SUNAC CHINA HOLDINGS LIMITED
融創中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 01918)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

	For the year ended 31 December (Audited)		
	2013 *RMB'000*	2012 *RMB'000*	**Up/(Down)**
Revenue	**30,836,714**	20,842,592	48%
Gross profit	**7,176,507**	5,382,450	33%
Profit	**3,493,827**	2,614,740	34%
Profit attributable to owners of the Company	**3,178,403**	2,607,300	22%
Earnings per share			
– Basic (RMB)	**0.96**	0.87	10%
– Diluted (RMB)	**0.95**	0.86	10%
Proposed final dividend (RMB/share)	**0.191**	0.079	142%
Cash	**16,008,683**	12,262,739	31%
Net gearing ratio	**69.7%**	78.9%	(12%)

The board of directors (the "Board") of Sunac China Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013 with comparative figures for the corresponding period in 2012, as follows:

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

		Year ended 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**30,836,714**	20,842,592
Cost of sales	*10*	**(23,660,207)**	(15,460,142)
Gross profit		**7,176,507**	5,382,450
Selling and marketing costs	*10*	**(615,453)**	(529,959)
Administrative expenses	*10*	**(520,137)**	(354,540)
Other income and gains		**222,522**	311,189
Other expenses		**(145,473)**	(1,894)
Operating profit		**6,117,966**	4,807,246
Finance income	*11*	**74,529**	29,168
Finance costs	*11*	**(580,277)**	(113,101)
Finance costs – net	*11*	**(505,748)**	(83,933)
Share of profit/(loss) of investments accounted for using equity method, net	*5*	**72,231**	(38,785)
Profit before income tax		**5,684,449**	4,684,528
Income tax expenses	*12*	**(2,190,622)**	(2,069,788)
Profit for the year		**3,493,827**	2,614,740
Profit attributable to:			
– Owners of the Company		**3,178,403**	2,607,300
– Non-controlling interests		**315,424**	7,440
		3,493,827	2,614,740
Earnings per share attributable to owners of the Company (expressed in RMB per share):			
Basic earnings per share	*13*	**0.96**	0.87
Diluted earnings per share	*13*	**0.95**	0.86
Dividends	*14*	**635,681**	260,730

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

		Year ended 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Profit for the year		**3,493,827**	2,614,740
Other comprehensive income			
Redemption of available-for-sale financial assets		**–**	(212)
Total comprehensive income for the year		**3,493,827**	2,614,528
Attributable to:			
– Owners of the Company		**3,178,403**	2,607,088
– Non-controlling interests		**315,424**	7,440
Total comprehensive income for the year		**3,493,827**	2,614,528

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2013

		As at 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**65,381**	48,947
Investment properties		**252,000**	570,500
Intangible assets		**234,234**	308,500
Investments accounted for using the equity method	*5*	**7,908,864**	4,204,664
Prepayments for property projects		**–**	85,000
Deferred income tax assets		**1,304,554**	885,135
		9,765,033	6,102,746
Current assets			
Properties under development		**40,694,597**	37,697,620
Completed properties held for sale		**17,411,712**	8,703,708
Trade and other receivables	*6*	**1,213,763**	415,920
Amounts due from related companies		**9,755,363**	3,062,408
Prepayments	*7*	**2,505,811**	2,689,111
Restricted cash		**2,594,666**	3,868,713
Cash and cash equivalents		**13,414,017**	8,394,026
		87,589,929	64,831,506
Total assets		**97,354,962**	70,934,252
EQUITY AND LIABILITY			
Equity attributable to owners of the Company			
Ordinary shares		**285,055**	260,341
Reserves			
– Proposed final dividend	*14*	**635,681**	260,730
– Others		**12,684,567**	8,967,941
		13,605,303	9,489,012
Non-controlling interests		**4,606,015**	2,505,164
Total equity		**18,211,318**	11,994,176

		As at 31 December	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Liabilities			
Non-current liabilities			
Borrowings		**20,871,569**	9,942,480
Long-term payable		**–**	166,745
Deferred income tax liabilities		**6,483,025**	4,536,843
		27,354,594	14,646,068
Current liabilities			
Trade and other payables	*8*	**12,402,014**	7,115,809
Advanced proceeds from customers		**13,647,124**	15,145,978
Amounts due to related companies		**6,894,723**	1,613,342
Amounts due to non-controlling interests	*9*	**4,498,333**	3,540,126
Current income tax liabilities		**6,512,135**	5,096,206
Borrowings		**7,834,721**	11,782,547
		51,789,050	44,294,008
Total liabilities		**79,143,644**	58,940,076
Total equity and liabilities		**97,354,962**	70,934,252
Net current assets		**35,800,879**	20,537,498
Total assets less current liabilities		**45,565,912**	26,640,244

NOTES

1. GENERAL INFORMATION

Sunac China Holdings Limited (the "Company") was incorporated in the Cayman Islands on 27 April 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (together the "Group") are principally engaged in property development, property investment and property management in the People's Republic of China (the "PRC"). The Company is an investment holding company. The address of its registered office is Landmark Square, 3rd floor, 64 Earth Close, P. O. box 30592, Grand Cayman KY1-1203, Cayman Islands.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 7 October 2010.

These financial statements are presented in Renminbi ("RMB") unless otherwise stated. These financial statements have been approved for issue by the board of directors of the Company on 24 March 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost basis except for investment properties, which are measured at fair values.

The accounting policies used in preparing the consolidated financial statements are consistent with those followed in the Group's annual financial statements for the year ended 31 December 2012 except for the addition of certain standards and interpretations of HKFRSs which have been issued and become effective in current year as described in note 3 "ADOPTION OF NEW AND REVISED HKFRSs".

3. ADOPTION OF NEW AND REVISED HKFRSs

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2013 and have a material impact on the Group:

Amendment to Hong Kong Accounting Standards ("HKAS") 1, "Financial statement presentation" regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

HKAS 19, "Employee benefits" was revised in June 2011. The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

Amendment to HKFRS 7, "Financial instruments: Disclosures", on asset and liability offsetting. The amendments require new disclosure requirements which focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset.

HKFRS 10, "Consolidated financial statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

HKFRS 11, "Joint arrangements" focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted.

HKFRS 12, "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.

HKFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRS.

Amendments to HKAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

HK(IFRIC) 21, "Levies", sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives raise to pay a levy and when should a liability be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

There are no other HKFRS or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. SEGMENT INFORMATION

The executive directors of the Company review the Group's internal reporting in order to assess performance and allocate resources. The executive directors of the Company have determined the operating segments based on these reports. The executive directors assess the performance of property development, property investment business and property management business respectively. The performance of the operating segments is assessed based on a measure of profit/(loss) before income tax.

Segment assets primarily consist of all assets excluding deferred income tax assets and segment liabilities primarily consist of all liabilities excluding deferred income tax liabilities and current income tax liabilities.

The analysis of the Group's profit/(loss) before income tax by segment is as follows:

	Year ended 31 December 2013		
	Property development and investment *RMB'000*	**Property management and others** *RMB'000*	**Total** *RMB'000*
Total segment revenue	**30,596,343**	**290,367**	**30,886,710**
Inter-segment revenue	**–**	**(49,996)**	**(49,996)**
Revenue from external customers	**30,596,343**	**240,371**	**30,836,714**
Segment gross profit/(loss)	**7,221,265**	**(44,758)**	**7,176,507**
Selling and marketing costs	**(605,671)**	**(9,782)**	**(615,453)**
Administrative expenses	**(481,628)**	**(38,509)**	**(520,137)**
Other income and gains	**216,931**	**5,591**	**222,522**
Other expenses	**(143,913)**	**(1,560)**	**(145,473)**
Finance income	**74,529**	**–**	**74,529**
Finance costs	**(580,277)**	**–**	**(580,277)**
Share of profit of investments accounted for using equity method, net	**72,231**	**–**	**72,231**
Profit/(loss) before income tax	**5,773,467**	**(89,018)**	**5,684,449**

	As at 31 December 2013		
	Property development and investment *RMB'000*	**Property management and others** *RMB'000*	**Total** *RMB'000*
Total segment assets	**95,909,375**	**141,033**	**96,050,408**
Total segment liabilities	**65,905,140**	**243,344**	**66,148,484**

	Year ended 31 December 2012		
	Property development and investment *RMB'000*	Property management and others *RMB'000*	Total *RMB'000*
Total segment revenue	20,671,215	171,377	20,842,592
Inter-segment revenue	–	–	–
Revenue from external customers	20,671,215	171,377	20,842,592
Segment gross profit/(loss)	5,421,794	(39,344)	5,382,450
Selling and marketing costs	(529,072)	(887)	(529,959)
Administrative expenses	(329,323)	(25,217)	(354,540)
Other income and gains	309,721	1,468	311,189
Other expenses	(1,213)	(681)	(1,894)
Finance income	29,168	–	29,168
Finance costs	(113,101)	–	(113,101)
Share of loss of investment accounted for using equity method, net	(38,785)	–	(38,785)
Profit/(loss) before income tax	4,749,189	(64,661)	4,684,528

	As at 31 December 2012		
	Property development and investment	Property management and others	Total
	RMB'000	*RMB'000*	*RMB'000*
Total segment assets	69,962,949	86,168	70,049,117
Total segment liabilities	49,155,085	151,942	49,307,027

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 31 December	
	2013	2012
	RMB'000	*RMB'000*
Total segment assets	**96,050,408**	70,049,117
Deferred income tax assets	**1,304,554**	885,135
Total assets per balance sheet	**97,354,962**	70,934,252
Total segment liabilities	**66,148,484**	49,307,027
Deferred income tax liabilities	**6,483,025**	4,536,843
Current income tax liabilities	**6,512,135**	5,096,206
Total liabilities per balance sheet	**79,143,644**	58,940,076

5. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the balance sheet are as follows:

	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
Joint ventures	**4,925,337**	1,081,184
Associates	**2,983,527**	3,123,480
	7,908,864	4,204,664

The amounts recognised in the income statement are as follows:

	2013	2012
	RMB'000	*RMB'000*
Joint ventures	**(118,558)**	(30,438)
Associates	**190,789**	(8,347)
	72,231	(38,785)

5.1 Investment in joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the movement of the carrying amount of the Group's investment in these joint ventures, and its share of results of these joint ventures.

An analysis of the movement of equity investments in joint ventures is as follows:

	2013	2012
	RMB'000	*RMB'000*
At beginning of year	**1,081,184**	97
Investments in joint ventures	**3,307,086**	897,700
An associate becoming a joint venture upon additional equity interest acquisition *(Note (i))*	**706,482**	–
Increase in investment in an existing joint venture *(Note (ii))*	**181,300**	–
Acquired through business combination	**–**	214,122
A joint venture becoming a subsidiary upon additional equity interest acquisition *(Note (iii))*	**(205,490)**	(297)
Dividend from a joint venture	**(26,667)**	–
Share of losses of joint ventures, net	**(118,558)**	(30,438)
At end of year	**4,925,337**	1,081,184

Except for Summer Sky Investments Limited, which is incorporated in Hong Kong, the remaining joint ventures of the Group are incorporated in the PRC. All joint ventures are non-listed companies.

(i) On 7 January 2013, the Group acquired an additional 23.5% equity interest of a previously 23.5% owned associate, Tianjin TEDA City Development Co., Ltd. ("Tianjin TEDA City"), at a consideration of approximately RMB348.9 million. Upon completion of such acquisition, the Group's equity interest in Tianjin TEDA City increased to 47%, and it became a joint venture of the Group.

(ii) In May 2013, a 50% owned subsidiary of the Group, Shanghai Sunac Greentown Investment Holdings Limited ("Shanghai Sunac Greentown") increased capital contribution of RMB181.3 million to its 49% owned joint venture, Shanghai Poly Hongrong Real Estate Co., Ltd..

(iii) In January 2013, a 50% owned subsidiary of the Group, Shanghai Sunac Greentown acquired an additional 20% equity interest of its 37% owned joint venture, Changzhou Greentown Real Estate Co., Ltd. ("Changzhou Greentown"), from an independent third party at a consideration of RMB163 million. Upon completion of such acquisition, Changzhou Greentown became a subsidiary of the Group.

5.2 Investment in associates

The Group has interests in a number of individually immaterial associates. The following table analyses, in aggregate, the movement of the carrying amount of the Group's investment in these associates, and its share of results of these associates.

An analysis of the movement of equity investments in associates is as follows:

	2013	2012
	RMB'000	*RMB'000*
At beginning of year	**3,123,480**	979,753
Investments in associates *(Note (i))*	**22,500**	2,152,074
Share of profits/(losses) of associates, net	**190,789**	(8,347)
An associate becoming a joint venture *(Note 5.1)*	**(353,242)**	–
At end of year	**2,983,527**	3,123,480

All associates of the Group are incorporated in the PRC and are non-listed companies.

Note:

(i) In March 2013, the Group acquired 45% equity interest of Beijing Xingye Wanfa Real Estate Development Co., Ltd. ("Beijing Xingye Wanfa") at the cash consideration of RMB22.5 million. Beijing Xingye Wanfa is developing a property project in Beijing, the PRC.

6. TRADE AND OTHER RECEIVABLES

	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
Receivables from disposal of properties under development ("PUD") *(Note (d))*	**840,788**	–
Trade receivables *(Note (c))*	**50,876**	32,066
Notes receivables *(Note (c))*	**2,400**	105,293
Other receivables		
– Deposits	**200,367**	219,658
– Others	**119,332**	58,903
	1,213,763	415,920

Note:

(a) As at 31 December 2013 and 2012, the carrying amounts of trade and other receivables approximated their fair value.

(b) The carrying amounts of the Group's other receivables are all denominated in RMB.

(c) The aging analysis of the Group's trade, notes receivables and receivables from disposal of PUD were all within 90 days as at 31 December 2013 and 2012.

(d) Receivables from disposal of PUD included a receivable of RMB800 million from the local government for the disposal of a land use right under development in a project of the Group in Shanghai, the PRC.

7. PREPAYMENTS

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
Prepaid taxes		
– Land Appreciation Taxes ("LAT")	**754,616**	456,059
– Business tax and surcharge	**736,866**	832,329
– Current income tax	**482,034**	430,268
Prepayments for land use rights acquisition	**480,165**	943,966
Prepayments for project development costs	**52,130**	26,489
	2,505,811	2,689,111

The carrying amounts of the Group's prepayments are all denominated in RMB.

8. TRADE AND OTHER PAYABLES

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade payables *(Note (a))*	**9,498,028**	5,193,012
Notes payables	**305,185**	242,301
Payables for acquisition consideration *(Note (b))*	**1,234,867**	387,778
Other taxes payable	**469,115**	454,606
Interests payable	**244,120**	184,342
Advanced deed tax from customers	**242,576**	113,900
Payroll and welfare payables	**153,987**	107,233
Deposits from construction companies for tendering	**68,304**	130,350
Current portion of long-term payable	**–**	23,000
Others	**185,832**	279,287
	12,402,014	7,115,809

Note:

(a) The aging analysis of the Group's trade payables is as follows:

	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 90 days	**5,863,430**	4,221,977
90-180 days	**648,115**	111,435
180-365 days	**1,957,057**	434,656
Over 365 days	**1,029,426**	424,944
	9,498,028	5,193,012

(b) The amount has been fully paid subsequent to the balance sheet date.

9. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

	31 December 2013	31 December 2012
	RMB'000	*RMB'000*
Amounts due to non-controlling interests	**4,498,333**	3,540,126

The amount due to non-controlling interests was mainly due to the Group and the non-controlling interests provided funds to certain related property development subsidiaries through shareholders' loan according to the respective equity interests share. As at 31 December 2013 and 2012, the amounts due to non-controlling interests were non-interest bearing, unsecured and had no fixed terms of repayment.

10. EXPENSES BY NATURE

	2013	2012
	RMB'000	*RMB'000*
Costs of completed properties sold	**21,416,879**	14,089,752
Business tax and related surcharges	**1,657,791**	1,156,792
Staff costs	**467,026**	307,981
Advertisement and promotion costs	**345,461**	329,210
Consulting expenses	**64,270**	39,235
Depreciation and amortisation	**23,921**	14,894
Audit remuneration	**4,800**	4,100

11. FINANCE INCOME AND COSTS

	2013	2012
	RMB'000	*RMB'000*
Interest expenses	**2,559,880**	1,817,289
Other finance costs	**8,709**	10,977
	2,568,589	1,828,266
Less: Capitalised finance costs	**(1,947,641)**	(1,717,393)
	620,948	110,873
Exchange (loss)/gain	**(40,671)**	2,228
	580,277	113,101
Finance income:		
– Interest income on bank deposits	**(74,529)**	(29,168)
Net finance costs	**505,748**	83,933

The capitalisation rate used to determine the amount of the interest incurred eligible for capitalisation in 2013 was 7.42% (2012: 9.45%).

12. INCOME TAX EXPENSES

	2013 *RMB'000*	2012 *RMB'000*
Corporate Income Tax ("CIT")		
– Current income tax	**1,933,751**	1,552,488
– Deferred income tax	**(643,786)**	(614,939)
	1,289,965	937,549
LAT	**900,657**	1,132,239
	2,190,622	2,069,788

(a) CIT

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted-average tax rate applicable to profits of the consolidated entities as follows:

	2013 *RMB'000*	2012 *RMB'000*
Profit before income tax	**5,684,449**	4,684,528
Income tax calculated at the domestic tax rates applicable to profits in the respective countries	**1,421,112**	1,171,132
LAT deduction	**(225,164)**	(283,060)
Share of losses of investments accounted for using equity method, net	**(18,058)**	(9,697)
Income not subject to tax	**(22,511)**	(69,583)
Tax losses for which no deferred income tax assets was recognised	**51,011**	13,730
Non-deductible expenses	**28,171**	31,638
Withholding tax for distributable profits of PRC subsidiaries	**55,404**	83,389
	1,289,965	937,549

The weighted-average applicable tax rate was 25% (2012: 25%).

Pursuant to the applicable rules and regulations of Cayman Islands and British Virgin Islands ("BVI"), the Company and the BVI subsidiaries of the Group are not subject to any income tax in those jurisdictions.

The income tax provision of the Group in respect of operations in the PRC has been calculated at the applicable tax rate of 25% and the estimated assessable profits for the year ended 31 December 2013 based on existing legislations, interpretations and practices.

In accordance with the PRC Corporate Income Tax Law, a 10% withholding income tax is levied on dividends declared to foreign investors from the enterprises with foreign investments established in the PRC. The Group is therefore liable to withholding taxes on dividends distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

(b) LAT

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

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to owners of the company by the weighted-average number of ordinary shares in issue during the year.

	2013	2012
Profit attributable to owners of the parent *(RMB'000)*	**3,178,403**	2,607,300
Weighted-average number of ordinary shares in issue *(thousand)*	**3,301,899**	3,004,581

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issues assuming the exercise of the share options.

	2013	2012
Profit attributable to owners of the parent *(RMB'000)*	**3,178,403**	2,607,300
Weighted-average number of ordinary shares in issue *(thousand)*	**3,301,899**	3,004,581
Adjusted for share options *(thousand)*	**59,757**	31,555
Weighted-average number of ordinary shares for diluted earnings per share *(thousand)*	**3,361,656**	3,036,136

14. DIVIDENDS

The dividends paid in 2013 and 2012 were RMB260.7 million (RMB0.079 per share) and RMB236.4 million (RMB0.079 per share) respectively. A dividend in respect of the year ended 31 December 2013 of RMB0.191 per share, amounting to a total dividend of RMB635.7 million, is to be proposed at the annual general meeting on 19 May 2014. These financial statements do not reflect this dividend payable.

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Interim dividend paid of RMB – (2012: nil) per ordinary share	**–**	–
Proposed final dividend of RMB0.191 (2012: RMB0.079) per ordinary share	**635,681**	260,730

15. EVENTS AFTER THE BALANCE SHEET DATE

On 13 January 2014, Tianjin Sunac Ao Cheng Investment Co., Ltd. ("Tianjin Sunac Ao Cheng"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with independent third parties, pursuant to which, Tianjin Sunac Ao Cheng agreed to acquire 49% equity interest of China Energy Conservation Lvjian (Hangzhou) Technology Development Co., Ltd. ("China Energy Conservation") at a total cash consideration of RMB32.6 million. China Energy Conservation has secured a land use right for property project development in Hangzhou through an open tendering process. Up to the date of this announcement, the acquisition has yet to be completed.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Revenue

Revenue of the Group for the year ended 31 December 2013 was substantially generated from sales of residential and commercial properties. Only a minor portion of the Group's revenue was derived from the income from property management services business and rental of investment properties located in Tianjin.

For the year ended 31 December 2013, the Group remained focusing on the development of real estate properties in five main regions of the PRC, namely Beijing, Tianjin, Shanghai, Chongqing and Hangzhou, and continued to deliver a solid performance, achieving satisfactory growth in its core businesses.

Revenue of the Group for the year ended 31 December 2013 amounted to RMB30,836.7 million, which has an increase by 48.0% comparing with the total revenue of RMB20,842.6 million for the year ended 31 December 2012.

The following table sets forth certain details of the revenues:

	For the year ended December 31			
	2013		2012	
	RMB'000	*%*	*RMB'000*	*%*
Sales of properties	**30,572,525**	**99.15**	20,654,358	99.10
Property management service income	**232,496**	**0.75**	171,377	0.82
Rental income from investment properties	**31,693**	**0.10**	16,857	0.08
Total	**30,836,714**	**100.0**	20,842,592	100.0
Total gross floor area ("GFA") delivered (square meters "sq.m.")	**1,745,326**		1,193,651	
Average selling prices ("ASP") sold (RMB per sq.m.)	**17,517**		17,304	

The revenue from the sales of properties increased by RMB9,918.2 million for the year ended 31 December 2013, or 48.0%, as compared with that for the year ended 31 December 2012, which was primarily due to the increase of RMB7,027.5 million from the revenue of the delivered properties of newly completed projects from Sunac PL Du Pantheon, Sunac Glorious Mansion, Sunac Eton Manor and Sunac Greentown Suzhou Majestic Garden in 2013 and RMB1,727.8 million from the revenue of the delivered properties from Dynasty on the Bund acquired in 2013.

Cost of sales

Cost of sales comprises of the costs that the Group incurred in relation to its direct development activities for the properties delivered, as well as costs for property management operations and leasing.

For the year ended 31 December 2013, cost of sales of the Group amounted to RMB23,660.2 million, representing an increase of RMB8,200.1 million, or 53.0%, as compared with that of RMB15,460.1 million for the year ended 31 December 2012, which was primarily due to the following:

(i) the GFA delivered for the year ended 31 December 2013 increased by 551,675 sq.m. as compared with that for the year ended 31 December 2012. Overall, cost of sales increased in line with the increase of sales revenue; and

(ii) the proportion of the delivered properties for the year ended 31 December 2013 which were remeasured at fair value due to the impact of the acquisition of property projects increased as compared with that for the year ended 31 December 2012. Cost of sales included RMB2,494.1 million for the year ended 31 December 2013 and RMB1,722.6 million for the year ended 31 December 2012 related to the valuation surplus of the properties acquired.

Gross margin

For the year ended 31 December 2013, the gross profit of the Group amounted to RMB7,176.5 million, or an increase of 33.3% as compared with RMB5,382.5 million of last year. Gross margin was 23.3% for the year ended 31 December 2013 as compared with that of 25.8% for the year ended 31 December 2012, mainly due to the following:

(i) the revenue of the delivered properties from the projects acquired by the Group in 2012 from Greentown Real Estate Group Co., Ltd. ("Sunac Greentown Projects") accounted for 22.1% of the total revenue recorded for the year ended 31 December 2013 with the gross margin at only 7.0%. Excluding Sunac Greentown Projects, the gross margin of the Group's other projects for the year ended 31 December 2013 was 27.9%;

(ii) the delivered properties for the year ended 31 December 2013 was affected by remeasurement of fair value due to the impact of the acquisition of property projects. Excluding the impact of remeasurement of fair value, the Group's gross margin was 31.4%; and

(iii) excluding the impact of the aforementioned items (i) and (ii), the Group's gross margin was 37.2% for the year ended 31 December 2013.

Selling and marketing costs and administrative expenses

Selling and marketing costs of the Group rose to RMB615.5 million for the year ended 31 December 2013 from RMB530.0 million for the year ended 31 December 2012.

Administrative expenses of the Group increased to RMB520.1 million for the year ended 31 December 2013 from RMB354.5 million for the year ended 31 December 2012.

The changes in selling and marketing costs and administrative expenses were primarily due to the increase of sales amount and the quantity of projects newly acquired and launched for the year ended 31 December 2013.

Other income and gains

The Group's other income and gains decreased by RMB88.7 million from RMB311.2 million for the year ended 31 December 2012 to RMB222.5 million for the year ended 31 December 2013, which was primarily due to the decrease of the gain from business combination and acquisition of joint ventures and associates.

Other expenses

The Group's other expenses increased by RMB143.6 million from RMB1.9 million for the year ended 31 December 2012 to RMB145.5 million for the year ended 31 December 2013, which was primarily due to the increase of RMB124.2 million in impairment provision for goodwill.

Operating profit

As a result of the sectors analyzed above, the Group's operating profit increased by RMB1,310.8 million from RMB4,807.2 million for the year ended 31 December 2012 to RMB6,118.0 million for the year ended 31 December 2013, which was primarily due to

(i) an increase of RMB1,794.1 million in gross profit;

(ii) a decrease of RMB88.7 million in other income and gains and an increase of RMB143.6 million in other expense;

(iii) an increase of RMB251.0 million in operating expenses.

Finance costs

The Group's finance costs increased to RMB580.3 million for the year ended 31 December 2013 from RMB113.1 million for the year ended 31 December 2012 and the capitalized interest increased to RMB1,947.6 million for the year ended 31 December 2013 from RMB1,717.4 million for the year ended 31 December 2012. It was mainly attributable to an increase in interest expenses on the Group's total borrowings from RMB1,817.3 million for the year ended 31 December 2012 to RMB2,559.9 million for the year ended 31 December 2013. This increase was due primarily to the increase of borrowings to finance the Group's expanded property development activities for the year ended 31 December 2013.

The Group realised the continued decline in weighted-average effective interest rate through continued optimisation of the debt structure, control of the refinance costs and the replacement of the existing high cost borrowings. The Group's weighted-average effective interest rate of newly increased borrowings dropped to 8.3% for the year ended 31 December 2013.

Share of profit/(loss) of investments accounted for using equity method, net

For the year ended 31 December 2013, the Group recorded a share of profit of RMB72.2 million from investments accounted for using equity method, compared to a share of loss of RMB38.8 million for the year ended 31 December 2012. This change was mainly attributable to the significant increase of profit from Shanghai Greentown Woods Golf Villa Development Co., Ltd., an associate of the Group, since a gain of RMB268.0 million attributable to the Group from the acquisition of Zhejiang Jinying Realty Co.,Ltd. was recognised. Such increase of profit was partially offset by the increase of RMB88.1 million from a share of losses of joint ventures which were primarily due to the increase of the quantity of joint ventures which had not yet commenced recording the revenue.

Income tax expenses

Income tax expenses represent current and deferred PRC corporate income tax ("CIT") and land appreciation tax ("LAT") made by the Group's PRC subsidiaries. Income tax expenses of the Group amounted to RMB2,190.6 million for the year ended 31 December 2013 from RMB2,069.8 million for the year ended 31 December 2012, which was primarily attributable to the increase in the Group's profit before income tax for the year ended 31 December 2013 compared to that for the year ended 31 December 2012.

Profit

Benefited from the rapid growth in the sales results and the high quality balanced development in operation scale of the Group, the Group's profit for the year ended 31 December 2013 increased by 33.6% to RMB3,493.8 million as compared with that of RMB2,614.7 million for the year ended 31 December 2012. The Group's profit attributable to owners of the Company for the year ended 31 December 2013 increased by 21.9% to RMB3,178.4 million as compared with that of RMB2,607.3 million for the year ended 31 December 2012.

The following table shows the profit attributable to owners of the Company and non-controlling interests respectively as of the dates indicated:

	For the year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Profit for the year	**3,493,827**	2,614,740
Attributable to:		
Owners of the Company	**3,178,403**	2,607,300
Non-controlling interests	**315,424**	7,440
	3,493,827	2,614,740

As a result of the growth of the Group's profit attributable to owners of the Company, excluding the impact of the gain from acquisition of equity interests, the fair value change of the investment properties and impairment provision for properties, the Group's core profit attributable to owners of the Company for the year ended 31 December 2013 increased by 28.8% to RMB3,522.7 million as compared with that of RMB2,735.9 million for the year ended 31 December 2012.

Cash position

The Group operates in a capital intensive industry and has historically financed, and expects to continue to finance, its working capital, capital expenditures and other capital requirements through proceeds from the pre-sale and sale of properties, borrowings from commercial banks and other parties, capital contributions from shareholders and new share issuances. The Group's short-term liquidity requirements relate to servicing its debt and meeting its working capital requirements, and the Group's sources of short-term liquidity include cash balances, proceeds from pre-sales and sales of properties and new loans. The Group's long-term liquidity requirements relate to funding the development of its new property projects and repaying its long-term debt, and the Group's sources of long-term liquidity include loans, capital contributions from shareholders and share issuances.

The Group's cash and cash equivalents (including restricted cash) increased by 30.5% to RMB16,008.7 million as at 31 December 2013 from RMB12,262.7 million as at 31 December 2012.

The increase was principally attributable to:

(i) the net cash inflow of RMB8,323.9 million in operating activities benefited from the significant increase of the proceeds from the pre-sale and sale of properties;

(ii) the net cash outflow of RMB15,067.5 million in investing activities which was mainly due to obtaining new projects by the Group in Shanghai, Tianjin, Beijing and Hangzhou respectively and acquiring equity interests; and

(iii) the net cash inflow of RMB11,850.7 million in financing activities primarily due to the net inflow of RMB5,472.1 million from the borrowing, issue of senior notes and the payment of interest costs, net inflow of RMB1,618.6 million from the placing of shares, the net inflow of RMB1,852.5 million from the non-controlling interests' investments and the net inflow of RMB2,457.1 million from joint ventures and associates' cash advances.

The Group believes that both the working capital and financial resources are sufficient to secure the business growth in foreseeable future.

Borrowing and collateral

The Group had total borrowings of RMB28,706.3 million as at 31 December 2013, increasing by RMB6,981.3 million from RMB21,725.0 million as at 31 December 2012, which was primarily due to the net increase of RMB2,996.3 million from senior notes issued in March 2013, the net increase of RMB2,382.2 million from foreign syndicated loans obtained in July 2013 and the net increase of RMB1,602.8 million from loans obtained from banks and other parties.

As at 31 December 2013, RMB28,587.5 million of the Group's total borrowings (as at 31 December 2012: RMB19,326.2 million) were secured or jointly secured by the Group's properties under development, completed properties held for sale and investment properties totaling RMB43,148.4 million (as at 31 December 2012: RMB27,578.4 million), and certain equity interests of the Group's subsidiaries (including those legally transferred as collateral).

Net debt to total assets ratio, gearing ratio and net gearing ratio

Net debt to total assets ratio is calculated as net debt divided by total assets. Net debt is calculated as total borrowings (including current and long-term borrowings) less cash and cash equivalents (including restricted cash). As at 31 December 2013, the net debt to total assets ratio of the Group is 13.0%, as compared to 13.3% as at 31 December 2012.

Gearing ratio is calculated as net debt divided by total capital. Total capital is calculated as total equity plus net debt. As at 31 December 2013, the gearing ratio of the Group is 41.1%, as compared to 44.1% as at 31 December 2012.

Net gearing ratio is calculated as net debt divided by total equity. As at 31 December 2013, the net gearing ratio decreased to 69.7% from 78.9% as at 31 December 2012. The Group continues to pay attention to and manage its financial structure and potential risks during its course of development.

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent from changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The table below sets out the Group's exposure to interest rate risks. Included in the tables are the liabilities at carrying amounts, categorized by maturity dates.

	At 31 December 2013 *RMB'million*	At 31 December 2012 *RMB'million*
Floating rates		
Less than 12 months	**2,762**	8,149
1 to 5 years	**8,225**	3,509
Sub-total	**10,987**	11,658
Fixed rates		
Less than 12 months	**5,072**	3,634
1 to 5 years	**12,647**	6,433
Sub-total	**17,719**	10,067
Total	**28,706**	21,725

As at 31 December 2013, the Group did not use any interest rate swaps to hedge its exposure to interest rate risk. The Group analyzes its interest rate exposure monthly by considering refinancing, renewal of existing positions and alternative financing.

Foreign exchange risk

The Group conducts its business principally in Renminbi, since all of the operating entities are based in the PRC. As the Group has some bank deposits denominated in foreign currencies and the senior notes and foreign syndicated loans denominated in US dollars or HK dollars, the Group faces foreign exchange risk. However, the Group's operating cash flow and liquidity are not subject to significant effect from fluctuations in exchange rates. No currency hedging arrangements were made as at 31 December 2013. The Group will closely monitor and manage its exposure to fluctuation in foreign exchange rates.

Contingent Liabilities

The Group provided guarantees to banks for mortgage facilities granted to certain purchasers of the Group's properties to secure the obligations of such purchasers for repayment of their mortgage loans. As at 31 December 2013, the amount was RMB7,241.9 million as compared with RMB5,124.2 million as at 31 December 2012. Such guarantees terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser which generally takes place within an average period of six months of the properties delivery date; or (ii) the satisfaction of obligations under the mortgage loans by the purchasers. The Group's guarantee period starts from the dates of grant of the mortgage.

BUSINESS REVIEW AND OUTLOOK

Business Highlights

Summary of Principal Properties

As at 31 December 2013, the Group has engaged in a total of 59 property development projects. The following table sets forth certain details of the Group's projects based on actual data or estimates of the Company, subsidiaries and associates as of 31 December 2013.

Project Summary as of 31 December 2013

Project	Location	Type of property product	Total site area *(sq.m.)*	Estimated aggregate GFA *(sq.m.)*	Estimated saleable/ rentable GFA *(sq.m.)*	Interest attributable to the Group	Estimated completion time
Sunac Magnetic Capital	Tianjin	High-rise apartments, retail properties, offices, serviced apartments and car parks	460,840	1,247,860	1,188,944	100%	December 2014
Sunac Mind-land International	Tianjin	High-rise apartments, detached villas, retail properties and car parks	497,501	809,386	749,249	100%	Completed in December 2012
Sunac Central of Glorious	Tianjin	High-rise and mid-rise apartments, townhouses, retail properties and car parks	14,608	64,738	64,151	100%	Completed in October 2012
Sunac Joy Downdown	Tianjin	Retail properties	25,234	56,615	55,960	100%	Completed in June 2006
Sunac PL Du Pantheon	Tianjin	High-rise apartments, detached villas, retail properties and car parks	70,600	244,491	227,188	100%	December 2014

Project Summary as of 31 December 2013

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Estimated completion time
Sunac Glorious Mansion	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	121,412	303,037	300,687	100%	Completed in December 2013
Sunac Central Academy	Tianjin	High-rise and mid-rise apartments, retail properties and car parks	268,425	694,081	694,081	100%	December 2017
Horizon Capital	Tianjin	High-rise and mid-rise apartments, retail properties, offices, serviced apartments and car parks	111,446	386,046	385,029	49%	November 2016
Dream of Mansion	Tianjin	Mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	115,810	241,760	222,879	50%	October 2016
Yongji Phase 2	Tianjin	High-rise apartments, retail properties, offices and car parks	15,742	79,702	79,702	47%	December 2016
R3 Project	Tianjin	Retail properties, offices, serviced apartments and car parks	121,214	471,288	471,288	47%	June 2018
River and Sea	Tianjin	High-rise apartments, retail properties and car parks	59,660	283,474	282,563	47%	September 2017
Azure Coast	Tianjin	Retail properties, offices, serviced apartments and car parks	17,161	209,687	192,465	40%	December 2018
Bay and Island	Tianjin	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, offices and car parks	250,759	613,773	607,368	54%	April 2018
Tiantuo Project	Tianjin	High-rise apartments, retail properties, offices and car parks	370,698	1,466,786	1,402,565	51%	September 2019
Sunac Top Mansion of the Dongting	Tianjin	High-rise apartments, retail properties and car parks	109,537	262,991	262,967	100%	December 2015
Watch Factory Project	Tianjin	Mid-rise apartments, detached villas and car parks	60,088	107,255	83,875	51%	December 2015
Sunac East Fairy Land	Beijing	High-rise apartments, retail properties and car parks	54,502	166,481	144,276	100%	Completed in November 2010
Sunac West Chateau	Beijing	Mid-rise apartments, retail properties and car parks	190,665	447,803	337,829	100%	Completed in June 2013
Sunac Long Beach Mansion	Beijing	Mid-rise apartments, retail properties and car parks	63,940	133,956	104,289	100%	Completed in December 2013
Yaao Jinmao Residence	Beijing	High-rise apartments, retail properties and car parks	84,684	266,678	144,557	49%	September 2014
Wangjing Jinmao Palace	Beijing	High-rise apartments, retail properties and car parks	54,485	137,757	100,251	49%	June 2015
Fontainebleau Chateau	Beijing	High-rise and mid-rise apartments, retail properties and car parks	131,629	399,378	337,728	50%	August 2015
Yizhuang New Project	Beijing	High-rise and mid-rise apartments, townhouses, detached villas and car parks	183,495	479,050	281,145	51%	December 2015
Nongzhanguan Project	Beijing	Mid-rise apartments and car parks	25,209	100,297	58,560	51%	October 2016

Project Summary as of 31 December 2013

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Estimated completion time
Mentougou Project	Beijing	High-rise apartments, retail properties, serviced apartments and car parks	101,831	496,739	340,712	33%	December 2015
Sunac Olympic Garden	Chongqing	High-rise and mid-rise apartments, townhouses, detached villas, retail properties, serviced apartments and car parks	1,713,640	2,637,141	2,071,097	100%	June 2015
Sunac Eton Manor	Chongqing	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	179,204	404,086	303,940	100%	December 2014
Sunac Guardian Manor	Chongqing	High-rise apartments, townhouses, retail properties, serviced apartments and car parks	159,793	534,506	444,761	100%	December 2015
Jardins de Versailles	Chongqing	High-rise apartments, townhouses, detached villas, retail properties and car parks	397,844	1,358,517	1,166,917	80%	December 2017
Sunac Asia Pacific Enterprise Valley	Chongqing	High-rise apartments, serviced apartments, retail properties, offices and car parks	118,912	754,431	619,859	100%	December 2014
Sunac The European Garden for City-West	Chongqing	High-rise and mid-rise apartments, townhouses, serviced apartments, retail properties and car parks	469,927	1,248,678	1,089,097	100%	December 2017
Sunac Powpre Fontainebleau	Chongqing	Townhouses, detached villas and retail properties	147,400	73,663	70,442	100%	December 2015
Kaixuanlu Project	Chongqing	High-rise apartments, retail properties, serviced apartments and car parks	75,258	436,376	362,867	51%	December 2016
European Garden for City-East	Chongqing	High-rise apartments, townhouses, detached villas, retail properties, serviced apartments and car parks	813,401	2,096,456	1,825,639	51%	December 2020
Wuxi Lihu Camphora Garden	Wuxi	High-rise apartments, detached villas, retail properties and car parks	203,070	706,525	640,733	51%	June 2019
Sunac Swan Lake	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties, serviced apartments and car parks	706,889	1,392,554	1,288,172	100%	June 2015
Sunac Dream of City	Wuxi	High-rise and mid-rise apartments, townhouses, retail properties and car parks	555,861	1,063,172	873,799	100%	December 2015
Sunac 81	Suzhou	Townhouses, detached villas, retail properties	133,434	100,340	82,607	100%	Completed in December 2012
Sunac Royal Garden	Yixing	High-rise apartments, detached villas, townhouses, retail properties and car parks	243,369	436,155	374,781	100%	December 2015

Project Summary as of 31 December 2013

Project	Location	Type of property product	Total site area (sq.m.)	Estimated aggregate GFA (sq.m.)	Estimated saleable/ rentable GFA (sq.m.)	Interest attributable to the Group	Estimated completion time
Melodious Manor	Hangzhou	Mid-rise apartments, townhouses and car parks	59,360	123,527	103,978	75%	December 2014
Wonderful Mansion	Hangzhou	High-rise apartments, retail properties and car parks	20,480	89,252	58,847	50%	December 2015
Zhijiang River Holiday Village Project	Hangzhou	High-rise apartments, retail properties, offices, serviced apartments and car parks	58,184	262,717	227,071	49%	December 2016
Zhijiang Yihao	Hangzhou	High-rise apartments, retail properties and car parks	214,202	524,512	454,768	25%	March 2016
Yuntai Centre	Hangzhou	Retail properties, offices, serviced apartments and car parks	10,418	156,082	108,274	60%	June 2016
Dynasty on the Bund	Shanghai	High-rise apartments, retail properties, offices and car parks	105,045	632,466	631,249	50%	July 2017
Shanghai Yulan Garden	Shanghai	High-rise and mid-rise apartments and car parks	58,163	120,063	116,739	50%	Completed in June 2013
Bund House	Shanghai	High-rise apartments and car parks	65,758	352,671	226,001	26%	November 2018
Shanghai Rose Garden	Shanghai	Detached villas	803,353	240,040	144,971	50%	December 2014
Shanghai Yulan Garden – Glorious Garden	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	72,803	162,914	147,356	25%	June 2015
Wujiefang Project	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	60,206	111,182	67,568	25%	December 2015
Shanghai Majestic Mansion	Shanghai	High-rise and mid-rise apartments, retail properties and car parks	75,091	167,693	120,637	25%	November 2015
Hongkou Project	Shanghai	Retail properties, serviced apartments and car parks	10,239	57,547	52,460	26%	June 2016
Central garden	Shanghai	High-rise apartments, retail properties, serviced apartments, offices and car parks	211,626	590,410	490,686	30%	January 2018
Wuxi Yulan Garden	Wuxi	High-rise apartments, retail properties and car parks	180,826	569,551	543,583	43%	September 2015
Wuxi Yulan Garden West	Wuxi	High-rise apartments, retail properties and car parks	171,572	549,968	491,965	20%	October 2018
Suzhou Taohuayuan	Suzhou	Detached villas	213,852	263,582	126,430	28%	September 2017
Majestic Mansion	Suzhou	Mid-rise apartments, detached villas	155,664	218,340	121,172	50%	Completed in November 2013
Changzhou Yulan Square	Changzhou	High-rise apartments, retail properties and car parks	413,252	1,397,343	1,318,830	49%	December 2017
		Total	**12,459,272**	**30,003,570**	**25,887,605**		

As at 31 December 2013, the Group's land bank was approximately 21.12 million sq.m., among which, attributable land bank was approximately 12.92 million sq.m..

Review of 2013

The PRC economic growth rate slowed down in 2013. However, the new government did not launch the "Economic-stimulus Plan" but continued to adopt the proactive fiscal policy and the prudent monetary policy, coupled with the continuous improvement of the macro-economic policy framework system and the concept of regulation and control, as well as the introduction of the reform measures, so as to promote the sustainable, steady and healthy development of the economy and realise the overall concept of the quality of economic growth and long-term healthy development focused by the new government.

In 2013, the government did not make any material adjustment of the regulation and control policy on the real estate industry but basically continued to implement the relatively strict policy adopted in the past. However, the approach of allowing the market to give further play has become more obvious. Less administrative intervention will be more favorable to the healthy development of the industry. The overall real estate market was active in 2013, with remarkable differentiation and integration in the industry. Market centralization continued to intensify. More enterprises reviewed again their city layout and the return to the first and second tier cities became the main stream, which intensified competition for the land in the core urban area.

The market trend proved the perspectiveness of the development strategy persisted by the Company. With its focus on the long term development in the first and second tier cities, the Company has remarkable advantages in those cities. In 2013, the Company continued to have excellent performance as in the past, with the sales amount of RMB54,730.82 million exceeding the target for the whole year and its ranking raised to No. 11 in the industry. The core profit reached RMB3,522.7 million, representing an increase of 28.8% compared with the corresponding period in 2012. Under the keen competition of the core urban land market, the Company, under prudent judgment and strict adherence to disciplines, acquired 19 parcels of premium land in the five regions where had been developed by the Company in accordance with the standard and development strategy of the Company. Meanwhile, the Company also achieved continuous improvements in capital structure, the debt structure and decrease of the financing cost. The net debt level also dropped significantly to 69.7%. 2013 marked the tenth anniversary of the Company. In the past decade, in virtue of its long-term adherence to the regional focus and high-end premium development strategy, in-depth understanding of the operation risks and system management as well as highly effective execution capabilities of the team, the Company secured prudent and rapid growth with progressive strengthening in its position in the industry and strengthened its stronghold and power for healthy development in future.

Land Acquisition

The intensified competition in the land market of the first and second tier cities resulted in the continuous rise of land prices in 2013. By means of strict adherence to disciplines, and on the premise of ensuring safe cash flow and the level of debt ratio under control, the Company carefully selected to acquire 19 parcels of premium land in five regions, namely Beijing, Tianjin, Shanghai, Chongqing and Hangzhou, where had been developed by the Company, in compliance with its standard and development strategy, leading to an increase of 9.57 million sq.m. to its land bank and 5.45 million sq.m. to its attributable land bank. The acquisition of these parcels of land will further consolidate its advantageous position in the regions developed by the Company, and make available sufficient land bank for its future development. With the focus on land acquisition in the existing cities, the Company also conducted in-depth research for new cities with potentials at the same time in order to make sufficient preparation for future expansion.

Furthermore, in virtue of its advantageous position in the focus regions and the spirit of open cooperation, the Company has been acclaimed by many powerful counterparts in the industry. In addition to the existing cooperation partners, including Greentown China Holdings Limited, China GeZhouBa Group Real Estate Co., Ltd. and Franshion Properties (China) Limited, the Company also cooperated in 2013 with its new cooperation partners, including Shimao Property Holdings Limited, Tianjin Realty Development Group Co., Ltd., Beijing Uni-Construction Real Estate Development Co., Ltd., Hangzhou Urban Construction and Development Group Co., Ltd., Geely Group Limited and Sichuan Blue Ray Industry Corporation for joint acquisition of land and to give full play of their respective strengths for project development cooperation.

Land Acquisition in 2013

Serial No.	City	Project	Acquisition Date	Acquisition Method	Land Bank (sq. m.)	Interest of the Company
1	Tianjin	Bay and Island	June 2013	Listing for sale	613,773	54%
2		Top Mansion of the Dongting Project	July 2013	Acquisition	262,991	100%
3		Tiantuo Project	September 2013	Listing for sale	1,466,786	51%
4		Watch Factory Project	November 2013	Listing for sale	107,255	51%
			Tianjin Sub-total		**2,450,805**	
5	Beijing	Yizhuang New Project	August 2013	Listing for sale	479,050	51%
6		Nongzhanguan Project	September 2013	Listing for sale	100,297	51%
7		Mentougou Project	December 2013	Tender	496,739	33%
			Beijing Sub-total		**1,076,086**	
8	Shanghai	Dynasty on the Bund	May 2013	Acquisition	619,348	50%
9		Hongkou Land	July 2013	Listing for sale	57,547	26%
10		Central Garden	August 2013	Acquisition	490,803	30%
			Shanghai Sub-total		**1,167,698**	
11	Chongqing	The European Garden for City-West Phase I	July 2013	Listing for sale	377,361	100%
12		The European Garden for City-West Phase II	August 2013	Listing for sale	871,317	100%
13		Powpre Fontainebleau	September 2013	Listing for sale	73,663	100%
14		Kaixuanlu Project	December 2013	Listing for sale	436,376	51%
15		The European Garden for City-East	December 2013	Listing for sale	2,096,456	51%
			Chongqing Sub-total		**3,855,173**	
16	Hangzhou	Zhijiang Yihao	March 2013	Acquisition	513,162	25%
17		Zhijiang River Holiday Village Project	March 2013	Acquisition	262,717	49%
18		Wonderful Mansion	March 2013	Acquisition	89,252	50%
19		Yuntai Center project	August 2013	Acquisition	156,082	60%
			Hangzhou Sub-total		**1,021,213**	
			Total		**9,570,975**	

Operating revenue and profit highlight

In 2013, the revenue and profit of the Company increased significantly as compared with the corresponding period in 2012, of which, the revenue increased by RMB9,994.1 million as compared with the corresponding period of last year to RMB30,836.7 million and the profit increased by RMB879.1 million as compared with the corresponding period of last year to RMB3,493.8 million.

Sales highlights

In 2013, the Company, through adherence to strategy of focusing on regional development and pursuing high-end property, over-fulfilled its planned objectives for 2013. The Group's sales amount was RMB54,730.82 million for 2013. Selling expenses and administrative expenses were also maintained at reasonable levels. The Company believes all of its projects are located in premium locations of various cities and occupy rare resources. With clear positioning and targeting at high-income customer groups in the cities, the Company would be able to implement its sales plan.

Outlook for 2014

In 2014, despite of various difficulties and uncertainties of the PRC economy, with the continuous introduction of a series of reform measures by the new government, the Company believes that the growth of the overall economy will remain steady. Although the growth rate may decline, the government's high concern on the growth quality will be favourable to the long term healthy and continuous growth of the economy. In respect of the policy in the real estate industry, various signs shown in 2013 indicated that the trend of the policy was consistent with the long term judgment of the Company. The Company believes that the overall concept of "market belongs to market and protection belongs to protection" on regulation and control will be gradually implemented within the next few years. Overall speaking, the continuous improvement of the policy on regulation and control will be favorable to the long term healthy development of the industry.

The Company believes that the real estate market in 2014 will be difficult to remain the growth rate of last year. The market differentiation will be further intensified. Cities and regional districts with unbalanced supply and demand will face greater pressure. The financial institutions will continue to differentiate their support to enterprises. The capital will be continued to concentrate on good cities, good enterprises and projects. Differentiation and integration is the key to the maturity of the real estate industry. The medium and large developers with good brands, good products and reasonable layout will have better development opportunities.

2014 is the beginning of the second decade of the Company. The Company will persist its regional focus strategy and consolidate its advantageous position in the existing cities where it has previously entered and developed. At the same time, the Company will continue to seek opportunities to enter the new cities in a prudent manner. The Company will further optimize its regional layout and expand to new areas for long term growth. In 2014, in addition to the close watch of the land offer on the open market, the Company will focus the opportunities of mergers and acquisitions in particular. The Company believes that differentiation and integration of the industry will create more and better opportunities.

The Company expects to launch 15 new projects in the market in 2014. By that time, the number of the Company's major properties for sale will be over 51. Most of these projects are located in the first and second tier core cites and core districts with good balance of supply and demand. Sufficient and quality inventories are the strong guarantee to fulfil the sales target of the whole year.

In 2014, the Company will persist its usual prudent strategy on cash flow management to ensure its safe cash flow, enhance its risk resistance capacity, at the same time, further improve its financing structure and lower its overall financing costs.

In 2014, with the increasing number of its project and expansion in scale, the Company will place emphasis on building up its management and operation capabilities as usual. The Company will continue to enhance its reserves of quality staff and optimize its management system as well as build up a business scale and decision system to support high inventory turnover. With its land acquisition quality, product capability, quality service and customer reputation, the Company will continue to enhance its profitability with healthy development.

FINAL DIVIDENDS

The Board proposed to declare a final dividend of RMB0.191 per share, approximately RMB636 million in aggregate, for the year ended 31 December 2013, which are expected to be paid on 16 July 2014 to shareholders whose names appear on register of members of the Company as at 26 May 2014, subject to shareholders' approval in the forthcoming annual general meeting of the Company expected to be held on 19 May 2014 (the "**AGM**"). The proposed final dividend will be paid in Hong Kong dollars, such amount to be calculated by reference to the middle rate published by the People's Bank of China for the conversion of Renminbi to Hong Kong dollars as at 19 May 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders' eligibility to attend and vote at the AGM, the register of members of the Company will be closed from 13 May 2014 to 19 May 2014 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company' s branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 pm on 12 May 2014.

For the purpose of determining the shareholders' entitlement to the final dividend, the register of members of the Company will also be closed from 23 May 2014 to 26 May 2014 (both days inclusive), during which period no transfer of shares will be registered. To ensure the entitlement to the final dividend, which will be resolved and voted on at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company' s branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen' s Road East, Wanchai, Hong Kong, no later than 4:30 pm on 22 May 2014.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the guidelines for the directors' dealings in the securities of the Company. Following specific enquiries of all directors of the Company, each of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2013 in relation to their securities dealings, if any.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix 14 to the Listing Rules as its own code on corporate governance and has, throughout the year ended 31 December 2013, complied with all applicable code provisions under the Corporate Governance Code, save and except for the only deviations from code provisions A.2.1 and E.1.2.

Code provision A.2.1 provided that, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of the chairman and chief executive officer of the Company are performed by Mr. Sun Hongbin. Although Mr. Sun Hongbin assumes both the roles of chairman and chief executive officer, the divisions of responsibilities between the two roles are clearly defined. The role of the chairman is to monitor the duties and performance of the Board, whereas the role of chief executive officer is to manage the Group's business. The Board believes that at the current stage of development of the Group, vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

Code provision E.1.2 provided that, the chairman of the Board should attend the annual general meeting and be available to answer questions at the meeting. Mr. Sun Hongbin (chairman of the Board of the Company) was unable to attend the Company's annual general meeting held on 16 May 2013 as he had to attend certain business matters in the PRC on the same day. Accordingly, the Company was unable to fully comply with code provision E.1.2 of the Corporate Governance Code.

The Board recognises and appreciates the importance and benefits of good corporate governance practices and has adopted certain corporate governance and disclosure practices for achieving a higher standard of transparency and accountability. The Board members have regular discussions about the performance and business strategies of the Group. They, together with the relevant senior executives of the Company, have also attended regular trainings on Listing Rules and other regulatory requirements. The Company has an established internal reporting practice throughout the Group in monitoring the operation and business development of the Company.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision C.3 of the Corporate Governance Code. The audit committee consists of four independent non-executive Directors, namely, Mr. Poon Chiu Kwok, Mr. Li Qin, Mr. Ma Lishan and Mr. Tse Chi Wai, and is chaired by Mr. Poon Chiu Kwok who has possessed appropriate accounting and related financial management expertise. The primary duties of the audit committee are to assist the Board to fulfill the functions of reviewing and monitoring the financial reporting procedure and internal control of the Company and to perform other duties and responsibilities as assigned by the Board.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed the Group's audited annual results for the year ended 31 December 2013 and has agreed with the auditor of the Company on the annual results.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the website of HKEx news (www.hkexnews.hk) as well as the website of the Company (www.sunac.com.cn). The Company's 2013 annual report will be dispatched to shareholders along with the AGM circular, the notice of AGM and proxy form and such documents will be published on the aforementioned websites in due course.

By the order of the Board
Sunac China Holdings Limited
SUN Hongbin
Chairman

Hong Kong, 24 March 2014

As at the date of this announcement, the executive directors are Mr. SUN Hongbin, Mr. WANG Mengde, Mr. LI Shaozhong, Mr. CHI Xun, Mr. SHANG Yu and Mr. JING Hong; the non-executive directors are Ms. HU Xiaoling and Mr. ZHU Jia, and the independent non-executive directors are Mr. POON Chiu Kwok, Mr. LI Qin, Mr. MA Lishan and Mr. TSE Chi Wai.