Group are secured by leasehold land to be developed, properties under development, properties held for sale, investment properties, shares of subsidiaries and bank deposits of the Group or guaranteed by subsidiaries of the Company for each other.

(b) These borrowings are mainly in the form of trust financing arrangements with trust financing companies. The conventional loan trust financing arrangements are loan agreements entered into by the Group and trust financing companies. The borrowings under trust financing arrangements are secured by certain properties held or under development for sale and shares of subsidiaries of the Group.

(c) Senior notes

(i) 2018 Notes

In January 2013, the Company issued five-year senior notes with principal amount of United States Dollars ("**USD**") 200,000,000 ("**2018 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2018 Notes are denominated in USD, and bear interest at 10.25% per annum, payable semi-annually in arrears on or on the business day nearest to 31 January and 31 July of each year, beginning 31 July 2013.

According to the terms of 2018 Notes, the Notes may be redeemed in the following circumstances:

- At any time and from time to time on or after 31 January 2016, the Company may redeem the 2018 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but excluding) the redemption date, if redeemed during the 12-month period commencing on 31 January of any year set forth below:

Year	**Redemption Price**
31 January 2016 to 30 January 2017	105.1250%
31 January 2017 and thereafter	102.5625%

- At any time prior to 31 January 2016, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

- At any time and from time to time prior to 31 January 2016, the Company may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from sales of certain kinds of its capital stock, subject to certain conditions, at a redemption price of 110.25% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

(ii) 2016 Notes

In April 2013, the Company issued three-year senior notes with principal amount of RMB1,500,000,000 ("**2016 Notes**"), which were listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes are denominated in RMB, and bear interest at 9.75% per annum, payable semi-annually in arrears on or on the business day nearest to 23 April and 23 October of each year, beginning 23 October 2013.

According to the terms of 2016 Notes, the Company may at its option redeem the 2016 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The board of directors is of the view that the Company has no plan of any early redemption and the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2013.

The above senior notes are general obligations guaranteed by certain subsidiaries other than those established under the law of the PRC ("**Subsidiary Guarantors**"), and secured by a pledge on the shares of certain initial Subsidiary Guarantors.

7 TRADE AND OTHER PAYABLES

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Trade payables	**8,276,829**	8,223,769
Notes payable	**659,238**	637,748
Advance from a non-controlling shareholder of a subsidiary (a)	**555,580**	–
Business and other taxes payables	**233,539**	208,460
Maintenance & decoration fees collected on behalf	**152,591**	122,198
Accrued payroll	**127,136**	71,912
Interest payable	**118,392**	125,396
Deed tax collected on behalf	**105,364**	127,673
Payables to related parties	**50,000**	–
Temporary funding payables (b)	**18,000**	18,000
Others	**71,807**	61,873
	10,368,476	9,597,029

(a) The advance is non-interest bearing, unsecured and has no fixed repayment terms. However the advance has repayment priority over any advances from other shareholders of the subsidiary, including those from the Group, and other borrowings (except for bank borrowings) to the subsidiary.

(b) Temporary funding payables are payables to non-related parties which are non-interest bearing and unsecured.

The aging analysis of trade payables and notes payable as at 31 December 2013 and 2012 are as follows:

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Less than 1 year	**8,673,152**	8,694,356
Between 1 and 2 years	**178,168**	120,120
Between 2 and 3 years	**56,826**	27,644
Over 3 years	**27,921**	19,397
	8,936,067	8,861,517

8 REVENUE

Revenue of the Group consists of the following for the years ended 31 December 2013 and 2012:

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Revenue from sales of properties	**20,421,811**	17,341,932
Revenue from property management	**182,501**	121,469
Rental income	**102,356**	35,620
Others	**64,587**	18,245
	20,771,255	17,517,266

9 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Land use rights costs	**4,770,651**	4,025,794
Construction costs	**9,101,315**	7,684,444
Capitalised interest	**770,865**	732,328
Business tax and surcharges (a)	**1,166,306**	977,980
Accrual of provision for properties held for sale	**79,588**	–
Depreciation of property, plant and equipment	**19,453**	19,977
Amortisation of intangible assets	**2,418**	1,531
Bank charges	**18,610**	9,304
Staff costs	**609,667**	478,739
Entertainment expenses	**72,568**	68,393
Stamp duty and other taxes	**56,295**	31,739
Professional fees	**6,714**	32,436
Auditors' remuneration	**3,200**	3,280
Sales commission	**151,057**	185,620
Advertising and publicity costs	**309,961**	229,603
Rental expenses	**36,820**	21,897
Travelling expenses	**27,805**	9,451
Other expenses	**156,805**	119,659
Total cost of sales, selling and marketing expenses and administrative expenses	**17,360,098**	14,632,175

(a) The PRC subsidiaries of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 10% to 12% of business tax payable.

10 FINANCE COSTS – NET

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Finance costs		
– Interest on bank loans, senior notes, trust financing arrangements and borrowings from other financial institutions	**(1,209,771)**	(1,015,746)
– Less: Interest capitalised	**682,959**	856,034
	(526,812)	(159,712)
– Net foreign exchange gains relating to borrowings	**63,782**	–
– Net foreign exchange losses on cash and cash equivalents	**(53,663)**	–
Total finance costs	**(516,693)**	(159,712)
Finance income		
– Interest income on bank deposits	**121,793**	48,052
Net finance costs	**(394,900)**	(111,660)

11 INCOME TAX EXPENSE

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**866,582**	636,150
– PRC corporate income tax	**761,242**	535,545
	1,627,824	1,171,695
Deferred income tax	**(108,495)**	61,082
Total income tax charged for the year	**1,519,329**	1,232,777

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

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Profit before income tax	**3,236,466**	2,818,161
PRC land appreciation tax	**(866,582)**	(636,150)
	2,369,884	2,182,011
Income tax calculated at statutory rate of 25%	**592,471**	545,503
Non-deductible expenses	**63,730**	17,734
Non-taxable income	**(1,651)**	(1,260)
Utilisation of previously unrecognised tax losses	**(15,147)**	–
Tax losses not recognised as deferred tax assets	**570**	22,845
Prior year tax adjustments	**1,003**	(832)
PRC withholding tax	**11,771**	12,637
PRC land appreciation tax	**866,582**	636,150
Total income tax expense	**1,519,329**	1,232,777

Hong Kong profits tax

Hong Kong profits tax has not been provided for as the Group has no estimated assessable profits in Hong Kong during the year (2012: Nil).

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC ("**CIT Law**"), the CIT rate applicable to the Group's subsidiaries located in mainland China is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. For the year ended 31 December 2013, the Group accrued for PRC withholding tax with amount of RMB11,771,000 (2012: RMB12,637,000) based on the tax rate of 5% on a portion of the earnings generated by its PRC entities. The Group controls the dividend policies of these subsidiaries and it has been determined that it is probable that a majority of these earnings will not be distributed in the foreseeable future.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statement of income as income tax expense.

12 EARNINGS PER SHARE

Basic earnings per share for the year is calculated by dividing the profit of the Group attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2013	2012
Consolidated profit attributable to equity holders of the Company (RMB'000)	**981,262**	930,819
Weighted average number of ordinary shares in issue ('000)	**5,668,000**	4,368,167
Basic earnings per share (RMB)	**0.17**	0.21

As there were no dilutive options and other dilutive potential shares in issue during the years ended 31 December 2013 and 2012, diluted earnings per share is the same as basic earnings per share.

13 DIVIDENDS

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Proposed final dividend of RMB0.05 (2012: RMB0.05) per ordinary share	**283,400**	283,400

No interim dividend was declared during the year (2012: Nil).

At a Board meeting held on 17 March 2014, the directors proposed a final dividend for 2013 of RMB0.05 per ordinary share using the share premium account. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2014 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

The final dividend in respect of 2012 of RMB0.05 per ordinary share, amounting to RMB283,400,000 was approved at the annual general meeting of the Company held on 22 May 2013. The amount was paid in 2013.

CHAIRMAN'S STATEMENT

On behalf of the Group, I am pleased to present the final results of the Group for the year ended 31 December 2013.

Review of 2013

2013 is the first full year since the listing of the shares (the "**Shares**") of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and marks an important year for the Group's business development. By adhering to our strategic policy of "coverage for the Pan-Yangtze River Delta Region and product diversification", the Group achieved outstanding results in each aspect of contracted sales, land bank, geographical network and commercial properties, which enabled the Group to successfully accomplish its business targets of the year and laid a good foundation for the Company's development in the coming year.

With respect to operating results, the Group made a breakthrough in contracted sales of RMB20 billion for the year of 2013, reaching approximately RMB20.624 billion, representing a year-on-year increase of 27.82%, and fulfilling and exceeding the contracted sales target of the year. The total gross floor areas ("**GFA**") of contracted sales reached approximately 2,205,800 square metres ("**sq.m.**"), representing an increase of 18.84% over the same period in 2012. During the year, the Group's revenue increased by approximately 18.6%, as compared to that for 2012, to RMB20,771.3 million. Core earnings (excluding after-tax fair value gains on investment properties) attributable to shareholders of the Company (the "**Shareholders**") rose approximately 5.6%, as compared to that for 2012, to approximately RMB960.5 million. The Board has recommended a final dividend of RMB0.05 per Share, representing a pay-out ratio of approximately 30% of the core earnings attributable to Shareholders.

With respect to land bank, the Group adhered to its strategy of consolidating the Group's leading position in the Yangtze River Delta, leveraging the Group's strong financial foundation, seizing opportunities in a timely manner during the year and after prudent considerations, the Group has acquired at competitive prices 16 quality sites amounting to an additional buildable GFA of approximately 3.54 million sq.m. Our entry into the new markets of Hangzhou, Zhenjiang and Nantong during the year also contributed to a more balanced geographical distribution for our projects, enabling us to consolidate our leading position in the Yangtze Rive Delta. As at 31 December 2013, we had 93 real estate projects in 10 major cities in the PRC, of which 51 were under construction and/or held for future development. The Group has a land bank of a total GFA of approximately 13.85 million sq.m., of which approximately 9.64 million sq.m. is attributable to the Group's interests. Such land bank provides strong support to the Group's continuous development in the next four to five years.

With respect to commercial property operation, the influence of the Group's "Injoy (吾悦)" brand has been further enhanced. Changzhou Injoy Plaza and Changzhou Injoy International Plaza, both commenced operations in 2012, have successfully completed their first year of operation and started to generate relatively stable rental incomes for the Group. During the period, our three "Injoy Plaza" projects in Shanghai and Suzhou have commenced construction. These projects strengthened our project pipeline supplies for further development of "Injoy (吾悦)" as a premier commercial property brand in the country.

In respect of financial management and monitoring, the Group adheres to a prudent and stability-based financial policy. Finance costs are under strict control. We also aim at improving and maintaining a sound capital structure through a diverse range of financing channels. We succeeded in two exercises of off-shore note issues, which improved the Group's debt maturity profile and enhanced liquidity. Starting from mid 2013, lowering the debt indicators has been made an important target of the Group's internal management. Efforts have been made to enhance cash inflow and limit the increase of high interest debts. As a result of the concerted efforts of the management, as at 31 December 2013, the Group's net debt ratio was 52.8%, and cash at bank and on hand (including restricted cash) amounted to RMB8,297.9 million. We believe that through continuous improvements in debt maturity profile and enhancing additional liquidity, the Group's financial capacity can be further strengthened, which is favorable to the long-term development of the Group.

In respect of social responsibility, it is the Group's belief that corporate social responsibility is one of the core values and competitive edges for the development and growth of branded real estate enterprises. Throughout 2013, we were committed to the promotion of public welfare services, and contributed to the society by actively fulfilling our corporate social responsibility. During the period under review, the Group launched the "Seven Color Program (七色光計劃)" with an aim to provide care and assistance to the distressed people in China. This included setting up mobile libraries, donating books to needy students in Liuyang of Hunan and Lianyungang of Jiangsu, actively promoting arts and cultural broadcast by organizing "Art Workshops (藝術工坊)" and promoting healthy life by organizing "Future Land • I Run (新城 • 愛跑)" Mini Marathon. We hope to use the Group's brand name influence "coupled with our actions" to continuously promote the development of social welfare work.

PROSPECTS AND FUTURE DEVELOPMENTS

In 2013, the demand in Chinese real estate market has been gradually releasing from the suppression of macro-control in the past several years, and the PRC real estate market has undergone a stable recovery, generally presenting a trend of increase in both sales volume and price. The continuous growth of disposable income of Chinese residents, and the advent of urbanization in the course of long term development, will remain the major driving forces for the growth of the PRC real estate market in the future. In addition, the control measures on real estate are likely to be more market-oriented, and mostly led by local governments. We expect the performance of the real estate market may be more segmented, which requires us to better analyze and deal with markets in different cities, areas and segmented markets.

The Group will continue to focus on first and second-tier cities and to selectively penetrate into certain third and lower-tier cities. In the next five years, we intend to adopt a two pronged development approach so that focuses will be on residential housing and urban complex. While striving to raise the popularity of our four series of brands of our residential projects, namely, "First Homes (幸福啟航)", "Sweet Homes (幸福樂居)", "Dream Homes (幸福夢圓)" and "Prestige Homes (幸福尊享)", we also acquired premier land parcels for the development of urban complex projects in order to gradually expand the exposure of our commercial property brand "Injoy (吾悅)" across the country.

We will uphold the development strategy of "region focused, high turnover and product diversification". Accordingly, we plan to further explore our existing regions and seize further opportunities with our land reserve, acquire new projects at competitive prices and prudently expand our land bank. With due regard to our financial position, we will continue to expedite return of funds through our "rapid asset turnover" strategy, while at the same time increase our efforts to control our costs of capital and proactively explore new financing channels and strengthen our financial structure, so as to remain profitable in a business environment full of challenges and opportunities. Through our various efforts including careful planning, enhanced product standardization, stringent cost control and a more sophisticated management structure, we believe that we are well positioned to achieve stable growth under the volatile and segmented market conditions.

APPRECIATION

The steady growth of the Group is attributable to the enormous support from the relevant parties and invaluable contributions of our staff. On behalf of the Board, I would like to take this opportunity to express our wholehearted gratitude to our staff, Shareholders, investors, business partners and customers for their trust and support. Bearing in mind the motto of "Hearty Dedication Just For You (以心致誠，因你而真)", we are going to create higher values and returns for our customers, Shareholders and investors.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Overview

The Group achieved contracted sales of RMB20,624.1 million for the year of 2013, representing a year-on-year increase of 27.82%. Revenue increased by 18.6% to RMB20,771.3 million as compared to 2012, and core earnings attributable to equity holders of the Company increased by 5.6% to RMB960.5 million as compared to the same period of last year.

Business Overview

Property Development

In 2013, the Group achieved contracted sales of approximately RMB20,624 million, representing an increase of 27.82% as compared to 2012. The Group sold approximately 2,205,800 sq.m. in GFA, representing an increase of 18.84% over 2012. Contracted sales (excluding carparks) recorded in different regions, in particular, Shanghai, Changzhou, Suzhou and Nanjing, were approximately RMB5,664.97 million, RMB5,753.85 million, RMB3,818.20 million and RMB2,201.77 million, contributing to 27.98%, 28.42%, 18.86% and 10.88% of the Group's total contracted sales (excluding carparks), respectively.

Table 1: Details of contracted sales of the Group in 2013

The following table sets out the geographic breakdown of the Group's contracted sales in 2013:

Project/Properties	**Contracted GFA sold** *(sq.m.)*	**Contracted sales** *(RMB million)*
Changzhou		
Fragrant Legend（香溢瀾橋）	160,853.1	1,151.02
Future Consequence（香悅半島）	86,184.5	745.04
Future France（香溢紫郡）	112,152.8	679.83
Changzhou Emporium（常州帝景）	41,183.7	639.14
Injoy Plaza（吾悅廣場）	54,258.6	404.86
Future Royal Bay（禦景灣）	42,569.5	396.40
Future Capital（新城首府）	24,298.3	299.16
Future Success（香溢俊園）	35,236.5	284.90
Changzhou Future Land Golden County（常州新城金郡）	21,772.3	281.76
In Spring Live（春天里）	33,647.6	202.98
Injoy International Plaza（吾悅國際廣場）	14,650.9	185.10
Park No.1（公園壹號）	31,978.8	182.80
Changzhou Xincheng Future Town（常州新城域）	17,717.9	102.60
Future Land Southern Metropolis（新城南都）	10,298.0	61.15
Lakeview（湖畔春秋）	3,442.5	41.06
Injoy Lifestyle Plaza（吾悅生活廣場）	2,553.4	38.12
Four Seasons Future Land（四季新城）	3,931.3	22.25
Changzhou New City Residence（常州新城公館）	2,441.0	18.61
Future Land Splendid Park（新城熙園）	1,062.2	12.85
Future Land Scenic Garden（新城逸境）	489.9	3.08
Yulong Bay（玉龍灣）	126.5	0.89
Geniality Bay（清水灣）	106.2	0.27
Changzhou sub-total	**700,955.4**	**5,753.85**
Shanghai		
Petrus Hacienda（森蘭碧翠園）	63,815.0	2,277.71
Park View International Community（上海新城金郡）*	17,264.9	315.06
Park View Ivy（上海新城金郡 • 常春藤）	32,062.7	593.52
Fragrant Legend（香溢瀾庭）	31,256.4	644.23
Gorgeous Mansion（憶華里）	16,830.3	488.97
Bright Green Land（昱翠灣）	32,064.0	473.69
Shanghai Legend Mansion（上海新城公館）	20,411.3	425.16
YOHO City（悠活城）	15,317.6	205.21
Garden House（馥華里）	7,664.5	139.75
Exalted Uptown（尚上城）	5,446.1	101.67
Shanghai sub-total	**242,132.9**	**5,664.97**

Project/Properties	Contracted GFA sold *(sq.m.)*	Contracted sales *(RMB million)*
Nanjing		
Future France（香溢紫郡）	200,069.7	1,797.42
Longwan Garden（瓏灣花園）	20,013.8	336.82
Future Land Golden County（新城金郡）	5,231.2	67.53
Nanjing sub-total	**225,314.7**	**2,201.77**
Suzhou		
Fragrant Legend（香溢瀾橋）	119,432.6	1,181.31
Wujiang Injoy Plaza（吳江吾悅廣場）	92,052.6	756.50
Future France（香溢紫郡）	90,242.9	675.23
Future Mansion（新城公館）	46,529.6	532.40
Future Mangrove Bay（紅樹灣）	49,403.8	419.37
Future Land Golden County（新城金郡）	26,144.2	231.08
Future Land Territory（新城域）	2,675.5	22.31
Suzhou sub-total	**426,481.3**	**3,818.20**
Wuxi		
Up Town（尚東雅園）	99,813.3	763.66
Future France（香溢紫峻）	77,932.4	600.12
East China Home Decor Centre（華東家藝中心）	10,600.3	91.05
Glorious Century Future Land（盛世新城）	557.8	3.27
Wuxi sub-total	**188,903.9**	**1,458.11**
Wuhan		
In Spring Live（春天里）	89,992.9	721.82
Wuhan Sub-Total	**89,992.9**	**721.82**
Changsha		
Future Land International Metropolis（新城國際花都）	138,180.3	598.31
Changsha sub-total	**138,180.3**	**598.31**
Zhenjiang		
Zhenjiang Future Land Exalted Uptown（鎮江新城尚上城）	3,398.5	27.64
Zhenjiang sub-total	**3,398.5**	**27.64**
Car parks	**190,410.3**	**379.47**
Total	**2,205,770.2**	**20,624.13**

Note: * Included Park View International Community A (上海金郡A) and Park View International Community B (上海金郡B)

Land Bank

As at 31 December 2013, the total land bank of the Group was approximately 13,854,810 sq.m., of which 9,644,765 sq.m. was attributable to the Group's interests. The average acquisition cost of the Group's land bank was approximately RMB1,820 per sq.m. The geographic spread of the land bank of the Group as at 31 December 2013 was as follows:

Table 2: Breakdown of land bank of the Group

City	Total GFA	Percentage of the Group's total GFA	GFA attributable to the Group's interest	Percentage of GFA attributable to the Group's interests
	(sq.m.)	*(%)*	*(sq.m.)*	*(%)*
Changzhou	5,228,837	37.74%	3,806,487	39.46%
Shanghai	1,492,591	10.77%	716,060	7.42%
Nanjing	1,061,893	7.66%	584,147	6.06%
Wuxi	507,804	3.67%	309,785	3.21%
Suzhou	2,857,082	20.62%	1,951,806	20.24%
Changsha	1,079,799	7.79%	1,049,025	10.88%
Wuhan	99,391	0.72%	96,559	1.00%
Hangzhou	197,874	1.43%	113,125	1.17%
Zhenjiang	772,812	5.58%	772,812	8.01%
Nantong	556,728	4.02%	244,960	2.54%
Total	**13,854,810**	**100.00%**	**9,644,765**	**100.00%**

In 2013, the Group acquired a total of 16 projects to replenish its land bank, all through government public tender, auction or listing-for-sale acquisition. The Group acquired approximately 3,544,570 sq.m. (excluding underground floor area) of land to replenish it's land bank whilst the average acquisition cost was approximately RMB2,351 per sq.m.

Table 3: Land acquisition from January to December 2013

Project/Land parcel	Land use	Attributable interest (%)	Site area (sq.m.)	Total GFA (sq.m.)	Land premium (RMB million)
Nanjing					
Longwan Garden (瓏灣花園)	Residential	55.01%	95,819	287,457	1,980
Suzhou					
Wujiang Injoy Plaza (吳江吾悅廣場)	Mixed-use	65.00%	154,313	527,183	528
Further Mangrove Bay (紅樹灣)	Residential	57.17%	122,464	325,946	1,003
Plot No. 2012-B47-A in Zhangjiagang (張家港2012-B47-A地塊)	Mixed-use	100.00%	65,678	262,712	345
Plot No. 2012-B47-B in Zhangjiagang (張家港2012-B47-B地塊)	Mixed-use	100.00%	65,716	262,864	345
Hangzhou					
Shunda Road Project in Yuhang District, Hangzhou (余杭順達路項目)	Residential	57.17%	54,033	124,276	314
Plot No. R21-04 of Shenhua Unit (申花單元R21-04地塊)	Residential	57.17%	11,018	22,036	321
Plot of Future Sci-Tech City in Yuhang District (余杭未來科技城地塊)	Residential	57.17%	32,226	51,562	450
Shanghai					
Plot in Longxiang Road, Jinshan District (金山龍翔路地塊)	Residential	27.50%	108,393	195,107	704
Plot of Yongfeng Street (永豐街道地塊)	Residential/ Commercial	55.01%	39,999	46,490	734
Zhenjiang					
Plot No. G1334 in Danyang (丹陽G1334地塊)	Mixed-use	100.00%	43,609	152,632	131
Plot No. G1335 in Danyang (丹陽G1335地塊)	Mixed-use	100.00%	66,630	233,205	200
Plot No. G1336 in Danyang (丹陽G1336地塊)	Mixed-use	100.00%	37,050	129,675	111
Dantu Project (丹徒項目)	Mixed-use	100.00%	90,143	210,800	270
Changzhou					
Plot No. JXB20130501 (JXB20130501地塊)	Residential/ Commercial	56.68%	51,966	155,898	196
Nantong					
Plot No. CR13043 (CR13043地塊)	Residential/ Commercial	44.00%	185,576	556,728	701
Total			1,224,633	3,544,570	8,332

Property Delivery and Revenue from Sale of Properties

For the year ended 31 December 2013, revenue from sale of properties by the Group was approximately RMB20,421.8 million, representing an increase of 17.8% over 2012. Properties with a total GFA of approximately 2,475,098 sq.m. were delivered during the year ended 31 December 2013, representing an increase of 29.4% as compared to 2012. Recognized average selling price was RMB8,251 per sq.m. in 2013, representing a decrease of 9.0% as compared to 2012.

The following table sets forth the revenue information relating to the properties the Group delivered for sale during 2013:

Table 4: Breakdown of property development revenue by projects in 2013

Project	**City**	**Revenue** *(RMB million)*	**GFA** *(sq.m.)*	**Average selling price** *(RMB/sq.m.)*
Petrus Hacienda (碧翠園)	Shanghai	2,228.1	79,293	28,099
Park View International Community* (上海金郡)	Shanghai	1,790.5	137,035	13,066
Future Consequence (香悦半島)	Changzhou	1,385.9	186,700	7,423
Fragrant Legend (香溢瀾橋)	Changzhou	1,284.8	193,388	6,643
Changsha International Metropolis (長沙國際花都)	Changsha	1,190.9	311,166	3,827
Future France (香溢紫郡)	Changzhou	1,095.5	187,363	5,847
Suzhou Golden County (蘇州金郡)	Suzhou	1,067.5	133,949	7,969
Wuxi Up Town (無錫尚東雅苑)	Wuxi	952.0	124,235	7,663
Further Land Golden County (新城金郡)	Changzhou	894.5	74,250	12,047
Future Land Territory (新城域)	Changzhou	818.4	151,209	5,413
Future Capital (新城首府)	Changzhou	787.2	72,887	10,801
Future Royal Bay (禦景灣)	Changzhou	784.4	93,551	8,385
Wuhan In Spring Live (武漢春天里)	Wuhan	678.0	86,319	7,855
Park View Ivy (新城金郡常春藤)	Shanghai	661.3	36,838	17,953
Exalted Uptown (尚上城)	Shanghai	624.1	58,264	10,712
Other Projects (其他項目)		4,178.7	548,651	7,616
Total		**20,421.8**	**2,475,098**	**8,251**

Note: * Include Park View International Community A (上海金郡A) and Park View International Community B (上海金郡B)

Of the properties the Group had pre-sold, a total GFA of approximately 1,421,909 sq.m. with total pre-sale revenue of approximately RMB13,298.9 million, had not been delivered as at 31 December 2013. This, however, laid a solid foundation for a steady growth in the Group's revenue for the year to come.

Property Investment

For the year ended 31 December 2013, the Group had investment properties of 306,598 sq.m. that have already commenced operations, and rental income from these investment properties was approximately RMB81.1 million, representing an increase of 243.2% over 2012. Such rental income was mainly derived from the commercial complexes completed in 2012, namely, Changzhou Injoy Plaza (常州吾悦廣場) and Changzhou Injoy International Plaza (常州吾悦國際廣場).

In 2013, the Group developed a new investment property, namely, Wujiang Injoy Plaza (吳江吾悦廣場). As at 31 December 2013, such investment property has not been completed.

The Group did not hold any other significant investments except for the aforementioned investment properties as at 31 December 2013.

Table 5: Breakdown of rental income from investment properties of the Group in 2013

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Rental Income		
Injoy Plaza (吾悦廣場)	**43,822**	22,881
Injoy International Plaza (吾悦國際廣場)	**36,878**	383
Four Seasons Future Land Commercial Complexes (四季新城商鋪)	**410**	370
Total	**81,110**	23,634

Financial Review

Revenue

The Group's revenue comprises income from sale of properties and, to a lesser extent, property management, rental and other property related services earned during the year. The Group's revenue increased by 18.6%, to approximately RMB20,771.3 million for the year ended 31 December 2013 from approximately RMB17,517.3 million for the year ended 31 December 2012. As a breakdown, income from sales of properties during the year ended 31 December 2013 was approximately RMB20,421.8 million, representing a year-on-year increase of 17.8%; income from property management and other income was approximately RMB247.1 million, representing a year-on-year increase of 76.9%; and rental income was approximately RMB102.4 million, representing a year-on-year increase of 187.4%.

The increase in the Group's revenue was primarily attributable to a 18.6% increase in the Group's property sales and the Group's rental income. The increase in property sales in 2013 is attributable to a 29.4% increase in GFA delivered.

Cost of Sales

Cost of sales consists primarily of the costs the Group incurred directly in relation to its property development activities as well as its leasing and property management operations. Cost of sales includes construction costs, land use rights costs, business tax and surcharges, capitalized interest and other business costs. The Group's cost of sales increased by 18.4% to approximately RMB16,088.0 million for the year ended 31 December 2013 from approximately RMB13,587.4 million for the year ended 31 December 2012. This increase was primarily attributable to the increases in the total GFA delivered in the year ended 31 December 2013.

The following table sets forth information relating to the Group's cost of sales for the years indicated:

Table 6: Breakdown of the Group's cost of sales

	Year ended 31 December		
	2013 *RMB'000*	2012 *RMB'000*	**Percentage increase/ decrease in 2013 versus 2012** *(%)*
Land use rights costs	**4,770,651**	4,025,794	**18.5**
Construction costs	**9,101,315**	7,684,444	**18.4**
Capitalized interest	**770,865**	732,328	**5.3**
Business tax and surcharges	**1,166,306**	977,980	**19.3**
Accrual of provision for properties held for sale	**79,588**	–	**N/A**
Other expenses	**199,313**	166,825	**19.5**
	16,088,038	13,587,371	**18.4**
Total GFA delivered *(sq.m.)*	**2,475,098**	1,912,223	**29.4**
Average cost per sq.m. sold *(RMB)**	**5,916**	6,507	**-9.1**
Average selling price per sq.m. sold *(RMB)*	**8,251**	9,069	**-9.0**
Average cost as % of average selling price	**71.7%**	71.7%	**-0.1**

* Average cost per sq.m. sold refers to the average cost of the Group's property sales (excluding the Group's leasing and property management operations) and is derived by dividing the sum of construction costs, land use rights costs and capitalized interest for a year by the total GFA delivered in that year.

Gross Profit

The Group's gross profit increased by 19.2% to approximately RMB4,683.2 million for the year ended 31 December 2013 from approximately RMB3,929.9 million for the year ended 31 December 2012. The Group reported a gross profit margin of approximately 22.5% for the year ended 31 December 2013, slightly higher than that of approximately 22.4% for the year ended 31 December 2012.

Fair Value Gains on Investment Properties

The Group develops and holds certain of its commercial properties such as retail shops, shopping malls and car parks for rental income or capital appreciation. The Group's investment properties are appraised annually by an independent property valuer. Any appreciation or depreciation in the Group's investment property value is recognized as fair value gains or losses in the Group's consolidated statements of income. Valuation gains on investment properties was approximately RMB37.8 million for the year ended 31 December 2013. Valuation gains on investment properties were limited as (i) Wujiang lnjoy Plaza (吳江吾悅廣場), a newly developed investment property in 2013 has just commenced construction, and (ii) the rental rates and occupancy rates for the year for two major investment properties that the Group holds, namely, Changzhou Injoy International Plaza (常州吾悅國際廣場) and Changzhou Injoy Plaza (常州吾悅廣場), were in line with the valuation made in 2012.

Selling and Marketing Costs

Selling and marketing costs increased by 24.7% to approximately RMB592.0 million for the year ended 31 December 2013 from approximately RMB474.9 million for the year ended 31 December 2012. The increase was primarily attributable to an increase in advertising and publicity expenses incurred as the Group launched more projects for pre-sale in 2013.

Administrative Expenses

Administrative expenses increased by 19.3% to approximately RMB680.0 million for the year ended 31 December 2013 from approximately RMB569.9 million for the year ended 31 December 2012. The increase in administrative expenses was primarily attributable to an increase in staff costs resulting from an increase in the Group's staff headcount and salary levels of its staff in 2013.

Finance Costs – Net

The Group's finance costs primarily consist of interest expenses on bank loans, trust financing arrangements and senior notes less capitalized interest and finance income. Interest on borrowings relating to project development is capitalized to the extent it is directly attributable to a particular project and used to finance the development of that project. Finance costs increased by 253.7%, to approximately RMB394.9 million for the year ended 31 December 2013 from approximately RMB111.7 million for the year ended 31 December 2012. This increase was mainly attributable to the uncapitalized finance costs of senior notes and working capital loans incurred during the year ended 31 December 2013.

Income Tax Expense

The Group's income tax expense includes provisions made for land appreciation tax ("**LAT**"), PRC corporate income tax and deferred income tax during the year. Income tax expense increased by 23.2% to approximately RMB1,519.3 million for the year ended 31 December 2013 from RMB1,232.8 million for the year ended 31 December 2012. The increase was primarily due to the increase in the Group's LAT and enterprise income tax in 2013, as a result of the increase in its properties delivered and therefore more revenue and profit was recognized during the same period.

Profit for the Year

Net profit attributable to equity holders of the Company increased by 5.4% to approximately RMB981.3 million for the year ended 31 December 2013 from approximately RMB930.8 million for the year ended 31 December 2012.

Core earnings (excluding post-tax fair value gains on investment properties) attributable to equity holders of the Company increased by 5.6% to RMB960.5 million for the year ended 31 December 2013 from approximately RMB909.5 million for the year ended 31 December 2012.

Liquidity, Financial and Capital Resources

Cash position

As at 31 December 2013, the Group's cash at bank and on hand (including restricted cash) increased by 38.3% to approximately RMB8,297.9 million from approximately RMB6,000.2 million as at 31 December 2012. The carrying amount of the Group's cash and cash equivalents increased by 52.8% to approximately RMB7,411.7 million as at 31 December 2013 from approximately RMB4,852.1 million as at 31 December 2012. For the year ended 31 December 2013, the Group had net cash used in operating activities of approximately RMB3,267.8 million, net cash generated from investing activities of approximately RMB155.8 million, net cash generated from financing activities of approximately RMB5,725.3 million and exchange losses on cash and cash equivalents of RMB53.7 million .

Borrowings and charges on the Group's assets

The Group's outstanding current and non-current borrowings amounted to RMB13,889.6 million as at 31 December 2013, of which approximately RMB2,174.5 million is repayable within one year, approximately RMB4,043.5 million is repayable after one year but within two years, approximately RMB6,931.6 million is repayable after two years but within five years and approximately RMB740 million is repayable after five years. The Group's current and non-current borrowings increased RMB4,249.5 million to RMB13,889.6 million as at 31 December 2013 from RMB9,640.1 million as at 31 December 2012 primarily as the Group issued two tranches of five-year US$200 million senior notes and three-year RMB1.5 billion senior notes respectively in January and April 2013 and increased certain development loans.

As at 31 December 2013, the Group's bank loans were approximately RMB11,222.5 million, of which approximately RMB10,822.5 million was secured by one or a combination of the following methods: land to be developed, properties under development, properties held for sale, investment properties, shares of the Company's subsidiaries, bank deposits and/or guarantees by the Company's subsidiaries. The Group's bank borrowings are from major commercial banks, all of which are independent third parties.

In addition, the Group successfully issued a tranche of five-year US$200 million senior notes at a reasonable interest rate (10.25%) in January 2013, and a tranche of three-year RMB1.5 billion senior notes at a reasonable interest rate (9.75%) in April 2013. These notes were secured by shares of the Company's subsidiaries. The issuance of the above-mentioned notes has not only ensured the healthy and stable cash flow of the Company in the future, but also increased the proportion of the Group's long-term borrowings in the total borrowings from 47% as at 31 December 2012 to 84% as at 31 December 2013, which further optimized the Group's borrowing structure. The Directors believed that the constant optimization of the Group's debt level and financial structure had laid a solid foundation for the Group to weather market volatility and diminish financial risks.

The weighted average interest rate for the Group's then bank borrowings and senior notes as at 31 December 2013 was 7.59%.

Gearing ratio (Net debt-to-equity ratio)

The Group's net debt-to-equity ratio was 52.8% as at 31 December 2013. Net debt-to-equity ratio equals net debt divided by total equity as at the end of the period and multiplied by 100%. Net debt is calculated as total borrowings less cash, cash equivalents and restricted cash. If net debt were calculated as total borrowing less cash and cash equivalents, net debt-to-equity ratio would be 61.1%, and such net debt-to-equity ratio increased from 57.1% as at 31 December 2012, primarily due to an increase in net debt resulted from the increase in financing and the increase in operating cash outflow.

Contingent Liabilities

Pursuant to the mortgage contracts, banks require the Group to guarantee its purchasers' mortgage loans. Guarantees for mortgages on pre-sold residential properties are generally discharged at the earlier of: (i) the issue of the real estate ownership certificate by government authorities to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties. If a purchaser defaults on a mortgage loan, the Group is responsible to repay the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting 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 typically starts from the date of grant of the mortgage.

As at 31 December 2013, the Group's material contingent liabilities in respect of the guarantees given to financial institutions for mortgage loan facilities granted to purchasers of the Group's properties amounted to approximately RMB2,980.7 million (as at 31 December 2012: approximately RMB3,993.7 million). In light of the minimal historical default rates of such mortgage loans facilities, the Directors considered that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

There are certain corporate guarantees provided by the Company's subsidiaries for each other in respect of borrowings as at 31 December 2013. The Directors consider that the subsidiaries are sufficiently financially resourced to settle their obligations.

Save as disclosed in this results announcement, the Group had no other material contingent liabilities as at 31 December 2013.

Available-For-Sale Financial Assets

As at 31 December 2013, the fair value of the Group's available-for-sale financial assets increased by 22.1% to approximately RMB221.2 million from approximately RMB181.2 million as at 31 December 2012. The increase is mainly attributable to the Group's acquisition of available-for-sale financial assets in 2013 that amounted to approximately RMB40.0 million. There had been no significant change in the fair value of the Group's available-for-sale financial assets as at 31 December 2013 from the acquisition cost.

Foreign Exchange Risk

As at 31 December 2013, the Group had cash balances denominated in Renminbi of approximately RMB7,898.0 million, in Hong Kong dollars of approximately RMB90.9 million and in US dollars of approximately RMB309.0 million.

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of U.S. dollars and Hong Kong dollars against Renminbi as a result of certain cash and the settlement of certain general and administrative expenses and other loans in U.S. dollars or Hong Kong dollars.

In January 2013, the Company issued US$200 million senior notes to the international capital market at a reasonable interest rate of 10.25% with a tenor of five years to secure healthy and sound cash flow for the Group in the future. As a result of the issuance of the senior notes, the Group became exposed to foreign currency risk arising from the exposure of Renminbi against US dollars.

In addition, Renminbi is not freely convertible into foreign currencies and the conversion of Renminbi into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC government.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting appropriate foreign currency hedging policy in the future.

Material Acquisition and Disposal

During the year ended 31 December 2013, the Group did not have any material acquisitions or disposals of subsidiaries, associates or assets save as disclosed in this results announcement.

Future Plans for Material Investment or Capital Assets

The Directors confirmed that as at the date of this results announcement, there are no current plans to acquire any material investment or capital assets other than in the Group's ordinary business of property development.

Employees and Compensation Policy

As at 31 December 2013, the Group had 4,896 full-time employees in the PRC and Hong Kong. 1,476 of these employees worked in the property development operations, 339 are engaged in management of commercial complexes and 3,081 are engaged in property management, branded customer services, property management and other related operations.

The Group determines the remuneration packages of all the employees (including the Directors) based on their performance, work experience and the prevailing market wage level, and provide promotional opportunities for them with reference to their individual strengths and potentials. The remuneration package of the employees consists of base salary, cash bonus and share-based payments. The Group has established performance appraisal system so as to evaluate the performance of its employees on an annual basis and use the evaluation results to determine their salary increment or promotion accordingly. The Group recognized an expense in relation to share-based payments of RMB25.7 million for the year ended 31 December 2013 (for the year ended 31 December 2012: RMB36.7 million).

USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds from the initial public offering of the Shares on the Stock Exchange on 29 November 2012 (after deducting underwriting fees and related expenses) amounted to approximately HK$1,975.8 million. During the year ended 31 December 2013, such net proceeds were applied in the manner consistent with that set out in the Company's prospectus dated 19 November 2012.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") of the Company is to be held on Wednesday, 21 May 2014 and the notice of AGM is expected to be published and dispatched to the Shareholders on or about Wednesday, 16 April 2014.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB0.05 per Share for the year ended 31 December 2013 (2012: RMB0.05) to the Shareholders.

The proposed final dividend will be paid in or around the end of June 2014 after approval by Shareholders at the forthcoming AGM.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from 19 May 2014 to 23 May 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 16 May 2014 to Wednesday, 21 May 2014, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Wednesday, 21 May 2014. In order to be eligible to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 15 May 2014.

The record date for qualifying to receive the proposed final dividend is Thursday, 29 May 2014. In order to determine the rights of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders at the forthcoming AGM, the register of members of the Company will also be closed from Tuesday, 27 May 2014 to Thursday, 29 May 2014, both days inclusive. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 26 May 2014.

CORPORATE GOVERNANCE PRACTICES

The Group is 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**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the current organization structure of the Company, Mr. WANG Zhenhua is the Chairman of the Board and the Chief Executive Officer. With extensive experience in the property industry, the Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises four executive Directors, two non-executive Directors and three independent non-executive Directors, and therefore has a fairly strong independence element in its composition. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code for the year ended 31 December 2013. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the year ended 31 December 2013.

During the year ended 31 December 2013, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standards set out in the Model Code for compliance by its relevant employees who are likely to be in possession of inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

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

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The audit committee of the Company, comprising all the independent non-executive Directors, has reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended 31 December 2013.

PUBLICATION OF THE CONSOLIDATED 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.futureholdings.com.cn), and the 2013 annual report containing all the information required under the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

PRC, 17 March 2014

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Min Yuansong, Mr. Liu Yuanman and Madam Huang Maoli as executive Directors, Mr. Lv Xiaoping and Mr. Wang Xiaosong as non-executive Directors, and Mr. Chen Huakang, Madam Nie Meisheng and Mr. Zhu Zengjin as independent non-executive Directors.