Poly Property Group Co., Limited
保 利 置 業 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 119)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2013

FINANCIAL HIGHLIGHTS

1. Turnover increased by 38.3% to HK$28,625 million, with property development business making up the greatest proportion of about 95.8% of the turnover.

2. Profit for the year increased by 6.5% to HK$3,241 million.

3. Basic earnings per share increased by 2.6% to 74.74 cents.

RESULTS

The directors (the "Directors") of Poly Property Group Co., Limited (the "Company") announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2013 with comparative figures for the previous year ended 31st December, 2012 as follows:

CONSOLIDATED INCOME STATEMENT

	Notes	**2013**	2012
		HK$'000	*HK$'000*
Revenue	*2*	**28,625,008**	20,695,429
Cost of sales		**(21,918,810)**	(14,408,157)
Gross profit		**6,706,198**	6,287,272
Increase in fair value of investment properties		**1,061,102**	444,503
Other income		**582,559**	232,773
Selling expenses		**(875,134)**	(619,864)
Administrative expenses		**(1,605,004)**	(1,367,918)
Increase (decrease) in fair value of held-for-trading investments		**232**	(42)
Gain on disposal of interests in subsidiaries		**459,938**	18,654
Loss on disposal of interest in an associate		**(24,899)**	–
Impairment loss on properties under development		**(90,454)**	–
Finance costs	*3*	**(777,749)**	(417,965)
Share of results of associates		**67**	12,297
Share of results of joint ventures		**25,146**	(8,500)
Profit before taxation	*4*	**5,462,002**	4,581,210
Income tax expense	*5*	**(2,220,504)**	(1,538,500)
Profit for the year		**3,241,498**	3,042,710
Attributable to:			
Owners of the Company		**2,715,626**	2,629,820
Non-controlling interests		**525,872**	412,890
		3,241,498	3,042,710
Earnings per share	*7*		
– basic		**74.74 cents**	72.88 cents
– diluted		**74.45 cents**	72.64 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**3,241,498**	3,042,710
Other comprehensive income		
Exchange differences arising on translation of financial statements of foreign operations	**529,979**	(123)
Change in fair value of available-for-sale investments	**26,620**	(19,332)
Surplus arising on revaluation of properties	**30,926**	1,863
Translation reserve released on disposal of interests in subsidiaries	**–**	(707)
Other comprehensive income (loss) before tax effect	**587,525**	(18,299)
Deferred tax liability arising on revaluation of properties	**(7,732)**	(466)
Other comprehensive income (loss) for the year, net of tax	**579,793**	(18,765)
Total comprehensive income for the year	**3,821,291**	3,023,945
Attributable to:		
Owners of the Company	**3,163,793**	2,612,433
Non-controlling interests	**657,498**	411,512
	3,821,291	3,023,945

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2013 *HK$'000*	2012 *HK$'000*
NON-CURRENT ASSETS			
Investment properties		**8,522,004**	7,085,190
Property, plant and equipment		**2,171,728**	1,933,484
Prepaid lease payments – non-current portion		**412,384**	404,004
Goodwill		**484,204**	553,051
Interests in associates		**320,001**	40,696
Interests in joint ventures		**389,711**	63,144
Available-for-sale investments		**155,703**	129,051
Club membership		**1,257**	1,226
Deposits paid for acquisition of land use rights		**797,342**	447,593
Deposits paid for acquisition of subsidiaries		**253,165**	259,259
Deferred tax assets		**424,348**	288,074
		13,931,847	11,204,772
CURRENT ASSETS			
Properties under development		**53,382,138**	63,530,405
Properties held for sale		**20,544,333**	13,373,329
Other inventories		**117,825**	64,293
Trade and other receivables	*8*	**3,907,545**	2,879,566
Prepaid lease payments – current portion		**12,189**	11,674
Short-term loan receivables		**–**	–
Held-for-trading investments		**972**	740
Deposit paid for acquisition of a property development project		**–**	190,894
Amounts due from joint ventures		**1,790,096**	2,296
Amount due from a fellow subsidiary		**–**	11,313
Amounts due from non-controlling shareholders of subsidiaries		**400,991**	799,989
Amounts due from associates		**467,874**	–
Taxation recoverable		**772,808**	396,455
Pledged bank deposits		**667,953**	962,274
Bank balances, deposits and cash		**14,826,081**	14,307,863
		96,890,805	96,531,091

	Notes	2013 *HK$'000*	2012 *HK$'000*
CURRENT LIABILITIES			
Trade and other payables	*9*	**9,179,335**	8,853,339
Pre-sale deposits		**19,245,408**	18,520,967
Property rental deposits		**95,026**	99,396
Amount due to the ultimate holding company		**438,052**	427,236
Amount due to an intermediate holding company		**26,409**	770,672
Amounts due to fellow subsidiaries		**2,215,657**	2,453,119
Amounts due to non-controlling shareholders of subsidiaries		**1,809,525**	2,657,543
Amounts due to joint ventures		**31,081**	–
Taxation payable		**1,837,665**	1,638,757
Bank and other borrowings – due within one year		**15,455,479**	14,845,813
		50,333,637	50,266,842
NET CURRENT ASSETS		**46,557,168**	46,264,249
TOTAL ASSETS LESS CURRENT LIABILITIES		**60,489,015**	57,469,021
CAPITAL AND RESERVES			
Share capital		**1,822,319**	1,804,219
Reserves		**27,794,728**	25,268,367
Equity attributable to owners of the Company		**29,617,047**	27,072,586
Non-controlling interests		**2,985,097**	2,974,768
TOTAL EQUITY		**32,602,144**	30,047,354
NON-CURRENT LIABILITIES			
Bank and other borrowings – due after one year		**22,665,146**	25,869,481
Notes payable		**3,900,000**	–
Amount due to an intermediate holding company		**–**	370,370
Loan from a fellow subsidiary		**227,848**	222,222
Deferred tax liabilities		**1,093,877**	959,594
		27,886,871	27,421,667
		60,489,015	57,469,021

Notes:

1. Application of new and revised Hong Kong Financial Reporting Standards

(a) Initial application of Hong Kong Financial Reporting Standards

In the current year, the Group initially applied the following Hong Kong Financial Reporting Standards:

HKAS 19 (2011)	Employee Benefits
HKAS 27	Separate Financial Statements
HKAS 28	Investments in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Annual improvements to HKFRSs (2009–2011)	Amendments to HKAS 1, HKAS 16 and HKAS 32

The initial application of these financial reporting standards does not necessitate material changes in the Group's accounting policies except the following:

(i) HKFRS 10 "Consolidated Financial Statements" modifies the concept of "control" substantially. The Group's adoption of this new concept of control does not result in a change in the classification of investments in subsidiaries and other entities;

(ii) HKFRS 11 "Joint Arrangements" introduces the concepts of "joint venture" and "joint operations". The Group's adoption of these new concepts does not result in a change in the classification and measurement of investments in joint ventures and other entities; and

(iii) HKFRS 13 "Fair Value Measurement" introduces a number of new concepts and principles regarding fair value measurement. The Group's adoption of these new concepts and principles does not result in a change in the fair value measurements of its assets and liabilities.

The initial application of these financial reporting standards does not necessitate retrospective adjustments of the comparatives presented in the consolidated financial statements.

(b) Hong Kong Financial Reporting Standards in issue but not yet effective

The following Hong Kong Financial Reporting Standards in issue at 31st December, 2013 have not been applied in the preparation of the Group's consolidated financial statements for the year then ended since they were not yet effective for the annual period beginning on 1st January, 2013:

HKFRS 9	Financial Instruments
HK(IFRIC) – Int 21	Levies
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Amendments to HKFRS 10	Investment Entities

The Group is required to initially apply these standards and amendments in its annual consolidated financial statements beginning on 1st January, 2014, except that the Group is required to initially apply Amendments to HKAS 19 in its annual consolidated financial statements beginning on 1st January, 2015. HKFRS 9 does not have a mandatory effective date.

2. Segment and entity-wide information

Reportable segments

For management purposes, the Group is organised into four operating divisions. These divisions are the basis on which the Group reports its segment information.

Principal activities are as follows:–

Property development business	–	property development
Property investment and management	–	property investment and management
Hotel operations	–	hotel and restaurant business and its related services
Other operations	–	manufacturing and sales of digital discs and others

Information about these segments is presented below:–

For the year ended 31st December, 2013

	Property development business *HK$'000*	Property investment and management *HK$'000*	Hotel operations *HK$'000*	Other operations *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
REVENUE						
External revenue	27,427,384	874,525	199,773	123,326	–	28,625,008
Inter-segment revenue*	–	81,670	–	–	(81,670)	–
Total revenue	27,427,384	956,195	199,773	123,326	(81,670)	28,625,008
SEGMENT RESULT	4,295,983	1,325,228	(34,817)	18,719	–	5,605,113
Unallocated income						366,236
Unallocated expenses						(101,396)
Gain on disposal of interests in subsidiaries	316,558	143,380	–	–	–	459,938
Loss on disposal of interest in an associate	(24,899)	–	–	–	–	(24,899)
Impairment loss on properties under development	(90,454)	–	–	–	–	(90,454)
Finance costs						(777,749)
Share of results of associates	67	–	–	–	–	67
Share of results of joint ventures	33,520	–	–	(8,374)	–	25,146
Profit before taxation						5,462,002
Income tax expense						(2,220,504)
Profit for the year						3,241,498

* *Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.*

For the year ended 31st December, 2012

	Property development business *HK$'000*	Property investment and management *HK$'000*	Hotel operations *HK$'000*	Other operations *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
REVENUE						
External revenue	19,675,513	687,068	202,468	130,380	–	20,695,429
Inter-segment revenue*	–	19,929	–	–	(19,929)	–
Total revenue	19,675,513	706,997	202,468	130,380	(19,929)	20,695,429
SEGMENT RESULT	4,287,571	688,311	(32,503)	16,992	–	4,960,371
Unallocated income						124,617
Unallocated expenses						(108,264)
Gain on disposal of interests in subsidiaries	18,654	–	–	–	–	18,654
Finance costs						(417,965)
Share of results of associates	12,297	–	–	–	–	12,297
Share of results of joint ventures	(253)	–	–	(8,247)	–	(8,500)
Profit before taxation						4,581,210
Income tax expense						(1,538,500)
Profit for the year						3,042,710

* *Inter-segment revenue were charged with reference to prices charged to external parties for similar services or products.*

3. Finance costs

	2013 ***HK$'000***	2012 *HK$'000*
Interest on bank and other borrowings:–		
– wholly repayable within five years	**3,612,316**	3,972,940
– not wholly repayable within five years	**64,647**	139,730
Imputed interest expense on loan from a fellow subsidiary	**–**	12,579
Total borrowing costs	**3,676,963**	4,125,249
Less: amounts capitalised	**(2,899,214)**	(3,707,284)
	777,749	417,965

Borrowing cost capitalised during the year arose from specific borrowings.

4. Profit before taxation

	2013	2012
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging and (crediting):–		
Amortisation of prepaid lease payments (included in administrative expenses)	**11,783**	11,565
Depreciation of property, plant and equipment	**134,497**	127,670
Total depreciation and amortisation	**146,280**	139,235
Loss on disposal of property, plant and equipment	**702**	7,693
Loss/(gain) on disposal of investment properties	**10,605**	(40,246)

5. Income tax expense

	2013	2012
	HK$'000	*HK$'000*
The charge comprises:–		
Hong Kong Profits Tax	**–**	–
PRC Enterprise Income Tax	**984,686**	1,209,016
Land appreciation tax ("LAT")	**1,123,947**	319,240
Deferred taxation	**111,871**	10,244
	2,220,504	1,538,500

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made as there is no assessable profit for both years.

The PRC statutory enterprise income tax is calculated at 25% based on the estimated assessable profit for the year.

Certain PRC subsidiaries are also subject to the PRC LAT which is levied at progressive rates ranging from 30% to 60% on the appreciation of properties, being the proceeds from sales of properties less deductible expenditure including costs of land use rights and development and construction.

6. Dividends

	2013	2012
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:–		
2012 final dividend of HK$0.218 per share (2012: HK$Nil for 2011)	**794,465**	–

No interim dividend was paid for both years.

The Directors of the Company recommend the payment of a final dividend of HK$0.223 per share for the year ended 31st December, 2013 (2012: HK$0.218 per share).

7. Earnings per share

The calculation of the basic and diluted earnings per share for the year is based on the following data:–

	2013	2012
	HK$'000	*HK$'000*
Earnings:–		
Profit for the year attributable to owners of the Company	**2,715,626**	2,629,820

	2013	2012
Number of shares:–		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**3,633,619,939**	3,608,437,046
Effect of dilutive potential ordinary shares on share options	**14,110,712**	12,065,273
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**3,647,730,651**	3,620,502,319

8. Trade and other receivables

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**1,405,382**	1,075,497
Less: Allowance for doubtful debts	**(12,684)**	(13,535)
	1,392,698	1,061,962
Bills receivables	**29,420**	17,602
Other receivables (net of allowance of HK$25,933,000) (2012: HK$32,549,000)	**2,485,427**	1,800,002
Total trade and other receivables	**3,907,545**	2,879,566

The credit terms in connection with sales of properties granted to the customers are set out in the sale and purchase agreements and vary from agreements. There is no concentration of credit risk with respect to trade receivables arise from sales of properties as the Group has numerous customers. In respect of sales of goods granted to trade customers, the Group allows an average credit period of 30 to 90 days. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the end of the reporting period:–

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**1,180,640**	828,027
31 to 90 days	**10,040**	52,977
More than 90 days	**202,018**	180,958
	1,392,698	1,061,962

9. Trade and other payables

The following is an aged analysis of trade payables at the end of the reporting period:–

	2013	2012
	HK$'000	*HK$'000*
0 to 30 days	**3,526,253**	3,648,694
31 to 90 days	**241,356**	49,715
More than 90 days	**2,168,430**	623,543
Total trade payables	**5,936,039**	4,321,952
Bills payables	**847,160**	1,161,597
Other payables	**2,396,136**	3,369,790
Total trade and other payables	**9,179,335**	8,853,339

The average credit period is 90 days. The Group has financial risk management policies in place to ensure that all payable is within the credit time frame.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK$0.223 per share (2012: HK$0.218) for the year ended 31st December, 2013. The proposed final dividend will be paid on 27th June, 2014 to the shareholders whose names appear on the register of members of the Company on 13th June, 2014 if this proposal is approved by the Company's shareholders at the forthcoming annual general meeting.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 11th June, 2014 to 13th June, 2014 (both dates inclusive), during which period no share transfer will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 10th June, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Operating Conditions

In 2013, the Group recorded a turnover of HK$28,625,008,000 (corresponding period in 2012: HK$20,695,429,000), representing an increase of 38.3% as compared with the corresponding period last year. Profit attributable to shareholders amounted to HK$2,715,626,000 (corresponding period in 2012: HK$2,629,820,000), representing an increase of 3.3% as compared with the corresponding period last year. Basic earnings per share was HK74.74 cents (corresponding period in 2012: HK72.88 cents), while diluted earnings per share was HK74.45 cents (corresponding period in 2012: HK72.64 cents), representing an increase of 2.6% and 2.5% respectively as compared with the corresponding period last year. The Board of Directors of the Group has recommended the payment of a final dividend of HK22.30 cents per share.

As at 31st December, 2013, total shareholders' equity of the Group amounted to HK$29,617,047,000 (31st December, 2012: HK$27,072,586,000) and net asset value per share was HK$8.13 (31st December, 2012: HK$7.50).

Property Development

During the period, the gross floor area of newly commenced construction completed by the Group was approximately 2,640,000 square metres. The contracted area sold was approximately 2,500,000 square metres, of which 43 were on-going projects and 8 were debut launches; gross floor area of completed construction was approximately 4,740,000 square metres. As at 31st December, 2013, the Group held 65 projects, either under development or land parcel reserved for future development, covering a gross floor area of approximately 22,870,000 square metres.

Property Sales

In 2013, real estate policies have followed last year's stance to boost supply and further liberalise the market, which becomes the main theme of the new government. The property market rebounded in 2013, with housing prices rising in major cities and land prices and transaction areas both increasing. Sales areas and volume of commodity properties reached new heights. In first-tier and second-tier cities, prices continued to rise as supply was lower than demand. Third-tier and fourth-tier cities had relatively higher levels of inventory which were being sold at a slower rate, further intensifying market disparity.

During 2013, facing the complicated real estate policies and market, the Group adopted proactive measures and adhered to its market-oriented approach. Through accurate projects and products positioning, the Group prioritised the development of small-and-medium-sized mass residential housing that catered to the genuine housing demand, which contributed to the consistent growth in the sales. During the period, the Group reached a record high in sales, which amounted to approximately RMB26.7 billion, representing an increase of 14% as compared with the RMB23.4 billion in 2012, with a 5-year compound growth rate of approximately 62%. Five areas recorded sales amounting to over RMB2 billion, namely Shanghai, Guangxi, Guangdong, Shandong and Guizhou. Among the 20 cities where the Group had presence, market shares in Zunyi, Liuzhou and Deqing ranked top, while the market shares in Yuyao, Guiyang, Harbin and Weihai were amongst the top three, and market shares in Nanning and Jinan were amongst the top five.

Contracted Sales in 2013 by Region

Region	**Amount** *(RMB million)*			**Area** *('000 square metres)*		
	2013	2012	Change %	2013	2012	Change %
Yangtze River Delta Region	8,349	6,444	+30%	563	440	+28%
Pearl River Delta Region	4,351	3,644	+19%	399	394	+1%
Southwestern Region	7,355	7,959	-8%	910	1,109	-18%
Other Regions	5,928	5,117	+16%	624	569	+10%
Total	**25,983**	**23,164**	**+12%**	**2,496**	**2,512**	**-0.6%**

*Note: Car park sales were not included

New Land Bank Acquisition

In 2013, the Group acquired 12 land parcels in 10 cites, namely Shanghai, Guangzhou, Foshan, Shenzhen, Guiyang, Nanning, Wuhan, Jinan, Yantai and Harbin. The land parcels had a total site area of approximately 1,229,000 square metres with a total planned gross floor area of approximately 5,040,000 square metres. During the period, the Group primarily focused on rapid rolling development, such as replenishment of residential properties.

Land Parcels Acquired in 2013

Land parcel/Project	Usage	Total site area (’000 square metres)	Planned gross floor area (’000 square metres)	Interests attributable to the Group (as of 31st December, 2013) (%)	Current project status (as of 28th February, 2014)
Shanghai Songjiang Sijing Project	Residential	84	232	50%	Under construction
Guangzhou Poly Up House	Residential	33	151	100%	Under planning
Guangzhou Poly Gratified West Bay	Residential & commercial	127	641	55%	Under planning
Guangzhou Nansha Project	Residential	199	833	49%	Under planning
Foshan Poly Central Park	Residential & commercial	172	668	100%	Under construction
Shenzhen Poly Joy-Zone	Residential & commercial	40	138	70%	Under construction
Guiyang Poly Phoenix Bay	Residential & commercial	186	929	51%	Under construction
Nanning Poly Dream River	Residential	82	210	30%	Under construction
Wuhan Poly Up Town	Residential & commercial	150	799	50%	Under planning
Jinan Poly Center (Phase II)	Residential	20	103	85%	Under planning
Yantai Poly Blossom Garden	Residential	71	147	55%	Under construction
Harbin Qunli Project	Residential	65	190	100%	Under planning
Total:		1,229	5,041		

Summary of Newly Acquired Projects in 2013

1. *Shanghai Songjiang Sijing Project*

Shanghai Songjiang Sijing Project is located in Shanghai Songjiang Sijing area. It neighbours Henggang Road on the east, Sifeng Highway on the south, Xianghui Road (under planning) on the west and Sibao Road on the north. It is only 150 metres away from the Sijing station of Metro Line 9. The project has a total site area of approximately 80,000 square metres and a gross floor area of approximately 230,000 square metres. It is planned to be developed into an integrated community featuring commercial and residential establishments.

2. Guangzhou Poly Up House

Guangzhou Poly Up House is located in the central living area of Auto Center, neighbouring Huadu central business district on the east. Not only does the project enjoy a premium living environment and ancillary facilities, it is also highly accessible to transportation system. The project is only 800 metres away from the Auto Center station of Metro Line 9, 900 metres away from the Xinhua Exit of Guangzhou-Qingyuan Expressway, 2 kilometres away from the Guangzhou North Railway Station, 6 kilometres away from the Huadu District Government Building, and approximately a 40-minute drive away from the downtown area of Guangzhou. The project has a total site area of approximately 30,000 square metres and a gross floor area of approximately 150,000 square metres. It is planned to be developed into a residential community primarily comprising high-rise residential buildings.

3. Guangzhou Poly Gratified West Bay

Guangzhou Poly Gratified West Bay is located at the critical transportation juncture between Guangzhou and Foshan. It is 800 metres away from the Kengkou Station of Guangzhou Metro Line 1 and 1,000 metres away from the Fangcun bus station (芳村汽車站). It connects with Tianhe District via six roads, such as the Pearl River Tunnel (珠江隧道) and the He Dong Bridge (鶴洞大橋), and is highly accessible by only a few minutes drive from the downtown area of Nanhai District, Foshan. It is well served by education, healthcare and community facilities, and is designed to be the future center of the Guangzhou-Foshan Metropolitan Area. The project covers a site area of approximately 130,000 square metres, with a planned gross floor area of approximately 640,000 square metres. It will be developed into an integrated community consisting of both commercial and residential units. The residential portion mainly comprises small-and-medium-sized units under 100 square metres, which primarily caters to the genuine demands of the first time home buyers.

4. Guangzhou Nansha Project

Nansha District, where Guangzhou Nansha Project is located, is at the south end of Guangzhou and is also at the center of the Great Pearl River Delta. Linking city clusters on both sides of the Pearl River Estuary, 38 sea miles away from Hong Kong and 41 sea miles away from Macau, Nansha District is an important window for South China. The project is located at east of Huangge Avenue (黃閣大道), Nansha District, Guangzhou, west of Datang Village, Huangge Town (黃閣鎮大塘村), and south of GAC-TOYOTA Auto City (廣汽豐田汽車城). It is approximately a 45-minute drive away from the Pearl River New City (珠江新城), and 6-minute drive away from the Nansha Government Building (南沙區政府). It enjoys convenient transportation, and adjoins a well established transportation network, covering the Guanfo Expressway (莞佛高速), the Nansha Harbour Expressway (南沙港快線) and the Guangzhou-Shenzhen-Hong Kong Express Rail Link (廣深港高鐵). The project covers a total site area of approximately 200,000 square metres with a planned gross floor area of approximately 830,000 square metres. It will be developed into a residential community consisting of functional apartments of 70-110 square metres, to meet genuine housing demand, most of which are compact and improving-type three-bedroom units.

5. Foshan Poly Central Park

Foshan Poly Central Park is located in the transport interchange center of Guangzhou, Foshan, Shunde and Panyu, making it highly accessible. It is only a five-minute drive from the Shunde Station of the Guangzhou-Zhuhai Intercity Railway and a ten-minute drive from the Guangzhou South Railway Station. The project is situated in the developing area of the north wing of Shunde New City, at the junction of Daliang Avenue and Lunjiao Avenue, and enjoys extensive ancillary facilities of these two regions. Northwest of the project is Lunjiao New City which features a new administrative region, schools and hospitals. The project has a site area of approximately 170,000 square metres and a planned gross floor area of approximately 670,000 square metres. It is planned to be developed into a large-scale commercial and residential community in Shunde New City.

6. Shenzhen Poly Joy-Zone

Shenzhen Poly Joy-Zone is located at Longguan East Road, Longhua, Bao'an District, opposite to the Longhua Long Distance Transportation Terminal (龍華長途汽車客運站), and is less than 800 metres straight-line distance from the Qinghu Station of the Longhua Line of Shenzhen Metro. Situated at the center of the expressway network in Shenzhen, the project enjoys a convenient transportation, north to the Jihe Expressway (機荷高速) (east-west direction) via Guanlan Avenue (觀瀾大道), east to Meiguan Expressway (梅觀高速) (south-north direction). The project covers a total site area of approximately 40,000 square metres with a planned gross floor area of approximately 140,000 square metres. It will be developed into a residential community for the white-collar, consisting of small-to-medium sized high-rise apartments from 70 to 120 square metres.

7. Guiyang Poly Phoenix Bay

Guiyang Poly Phoenix Bay is adjacent to Huaxi Avenue on the west, Sifanghe Road on the south, Yuchang Road on the north and foothill of Phoenix Hill on the east. Its south, west and north sides are surrounded by Nanming River and residents here can enjoy the picturesque landscape of Nanming River Peninsula. The project is in close proximity to Huaxi Avenue, Jiaxiu South Road and Shachong Road, the trunk roads that pass through Guiyang from the north to the south. There is a planned light rail station nearby. The project is situated in a prime location, only about 12 kilometres away from the airport and 7 kilometres away from the downtown area. In addition, the project is next to the city center and has convenient access to administrative, commercial, education, health care, financial and other ancillary facilities in peripheral regions. The project has a site area of approximately 190,000 square metres and a planned gross floor area of approximately 930,000 square metres. It is planned to be developed into an integrated community comprising residential, commercial and office building establishments.

8. Nanning Poly Dream River

Nanning Poly Dream River is located in the south of Liusha Peninsula and to the north of Qinghuan Road, a traditional high-end residential cluster of Nanning. It faces the District Party School of Guangxi, the state guesthouse Liyuan Resort and Qing Xiu Mountain Golf

Course on the east, Liusha Eco Park on the west, a park under construction with a planned gross floor area of approximately 300,000 square metres, as well as a spectacular 270-degree view of river on the south. The project has a site area of approximately 80,000 square metres and a planned gross floor area of approximately 210,000 square metres. It is planned to be developed into a residential community primarily comprising 90 to 120 square metres garden view high-rises and river view penthouse apartments.

9. Wuhan Poly Up Town

Wuhan Poly Up Town is located in Hongshan Administrative District, Wuhan. It faces Jiangguo Road on the north, Zhangjiawan Secondary School on the south, Baishazhou Avenue on the west and Metro Line 5 on the east. Situated at the Baishazhou area where its educational, medical and commercial facilities are comprehensive and the residential atmosphere is good, the project has a site area of approximately 150,000 square metres and a total gross floor area of approximately 800,000 square metres. It is planned to be developed into a high quality large-scale integrated residential and commercial area in south Wuchang.

10. Jinan Poly Center (Phase II)

Jinan Poly Center is located next to the Jiaoji Railway and at the cross of Jing Yi Road and Wei Shier Road (經一緯十二路), Huaiyin District, Jinan. Situated at the West Market (西市場), a business district in the west of Jinan with a hundred-year history, which attracts massive traffic, logistics and capital, the project enjoys a mature business atmosphere and great prospects of development for commercial properties. The project was acquired in phases, of which Phase II covers a site area of approximately 20,000 square metres with a planned gross floor area of approximately 100,000 square metres. The project is planned to be a large-scale complex comprising residentials, apartments, offices and commercial buildings.

11. Yantai Poly Blossom Garden

Yantai Poly Blossom Garden neighbours Qingnian South Road on the east, Sanhe Road on the west, Sanhe Jiayuan（三和家苑）on the south and Shanyu Shijia（山語世家）on the north. The project is located in the core area of the planned Southern New City of Yantai. It is to the west of Qingnian South Road, a crucial traffic hub of Yantai, and therefore the transportation system is highly accessible. The project comprises a complete set of education, living, municipal and other ancillary facilities, with a site area of approximately 70,000 square metres and a total gross floor area of approximately 150,000 square metres. The project is planned to be developed into an integrated residential community comprising commodity housings and apartments.

12. Harbin Qunli Project

Harbin Qunli Project is located in the Qunli new district, a popular development spot in Harbin. The project extends to Langjiang road on the east, the 5th Avenue on the south, Sanhuan road on the west and River Landscape on the north. With the continued development of commercial complexes such as Yuanda, Yintai and Star Capital, the commercial ancillary facilities are improving, and the living standards have also been elevated. The project covers a site area of approximately 60,000 square metres with a planned gross floor area of approximately 190,000 square metres. It will be developed into a residential community consisting of both high-rise and mid-rise apartments.

Projects under Construction and Projects under Planning

As at 31st December, 2013, the Group held a total of 65 commodity properties and integrated development projects in 20 cities. Among the gross floor area, approximately 20% and 17% are located in Yangtze River Delta and Pearl River Delta regions, respectively; approximately 42% and 21% are located in cities in the southwestern region and other regions, respectively. The Group possessed 41 projects under construction with a total gross floor area of approximately 8,810,000 square metres (attributable area approximately amounted to 7,410,000 square metres), and land reserved for future development with planned gross floor area of approximately 14,060,000 square metres (attributable area approximately amounted to 9,030,000 square metres).

List of Projects under Construction and Projects under Planning as at 31st December, 2013

Project	Gross floor area under construction *('000 square metres)*	Planned gross floor area *('000 square metres)*	Interest attributable to the Group *(%)*
Yangtze River Delta Region			
1. Shanghai Poly Town	128	–	100%
2. Shanghai Poly Deluxe Mansion	184	–	100%
3. Shanghai Poly Elegant Mansion	113	–	100%
4. Shanghai Poly Star Island	479	–	100%
5. Shanghai Poly Felicity	99	–	100%
6. Shanghai Phili Mansion	119	198	25%
7. Shanghai Songjiang Sijing Project	–	232	50%
8. Suzhou Poly West Bank Villa	278	82	100%
9. Suzhou Poly Lake Mansion	250	601	100%
10. Ningbo Poly City	460	299	100%
11. Ningbo Poly Jordan International	284	283	100%
12. Deqing Poly Origin	280	118	100%
Sub Total	2,674	1,813	
Pearl River Delta Region			
13. Guangzhou Poly Golf Shire	193	–	51%
14. Guangzhou Poly Zephyr City	240	–	100%
15. Guangzhou Poly Gratified West Bay	–	641	55%
16. Guangzhou Poly Up House	–	151	100%
17. Guangzhou Nansha Project	–	833	49%
18. Foshan Poly Prestige City	135	66	100%
19. Foshan Poly Central Park	103	565	100%
20. Shenzhen Poly Up Town	154	–	70%
21. Shenzhen Poly Joy-Zone	138	–	70%
22. Huizhou Poly Deutch Kultur	171	84	80%
23. Huizhou Poly Sunshine Town	153	366	70%
Sub Total	1,287	2,706	

Project	Gross floor area under construction *('000 square metres)*	Planned gross floor area *('000 square metres)*	Interest attributable to the Group *(%)*
Southwestern Region			
24. Guiyang Poly Hot Spring Newisland	12	–	66.5%
25. Guiyang Poly Spring Street	74	182	66.5%
26. Guiyang Poly Park 2010	444	1,136	100%
27. Guiyang Poly The Place of A Lake	222	566	50%
28. Guiyang Poly Phoenix Bay	5	924	51%
29. Zunyi Poly Metropolis of Future	674	3,257	35%
30. Nanning Poly Crescendo	157	178	100%
31. Nanning Poly Aegean Sea	375	–	100%
32. Nanning Poly Dream River	83	128	30%
33. Liuzhou Poly Merization World	560	178	100%
34. Kunming Poly Sky and Earth	361	–	90%
35. Chongqing Poly Spring Villa	8	–	51%
Sub Total	2,975	6,549	
Other Regions			
36. Wuhan Poly City	649	845	68%
37. Wuhan Yangyuan Project	–	130	51%
38. Wuhan Poly Park	–	110	55%
39. Wuhan Poly Up Town	–	799	50%
40. Harbin The Tsinghua Summer Palace of Poly	33	–	51%
41. Harbin Poly The Water's Fragrant Dike	–	250	58%
42. Harbin Qunli Project	–	190	100%
43. Jinan Poly Hyde Mansion	111	133	100%
44. Jinan Poly Center	114	–	85%
45. Jinan Poly Elegant Garden	259	160	80%
46. Jinan Poly Center (Phase II)	103	–	85%
47. Yantai Poly Champs Elysees Mansion	205	–	100%
48. Yantai Poly Blossom Garden	147	–	55%
49. Weihai Poly Triumph Mansion	142	–	100%
50. Hainan Poly Peninsula No. 1	112	374	100%
Sub Total	1,875	2,991	
Grand Total:	8,811	14,059	

Completed Projects

In 2013, the Group surpassed the completed area target that was set at the beginning of the year. The Group completed an approximate gross floor area of 4,740,000 square metres:

List of Projects with Completed Area in 2013

Project	**Completed gross floor area in 2013** *('000 square metres)*	**Accumulative completed gross floor area until the end of 2013** *('000 square metres)*
Yangtze River Delta Region		
Shanghai Poly Elegant Mansion	68	68
Shanghai Poly Royal Garden	135	236
Shanghai Poly Grace Garden	362	362
Suzhou Poly Lake Mansion	110	192
Ningbo Poly City	219	219
Deqing Poly Origin	127	127
Pearl River Delta Region		
Guangzhou Poly Golf Shire	211	211
Guangzhou Poly Zephyr City	239	239
Foshan Poly Cullinan Garden	169	169
Foshan Poly Prestige City	39	232
Shenzhen Poly Up Town	32	204
Huizhou Poly Deutch Kultur	38	259
Southwestern Region		
Guiyang Poly Hot Spring Newisland	67	1,041
Guiyang Poly International Center	150	245
Guiyang Poly Spring Street	91	363
Guiyang Poly Park 2010	143	404
Guiyang Poly The Place of A Lake	76	77
Zunyi Poly Metropolis of Future	1,032	1,238
Nanning Poly Sincere Garden	85	192
Nanning Poly City	366	366
Kunming Poly Lakeside Mansion	79	79
Other Regions		
Wuhan Poly Blue Ocean District	418	418
Wuhan Poly Park	57	57
Harbin The Tsinghua Summer Palace of Poly	79	302
Jinan Poly Hyde Mansion	191	191
Yantai Poly Champs Elysees Mansion	83	83
Weihai Poly Triumph Mansion	76	76
Grand Total:	4,742	7,650

Recognised Property Sales

A total of 44 projects were delivered and recognised in 2013 with a total sales value of RMB23.1 billion and gross floor area of 2,370,000 square metres. The recognised average selling price was approximately RMB9,758 per square metre. Among the area delivered, mass residential housing accounted for 80%, villas 7%, retail shops 7%, offices 4%, and the remaining 2% were other products.

List of Major Projects with Sales Recognised in 2013

	Project	**Sales recognised in 2013** *(RMB million)*
Yangtze River Delta Region		
1.	Shanghai Poly Noble Duke	84
2.	Shanghai Poly Royal Garden	1,178
3.	Shanghai Poly Town	120
4.	Shanghai Poly Lakeside Garden	795
5.	Shanghai Poly Elegant Mansion	385
6.	Shanghai Poly Grace Garden	837
7.	Deqing Poly Origin	613
8.	Suzhou Poly Lake Mansion	1,137
9.	Ningbo Poly City	1,342
	Others	12
Sub Total		6,503
Pearl River Delta Region		
10.	Guangzhou Poly City	45
11.	Guangzhou Poly Golf Shire	1,280
12.	Guangzhou Poly Zephyr City	1,469
13.	Shenzhen Poly Up Town	741
14.	Foshan Poly Cullinan Garden	678
15.	Foshan Poly Prestige City	487
16.	Huizhou Poly Deutch Kultur	101
Sub Total		4,801

Project	Sales recognised in 2013 *(RMB million)*
Southwestern Region	
17. Nanning Poly City	755
18. Nanning Poly Landscape	16
19. Nanning Poly Crescendo	410
20. Nanning Poly Sincere Garden	652
21. Liuzhou Poly Merization World	1,074
22. Guiyang Poly Clouds Hill International	124
23. Guiyang Poly Hot Spring Newisland	412
24. Guiyang Poly Spring Street	42
25. Guiyang Poly International Center	841
26. Guiyang Poly Park 2010	385
27. Guiyang Poly The Place of A Lake	129
28. Zunyi Poly Metropolis of Future	94
29. Chongqing Poly Spring Villa	33
30. Kunming Poly Lakeside Mansion	17
31. Kunming Sunny Lake & Splendid Life	36
Others	16
Sub Total	5,036
Other Regions	
32. Wuhan Poly Royal Palace	231
33. Wuhan Poly Cai Sheng Garden	188
34. Wuhan Poly Blue Ocean District	2,154
35. Wuhan Poly Park	310
36. Wuhan Poly Plaza	184
37. Poly Harbin Contemporary No. 9 Park Life	82
38. Harbin Poly The Water's Fragrant Dike	399
39. Harbin The Tsinghua Summer Palace of Poly	1,205
40. Jinan Poly Garden	24
41. Jinan Poly Daming Lake	245
42. Jinan Poly Hyde Mansion	801
43. Weihai Poly Triumph Mansion	441
44. Yantai Poly Champs Elysees Mansion	485
Others	1
Sub Total	6,750
Grand Total:	23,090

Recognised Sales in 2013 by Property Type

Property Type	Sales recognised in 2013 *(RMB million)*	Percentage *(%)*
Apartment	18,378	80%
Villa	1,690	7%
Commercial	1,566	7%
Office	902	4%
Car parking space	554	2%
Total:	23,090	100%

Investment Properties

The Group owns investment properties in Shanghai, Beijing, Wuhan and Shenzhen, which all provide stable and recurrent income. As at 31st December, 2013, the Group's investment properties amounted to a gross floor area of approximately 627,000 square metres. Rental income amounted to RMB549,930,000 in 2013. Leasing performance of the Group's offices and retail spaces remained stable with rental rates comparable to 2012.

List of Major Properties and Hotels as at 31st December, 2013

Region	Project	Gross floor area *('000 square metres)*	Occupancy rate in 2013 *(%)*	Occupancy rate in 2012 *(%)*	Attributable interests of the Group *(%)*	Property Type
Shanghai	Shanghai Stock Exchange Building (partial)	46	**97%**	94.3%	100%	Office building
Shanghai	Shanghai Poly Plaza – Main Building and ground area	103	**97%**	78%	90%	Office building and commercial
Beijing	Beijing Poly Plaza	95	**(Office Building) 97.4%** **(Hotel) 72%**	100% 76.9%	75%	Office building, hotel and theatre
Beijing	Beijing Legend Garden Villas (partial)	30	**96%**	94.7%	51%	Apartment, villa and commercial center, etc.

Region	Project	Gross floor area	Occupancy rate in 2013	Occupancy rate in 2012	Attributable interests of the Group	Property Type
		('000 square metres)	*(%)*	*(%)*	*(%)*	
Shenzhen	Shenzhen Poly Cultural Plaza (partial)	133	**98%**	97%	100%	Shopping mall, cinema and theatre, etc.
Wuhan	Hubei Poly Hotel	34	**57.4%**	55.7%	100%	Hotel
Wuhan	Wuhan Poly Plaza	147	**31%**	–	100%	Office building and commercial
Guiyang	Regal Poly Guiyang Hotel	39	**49%**	42.1%	66.5%	Hotel
Total:		627				

Property Management

The Group's property management companies are engaged in hotel and property management. Over the years, they have been awarded for their quality services and credibility. In 2013, Shanghai Poly Property Hotel Management Group Co., Ltd. was ranked 21st in terms of comprehensive strength of property management by China Property Management Institute.

In 2013, the Group's property management services realised an income of RMB309,510,000 from 114 properties with a gross floor area of about 18,320,000 square metres, marking an increase of 12 properties compared with 2012. The managed area also grew by 24%, entailing office buildings, hotels, shopping centers, villas and residentials.

2014 Outlook

Property curb policies are expected to be sustained and the property market trend is anticipated to remain stable, driving steady development. By adhering to its business objectives of achieving solid and continuous growth, the Group will strive to fulfill the following operational targets in 2014: the gross floor area of newly commenced construction amounting to approximately 4,000,000 square metres, the contracted area sold amounting to 2,650,000 square metres and the contracted sales amounting to approximately RMB28 billion.

Summary for Major Project Developments

1. Yangtze River Delta Region

The land bank in Yangtze River Delta Region amounted to an aggregate gross floor area of approximately 4,486,000 square metres and served 19.6% of the Group's property development portfolio as at 31st December, 2013. A total of 15 projects were under development which accounted for a gross floor area of approximately 2,674,000 square metres, and a gross floor area of approximately 1,812,000 square metres of land bank was reserved for future development. All projects are currently under construction except for the Shanghai Sijing Project.

Region	City/Area	Project	Geographical Location	Major Products	Current Status
Yangtze River Delta	Shanghai	Poly Town	The prime area of Jiading Xincheng of Jiading District, close to the Metro Line 11	Residential, commercial and office buildings, a theatre and a hotel	Delivered with sales of remaining apartments
		Poly Lakeside Garden			Delivered with sales of remaining apartments
		Poly Deluxe Mansion			Under construction for sale
		Poly Elegant Mansion			For sale (partly delivered)
		Poly Star Island			For sale
		Poly Grace Garden	Nanxiang, Jiading	Social housing	For sale
		Poly Felicity	Baoshan District, Songnan area, well served by convenient transportation and community facilities	Features European-style garden mid-rise apartments	Residentials sold out, and commercial buildings for sale
		Poly Royal Garden	The prime area in Tangzhen of Pudong New District; the project is well-served by a full range of commercial and community amenities	Apartments, and villas	For sale (partly delivered)
		Phili Mansion	Dalian Road, Yangpu District, CBD of Binjiang of Inner Loop, Golden Triangle lot of Lujiazui	Residential, office and commercial buildings	For sale
		Songjiang Sijing Project	Sijing, Songjiang; close to the Sijing Station of the Metro Line 9 with convenient transportation and improved facilities	Residential, and commercial buildings	Land bank

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Suzhou	Poly West Bank Villa	The economic development zone of the Wuzhong District; the project stands on a peninsula of Dushu Lake, offering for the panoramic lake views	Residentials, and villas	For sale
		Poly Lake Mansion	The economic development zone of the Wuzhong District and the northern tip of Yishan Lake	Residentials, and retail shops	For sale (partly delivered)
	Deqing	Poly Origin	Residing in natural scenery to the east of Deqing County, the project is a 5 minute drive away from the Hangzhou-Nanjing Passenger Railway	Residentials, hotel, and commercial buildings	For sale (partly delivered)
	Ningbo	Poly City	The prime location of Zhenhai Xincheng, faces the new administrative and cultural center of Zhenhai	Residential, and commercial buildings	For sale (partly delivered)
		Poly Jordan International	South of Tanjialing Dong Road, and east of Chengdong Road, Chengdong, Yuyao; the project is close to the Hangzhou-Ningbo Canal and the Hangzhou-Ningbo Expressway with the provincial highway Yongliang Line crossing from east to west, and the Chengdong Road linking the crossing bridge of Hangzhou Bay; making it convenient to travel by water and land	Residential, and commercial buildings	For sale

2. *Pearl River Delta Region*

The property development portfolio in Pearl River Delta Region had a total gross floor area of approximately 3,992,000 square metres (around 17.5% of the Group's entire land bank) as at 31st December, 2013. 13 projects that are currently under construction covered a total gross floor area of approximately 1,286,000 square metres with the remaining gross floor areas to be developed measured at a total gross floor area of around 2,706,000 square metres, among which 8 projects are currently under construction, 2 have been completed and 3 have yet to commence construction.

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Guangzhou	Poly City	Huadu District, and Auto City zone; the project is adjacent to the Guangzhou-Qingyuan Expressway, and links to Fengshen Avenue and Dongfeng Nissan Auto Company in the north, and to Huagang Avenue in the west, providing convenient transportation; it is also close to Fei'eling International Eco-sports Park and the Branch Stadium of the Asian Games with beautiful scenery and sound facilities	Residentials, villas, and commercial buildings	Delivered with sales of remaining apartments
		Poly Golf Shire	Huadu District; adjacent to the Asian Games New Stadium at Fengshen Avenue and the Metro Line 9 that is currently underway	Residentials, villas, and office buildings	For sale (partly delivered)
		Poly Zephyr City	Xinhua Town of Huadu District, east to the district government	High-rise apartments, and retail shops	For sale (partly delivered)
		Poly Up House	Located in the Huadu District, next to the Metro Line 3 and Metro Line 9, with easy accessibility to the whole city, it is also in the intersection of Wuhan-Guangzhou High Speed Railway, Guangzhou-Qingyuan Light Railway and Guangzhou North Railway Station-Airport APM	Residentials, primarily in compact units for purchasers with genuine demand	Land bank
		Poly Gratified West Bay	South of Liwan District; adjacent to the Guangzhou Metro Line 1 with commercial and educational facilities	Residentials, apartments, and commercial buildings	Land bank
		Nansha Project	TOYOTA Auto City, Huangge Town, Nansha, with a full range of transportation network	Residentials, and commercial buildings	Land bank

Region	City/Area	Project	Geographical Location	Major Products	Current Status
Pearl River Delta	Foshan	Poly Cullinan Garden	Equipped with a full range of community facilities as it is located in the center of Chancheng District and neighbours the Asia Arts Park in the west	Residential, office and commercial buildings	For sale (partly delivered)
		Poly Prestige City	Longjiang Town of Shunde District; supported by an extensive transportation network, the project is reputed for its robust home furniture business	Residential, and commercial buildings	For sale (partly delivered)
		Poly Central Park	North of Shunde New City; the project stands in the heart of Pearl River Delta and at the junction of Daliang and Lunjiao, neighbours Panyu, Guangzhou, and is well served by convenient transportation	Mid-rise apartments, a commercial center, a five-star hotel, and a supermarket	Land bank
	Shenzhen	Poly Up Town	Located in the prime commercial location of Longgang District, the project is easily accessible by means of the Metro Line 3 and is also complemented with ancillary facilities including schools	Residentials, and retail shops	For sale (partly delivered)
		Poly Joy-Zone	Longhua, Bao'an District, Shenzhen; close to the transportation terminal and the metro station, with sound business and community facilities	Residentials, and commercial buildings	Under construction
	Huizhou	Poly Sunshine Town	The project enjoys an environment of natural scenery and boasts a prime location next to the Shenzhen-Shantou Expressway and Palm Island Golf Course	Residentials	For sale
		Poly Deutch Kultur	Located in the prime area of Huibo and the northern bank of East River, the project is only a 10 minute drive away from the downtown of Huizhou	Residentials, villas, and retail shops	For sale (partly delivered)

3. Southwestern Region

The combined land bank of 17 projects in Southwestern region amounted to a gross floor area of approximately 9,523,000 square metres that accounted for about 41.6% of the Group's development portfolio as at 31st December, 2013. 17 projects under development accounted for a total gross floor area of about 2,974,000 square metres. A gross floor area of about 6,549,000 square metres of land bank is yet to be developed. All projects are currently under construction.

Region	City/Area	Project	Geographical Location	Major Products	Current Status
Southwest	Guiyang	Poly Hot Spring Newisland	Wudang District; surrounded by Shunhai Forest Farm and two natural lakes of over 30,000 square metres. The project boasts a superior environment	A comprehensive residential establishment with hot spring facilities	Delivered with sales of remaining apartments
		Poly International Center	Located in the heart of Nanming District and standing on the bank of Nanming River with a shoreline of approximately 300 metres	Residential, commercial and office buildings	Delivered with sales of remaining apartments
		Poly Clouds Hill International	Yunyan District; the project is an important spot linking Jinyang District to the city's downtown area by leveraging a full transportation network; it is a 5 minute drive away from the downtown of the city, which is convenient and easily accessible	Residential, and commercial buildings	Delivered with sales of remaining apartments
		Poly Spring Street	Located in the south of Wudang District, the project is 1 kilometre away from the center of the district	Residentials, villas, and commercial buildings	For sale (partly delivered)
		Poly The Place of A Lake	Standing against the backdrop of Huaxi National Wetland Park, the project is situated in the prime location in the scenic eco-tour zone of the Huaxi District	Residentials, villas, and commercial buildings	For sale (partly delivered)

Region	City/Area	Project	Geographical Location	Major Products	Current Status
		Poly Park 2010	Located in Wudang District and in close proximity to the district administration center, the project incorporates an 18-hole international standard golf course and enjoys established community facilities in the neighbourhood	Residentials, villas, and retail shops	For sale (partly delivered)
		Poly Phoenix Bay	Nanming District; built on the old site of the former Guiyang Power Plant (貴陽電廠), the project is situated in the traffic hub linking the downtown of Guiyang and Xiaohe District in the south and Huaxi District	Residential and office buildings and other commercial buildings	Under construction for sale
	Zunyi	Poly Metropolis of Future	South of Zunyi; the project is close to the center of transportation created by the government and links to the old town of Zunyi	Residential, commercial and office buildings, and villas	For sale (partly delivered)

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Nanning	Poly Crescendo	Located in the north of Nanning, the project is approximately 20 minutes away from the city center	A residential community of mostly low-density residentials, high-rise residential units and serviced apartments	For sale (partly delivered)
		Poly Sincere Garden	Qingxiu District; the project is approximately 2 kilometres away from the Nanning International and Exhibition Center. As it is within close proximity to the Nanning Light Rail Line 1 that is currently being built, the project is easily accessible and is well-equipped with community amenities	Residentials, and retail shops	For sale (partly delivered)
		Poly City	Residing at the emerging new community in Jiangnan District, the project is only 10-15 minutes driving distance to the city center	High-rise residentials	For sale (partly delivered)
		Poly Aegean Sea	Located in Xiuxiang main road and neigbouring the Lion Hill Park, the project is well served by convenient transportation and community facilities	Residentials	For sale
		Poly Dream River	Located in the heart of Liusha Peninsula, the project neighbours the Party School of CPC, the state guesthouse Liyuan Resort and Qing Xiu Mountain Golf Course in the east, Liusha Eco Park in the west with a planned gross floor area of over a thousand acres, as well as a spectacular view of river in the south	14 single buildings in neo-classical architectural style, targeted to be a unique island villa community	Under construction for sale

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Liuzhou	Poly Merization World	Neighbouring the old town of Liubei on the west and the business district on the south, the project enjoys established facilities and amenities of both the old town and the new business area. Standing on the Liu River bank with a shoreline of more than 200 metres, the project boasts a prime location and natural scenery	Residential, and commercial buildings	For sale (partly delivered)
	Kunming	Poly Lakeside Mansion	Located in Ninghu Xincheng of Datun District in Anning City, the project shares the same neighbourhood of "Kunming Sunny Lake & Splendid Life" as it is one block away	Serviced apartments, office buildings, and commercial buildings	For sale (partly delivered)
		Poly Sky and Earth	Situated in the prime area of Renmin Road in the downtown area, the project is next to the City Stadium Station serviced by the Metro Line 3 which is currently being built. The neighbouring area offers comprehensive ancillary facilities including schools, medical and leisure establishments	Residentials, retail shops and office buildings	For sale
	Chongqing	Poly Spring Villa	Residing in the scenic zone of Southern Hot Spring Park, which is highly regarded as one of Chongqing's top-ten scenic spots, the project boasts its own onsite hot spring	A high-end spring villa community	Delivered with sales of remaining apartments

4. *Other Regions*

In addition to the development portfolios in the Yangtze River Delta Region, Pearl River Delta Region and Southwestern regions, the Group has a total of 20 projects in other areas, namely Wuhan, Harbin, Jinan and Hainan as at 31st December, 2013. Land bank amounted to a gross floor area of approximately 4,865,000 square metres that contributed to roughly 21.3% of the Group's property development portfolio. Projects under development accounted for a total gross floor area of approximately 1,875,000 square metres and an approximate gross floor area of 2,990,000 square metres was reserved for future development. 6 of the projects are completed, 11 are currently under construction and 3 have yet to commence construction.

Region	City/Area	Project	Geographical Location	Major Products	Current Status
Others	Wuhan	Poly Plaza	Located in the administrative and cultural center, Wuchang District, Wuhan, Hubei Province, it is a comprehensive commercial plaza integrating commerce, fashion and culture	High-end office buildings, and commercial buildings	For lease and for sale (delivered)
		Poly Royal Palace	Situated in the Donghu Hi-tech Development Zone, which is the first group of state-level hi-tech zones, it is located between two main roads of the city (namely Luoyu Road and Xiongchu Avenue). The project is adjacent to the management committee of Donghu Hi-tech Development Zone in the north and the 6,000-acre South Lake in the South, and links to Central China Normal University in the west and to Guanggu Square in the east; the project is supported by well-established supporting facilities and beautiful scenery	Residential, and commercial buildings	Delivered with sales of remaining apartments
		Poly Cai Sheng Garden	Located in the intersection of Youyi Avenue and Caisheng Street, Wuchang, the project is close to the Inner Rim, and the Yangtze River Bridge and Erqi Bridge and the Metro Line 4 and 5, allowing it to enjoy a full range of community facilities	Residentials	Delivered with sales of remaining apartments
		Poly Blue Ocean District	The project inhabits the northern tip of South Lake, which is also the prime area of Wuchang District, boasting unparalleled panoramic lakeside views. The project enjoys an excellent transportation network being close to the Wuhan Metro Line 2	Residentials	For sale (partly delivered)
		Yangyuan Project	Located in Wuchang, the main area of the Central District of Wuhan City and near to the Yangtze River	Residential and commercial buildings	Land bank
		Poly Park	Located at Hongtu Avenue in Dongxihu District, Wuhan, which stands on the Metro Line 2, the project is surrounded by numerous ancillary facilities	Residentials, and retail shops	For sale (partly delivered)

Region	City/Area	Project	Geographical Location	Major Products	Current Status
		Poly City	The project is located in Hongshan District, Wuhan, and is complemented by a full range of educational and community facilities	Residentials	Under construction for sale
		Poly Up Town	Located in the newly emerging Baishazhou area of Wuhan City, the project is adjacent to the old town of Wuchang and the new town of Nanhu, and two channels for crossing the river – Yingwuzhou Yangtze River Bridge (鸚鵡洲長江大橋) and Yangsigang Yangtze River Bridge (楊泗港長江大橋) will be built in the neighborhood in the future. Located within the Second Rim, the project neighbours the planned Metro Line 5	Residential, commercial and office buildings, mainly in units of approximately 90 square metres for genuine end-users	Land bank
	Harbin	Poly Harbin Contemporary No. 9 Park Life	Located in Songbei District; the project is close to the Wanda life circle currently under construction and is equipped with high-end hotels, a conference center, a theme park, an ice-snow themed paradise and a commercial center	Residentials, villas, and commercial buildings	For sale (partly delivered)
		Poly The Water's Fragrant Dike	Located in Songbei District, the project neighbours major provincial government offices in Harbin and is only 500 metres away from Songbei Avenue, with surrounding municipal facilities gradually improving	A large-scale residential development focusing on low density, and high-end residentials	For sale (partly delivered)
		The Tsinghua Summer Palace of Poly	The project is situated in the Nangang District, the central district of Harbin, which is the cultural and education base for higher education, and benefits from established community amenities	Residentials, and retail shops	For sale (partly delivered)
		Qunli Project	Located in west of Harbin and next to Songhua River, it is a new key community project developed by the government	Residential, and commercial buildings	Land bank

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Jinan	Poly Daming Lake	Lixia District, in the downtown of Jinan and to the side of Daming Lake; the project is located in the Hongjialou business circle and Quancheng Road business circle with well-established community facilities	Residential, office and commercial buildings	For sale (partly delivered)
		Poly Hyde Mansion	Located in the Honglou business area of Licheng District, a commercial center of the new district in the east of Jinan	A high and mid-rise residential community	For sale (partly delivered)
		Poly Center	Situated in the intersection of Jingyi Road and Weishi'er Road and to the west of the southern City, the project is adjacent to the Jinan West Market that is renowned as a hundred-year-old commercial port	An integrated development comprising of residential buildings, apartments, offices and commercial buildings	For sale
		Poly Elegant Garden	Neighbouring the Honglou business area, the project is located in the Lixia District and is linked by convenient transportation	Residentials	For sale
	Yantai	Poly Champs Elysees Mansion	Located next to the Fenghuang Shan River Reservoir Wetland Park in Yantai, Shandong Province, the project enjoys a convenient transportation network	Residentials	For sale (partly delivered)
		Poly Blossom Garden	Located in the geographical center of Yantai, the core area of the Southern New City, the project is about 500 metres away from Guanzhuang Station (官莊站) in the Yantai section of the planned Qingrong Intercity Railway (青榮城際鐵路), creating a circle by which Qingdao, Yantai and Weihai can all be reached within one hour	Mid-rise apartments, and mid-rise residentials, equipped with a primary school	Under construction for sale

Region	City/Area	Project	Geographical Location	Major Products	Current Status
	Weihai	Poly Triumph Mansion	Situated in the Huancui District of Weihai, Shandong Province, the project is close to the Xianguding Scenic Spot and is east to the ocean offering unparalleled sea views	Residentials, villas, and retail shops	For sale (partly delivered)
	Hainan	Poly Peninsula No. 1	Located in the resort district of Shenzhou Peninsula in Wanning City, Hainan Province, the project enjoys beautiful coastal resources	A large-scale mixed-use development project featuring high-rise apartments and villas, an international yachting community and a resort-style marina club	For sale

FINANCIAL REVIEW

Liquidity and Capital Structure

As at 31st December, 2013, total equity attributable to shareholders of the Company amounted to HK$29,617,047,000 (2012: HK$27,072,586,000), while the net asset value per share was HK$8.13 (2012: HK$7.50). As at 31st December, 2013, the Group's gearing ratio (on the basis of the amount of total liabilities divided by the amount of total assets) was 70.6% (2012: 72.1%).

As at 31st December, 2013, the Group had an outstanding bank and other borrowings of HK$38,120,625,000. In terms of maturity, the outstanding bank and other borrowings can be divided into HK$15,455,479,000 (40.5%) to be repaid within one year, HK$15,449,935,000 (40.5%) to be repaid after one year but within two years, HK$7,147,174,000 (18.8%) to be repaid after two years but within five years, HK$68,037,000 (0.2%) to be repaid after five years. In terms of currency denomination, the outstanding bank and other borrowings can be divided into HK$37,340,625,000 (98%) in Renminbi, and HK$780,000,000 (2%) in Hong Kong dollars. 33% of the bank and other borrowings of the Group are subject to fixed interest rates and the remaining 67% are subject to floating interest rates. Therefore, under circumstances of interest rates uncertainty or fluctuations or otherwise as appropriate, the Group will consider the use of hedging instruments (including interest rates swaps), in order to manage interest rate risks.

As at 31st December, 2013, the Group had a net current assets of HK$46,557,168,000 and total bank balances of HK$15,494,034,000 (2012: HK$46,264,249,000 and HK$15,270,137,000 respectively). The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and United States dollars. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimized via balancing the monetary assets versus monetary liabilities, and foreign exchange revenue versus foreign exchange expenditures. The management believes that the foreign exchange rate between Hong Kong dollars and United States dollars is relatively stable. On the other hand, the Board believes that Renminbi will only fluctuate by a small percent in the foreseeable future. In this regard, the management believes that the exposure of the Group to foreign exchange risks is minimal.

Pledge of Assets

As at 31st December, 2013, certain of the Group's investment properties of approximately HK$3,589,474,000 (2012: HK$3,315,988,000), hotel properties of approximately HK$702,911,000 (2012: HK$1,150,987,000), buildings of approximately HK$184,430,000 (2012: HK$258,963,000), leasehold land of approximately HK$Nil (2012: HK$78,455,000), prepaid lease payments of approximately HK$291,860,000 (2012: HK$386,031,000), properties under development of approximately HK$21,367,073,000 (2012: HK$22,896,952,000), bank deposits of approximately HK$667,953,000 (2012: HK$962,274,000) and properties held for sales of approximately HK$5,162,955,000 (2012: HK$2,690,794,000) and shares in certain subsidiaries were pledged to secure credit facilities granted to the Group.

Contingent Liabilities

The Group arranged mortgage loan facilities with certain banks for purchasers of property units and provided guarantees to banks to secure obligations of such purchasers of repayment. The maximum guarantees given to banks amounted to HK$19,065,110,000 as at 31st December, 2013 (2012: HK$17,035,016,000). Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate; and (ii) the satisfaction of the mortgage loans by the buyers of the properties. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair value of the underlying properties is able to cover the outstanding mortgage loans generated by the Group in the event the purchasers default payments to the banks.

At 31st December, 2013, the Company had given guarantees to certain banks in respect of credit facilities granted to certain subsidiaries of the Company amounting to HK$5,292,152,000 (2012: HK$6,246,543,000), of which HK$4,860,759,000 (2012: HK$6,202,469,000) had been utilised by subsidiaries.

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

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

REVIEWED BY AUDIT COMMITTEE

The Audit Committee presently comprises one non-executive director, namely Mr. Ip Chun Chung, Robert and three independent non-executive directors, namely Ms. Leung Sau Fan, Sylvia *(as Chairlady)*, Mr. Choy Shu Kwan and Mr. Wong Ka Lun. The financial statements of the Group for the year ended 31st December, 2013 has been reviewed by the Audit Committee.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year under review, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code"), other than code provisions A.2.1 and A.5.1 to A.5.4 of the CG Code. The reasons for deviation are explained below:

Code Provision A.2.1 of the CG Code — Role of Chairman and Chief Executive

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the roles of Chairman and Chief Executive Officer of the Company have been performed by Mr. Xue Ming since 29 April 2010. The Board believes that the roles of Chairman and Chief Executive Officer performed by Mr. Xue Ming provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and execution of business strategies. The Board also believes that the present arrangement is beneficial to the Company and the shareholders as a whole.

Code Provisions A.5.1 to A.5.4 of the CG Code — Nomination Committee

Under code provisions A.5.1 to A.5.4 of the CG Code, listed issuers should, among others, establish a nomination committee with specific written terms of reference. The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board and the appointment of any new Director. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors.

The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

COMPLIANCE WITH THE MODEL CODE SET OUT IN APPENDIX 10 OF THE LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the Model Code and the code of conduct regarding directors' securities transactions adopted by the Company throughout the year ended 31st December, 2013.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcements is published on the Company's website at http://www.irasia.com/listco/hk/polyhk/ and the website of the Stock Exchange. The Annual Report 2013 will also be available at the Company's and the Stock Exchange's websites and will be despatched to shareholders of the Company in April.

For and on behalf of the Board
Poly Property Group Co., Limited
XUE Ming
Chairman and Managing Director

Hong Kong, 21st March, 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Chen Hong Sheng, Mr. Wang Xu, Mr. Xue Ming, Mr. Zhang Wan Shun and Mr. Ye Li Wen, the non-executive Director is Mr. Ip Chun Chung, Robert, and the independent non-executive Directors are Mr. Choy Shu Kwan, Ms. Leung Sau Fan, Sylvia and Mr. Wong Ka Lun.