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Renhe Commercial Holdings Company Limited

人和商業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1387)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the “Board”) of Renhe Commercial Holdings Company Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (the “Group” or “Renhe Commercial”) for the year ended 31 December 2013 with comparative figures for the previous financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

| | Note | 2013 RMB'000 | 2012 RMB'000 |
|--|------|---------------------------|------------------|
| Revenue | 2 | 547,410 | 688,110 |
| Cost of sales | 3 | <u>(26,144)</u> | <u>(144,606)</u> |
| Gross profit | | 521,266 | 543,504 |
| Net valuation (loss)/gain on investment properties | | (832,256) | 2,162,772 |
| Profit on disposal of investment properties | | 65,699 | 10,234 |
| Other income | 4 | 98,987 | 121,334 |
| Administrative expenses | | (1,003,951) | (450,312) |
| Other operating expenses | | <u>(345,285)</u> | <u>(305,391)</u> |
| (Loss)/profit from operations | | <u>(1,495,540)</u> | 2,082,141 |
| Finance income | | 72,821 | 25,797 |
| Finance expenses | | <u>(476,937)</u> | <u>(625,139)</u> |
| Net finance expenses | 6 | <u>(404,116)</u> | <u>(599,342)</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)*For the year ended 31 December 2013*

| | <i>Note</i> | 2013 RMB'000 | 2012 <i>RMB'000</i> |
|--|-------------|-------------------------------|------------------------|
| (Loss)/profit before income tax | 5 | (1,899,656) | 1,482,799 |
| Income tax | 7 | <u>151,286</u> | <u>(538,243)</u> |
| (Loss)/profit for the year | | <u>(1,748,370)</u> | <u>944,556</u> |
| Attributable to: | | | |
| Equity shareholders of the Company | | (1,699,604) | 895,258 |
| Non-controlling interests | | <u>(48,766)</u> | <u>49,298</u> |
| (Loss)/profit for the year | | <u>(1,748,370)</u> | <u>944,556</u> |
| Basic and diluted (loss)/earnings per share <i>(RMB cents)</i> | 9 | <u>(8.04)</u> | <u>4.23</u> |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|--|---------------------------|------------------------|
| (Loss)/profit for the year | (1,748,370) | 944,556 |
| Other comprehensive income for the year (after tax and reclassification adjustments): | | |
| Items that will be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of foreign operations | <u>132,766</u> | <u>(25,694)</u> |
| Total comprehensive income for the year | <u>(1,615,604)</u> | <u>918,862</u> |
| Attributable to: | | |
| Equity shareholders of the Company | (1,566,838) | 869,564 |
| Non-controlling interests | <u>(48,766)</u> | <u>49,298</u> |
| Total comprehensive income for the year | <u>(1,615,604)</u> | <u>918,862</u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

| | <i>Note</i> | 31 December 2013 RMB'000 | 31 December 2012 RMB'000 |
|--|-------------|---|--------------------------------|
| Non-current assets | | | |
| Property and equipment | | 512,654 | 567,043 |
| Investment properties | | 25,748,633 | 26,169,476 |
| Intangible asset | | 11,086 | 11,433 |
| Goodwill | | 363,792 | 363,792 |
| Other assets | | 1,590,822 | 1,730,611 |
| Deferred tax assets | | 202,815 | 168,451 |
| Trade and other receivables | 10 | <u>1,171,880</u> | <u>1,499,918</u> |
| Total non-current assets | | <u>29,601,682</u> | <u>30,510,724</u> |
| Current assets | | | |
| Inventories | | 4,183,535 | 3,296,215 |
| Trade and other receivables | 10 | 893,658 | 2,612,824 |
| Cash at bank and on hand | | <u>1,284,100</u> | <u>1,233,389</u> |
| Total current assets | | <u>6,361,293</u> | <u>7,142,428</u> |
| Current liabilities | | | |
| Interest-bearing borrowings | 12(ii) | 521,800 | 334,800 |
| Trade and other payables | 11 | 3,071,872 | 3,612,993 |
| Taxation | | <u>21,442</u> | <u>30,520</u> |
| Total current liabilities | | <u>3,615,114</u> | <u>3,978,313</u> |
| Net current assets | | <u>2,746,179</u> | <u>3,164,115</u> |
| Total assets less current liabilities | | <u>32,347,861</u> | <u>33,674,839</u> |
| Non-current liabilities | | | |
| Interest-bearing borrowings | 12(i) | 7,276,718 | 7,247,265 |
| Deferred tax liabilities | | 4,333,036 | 4,505,015 |
| Receipt in advance | | <u>431,152</u> | <u>—</u> |
| Total non-current liabilities | | <u>12,040,906</u> | <u>11,752,280</u> |
| Net assets | | <u>20,306,955</u> | <u>21,922,559</u> |
| Capital and reserves | | | |
| Share capital | 13 | 186,376 | 186,376 |
| Reserves | | <u>19,932,669</u> | <u>21,499,507</u> |
| Total equity attributable to equity shareholders of the Company | | 20,119,045 | 21,685,883 |
| Non-controlling interests | | <u>187,910</u> | <u>236,676</u> |
| Total equity | | <u>20,306,955</u> | <u>21,922,559</u> |

Notes:

1. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations promulgated by the International Accounting Standards Board (IASB) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the financial statements is provided as below.

Changes in Accounting Policies

The IASB has issued a number of new IFRSs and amendments to IFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to IAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- IFRS 10, *Consolidated financial statements*
- IFRS 12, *Disclosure of interests in other entities*
- IFRS 13, *Fair value measurement*
- Amendments to IFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period with the exception of the amendments to IAS 36, *Impairment of assets – Recoverable amount disclosures for non-financial assets*, which modify the disclosure requirements for impaired non-financial assets. The amendments are effective for annual periods beginning on or after 1 January 2014, but as permitted by the amendments, the Group has adopted the amendments early. Impacts of the adoption of other new or amended IFRSs are discussed below:

Amendments to IAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to IAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles “statement of profit or loss” and “statement of profit or loss and other comprehensive income” as introduced by the amendments in these financial statements.

IFRS 10, Consolidated financial statements

IFRS 10 replaces the requirements in IAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and SIC12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 12, Disclosure of interests in other entities

IFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by IFRS 12 are generally more extensive than those previously required by the respective standards.

IFRS 13, Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Amendments to IFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with IAS 32.

The adoption of the amendments does not have an impact on the financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of IFRS 7 during the periods presented.

2. REVENUE

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|------------------------------|------------------------|------------------------|
| Operating lease | 454,692 | 416,225 |
| Transfer of operation rights | 92,718 | 270,537 |
| Others | — | 1,348 |
| | <u>547,410</u> | <u>688,110</u> |

The Group manages its business in a single segment, namely the shopping mall operating business. The Group's most senior executive management assesses performance and allocates resources on a group basis. Accordingly, no operating segment information is presented.

As the Group's operations are all located in the People's Republic of China (the "PRC"), no geographic segment reporting is presented.

3. COST OF SALES

Cost of sales is composed of costs of properties relating to the operation rights transferred out during the year and costs of trading goods sold.

4. OTHER INCOME

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|---|------------------------|------------------------|
| Revenue from property management and relevant service | 99,198 | 98,551 |
| Government grants | — | 425 |
| Net gain on liquidation of subsidiaries (i) | — | 22,609 |
| Loss on disposal of property and equipment | (211) | (251) |
| | <u>98,987</u> | <u>121,334</u> |

- (i) During the year ended 31 December 2012, the Group liquidated two PRC subsidiaries and relevant exchange reserve was reclassified to profit or loss upon liquidation.

5. (LOSS)/PROFIT BEFORE INCOME TAX

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|--|------------------------|------------------------|
| Depreciation | 45,653 | 49,508 |
| Advertisement expenses | 38,324 | 37,555 |
| Repairs and maintenance | 101,054 | 88,909 |
| Utility charges | 53,695 | 46,165 |
| Operating lease charges | 26,246 | 21,980 |
| Auditors' remuneration | | |
| – audit services | 11,126 | 10,019 |
| – tax services | 115 | 515 |
| Rentals receivable from investment properties | | |
| less direct outgoings of RMB39,413,000 (2012: RMB30,871,000) | (415,279) | (385,354) |
| Impairment loss on other receivables (<i>Note 10(v)</i>) | 540,186 | – |

6. NET FINANCE EXPENSES

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|--|-------------------------|-------------------------|
| Finance income | | |
| – Interest income on bank deposits | 13,701 | 19,372 |
| – Interest income from loan receivable | – | 6,425 |
| – Interest income on trade receivables | 59,120 | – |
| | <u>72,821</u> | <u>25,797</u> |
| Finance expenses | | |
| – Interest on interest-bearing borrowings | (879,959) | (884,815) |
| Less: interest expenses capitalised into investment properties and inventories* | 459,240 | 447,590 |
| | <u>(420,719)</u> | <u>(437,225)</u> |
| – Discount effect of trade receivables (i) | (34,855) | (200,035) |
| – Net foreign exchange (loss)/gain | (20,807) | 19,087 |
| – Bank charges and others | (556) | (6,966) |
| | <u>(476,937)</u> | <u>(625,139)</u> |
| | <u><u>(404,116)</u></u> | <u><u>(599,342)</u></u> |

* The borrowing costs have been capitalised at rates ranging from 7.68% to 13.72% per annum (2012: 7.68% to 13.72% per annum).

(i) Based on the cash payment schedule and the expected date to receive the buyers' bank loans, the impact of discount on trade receivables amounted to RMB34,855,000 (2012: RMB200,035,000).

7. INCOME TAX

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|--|-------------------------|------------------------|
| Current tax – Provision for the year | | |
| PRC Enterprise Income Tax | 51,257 | 51,587 |
| Land Appreciation Tax | <u>3,800</u> | <u>1,311</u> |
| | 55,057 | 52,898 |
| Deferred tax | | |
| Reversal and origination of temporary difference | <u>(206,343)</u> | <u>485,345</u> |
| | <u>(151,286)</u> | <u>538,243</u> |

- (i) According to the Corporate Income Tax Law of the PRC, from 1 January 2008, the statutory income tax rate applicable to the Group's subsidiaries in the PRC is 25%.
- (ii) According to the Implementation Rules of the Corporate Income Tax Law, the overseas investor to foreign investment enterprises ("FIEs") shall be liable for withholding tax at 10% on the dividend derived from the profits of the year 2008 and thereafter of the FIEs in the PRC. In addition, tax treaties between the PRC and other countries could override the withholding tax rate on dividend if a tax treaty provides a more favourable withholding tax rate. Under the Sino-Hong Kong Double Tax Arrangement, a Hong Kong company will be liable for withholding tax at the rate of 5% for dividend income derived from the PRC if the Hong Kong company holds 25% of equity interests or more of the Chinese company directly. As the holding companies of such FIEs in the Group are Hong Kong companies (the "Group's Hong Kong Holding Companies"), the Group calculated relevant withholding tax based on the withholding tax rate of 5%.
- Along with the implementation of Circular of the State Administration of Taxation on How to Understand and Determine "Beneficial Owners" under Tax Conventions (Guo Shui Han [2009] No. 601), the Group's Hong Kong Holding Companies need to get approval from tax authorities for the determination of "beneficial owners" for the purpose of enjoying withholding tax rate of 5%. As at 31 December 2013, the Group obtained all the approvals for the PRC companies which declared dividends.
- (iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (iv) No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the year.
- (v) In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is levied at the properties developed with legal title by the Group for sale in the PRC. Land Appreciation Tax is charged on the appreciated amount at progressive rates ranged from 30% to 60%.

8. DIVIDENDS

- (i) Dividends payable to equity shareholders of the Company attributable to the year

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

The directors of the Company did not approve or pay any dividend in respect of the previous financial year during the year (2012: Nil).

9. BASIC AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB1,699,604,000 (2012: profit of RMB895,258,000) and the weighted average of 21,148,132,000 ordinary shares (2012: 21,148,132,000 ordinary shares) in issue during the reporting period.

During the years ended 31 December 2013 and 2012, diluted (loss)/earnings per share are calculated on the same basis as basic (loss)/earnings per share. The share options did not have dilutive effect as at 31 December 2013.

10. TRADE AND OTHER RECEIVABLES

| | <i>Note</i> | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|---|-------------|-------------------------------|------------------------|
| Trade receivables | (i)/(ii) | 1,522,564 | 1,896,589 |
| Receivables from disposal of subsidiaries | (v) | 260,190 | 1,589,224 |
| Bank deposits | | 4,944 | 5,835 |
| Deposits for acquisition | | 110,000 | 310,000 |
| Others | | 174,210 | 317,464 |
| | | 2,071,908 | 4,119,112 |
| Less: allowance for doubtful debts | | (6,370) | (6,370) |
| | | 2,065,538 | 4,112,742 |
| Representing: | | | |
| – Non-current | | 1,171,880 | 1,499,918 |
| – Current | | 893,658 | 2,612,824 |
| | | 2,065,538 | 4,112,742 |

Except as disclosed in Note 10(i) below, the balance of trade and other receivables are expected to be settled or recovered within one year.

(i) Trade receivables arose from the transfer of operation rights

The Group normally requested a 30%-50% cash payment upon the purchase from buyers and the remaining balance would be mainly settled by loans obtained by buyers from commercial banks or by cash. Since 2012, the Group started to negotiate the cash payment schedule with the buyers of the shopping mall units to fasten the collection of receivables. As at 31 December 2013, the management estimated the receivables will be recovered:

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|-----------------|-------------------------|-------------------------|
| Within one year | 350,684 | 396,671 |
| Over one year | <u>1,171,880</u> | <u>1,499,918</u> |
| | <u><u>1,522,564</u></u> | <u><u>1,896,589</u></u> |

(ii) Ageing analysis

Included in trade and other receivables are trade receivables with the following ageing analysis as of the end of the reporting period:

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> |
|--------------------|-------------------------|-------------------------|
| Within 6 months | 20,107 | 65,281 |
| 6 months to 1 year | 4,209 | – |
| More than 1 year | <u>1,498,248</u> | <u>1,831,308</u> |
| | <u><u>1,522,564</u></u> | <u><u>1,896,589</u></u> |

(iii) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

(iv) Trade receivables that are not impaired

All of the trade receivables are neither individually nor collectively considered to be impaired.

Receivables that were past due but not impaired relate to a number of independent buyers of operation rights who are in the process of getting bank loans to finance the payment or have agreed semi-annual instalment payment schedule with the Group. According to the terms in the operation rights transfer agreement, if the buyers fail to repay the receivables of the Group, the Group is entitled to transfer the operation rights to other buyers to indemnify the loss of the Group. Based on the assessment of these buyers' credit quality and the indemnification the Group is entitled to, the directors of the Company are of the opinion that the trade receivables are collectible and no impairment is considered necessary.

(v) **Receivables from disposal of subsidiaries**

| | 2013 | 2012 |
|-------------------|-----------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Other receivables | <u>260,190</u> | <u>1,589,224</u> |

Other receivables represent the amounts due from the subsidiaries disposed of at the date of disposal. In 2010, the Group disposed of 100% equity interest of five wholly-owned subsidiaries registered in the BVI at a total consideration of HKD4,666,838,000. Up to 31 December 2013, all the consideration has been settled. The receivables as at 31 December 2013 represent the receivables due from three disposed subsidiaries. At 5 March 2014, the Group entered into deeds with the buyers of two subsidiaries, which agreed to settle the receivables less than the original recognised amount. According to the amounts expected to be received from the buyers of disposed subsidiaries, receivables of RMB540,186,000 were written off. As at the date of this announcement, RMB260,190,000 has been subsequently received.

11. TRADE AND OTHER PAYABLES

| | <i>Note</i> | 2013 | 2012 |
|-------------------------------------|--------------|-------------------------|------------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| Receipts in advance | <i>(i)</i> | 512,203 | 945,028 |
| Construction payables | <i>(ii)</i> | 1,602,729 | 1,802,342 |
| Other taxes payable | <i>(iii)</i> | 89,322 | 19,957 |
| Deposits | <i>(iv)</i> | 600,985 | 575,914 |
| Amounts due to a related party | | 2,006 | 936 |
| Salary and welfare expenses payable | | 14,153 | 7,757 |
| Professional service fee payables | | 14,151 | 14,652 |
| Interest payable | | 175,623 | 181,123 |
| Others | | <u>60,700</u> | <u>65,284</u> |
| | | <u>3,071,872</u> | <u>3,612,993</u> |

- (i) As at 31 December 2013, the amount of receipts in advance expected to be recognised as income after more than one year is RMB11,721,685 (2012: RMB63,745,000).
- (ii) All the construction payables at the end of the reporting period are expected to be settled within one year or are payable on demand.
- (iii) Other taxes payable mainly represents the payables of business tax, which is 5% of the gross revenue.
- (iv) These mainly represent deposits paid by tenants for the privilege to renew the operating lease contracts upon expiry, to sign new operating lease contracts and to sign operation rights transfer contracts for the units of the Group's shopping malls to be opened in the future and deposits collected from customers to secure the execution of the lease agreements.

12. INTEREST-BEARING BORROWINGS

(i) Non-current interest-bearing borrowings comprise:

| | <i>Note</i> | 2013 RMB'000 | 2012 <i>RMB'000</i> |
|---|-------------------|-------------------------------|------------------------|
| Senior notes | <i>(a)</i> | | |
| – Senior Notes 2015 | | 1,811,353 | 1,856,213 |
| – Senior Notes 2016 | | 3,609,965 | 3,704,052 |
| Secured bank loans | <i>(b)</i> | 1,242,000 | 1,986,800 |
| Secured loans from other financial institutions | <i>(c)</i> | 1,075,200 | – |
| | | 7,738,518 | 7,547,065 |
| Less: current portion of long-term bank loans | <i>12(ii)</i> | (261,800) | (299,800) |
| current portion of long-term loans from other financial institutions | <i>(c)/12(ii)</i> | (200,000) | – |
| | | 7,276,718 | 7,247,265 |

(a) The Company issued senior notes of aggregate amount of USD900,000,000 in 2010, which will be due in 2015 and 2016 respectively.

On 18 May 2010, the Company issued senior notes of USD300,000,000 (“Senior Notes 2015”). The Senior Notes 2015 bear interest at 11.75% per annum, payable semi-annually in arrears, and will be due in 2015.

On 10 September 2010 and 15 November 2010, the Company issued in aggregation of USD600,000,000 senior notes (“Senior Notes 2016”). The Senior Notes 2016 bear interest at 13% per annum, payable semi-annually in arrears, and will be due in 2016.

The Group’s certain subsidiaries registered in Hong Kong and the BVI have provided guarantee to the Senior Notes 2015 and Senior Notes 2016 issued in 2010. The guarantee will be released upon the full and final payments of Senior Notes.

- (b) Secured bank loans represent bank loans borrowed by the PRC subsidiaries bearing interest rates ranging from 5.895% to 7.68% per annum (31 December 2012: 6.345% to 8.32% per annum).

The bank loans are secured by the followings:

- As at 31 December 2013, RMB1,042,000,000 (31 December 2012: RMB1,206,800,000) bank loans are secured by restricted bank deposits and investment properties.
 - As at 31 December 2013, RMB200,000,000 (31 December 2012: RMB280,000,000) bank loans are secured by restricted bank deposits and investment properties and jointly guaranteed by certain PRC subsidiaries of the Group.
 - As at 31 December 2012, RMB500,000,000 bank loans are jointly guaranteed by a director of the Company and certain PRC subsidiaries of the Group.
- (c) Secured loans from other financial institutions represent loans borrowed by PRC subsidiaries from financial institutions other than banks, bearing interest rates ranging from 7.68% to 16% per annum (31 December 2012: Nil).

The loans from other financial institutions are secured by the followings:

- As at 31 December 2013, loans from other financial institutions of RMB475,000,000 (31 December 2012: Nil) are jointly guaranteed by a director of the Company and certain PRC subsidiaries of the Group.
 - As at 31 December 2013, loans from other financial institutions of RMB600,200,000 (31 December 2012: Nil) bank loans are secured by restricted bank deposits and investment properties and jointly guaranteed by certain PRC subsidiaries of the Group.
- (ii) The short-term loans and borrowings comprise of:

| | 2013 RMB'000 | 2012 RMB'000 |
|---|-------------------------------|------------------------|
| Secured bank loan (a) | 60,000 | 35,000 |
| Current portion of long-term bank loans (<i>Note 12(i)</i>) | 261,800 | 299,800 |
| Current portion of long-term loan from other financial institutions (<i>Note 12(i)</i>) | 200,000 | – |
| | <u>521,800</u> | <u>334,800</u> |

- (a) Secured bank loan represents bank loan borrowed by a PRC subsidiary with principal of RMB60,000,000 bearing interest at 7.20% per annum. The loan is secured by investment properties.

(iii) The bank loans and loans from other financial institutions are repayable as follows:

| | 2013 | 2012 |
|----------------------------|-------------------------|------------------|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Within one year | 521,800 | 334,800 |
| Between one and two years | 1,186,900 | 361,800 |
| Between two and five years | 463,000 | 974,700 |
| After five years | 205,500 | 350,500 |
| | <u>2,377,200</u> | <u>2,021,800</u> |

13. SHARE CAPITAL

| | 2013 | | 2012 | |
|---------------------------------|-----------------------------|-----------------------|---------------------|-----------------------|
| | Number of shares | | Number of shares | |
| | '000 | <i>RMB'000</i> | '000 | <i>RMB'000</i> |
| Authorised: | | | | |
| Ordinary shares of HKD0.01 each | <u>40,000,000</u> | | <u>40,000,000</u> | |
| Issued and fully paid: | | | | |
| At 1 January/31 December | <u>21,148,132</u> | <u>186,376</u> | <u>21,148,132</u> | <u>186,376</u> |

DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 December 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group currently manages 22 malls across 12 cities in China. Gross floor area (“GFA”) under management (includes GFA sold but continue to provide management and advisory services) currently stands at 1.26 million square meters (“sq.m”); leasable GFA stands at 0.78 million sq.m. The Group’s project reserves stands at 4.81 million sq.m. This includes 12 projects under construction; equivalent to 1.32 million sq.m of construction GFA and 19 projects approved and under planning stage; equivalent to 3.49 million sq.m of approved GFA.

During the period under review, the Group commenced operation of three underground malls. The Group’s Liaoning Jinzhou Project Phase 1 started operation in the fourth quarter of 2013. The project has a completed GFA of 40,765 sq.m. It is located underneath Zhongyang Avenue, Luoyang Road and Shanghai Road of Jinzhou City, Liaoning Province.

During the same period, the Group also commenced operation for another 2 new malls in Shenyang. These 2 malls are part of the Group’s Liaoning Shenyang Project Phase 2. The Shenyang Taiyuanjie project commenced operation with a GFA of 58,612 sq.m. The project is located underneath Taiyuan North Street and Zhongshan Road of Shenyang City, Liaoning Province. Shenyang Taiyuanjie project has a remaining 27,856 sq.m GFA still under construction.

The Shenyang Zhongjie project commenced operation with a GFA of 41,490 sq.m in 2013. The project is located underneath Zhongjie Road and Zhengyang Street of Shenyang City, Liaoning Province. Shenyang Zhongjie project has a remaining 90,202 sq.m GFA still under construction.

The Group continued to pace expansion in 2013 and was prudent in terms of commencing new projects for development. The Group started construction on Guangzhou Project Phase 2 in June 2013. This project is located underneath Zhanqian Road of Guangzhou and serves as an extension of “The First Tunnel” of Guangzhou. This project will have a GFA of approximately 41,861 sq.m and will primarily engage in wholesale apparel and accessories.

Malls Under Management

| Cities | Number of malls | GFA under management – sq.m | Leasable GFA – sq.m |
|---------------|------------------------|------------------------------------|----------------------------|
| Harbin | 9 | 168,081 | 66,541 |
| Shenyang | 3 | 210,602 | 80,470 |
| Guangzhou | 1 | 47,554 | 4,250 |
| Wuhan | 1 | 69,209 | 20,596 |
| Wuxi | 1 | 423,289 | 415,769 |
| Handan | 1 | 68,027 | 32,896 |
| Putian | 1 | 55,084 | 33,305 |
| Anyang | 1 | 25,310 | 21,989 |
| Ganzhou | 1 | 59,900 | 41,084 |
| Fushun | 1 | 10,596 | 10,596 |
| Yueyang | 1 | 81,780 | 41,780 |
| Jinzhou | 1 | 40,765 | 10,765 |
| Total | 22 | 1,260,197 | 780,041 |

Project Reserves (including projects under construction)

| Under construction | Total construction GFA – sq.m | Investment properties GFA – sq.m | Inventory GFA – sq.m |
|---|--------------------------------------|---|-----------------------------|
| 1 Chongqing Banan Project Phase 1 | 60,669 | 40,669 | 20,000 |
| 2 Chongqing Dadukou Project Phase 1 | 40,379 | 20,379 | 20,000 |
| 3 Liaoning Anshan Project Phase 2 | 118,000 | 118,000 | – |
| 4 Hainan Sanya Project | 135,190 | 100,190 | 35,000 |
| 5 Liaoning Shenyang Project Phase 2 | 118,058 | 88,058 | 30,000 |
| 6 Guangdong Dongguan Humen Project Phase 1 | 423,890 | 273,890 | 150,000 |
| 7 Hebei Qinhuangdao Project Phase 1 | 23,282 | 13,282 | 10,000 |
| 8 Liaoning Anshan Project Phase 3 | 18,928 | – | 18,928 |
| 9 Jiangxi Yingtan Project Phase 1 | 86,000 | 61,000 | 25,000 |
| 10 Guangdong Dongguan Humen Project Phase 2 | 228,000 | 178,000 | 50,000 |
| 11 Guangzhou Project Phase 2 | 41,861 | 6,861 | 35,000 |
| 12 Shandong Yantai Project Phase 1 | 30,000 | 5,000 | 25,000 |
| Total | 1,324,257 | 905,329 | 418,928 |

| | Approved GFA – sq.m | | |
|--|--------------------------------|------------------------------|------------------------------|
| Approved and under planning stage | | | |
| 1 Harbin Project Phase 4 | 15,738 | | |
| 2 Harbin Project Phase 5 | 10,000 | | |
| 3 Harbin Project Phase 6 | 31,500 | | |
| 4 Tianjin Project | 121,220 | | |
| 5 Tianjin West Station South Plaza Project | 100,000 | | |
| 6 Hubei Wuhan Xibei Project | 450,000 | | |
| 7 Shenzhen Project | 160,000 | | |
| 8 Shandong Qingdao Project | 500,000 | | |
| 9 Jiangsu Wuxi Taihu Plaza Project | 250,000 | | |
| 10 Hebei Zhangjiakou Project | 150,000 | | |
| 11 Jiangxi Yingtan Project Phase 2 | 69,000 | | |
| 12 Shandong Yantai Project Phase 2 | 56,000 | | |
| 13 Hebei Qinhuangdao Project Phase 2 | 96,718 | | |
| 14 Henan Zhengzhou Project Phase 2 | 350,000 | | |
| 15 Henan Luoyang Project | 194,840 | | |
| 16 Anhui Wuhu Project | 150,000 | | |
| 17 Yunnan Kunming Project | 200,000 | | |
| 18 Jiangxi Nanchang Bayi Tunnel Project | 162,000 | | |
| 19 Guizhou Guiyang Project Phase 1 | <u>420,000</u> | | |
| Total | <u><u>3,487,016</u></u> | | |
| Grand Total | <u><u>4,811,273</u></u> | <u><u>905,329</u></u> | <u><u>418,928</u></u> |

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2013, the Group recorded a consolidated revenue of approximately RMB547.4 million, as compared with RMB688.1 million in 2012.

Operating lease income grew by 9.2% to RMB454.7 million this year as compared to RMB416.2 million last year while revenue from transfer of operation rights dropped by 65.7% to RMB92.7 million from RMB270.5 million last year.

| | 2013 <i>RMB'000</i> | 2012 <i>RMB'000</i> | Change <i>RMB'000</i> | Change % |
|------------------------------|-------------------------------|------------------------|--------------------------|-------------|
| Operating lease | 454,692 | 416,225 | 38,467 | 9.2 |
| Transfer of operation rights | 92,718 | 270,537 | (177,819) | (65.7) |
| Others | <u>–</u> | <u>1,348</u> | <u>(1,348)</u> | (100.0) |
| Revenue | <u>547,410</u> | <u>688,110</u> | <u>(140,700)</u> | (20.4) |

Operation Rights Transfer

Revenue generated from transfer of operation rights was recognized when significant risks and rewards of the operation rights have been transferred to the buyers. Revenue generated from transfer of operation rights during the financial year 2013 was RMB92.7 million, down by 65.7% as compared with RMB270.5 million last year. During 2013, the Group had transferred 3,985 sq.m in various projects as compared to 13,529 sq.m in 2012. Transfer of operation rights this year mainly comprised 2,372 sq.m of Yueyang Project and 1,449 sq.m of Shenyang Project Phase 2. As the location of the projects were different, the average transfer price of RMB23,267 per sq.m for this year was higher than that of RMB19,997 per sq.m last year.

Operating Lease Income

As we derive all our operating lease income from the lease of space in our shopping centres, our operating lease income for a given period depends primarily on the following factors: (i) the GFA of shops available for leasing during the period; and (ii) the average rental of shops during the period.

Revenue generated from operating lease income for this year increased by 9.2% to RMB454.7 million from RMB416.2 million last year. The increase in operating lease income was mainly attributed to the average increase in rental per sq.m of around 2.8%. In addition, upon opening of the malls in Yueyang and Shenyang, the Group recorded total rental income of RMB16.5 million from these projects.

Cost of Sales

Cost of sales mainly comprise the cost for the transfer of operation rights amounting to RMB26.1 million which represent either costs of construction of properties or carrying amount of properties relating to the operation rights transferred during the year. Cost for the transfer of operation rights decreased to RMB26.1 million this year from RMB143.4 million last year as a result of the decrease in the area of transfer to 3,985 sq.m from 13,529 sq.m last year.

Gross Profit

Gross profit slightly decreased to RMB521.3 million in 2013 from RMB543.5 million last year.

Gross margin for the transfer of operation rights increased to 71.8% in 2013 from 47.0% in 2012 as the average transfer price realized increased to RMB23,267 per sq.m from RMB19,997 per sq.m last year.

Net Valuation (Loss)/Gain on Investment Properties

The net valuation loss on investment properties was RMB832.3 million as compared to gain of RMB2,162.8 million in 2012. The Company incurred net valuation loss which was mainly attributed to the drop in valuation of the Dongguan project as a result of the change of around 38,000 sq.m construction areas from shopping mall to car park space. The net valuation loss after deducting the related deferred tax and non-controlling interest was RMB635.6 million (2012: RMB1,514.8 million gain).

Other Income

Other income decreased by 18.4% to RMB99.0 million from RMB121.3 million in 2012 which was mainly due to liquidation of two PRC subsidiaries in 2012 and the relevant exchange reserve was reclassified to profit or loss account in 2012.

Administrative Expenses

Administrative expenses increased by 123.0% to RMB1,004.0 million in 2013 from RMB450.3 million in 2012, which is mainly due to recording of the impairment loss on amount due from disposed subsidiaries of RMB540.2 million.

Other Operating Expenses

Other operating expenses increased by 13.1% to RMB345.3 million in 2013 from RMB305.4 million in 2012, principally due to increase in repair and maintenance, advertisement and utilities expenses.

Finance Income

Finance income increased to RMB72.8 million in 2013 from RMB25.8 million in 2012 as a result of increase in interest income on trade receivables.

Finance Expenses

Finance expenses decreased to RMB476.9 million in 2013 from RMB625.1 million in 2012. This was mainly attributable to the recording of the discount effect of trade receivables amounting to RMB200.0 million in 2012. This arose from the re-negotiation of repayment schedule with the buyers of operating rights.

Investment Properties

Investment properties, either completed or under construction, are revalued in accordance with the valuation report prepared by CBRE Limited, a professional firm of professional surveyors. The analysis of investment properties as at 31 December 2013 is as follows:

| | 2013 | 2012 | Change | Change |
|-----------------------------|------------------------|------------------------|-----------------------|--------|
| | <i>RMB'million</i> | <i>RMB'million</i> | <i>RMB'million</i> | % |
| Completed projects | 15,436.0 | 15,095.8 | 340.2 | 2.3 |
| Projects under construction | 10,312.6 | 11,073.7 | (761.1) | (6.9) |
| Total | <u>25,748.6</u> | <u>26,169.5</u> | <u>(420.9)</u> | (1.6) |

The total value of investment properties decreased by 1.6% to RMB25,748.6 million as at 31 December 2013 from RMB26,169.5 million last year. This was mainly due to the decrease in valuation of the projects under construction as a result of the change of around 38,000 sq.m construction area from shopping mall to car park space of the Dongguan and planned area cancellation of Shenyang projects.

Trade and Other Receivables

Trade and other receivables that were recorded as current asset as at 31 December 2013 was RMB893.7 million as compared with RMB2,612.8 million as at 31 December 2012. This balance mainly comprised trade receivables of RMB350.7 million (RMB396.7 million as at 31 December 2012) arose from the transfer of operating rights which buyers would obtain bank loan or use cash to settle and receivables of RMB260.2 million (RMB1,589.2 million as at 31 December 2012) from disposed subsidiaries. As at 5 March 2014, the Group entered into deeds with the buyers of two of the three subsidiaries, which agreed to settle the receivables of RMB790.2 million with RMB250.0 million. The difference of RMB524.3 million was written off accordingly. As of the date of this announcement, all the amounts arising from the disposed subsidiaries have been subsequently settled. The management believes that pursuing legal actions will be costly and time-consuming. The entering of the deeds has facilitated the payment of the outstanding balance which enable the Group to maintain on-going business relationship with the buyers and enhance the cash flow position of the Group. In addition, there was a trade receivable booked as non-current asset amounted to RMB1,171.9 million as at 31 December 2013 (RMB1,499.9 million as at 31 December 2012) which solely arose from the transfer of operation rights in previous year that the Company has re-negotiated repayment schedules with the buyers to settle the outstanding balance within three years.

Bank Deposits

The Group's bank deposits represented restricted bank deposits placed with several banks in the PRC, either to assist our buyers of the operations right to obtain bank loan or as a security for our own bank loan.

Some of our subsidiaries in the PRC have entered into agreements with banks with respect to bank loans provided to our buyers of the operations right under which our subsidiaries made deposits as security for repayment of the loans under these agreements. These deposits will be released when the loans are repaid by the buyers. As at 31 December 2013, such deposits amounted to approximately RMB169.7 million (31 December 2012: RMB169.3 million).

In addition, deposits totalling RMB16.1 million was also made as at 31 December 2013 (31 December 2012: RMB21.1 million) to obtain bank loans for certain PRC subsidiaries.

Liquidity and Financial Resources

As at 31 December 2013, total assets of the Group amounted to RMB35,963.0 million (31 December 2012: RMB37,653.2 million). For 2013, loss attributable to equity shareholders of the Company amounted to RMB1,699.6 million (31 December 2012: profit of RMB895.3 million). In 2010, capital base of the Group has been strengthened as a result of net proceeds of RMB5,801.7 million through issuing Senior Notes 2015 of USD300,000,000 on 18 May 2010 and Senior Notes 2016 totalling USD600,000,000 on 10 September 2010 and 15 November 2010. The Senior Notes 2015 bear interest at 11.75% per annum, payable semi-annually in arrears, and will be due in 2015 while the Senior Notes 2016 bear interest at 13% per annum, payable semi-annually in arrears, and will be due in 2016.

In terms of available financial resources as at 31 December 2013, the Group's total available cash at bank and on hand was RMB1,284.1 million (31 December 2012: RMB1,233.4 million). The total restricted bank deposits was RMB185.9 million (31 December 2012: RMB190.4 million).

At the end of 2013, gearing ratio for the Group was 21.7%, which is calculated by dividing the interest-bearing borrowings by total assets (31 December 2012: 20.1%).

The Group services its debts primarily with recurring cash flow generated from its operation. Together with the proceeds raised by our initial public offering and the second offering, the Board is confident that the Group has adequate financial resources to meet its future debt repayment and support its working capital and future expansion requirements.

Apart from the senior notes, the Group has bank loans and loans from other financial institutions totalling RMB2,377.2 million as at 31 December 2013 (2012: RMB2,021.8 million).

Foreign Exchange Rate Risk

Renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through People's Bank of China (the "PBOC") or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for the foreign exchange transactions are the rates of exchange quoted by the PBOC that would be subject to a managed float against an unspecified basket of currencies. Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) and must be arranged through the PBOC with government approval.

All cash and bank balances of the Group denominated in Renminbi were placed in banks in the PRC. Renminbi is not freely convertible and the remittance of earnings to overseas is subject to exchange control promulgated by the PRC government. All the revenue-generating operations of the Group are transacted in Renminbi. The Group also kept certain bank balances in Hong Kong which are denominated in US dollar or HK dollar and the senior notes are denominated in US dollar. The Group is exposed to foreign currency risk on financing transactions denominated in currencies other than the functional currency of our subsidiaries (Renminbi) in the PRC and functional currency of the overseas group entities (Hong Kong dollar). Depreciation or appreciation of the Renminbi and Hong Kong dollar against foreign currencies can affect the Group's results. The Group currently does not hedge our foreign exchange risk but may do so in the future.

Capital Commitments

As of 31 December 2013, the future capital expenditure for which the Group had contracted but unprovided for and authorized but not yet contracted amounted to approximately RMB2,684.8 million (31 December 2012: RMB2,628.5 million) and RMB2,836.9 million (31 December 2012: RMB3,650.1 million), respectively.

Contingent Liabilities

Guarantees Provided to Buyers

The Group has provided guarantees and made deposits to bank to assist the buyers of operation rights to obtain bank loans. The outstanding guarantees as at 31 December 2013 amounted to RMB490.4 million (31 December 2012: RMB721.0 million). The guarantees and deposit will be released accordingly along with the repayment of loan principal by the buyers.

Human Resources

As at 31 December 2013, the Group employed 3,261 staff (31 December 2012: 3,446). The Group's employees are remunerated according to the nature of job, individual performance and market trends with built-in merit components. Total remuneration for the year ended 31 December 2013 was approximately RMB217.7 million (2012: approximately RMB235.0 million). We have established a training programme that aims to support and encourage members of our management team to continue improving their management skills, including arranging for seminars and their skill and develop their careers. We provide orientation training as well as on-the-job training on a regular basis on various topics, such as internal regulations, computer and management skills, sales skills and career development. Employees in Hong Kong participate in Mandatory Provident Fund scheme, and employees in Mainland China also participate in similar schemes.

In order to reward and motivate our employees, Wealthy Aim Holdings Limited which is previously owned by the Company's controlling shareholder and total shareholdings subsequently transferred to Broad Long Limited, a private company incorporated in the BVI which is in turn wholly-owned by an employee of the Company to streamline the administration and the management of the pre-IPO option scheme, implemented a management incentive scheme by granting rights to selected employees and other individuals who have made contributions to our Group. An option scheme was also adopted by our shareholders at the extraordinary general meeting held on 25 August 2008 to provide an incentive for, amongst others, our employees to work with commitment towards enhancing the value of the Company.

PROSPECTS

The Group believes that China's positive stance and support towards the consumption sector and underground shopping centres development remains intact. Looking ahead to 2014, the Group will continue to focus its resources in consolidating its existing investment properties. The Group will be selective and be opportunistic in terms of commencing construction on new projects. On top of that, the Group will continue to search for more good projects across China; including both new cities and cities which the Group already has a project.

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

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

AUDIT COMMITTEE

The Company has established an audit committee in accordance with the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules (the "Code"). The primary duty of the Audit Committee is to review and supervise the financial reporting process and internal control systems of the Group. The audit committee is comprised of three independent non-executive directors. The audit committee has reviewed the audited financial statements of the Group for the year ended 31 December 2013.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Since listing, the Company had adopted the code provisions as set out in the Code, save and except for the following:

Code Provision A.1.1

Code Provision A.1.1 stipulates that the Company should hold at least four Board meetings per year at approximately quarterly intervals with active participation of a majority of directors, either in person or through electronic means of communication.

The Board of the Company had held three Board meetings during 2013 financial year to approve the financial and operating performance of the Company and consider and approve the Company's affairs. In order to meet the Code Provision, the Company plans to hold at least four Board meetings in 2014. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable with those in the Code.

Code Provision A.2.1

Mr. Dai Yongge is the Chairman and Chief Executive Officer of the Company. With extensive experience in the management of underground shopping centres, Mr. Dai is responsible for the Group's overall strategic planning and the management of our business. The Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals. The Board currently comprises seven executive directors, three non-executive directors and five independent non-executive directors and therefore has a strong independence element in its composition.

Code Provision A.2.7

The Chairman of the Company did not hold any formal meeting with the independent non-executive directors and other non-executive directors due to the busy schedule of the Chairman and the non-executive directors. The Chairman may communicate with the independent non-executive directors and other non-executive directors on a one-to-one or group basis to understand their concerns and to discuss pertinent issues.

Code Provision A.6.7 and E.1.2

The Chairman of the Company and certain independent non-executive directors and other non-executive directors did not attend the Annual General Meeting held on 26 June 2013 due to other business commitments or being overseas. In absence of the Chairman, Mr. Wang Hongfang, an executive director of the Company, acted as the Chairman of the Annual General Meeting. The Board will finalize and inform the date of the Annual General Meeting as earliest as possible to make sure that the Chairman and other non-executive directors (including independent non-executive directors) would attend the Annual General Meeting of the Company in the future.

Save as disclosed above, there has been no deviation from the code provisions on the Code of the Company for the year ended 31 December 2013.

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 Listing Rules as the guidelines for the directors' dealings in the securities of the Company. Upon specific enquiries of all the directors, each of them confirmed that they have complied with the required standards set out in the Model Code for the year ended 31 December 2013 in relation to their securities dealings, if any.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company is proposed to hold on 26 June 2014. Notice of the Annual General Meeting will be published and despatched to the shareholders in due course.

APPRECIATION

Lastly, I would like to thank all members of the Board for their positive inputs, and our shareholders and business partners for their full support and trust in us. I would also like to thank the management and all employees wholeheartedly for their team work and commitment. On behalf of the Board, I sincerely thank various local governments for their support in Renhe Commercial, and contribution towards the success of our projects.

By order of the Board
Renhe Commercial Holdings Company Limited
Dai Yongge
Chairman

Hong Kong, 27 March 2014

As at the date of this announcement, the Board consists of Mr. Dai Yongge, Mr. Zhang Dabin, Mr. Wang Hongfang, Ms. Wang Chunrong, Mr. Wang Luding, Mr. Zhou Jun and Mr. Jin Tao as executive directors, Mrs. Hawken Xiu Li, Ms. Jiang Mei and Ms. Zhang Xingmei as non-executive directors and Mr. Fan Ren-Da, Anthony, Mr. Wang Shengli, Mr. Wang Yifu, Mr. Leung Chung Ki and Mr. Tang Hon Man as independent non-executive directors.

* *For identification purpose only*