CHINA SCE PROPERTY HOLDINGS LIMITED
中駿置業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1966)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

- Contracted sales amount increased by approximately 79.8% to approximately RMB10,818,644,000.
- Revenue increased by approximately 81.2% to approximately RMB6,588,124,000.
- Profit for the year increased by approximately 30.3% to approximately RMB1,174,264,000.
- Profit attributable to owners of the parent increased by approximately 32.1% to approximately RMB887,816,000.
- Basic earnings per share increased by approximately 32.1% to approximately RMB25.9 cents.
- Cash and bank balances increased by approximately 39.5% to approximately RMB4,365,274,000 as at 31 December 2013.
- Net gearing ratio was 62.7% as at 31 December 2013.

The board (the "**Board**") of directors (the "**Directors**") of China SCE Property Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2013

	Notes	**2013** *RMB'000*	2012 *RMB'000*
REVENUE	*5*	**6,588,124**	3,636,658
Cost of sales		**(4,742,908)**	(2,352,023)
Gross profit		**1,845,216**	1,284,635
Other income and gains	*5*	**162,562**	97,627
Changes in fair value of investment properties		**602,909**	381,754
Selling and marketing expenses		**(184,547)**	(102,389)
Administrative expenses		**(301,445)**	(259,016)
Other expenses		**(711)**	(5,098)
Finance costs	*6*	**(246,103)**	(107,052)
Exchange differences arising from retranslation of senior notes, net		**–**	2,546
Share of profits and losses of:			
Joint ventures		**25,772**	1,018
Associates		**1,689**	(1,928)
PROFIT BEFORE TAX	*7*	**1,905,342**	1,292,097
Income tax expense	*8*	**(731,078)**	(391,073)
PROFIT FOR THE YEAR		**1,174,264**	901,024
OTHER COMPREHENSIVE INCOME/(LOSS):			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Changes in fair value of derivative financial instruments		**131,618**	(31,637)
Reclassification adjustments for exchange losses included in profit or loss		**(55,232)**	(19,545)
		76,386	(51,182)
Share of other comprehensive loss of joint ventures		**(357)**	(93)
Share of other comprehensive income/(loss) of associates		**14**	(1,939)
Release upon deregistration of a joint venture		**–**	(4,286)
Release upon a deemed acquisition of subsidiaries		**–**	(9,850)
Exchange differences arising from net investment hedge in foreign operations	*7*	**–**	1,042
Exchange differences on translation of foreign operations		**88,413**	16,142
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**164,456**	(50,166)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,338,720**	850,858

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)
Year ended 31 December 2013

	Note	**2013** *RMB'000*	2012 *RMB'000*
Profit attributable to:			
Owners of the parent		**887,816**	672,003
Non-controlling interests		**286,448**	229,021
		1,174,264	901,024
Total comprehensive income attributable to:			
Owners of the parent		**1,030,911**	618,819
Non-controlling interests		**307,809**	232,039
		1,338,720	850,858
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		(Restated)
Basic and diluted		**RMB25.9 cents**	RMB19.6 cents

Details of dividends for the year are disclosed in note 9 to this results announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

	Notes	**2013**	2012
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**154,712**	144,864
Investment properties		**4,012,400**	2,854,000
Prepaid land lease payments		**2,671,226**	2,263,953
Intangible asset		**4,153**	4,319
Properties under development		**1,464,333**	1,261,631
Contract in progress		**441,202**	313,072
Investments in joint ventures		**130,889**	279,146
Investments in associates		**53,376**	51,673
Prepayments and deposits		**1,539,239**	974,259
Derivative financial instruments		**99,981**	–
Deferred tax assets		**155,871**	138,039
Total non-current assets		**10,727,382**	8,284,956
CURRENT ASSETS			
Properties under development		**8,024,674**	6,481,298
Completed properties held for sale		**2,289,127**	1,064,592
Trade receivables	*11*	**166,810**	388,350
Prepayments, deposits and other receivables		**1,204,030**	571,887
Due from related parties		**17,401**	25,527
Prepaid income tax		**134,232**	83,830
Restricted cash		**1,000,670**	678,069
Pledged deposits		**65,000**	173,000
Cash and cash equivalents		**3,299,604**	2,277,221
Total current assets		**16,201,548**	11,743,774
CURRENT LIABILITIES			
Trade payables	*12*	**1,255,128**	812,921
Receipts in advance		**4,502,166**	2,806,387
Other payables and accruals		**1,534,301**	1,334,638
Interest-bearing bank and other borrowings		**2,409,326**	2,111,571
Due to related parties		**235,863**	70,250
Tax payable		**659,557**	727,884
Total current liabilities		**10,596,341**	7,863,651

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
31 December 2013

	2013 *RMB'000*	2012 *RMB'000*
NET CURRENT ASSETS	**5,605,207**	3,880,123
TOTAL ASSETS LESS CURRENT LIABILITIES	**16,332,589**	12,165,079
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**3,157,212**	1,648,729
Senior notes	**4,132,756**	3,195,049
Derivative financial instruments	**–**	31,637
Deferred tax liabilities	**520,491**	352,399
Provision for major overhauls	**19,923**	16,381
Total non-current liabilities	**7,830,382**	5,244,195
Net assets	**8,502,207**	6,920,884
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**295,732**	250,683
Reserves	**5,443,274**	4,590,666
	5,739,006	4,841,349
Non-controlling interests	**2,763,201**	2,079,535
Total equity	**8,502,207**	6,920,884

NOTES:

1. CORPORATE INFORMATION

The Company is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Group was principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC") during the year.

In the opinion of the Directors, the ultimate holding company of the Company is Newup Holdings Limited, which is incorporated in the British Virgin Islands.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value.

These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

Basis of consolidation

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Except for the early adoption of the HKAS 36 Amendments as stated above, the Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of the other new and revised HKFRSs upon initial application.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the businesses of property development, property investment and property management. For management purposes, the property development and property investment businesses are monitored as one operating segment on a project basis to allocate resources and assess performance. For financial reporting purposes, the property management segment combines with the property development and investment segment as its reported revenue, reported results and assets are less than 10% of the consolidated revenue, consolidated profit and consolidated assets of the Group.

The Group's revenue from external customers from each product or service is set out in note 5 below.

The Group's revenue from external customers is derived solely from its operations in the PRC, and the non-current assets of the Group are substantially located in the PRC.

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

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the gross proceeds, net of business tax, and other sales related taxes from the sale of properties; gross rental income received and receivable from investment properties, and property management fee income, net of business tax, received and receivable during the year.

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

	Note	2013 RMB'000	2012 RMB'000
Revenue			
Sale of properties		**6,440,475**	3,522,162
Gross rental income		**76,719**	65,356
Property management fees		**70,930**	49,140
		6,588,124	3,636,658
Other income and gains			
Bank interest income		**43,825**	29,984
Foreign exchange gains, net	*7*	**19,943**	10,684
Gain on disposal of items of property and equipment, net		**40**	93
Gain on disposal of a subsidiary		**80,276**	–
Fair value gain on remeasurement of investments in associates		**–**	41,237
Others		**18,478**	15,629
		162,562	97,627

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2013 RMB'000	2012 RMB'000
Interest on bank and other borrowings and senior notes wholly repayable within five years	**864,862**	456,639
Increase in a discounted amount of provision for major overhauls arising from the passage of time	**737**	533
Loss on derivative financial instruments	**18,515**	13,729
Total interest expense on financial liabilities not at fair value through profit or loss	**884,114**	470,901
Less: Interest capitalised	**(638,011)**	(363,849)
	246,103	107,052

7. PROFIT BEFORE TAX

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

	Note	**2013** **RMB'000**	2012 RMB'000
Cost of properties sold		**4,697,847**	2,314,988
Cost of services provided		**44,895**	36,868
Depreciation		**29,763**	23,643
Amortisation of land lease payments		**42,181**	47,925
Amortisation of an intangible asset		**166**	167
Provision for major overhauls		**4,196**	4,014
Minimum lease payments under operating leases for land and buildings		**5,631**	2,620
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties		**409**	372
Auditors' remuneration		**2,945**	2,630
Employee benefit expense (including directors' remuneration):			
Salaries and other staff costs		**159,171**	105,101
Pension scheme contributions		**15,615**	9,901
Less: Amount capitalised		**(38,398)**	(22,796)
		136,388	92,206
Write-off of items of property and equipment		**711**	5,098
Gain on disposal of items of property and equipment, net		**(40)**	(93)
Exchange differences arising from retranslation of senior notes		**55,232**	15,957
Less: Amount recognised in other comprehensive income as a result of net investment hedge		**–**	1,042
Less: Reclassification from hedging reserve as a result of cash flow hedges		**(55,232)**	(19,545)
Net exchange differences arising from retranslation of senior notes		**–**	(2,546)
Other foreign exchange differences, net	*5*	**(19,943)**	(10,684)
Exchange differences, net		**(19,943)**	(13,230)

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2012: Nil). Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the cities in which the Group's subsidiaries operate.

	2013	2012
	RMB'000	*RMB'000*
Group:		
Current charge for the year:		
PRC corporate income tax	**337,906**	90,171
PRC land appreciation tax	**280,300**	92,301
Overprovision in prior years:		
Hong Kong	**(5,437)**	–
Mainland China	**(31,951)**	–
	580,818	182,472
Deferred	**150,260**	208,601
Total tax charge for the year	**731,078**	391,073

9. DIVIDENDS

	2013	2012
	RMB'000	*RMB'000*
Interim dividend — HK6 cents (2012: Nil) per ordinary share	**135,783**	–

The directors do not recommend payment of any final dividend for the year ended 31 December 2013.

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

The calculation of basic earnings per share amount is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 3,423,840,000 (2012: 3,423,840,000, as restated) in issue, as adjusted retrospectively to reflect the bonus issue during the year.

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

11. TRADE RECEIVABLES

The Group's trade receivables arise from the sale of properties, leasing of investment properties and provision of property management services.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of property management services. The Group generally grants a rent-free period of three months to the lessees of the Group's investment properties, extending up to six months for major customers.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2013	2012
	RMB'000	*RMB'000*
Neither past due nor impaired	**166,034**	383,980
1 to 6 months past due	**196**	1,305
7 to 12 months past due	**–**	979
Over 1 year past due	**580**	2,086
	166,810	388,350

12. TRADE PAYABLES

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

	2013	2012
	RMB'000	*RMB'000*
Within 1 year	**1,226,721**	799,618
Over 1 year	**28,407**	13,303
	1,255,128	812,921

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

13. EVENTS AFTER THE REPORTING PERIOD

On 3 January 2014, the Company, as borrower, executed a facility agreement (the "Facility Agreement") with, among others, various subsidiaries of the Group as guarantors and a syndicate of banks as lender for a 3-year dual tranche term loan facility in an aggregate amount of US$27,000,000 and HK$500,000,000 (the "Facility") to finance the repayment of certain existing indebtedness, land acquisitions and general corporate funding of the Group.

Under the Facility Agreement, Mr. Wong Chiu Yeung, the controlling shareholder and an executive Director of the Company, must (i) remain the single largest shareholder in the Company, (ii) hold legally and beneficially and directly or indirectly 40% or more of all classes of the Company's voting share capital and (iii) continue to control the Company. A breach of such requirements will constitute an event of default under the Facility Agreement and, as a result, the Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may also trigger the cross default provisions of the senior notes of RMB2 billion at a coupon rate of 10.5% due 2016 issued in January 2011 (the "2011 Senior Notes") and the senior notes of US$350 million at a coupon rate of 11.5% due 2017 issued in November 2012 and January 2013 (the "2012 Senior Notes").

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2013, recovery of the global economy remained tardy after the financial crisis, while the PRC macro-economy presented a moderate upward trend. Preliminary statistics of the National Bureau of Statistics of China showed that China's GDP was approximately RMB56.8845 trillion in 2013, representing a year-on-year increase of approximately 7.7% calculated at comparable prices; while the GDP of Fujian Province grew at a rate of up to approximately 11.0%, which was higher than the national average. For the real estate market, the PRC Central Government, which focused on making and improving a long-term mechanism designed for the macro-control of the real estate sector, implemented a differential real estate control policy, a policy under which governments at all levels may separately formulate and implement their own reasonable and feasible real estate control policies in view of local real estate market conditions.

Throughout the year of 2013, even though real estate macro-control policies were successively introduced by local governments, continued prosperity could still be seen in the PRC real estate market, particularly in the first-tier and second-tier cities where the real estate market manifested a robust growth. According to the "National Real Estate Development and Sales for 2013" issued by National Bureau of Statistics, the sales area of national commodity housing amounted to approximately 1.3 billion sq.m., representing an increase of approximately 17.3% over the last year, of which the sales area of residential housing increased by approximately 17.5%; the sales amount of national commodity housing amounted to approximately RMB8.1428 trillion, representing a year-on-year increase of approximately 26.3%, of which the sales amount of residential housing grew by approximately 26.6% over the last year.

BUSINESS REVIEW

Contracted Sales

Benefiting from the reasonable product mix and orderly marketing steps, the Group achieved a breakthrough in its sales performance. During the year, the Group and its joint ventures achieved a contracted sales area of approximately 1,020,000 sq.m. (including a contracted sales area of approximately 180,000 sq.m. from the joint ventures) and a contracted sales amount of approximately RMB10.82 billion (including a contracted sales amount of approximately RMB2.10 billion from the joint ventures), representing a significant year-on-year increase of approximately 52% and 80%, respectively. This is the first time for the Group and its joint ventures surmounting a breakthrough in contracted sales amount of over RMB10 billion, which exceeds the sales target of RMB7.5 billion originally set for the year by approximately 44%.

During the year, along with the projects launched for sales in previous years, the Group had 19 projects on sales in total, 12 of which were newly launched for sales during the year. These newly launched projects include International Finance Center • The Regent, Fortune Plaza • Marina Bay and Sunshine City in Quanzhou, SCE Mall and The Prestige in Shishi, Sunshine Town Phase 2 and World City • Parkview Bay in Nan'an, The Prestige in Xiamen, Sapphire Boomtown Phase 2 and Sunshine City Phase 1 in Zhangzhou, SCE International Community Phase 2 in Linfen and Sapphire Boomtown in Longyan. Over 95% of the sales contribution was derived from Fujian Province. During the year, the property sales distribution by city achieved by the Group and its joint ventures is set out below:

City	**Contracted Sales Area** *(sq.m.)*	**Contracted Sales Amount** *(RMB million)*
Quanzhou[1]	597,576	5,723
Xiamen	243,400	4,046
Zhangzhou	88,938	549
Others	87,794	501
Total	1,017,708	10,819

1 Refers to Greater Quanzhou, including Quanzhou, Shishi, Jinjiang and Nan'an.

During the year, the Group also received satisfactory results in recognizing revenue from property sales. In 2013, the Group recognized a delivered area of approximately 754,989 sq.m. and revenue from the property sales of approximately RMB6,440 million, representing a year-on-year increase of approximately 86.7% and 82.9%, respectively. The average unit selling price was approximately RMB8,530 per sq.m..

Project Development

Properties under development

During the year, the Group commenced the construction of a total of 12 projects to ensure sufficient saleable property units for the coming year. These 12 projects were Sunshine City Phase 1 in Shenzhen, Fortune Plaza • Marina Bay and Sunshine City in Quanzhou, SCE Mall, The Prestige and Part B of Gold Coast Phase 1 in Shishi, Sunshine Town Phase 2 and World City • Parkview Bay in Nan'an, Sunshine Park Phase 1 in Jinjiang, Part A of Sunshin City Phase 1 in Zhangzhou, Sapphire Boomtown in Longyan and SCE International Community Phase 2 in Linfen, with a total newly-commenced area of approximately 2.30 million sq.m..

As at 31 December 2013, the Group had 16 properties under development with various stages with an aggregate planned gross floor area ("GFA") of over 3 million sq.m., details of which are set out as follows:

Name of Project	City	Type of Property	Percentage of Interest Attributable to the Group *(%)*	Total Planned GFA *(sq.m.)*	Expected Completion Date *(Year)*
Sunshine City Phase 1	Shenzhen	High-rise residential and retail shops	63	268,331	2015
The Prestige (High-rise portion)	Xiamen	High-rise residential	65	71,236	2014
Fortune Plaza • Marina Bay	Quanzhou	High-rise residential and retail shops	58	233,151	2014/2015
The Regent	Quanzhou	High-rise residential, office and retail shops	34	256,196	2014
Sunshine City	Quanzhou	High-rise residential, SOHO apartments, office and retail shops	100	137,902	2015
Gold Coast Phase 1	Shishi	High-rise residential and SOHO apartments	45	287,744	2014/2015
The Prestige	Shishi	High-rise residential and retail shops	100	111,972	2015
SCE Mall	Shishi	High-rise residential, SOHO apartments, office and retail shops	60	297,529	2015
Sunshine Park Phase 1	Jinjiang	High-rise residential and retail shops	51	232,643	2015/2016
Sunshine Town Phase 2	Nan'an	High-rise residential and retail shops	100	220,229	2015/2016
World City • Parkview Bay	Nan'an	High-rise residential and retail shops	80	215,332	2015/2016
Sapphire Boomtown Phase 2	Zhangzhou	High-rise residential, SOHO apartments and retail shops	100	163,033	2014
Sunshine City Phase 1 (Part A)	Zhangzhou	High-rise residential and retail shops	70	130,742	2014/2015
Sapphire Boomtown	Longyan	High-rise residential	100	267,240	2015
Royal Spring City • Spring Villa (Except Zone A)	Anshan	Villas and retail shops	70	135,534	2014/2015
SCE International Community Phase 2	Linfen	High-rise residential and retail shops	100	55,674	2015
Total				3,084,488	

Save for the aforesaid projects, as at 31 December 2013, the joint ventures of the Group had two projects which were still under construction, namely Haicang Vanke Dream Town in Xiamen and Purple Lake International Golf Villa in Jinjiang, with an aggregate GFA of properties under development of approximately 0.48 million sq.m..

Properties held for future development

As at 31 December 2013, the Group had a land bank with an aggregate planned GFA of approximately 5.63 million sq.m. held for future development, details of which are set out as follows:

Name of Project	**City**	**Type of Property**	**Percentage of Interest Attributable to the Group**	**Total Planned GFA**
			(%)	*(sq.m.)*
Beijing Project	Beijing	Office	100	38,195
The Prestige	Shanghai	High-rise residential, villas and retail shops	100	77,628
Sapphire Boomtown	Nanchang	High-rise residential, villas and retail shops	100	301,225
Fortune Plaza • Imperial Terrace	Quanzhou	High-rise residential, SOHO apartments, office, hotel and retail shops	58	267,634
International Finance Center	Quanzhou	High-rise residential, office and retail shops	34	148,804
SCE Mall	Quanzhou	High-rise residential, SOHO apartments, office, fruit wholesale market and retail shops	60	290,000
Gold Coast (Except Phase 1)	Shishi	Residential, commercial and tourism related integrated development	45	891,692
Sapphire Residences	Jinjiang	High-rise residential and retail shops	100	163,633
World City (Except Parkview Bay)	Nan'an	SOHO apartments, office, shopping mall and retail shops	80	444,668
Sapphire Boomtown Phases 3 & 4	Zhangzhou	High-rise residential, SOHO apartments and retail shops	100	208,688
Sunshine City Phase 1 (Part B) and Phase 2	Zhangzhou	High-rise residential and retail shops	70	298,574
Sunshine City	Langfang	High-rise residential and retail shops	55	424,777
Royal Spring City (Except Phase 1)	Anshan	High-rise residential, SOHO apartments, hotel and retail shops	70	1,645,139
SCE International Community (Except Phases 1 & 2)	Linfen	High-rise residential and retail shops	100	430,204
Total				5,630,861

Save for the aforesaid projects, in November 2013, the Group and independent third parties jointly made a successful bid for two commercial land parcels located in the northern part of Hongqiao Central Business District, Shanghai, with an aggregate planned GFA of approximately 0.4 million sq.m., of which approximately 50% equity interest was held by the Group. The project will be developed into commercial and office integrated complex.

Properties completed

During the year, the Group had an area of completed properties of approximately 1.17 million sq.m., representing a sharp increase of approximately 151.5% over the last year. During the year, details of completed properties by city distribution are as follows:

City	Type of Property	Total GFA *(sq.m.)*
Quanzhou	Residential and commercial	977,653
Xiamen	Residential and commercial	161,008
Others	Residential and commercial	33,195
Total		1,171,856

Wherein, the shopping mall of Fortune Plaza • World City in Quanzhou, which was completed during the year, will be the second large-scale self-held shopping mall after World City in Beijing. It will be put into operation in the second quarter of 2014 and is expected to bring stable and considerable rental income to the Group.

Land Bank

In 2013, the Group acquired a total of eight plots of land in Shanghai, Nanchang, Jiangxi Province as well as Quanzhou and Zhangzhou, Fujian Province for a total consideration of approximately RMB7.21 billion (the consideration attributable to the Group was approximately RMB5.16 billion), with an aggregate GFA of approximately 2.01 million sq.m. (the aggregate planned GFA attributable to the Group was approximately 1.45 million sq.m.). Wherein, the successful bidding for two land parcels located in Hongqiao Central Business District and Putuo District, Shanghai represents the Group's successful penetration into the Yangtze River Delta market. Shanghai is also the third first-tier city after Beijing and Shenzhen where the Group operates its business. The remaining six projects are located in the West Taiwan Strait Economic Zone, which embodies the Group's firm adherence to the strategy of deep exploration of the market of the West Taiwan Strait Economic Zone.

As at 31 December 2013, the Group owned a land bank with an aggregate planned GFA of approximately 9.55 million sq.m. (the aggregate planned GFA attributable to the Group was approximately 6.74 million sq.m.), and the average costs for such land bank were approximately RMB1,251 per sq.m.. In addition, as at 31 December 2013, the three projects of the joint ventures of the Group including SCE Plaza in Shanghai Hongqiao Central Business District, Haicang Vanke Dream Town in Xiamen and Purple Lake International Golf Villa in Jinjiang, owned a land bank with an aggregate planned GFA of approximately 1.26 million sq.m. (the aggregate planned GFA attributable to the Group was approximately 0.41 million sq.m.). From a geographic distribution perspective, the West Taiwan Strait Economic Zone remains the Group's focus for regional development. As at 31 December 2013, approximately 65.8% of the Group's land bank was located in the West Taiwan Strait Economic Zone, approximately 25.9% in the Bohai Rim Economic Zone, approximately 4.4% in Shanghai in the Yangtze River Delta Economic Zone, and the remaining approximately 3.9% in Shenzhen in the Pearl River Delta Economic Zone. The management believes that the Group's existing land bank is sufficient to satisfy its needs for development in the coming three to four years.

OUTLOOK

Since 2013, the PRC Central Government and local governments at all levels have repeatedly introduced macro-control policies to establish a long-term effective mechanism for the macro-control of the real estate sector, which is expected to remain effective in 2014. Given a substantial rise in both sales volume and price in 2013, the management believes that the sales volume and price in the PRC real estate market will remain stable in 2014.

Faced with various uncertainties inherent in the real estate market, the Group will continue to improve in response to the ongoing macro-control policies. The Group will make a prudent plan on further development in light of its financial position.

Project Development Plans for 2014

Properties planned for commencement

In 2014, the Group will make solid progress in the development of projects. The Group has a total of 12 properties planned for commencement for the year, with an aggregate planned GFA of approximately 1.98 million sq.m.. Details of these projects are set out below:

Name of Project	City	Type of Property	Percentage of Interest Attributable to the Group (%)	Total Planned GFA (sq.m.)
Beijing Project	Beijing	Office	100	38,195
The Prestige	Shanghai	High-rise residential, villas and retail shops	100	77,628
Sapphire Boomtown	Nanchang	High-rise residential, villas and retail shops	100	301,225
Fortune Plaza • Imperial Terrace	Quanzhou	High-rise residential, SOHO apartments, office, hotel and retail shops	58	267,634
International Finance Center	Quanzhou	High-rise residential, office and retail shops	34	148,804
SCE Mall	Quanzhou	High-rise residential, SOHO apartments, office, fruit wholesale market and retail shops	60	290,000
Gold Coast Phase 2	Shishi	SOHO apartments and retail shops	45	75,433
Sapphire Residences	Jinjiang	High-rise residential and retail shops	100	163,633
Sapphire Boomtown Phase 3	Zhangzhou	High-rise residential, SOHO apartments and retail shops	100	180,280
Sunshine City Phase 1 (Part B)	Zhangzhou	High-rise residential and retail shops	70	112,078
Sunshine City Phase 1	Langfang	High-rise residential and retail shops	55	241,346
SCE International Community Phase 3	Linfen	High-rise residential and retail shops	100	82,867
Total				1,979,123

Properties planned for pre-sale

In 2014, the Group will have 10 new projects launched for pre-sale, namely Sunshine City Phase 1 in Shenzhen, Sapphire Boomtown in Nanchang, Sunshine Park Phase 1 and SCE Mall in Quanzhou, Part B of Gold Coast Phase 1 and Phase 2 in Shishi, Sapphire Residences in Jinjiang, Sapphire Boomtown Phase 3 in Zhangzhou, Sunshine City Phase 1 in Langfang and SCE International Community Phase 3 in Linfen. Along with unsold portions of the projects launched for pre-sale in previous years, the Group has a saleable area of approximately 2.3 million sq.m. planned for pre-sale in 2014. In 2014, the Group will continue to increase the proportion of contracted sales amount outside Fujian Province. It is expected that Sunshine City Phase 1 in Shenzhen, Sunshine City Phase 1 in Langfang and Sapphire Boomtown in Nanchang will bring encouraging sales results to the Group.

FINANCIAL REVIEW

Revenue

The revenue of the Group mainly includes sale of properties, rental income and property management income.

The annual revenue increased significantly by approximately 81.2% from approximately RMB3,636,658,000 in 2012 to approximately RMB6,588,124,000 in 2013, which was attributable to the significant increase in property sales income.

- **Sale of properties**

  Income from property sales increased significantly by approximately 82.9% from approximately RMB3,522,162,000 in 2012 to approximately RMB6,440,475,000 in 2013, which was mainly due to the significant increase in delivered area by approximately 86.7% from approximately 404,442 sq.m. in 2012 to approximately 754,989 sq.m. in 2013, despite the decrease in average unit selling price from approximately RMB8,709 per sq.m. in 2012 to approximately RMB8,531 per sq.m. in 2013.

- **Rental income**

  Rental income increased by approximately 17.4% from approximately RMB65,356,000 in 2012 to approximately RMB76,719,000 in 2013, which was mainly attributable to the increase in rental income from the shopping mall of World City in Beijing.

- **Property management income**

  Property management income increased by approximately 44.3% from approximately RMB49,140,000 in 2012 to approximately RMB70,930,000 in 2013, which was mainly attributable to the increase in number and floor area of properties under management.

Cost of Sales

Cost of sales increased significantly by approximately 1.0 times from approximately RMB2,352,023,000 in 2012 to approximately RMB4,742,908,000 in 2013. The increase in cost of sales was mainly attributable to the significant increase in the delivered area.

Gross Profit

Gross profit increased by approximately 43.6% from approximately RMB1,284,635,000 in 2012 to approximately RMB1,845,216,000 in 2013. Gross profit margin decreased from approximately 35.3% in 2012 to approximately 28.0% in 2013. The decrease in gross profit margin was attributable to the decrease in average unit selling price and the delivery of more mid-end products with lower gross profit margin.

Other Income and Gains

Other income and gains increased significantly by approximately 66.5% from approximately RMB97,627,000 in 2012 to approximately RMB162,562,000 in 2013. The increase in other income and gains was mainly attributable to a gain arising from the disposal of a subsidiary in 2013 amounting to approximately RMB80,276,000.

Changes in Fair Value of Investment Properties

The fair value gains of investment properties increased by approximately 57.9% from approximately RMB381,754,000 in 2012 to approximately RMB602,909,000 in 2013. The increase in the fair value of investment properties was mainly attributable to the value appreciation of the shopping malls of Fortune Plaza • World City in Quanzhou and World City in Beijing.

Selling and Marketing Expenses

Selling and marketing expenses increased by approximately 80.2% from approximately RMB102,389,000 in 2012 to approximately RMB184,547,000 in 2013. The increase in selling and marketing expenses was mainly attributable to the significant increase in the number of projects newly launched for pre-sale.

Administrative Expenses

Administrative expenses increased by approximately 16.4% from approximately RMB259,016,000 in 2012 to approximately RMB301,445,000 in 2013. The increase in administrative expenses was mainly attributable to the increase in administrative staff costs due to employment of additional management personnel and operating expenses to cope with the needs of business expansion.

Finance Costs

Finance costs increased significantly by approximately 1.3 times from approximately RMB107,052,000 in 2012 to approximately RMB246,103,000 in 2013. Finance costs mainly represented borrowing costs of partial of the 2012 Senior Notes which have not been capitalized as such proceeds have not yet been used for project developments.

Income Tax Expense

Income tax expense increased significantly by approximately 86.9% from approximately RMB391,073,000 in 2012 to approximately RMB731,078,000 in 2013. The significantly increase in income tax expense was mainly due to increase in profit before tax as a result of increase in revenue in 2013.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent increased by approximately 32.1% from approximately RMB672,003,000 in 2012 to approximately RMB887,816,000 in 2013, which was mainly attributable to the increase in revenue. Earnings per share increased by approximately 32.1% from RMB19.6 cents in 2012 to RMB25.9 cents in 2013.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash Position

As at 31 December 2013, the Group's cash and bank balances were approximately RMB4,365,274,000 (31 December 2012: approximately RMB3,128,290,000), of which approximately RMB4,071,169,000 (31 December 2012: approximately RMB2,373,094,000) was denominated in RMB, approximately RMB22,613,000 (31 December 2012: approximately RMB15,454,000) was denominated in Hong Kong dollars and approximately RMB271,492,000 (31 December 2012: approximately RMB739,742,000) was denominated in US dollars.

According to the relevant laws and regulations of the PRC, certain property development companies of the Group are required to place certain amounts of cash and bank deposits into designated bank accounts to provide guarantees for the development of the relevant properties. The Group also places certain deposits in banks in the PRC to secure certain loans from banks in Hong Kong. As at 31 December 2013, the amount of restricted cash and pledged deposits were approximately RMB1,000,670,000 (31 December 2012: approximately RMB678,069,000) and approximately RMB65,000,000 (31 December 2012: approximately RMB173,000,000), respectively.

Borrowings and Pledged Assets

As at 31 December 2013, the balances of the Group's bank and other borrowings and senior notes amounted to approximately RMB5,566,538,000 (31 December 2012: approximately RMB3,760,300,000) and approximately RMB4,132,756,000 (31 December 2012:

approximately RMB3,195,049,000), respectively. Of the bank and other borrowings, approximately RMB2,409,326,000 (31 December 2012: approximately RMB2,111,571,000) was repayable within one year, approximately RMB2,427,212,000 (31 December 2012: approximately RMB1,266,898,000) was repayable in the second year and approximately RMB730,000,000 (31 December 2012: approximately RMB381,831,000) was repayable within three to five years. The 2011 Senior Notes and the 2012 Senior Notes were for a term of five years and, unless early redeemed, will mature on 14 January 2016 and 14 November 2017, respectively.

As at 31 December 2013, approximately RMB5,566,538,000 (31 December 2012: approximately RMB3,760,300,000) of bank and other borrowings was secured by the Group's bank deposits, property and equipment, investment properties, prepaid land lease payments, properties under development and completed properties held for sale with a total carrying value of approximately RMB10,979,835,000 (31 December 2012: approximately RMB7,708,590,000). The 2011 Senior Notes and the 2012 Senior Notes were guaranteed by certain subsidiaries of the Company and secured by pledges over their capital stocks.

As at 31 December 2013, except for certain bank borrowings of approximately RMB210,821,000 (31 December 2012: approximately RMB493,727,000) which were denominated in Hong Kong dollars and a bank borrowing of approximately RMB121,808,000 (31 December 2012: Nil) and the 2012 Senior Notes of approximately RMB2,156,656,000 (31 December 2012: RMB1,228,886,000) which were denominated in US dollars, all the Group's bank and other borrowings were denominated in Renminbi. The 2011 Senior Notes were denominated in Renminbi but have been swapped into US dollars by the various cross currency swap contracts entered into by the Group in 2012.

As at 31 December 2013, except for certain bank borrowings of RMB334,000,000 (31 December 2012: Nil) bearing interest at fixed interest rate, all the Group's bank borrowings bear interest at floating interest rate. As at 31 December 2013 and 31 December 2012, other borrowings, the 2011 Senior Notes and the 2012 Senior Notes bear interest at fixed interest rate.

Gearing Ratio

The net gearing ratio was calculated by dividing the net amount of borrowings (including bank and other borrowings, the 2011 Senior Notes and the 2012 Senior Notes after deduction of cash and cash equivalents, restricted cash and pledged deposits) by total equity. As at 31 December 2013, the net gearing ratio was 62.7% (31 December 2012: 55.3%).

Exchange Rate Fluctuation Exposures

The majority of the Group's income, expenses, bank deposits and bank and other borrowings are denominated in Renminbi. Save as certain bank deposits, bank borrowings and the 2012 Senior Notes which were denominated in foreign currencies, exchange rate changes of Renminbi against other currencies will not have a material adverse effect on the operation of the Group. In addition, the Group had entered into various cross currency swap contracts in 2012 in order to manage foreign currency risk arising from retranslation of the 2011 Senior Notes held by the Company.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group provided financial guarantees to the banks in respect of the following items:

	2013	2012
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties	**4,645,945**	2,877,392

In addition, the Group's share of the joint ventures' own financial guarantees, which are not included in the above, is as follows:

	2013	2012
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities provided for certain purchasers of the joint ventures' properties	**332,591**	75,804

CAPITAL COMMITMENTS

As at 31 December 2013, the capital commitments of the Group were as follows:

	2013	2012
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for properties under development, prepaid land lease payments and construction of investment properties in Mainland China	**5,711,876**	2,759,219

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	2013	2012
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Capital expenditure for joint ventures' properties under development in Mainland China	**197,969**	54,056

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2013, the Group had a total of 1,972 employees (31 December 2012: 1,600 employees). The total cost of employees was approximately RMB174,786,000 (2012: approximately RMB115,002,000). The Group provides employees with competitive remuneration and benefits, and the remuneration policy is reviewed on a regular basis based on the performance and contribution of the employees and the industry remuneration level. In addition, the Group also provides various training courses to enhance its employees' skills and capabilities in all aspects.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**Annual General Meeting**") of the Company will be held on 10 June 2014. Notice of the Annual General Meeting will be published and dispatched in accordance with the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting to be held on Tuesday, 10 June 2014, the register of members of the Company will be closed from Friday, 6 June 2014 to Tuesday, 10 June 2014, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 5 June 2014.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") on 6 January 2010 in compliance with Rule 3.21 of the Listing Rules. The Audit Committee comprises three independent non-executive Directors, with Mr. Ting Leung Huel Stephen as the chairman, Mr. Lu Hong Te and Mr. Dai Yiyi as members. Mr. Ting Leung Huel Stephen, the chairman of the Audit Committee, has considerable experience in accounting and financial management, which is in line with the requirement of Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed the accounting policies adopted by the Group, the consolidated financial statements of the Group for the year ended 31 December 2013 and this annual results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct for securities transactions by Directors. The Company has made specific enquiries to all Directors and all Directors have confirmed that they have strictly complied with the Model Code during the year under review.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE

During the year ended 31 December 2013, the Company and the Board have been in compliance with the code provisions of the Corporate Governance Code (the "**Code**") set out in Appendix 14 to the Listing Rules, save as disclosed below:

Under Paragraph A.2.1 in of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Mr. Wong Chiu Yeung performed his duties as both the Chairman and the Chief Executive Officer of the Company. The Board believes that the serving by the same individual as Chairman and Chief Executive Officer during the rapid development of the business is beneficial to the consistency of business plans and decision-making of the Company.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND OF THE COMPANY

This results announcement of the Company for the year ended 31 December 2013 is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.sce-re.com.

By order of the Board
China SCE Property Holdings Limited
Wong Chiu Yeung
Chairman

Hong Kong, China, 18 March 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Wong Chiu Yeung, Mr. Chen Yuanlai, Mr. Cheng Hiu Lok, Mr. Li Wei and Mr. Huang Youquan; and the independent non-executive Directors are Mr. Ting Leung Huel Stephen, Mr. Lu Hong Te and Mr. Dai Yiyi.