景瑞控股有限公司*

JINGRUI HOLDINGS LIMITED

(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock code

01862

懂你所需 築你所想

KNOW WHAT YOU WANT, BUILD WHAT YOU NEED

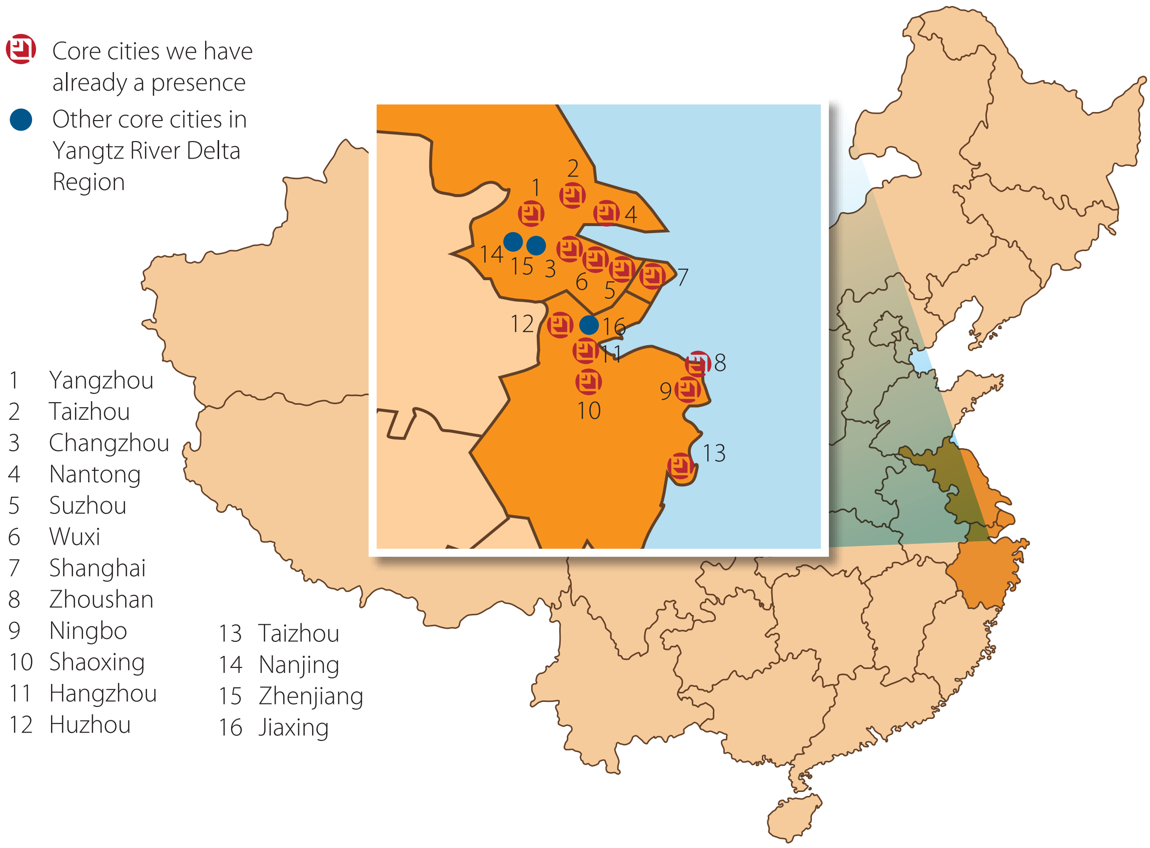
年報 Annual Report

2013

*僅供識別 For identification purpose only

Contents

Corporate Profile



Jingrui Holdings Limited (stock code: 01862) is one of the leading regional residential property developers in the Yangtze River Delta region of China. According to China Index Academy, we were ranked as one of the top 10 developers in the Yangtze River Delta region in 2012 and 2013 that derived at least 50% of their revenues from the region. We were ranked as No. 49, No. 53 and No. 48 of the top 100 real estate companies in China in 2011, 2012 and 2013, respectively, according to Enterprise Research Institute under the Development Research Center of the State Council (國務院發展研究中心企業所), Property Research Institute of Tsinghua University (清華大學房地產研究所) and China Index Academy. On 31 October 2013, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Our Company emphasizes on the growth opportunities in core cities in the Yangtze River Delta region of China, and has established a development model of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth", focusing on achieving higher growth rates and investment returns while maintaining healthy margin for each of our projects. We currently offer two main standardized series of residential properties, namely Royal Bay (御藍灣) and Dignity Mansion (望府). We focus on developing properties catering to the demands of our target customers. Our products are designed to meet the needs of first-time home purchasers and customers who are purchasing to upgrade their existing living conditions. Our Company endeavors to become a leading real estate developer in China through constantly refining and optimizing our development, as well as capitalizing on our comparative advantages of integration, system innovation and size growth.

Corporate Information

Company Name
Jingrui Holdings Limited

Executive Directors
Mr. Yan Hao *(Co-chairman and Chief Executive Officer)*
Mr. Chen Xin Ge *(Co-chairman)*
Mr. Yang Tie Jun *(Executive Vice-president)*
Mr. Xu Chao Hui *(Assistant to Chief Executive Officer)*

Independent Non-Executive Directors
Mr. Han Jiong
Mr. Qian Shi Zheng
Dr. Lo Wing Yan William

Audit Committee
Mr. Qian Shi Zheng *(Chairman)*
Dr. Lo Wing Yan William
Mr. Han Jiong

Remuneration Committee
Mr. Han Jiong *(Chairman)*
Dr. Lo Wing Yan William
Mr. Chen Xin Ge

Nomination Committee
Mr. Yan Hao *(Chairman)*
Mr. Han Jiong
Dr. Lo Wing Yan William

Joint Company Secretaries
Mr. Yu Jia Le
Ms. Lai Siu Kuen *(FCIS, FCS)*

Authorized Representatives
Mr. Xu Chao Hui
Mr. Yu Jia Le

Company's Website
www.jingruis.com

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George Town
Grand Cayman KY1-9005
Cayman Islands

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23rd Floor East Building
333 Chengdubei Road
Shanghai
PRC

Principal Place of Business in Hong Kong
8th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Legal Advisers

As to Hong Kong law:
Simpson Thacher & Bartlett
35/F, ICBC Tower
3 Garden Road
Central, Hong Kong

As to PRC law:
Grandall Law Firm
45/F, Nanzheng Building
580 Nanjing West Road, Shanghai, China

As to Cayman Islands law:
Walkers
Suite 1501-1507, Alexandra House
18 Chater Road
Central, Hong Kong

Auditor
PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

Stock Code
01862

Hong Kong Share Registrar
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Compliance Adviser
Guotai Junan Capital Limited
27F, Grand Millennium Plaza
181 Queen's Road Central, Hong Kong

Principal Banks
Hong Kong
The Bank of East Asia, Limited
Industrial and Commercial Bank of China (Asia) Limited

China
Agricultural Bank of China, Huaihailu Branch
Agricultural Bank of China, Wusong Branch
China Construction Bank, Nanjingxilu Branch

Financial Highlights

Key Financial Indicators:

	Year ended 31 December				
	2013		2012		Change
	RMB million	**Percentage to revenue**	RMB million	Percentage to revenue	
		%		%	%
Revenue	**3,939.0**	**100.0**	4,058.8	100.0	(3.0)
Gross profit	**867.9**	**22.0**	898.0	22.1	(3.4)
Profit for the year					
– Including non-controlling interests	**689.9**	**17.5**	341.5	8.4	102.0
– Attributable to equity holders	**476.2**	**12.1**	271.7	6.7	75.3
Core net profit (profit for the year excluding fair value gains)					
– Including non-controlling interests	**564.9**	**14.3**	323.5	8.0	74.6
– Attributable to equity holders	**351.2**	**8.9**	253.7	6.3	38.4

Key Operation Indicators:

	Year ended 31 December		
	2013	2012	Change
Contracted sales value (RMB million)	**8,262.3**	4,710.6	75%
Contracted sales area (sq.m.)	**830,082.0**	560,074.0	48%
Average contracted selling price (RMB/sq.m.)	**9,954.0**	8,411.0	18%

Key Ratio Indicators:

	2013	2012
	%	%
Gross profit margin (%)	**22.0**	22.1
Asset turnover ratio (%)[1]	**25.6**	36.6
Return on equity (%)[2]	**25.3**	16.7
Net debt-to-equity ratio (%)[3]	**114.7**	129.1

(1) Equal to revenue for the respective year divided by the average of total assets at the beginning and the end of the year

(2) Equal to profit for the year divided by the average of total equity at the beginning and the end of the year and multiplied by 100%

(3) Equal to net debt (which represents total borrowings minus cash and cash equivalents and restricted cash-deposits pledged for borrowings), divided by total equity as at the end of the respective period and multiplied by 100%

Chairman's
Statement

The Group will continue to adhere to the development model of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth", focus on "First-time Home Purchasers and Customers Purchasing to Upgrade their Existing Living Conditions" and promote "Product Standardization" to achieve "Rapid Growth" and "Sustainable Development".

Co-chairmen
Mr. Yan Hao
Mr. Chen Xin Ge

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Jingrui Holdings Limited ("Jingrui Holdings" or the "Company"), we are pleased to present the annual results of the Company and its subsidiaries (the "Group", "we" or "us") for the year ended 31 December 2013 (the "Period under Review" or the "Year").

2013 marked as an important milestone in the development of the Group. During the Year, by adhering to our development model of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth", we made a historical breakthrough in scale development. Against the backdrop of optimizing the demand and supply structure, the property sector and property prices in the PRC experienced a reasonable adjustment and we focused on "First-time Home Purchasers and Customers Purchasing to Upgrade their Existing Living Conditions", with the aim of becoming an outstanding enterprise under the development trend. The Company was successfully listed on the main board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") on 31 October 2013, enabling it to integrate with the international capital market, and pushing the business development of the Group to new heights.

During the Period under Review, profit attributable to equity holders of the Company amounted to RMB476.2 million, representing an increase of 75.3% over that of the previous year. Basic earnings per share amounted to RMB0.5. If fair value gains on investment properties and net of deferred tax are excluded, the profit attributable to equity holders of the Company would be RMB351.2 million, representing an increase of 38.4% over that of the previous year. The Board has recommended the payment of a final dividend of RMB7.0 cents per share, which will be subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

With the exciting year that is 2013 still fresh in our minds, the Group is motivated to achieve a brighter future and greater success.

Looking into the global environment, we expect the world economy to recover moderately. In a report prepared for the G20 Summit held in March 2014, it was stated that the global economy is expected to improve in 2014 and 2015, with expected economic growth rates of approximately 3.75% and 4.0% for 2014 and 2015, respectively.

In respect of China, we believe it remains at the preliminary stage of economic transformation with insufficient momentum for organic growth. China is also exposed to structural conflicts, including local government debts, financial risks, land policies and overcapacity, which will continue to linger in 2014, thereby testing the reform measures and results of the

Shaoxing Jingrui Dignity Mansion

government. However, we also expect to see 2013 is a year witnessing performance rally and stable progress for the real estate industry. Amidst improved macro-economic environment, the real estate markets in first-tier and second-tier cities quickly improved and maintained high turnover. The record prices of prime land lots were repeatedly broken and sale of land banks saw both price and volume increase. Sales of commodity properties nationwide hit another high, and first-tier and certain second-tier cities saw significant sales of existing supply of properties. In 2013, the nation-wide real estate market saw a new round of rapid expansion.

We believe, in the new year, the government will continue to rationalize the relationship between policies and the market, and accelerate the process of reform and improvement of the real estate market. From a macro-economy perspective, the economic growth target is set at around 7.5% for 2014, which was greeted with relieve by the real estate industry. The new type of urbanization with people as the core will support development of the real estate industry in the future. Timing of control through policies and assessment of control effects are no longer determined by housing prices as a key indicator, and emphasis has been put on construction and distribution of social security housing.

In respect of cities, it is expected that the unified "across-the-board" control measures will be no longer implemented nationwide, and local governments will undertake differentiated control responsibilities: it is hard for the measures such as restrictions on property purchases and mortgage loans to be removed in first-tier cities and certain second-tier cities, and appropriately postponing release of demand for better housing and restraint of investment-based demand will be still a main key for 2014. Policies in a majority of third-tier and fourth-tier cities will possibly be relaxed in an orderly manner, and house prices in these cities have been increasing continuingly and steadily over the recent years, which is mainly related to local GDP growth and improvement of per capita income.

Amidst the complicated economic situations in China and abroad, we believe we should respond to these challenges with firm principles. Collision between Internet thinking and traditional concepts of the real estate industry is undoubtedly a hot topic nowadays. Facing the tide of change, we do not expect the real estate industry to be as badly affected in the next three to five years. However, traditional industries are not subverted by traditional industries themselves, but by Internet companies. Concerning the current development status, technologies and marketing are no longer bottlenecks while capital is a high threshold. As "Big Data" and "Cloud Services" are continuingly applied deeply, it may not be impossible for real estate enterprises with Internet thinking to occur. At that time, real headaches will be started for traditional real estate companies…

Huzhou Jingrui Cin Cinnatti

There is a simple but profound rule behind this fashionable and gorgeous look: Internet thinking is not a reform simply based on Internet products and technologies, nor it simply commercialize and socialize products to generate good benefits, but also is not exact innovation against a certain industry. Internet thinking is to innovatively change rules of the industrial chain of the industry in an attitude of ultimacy with Internet technologies by leveraging on habits of Internet users based on essence of products of traditional industries according to industrial attributes of traditional industries following social rules of the Internet to quickly achieve word of mouth communication with a view to realizing the overturning change recognized by Internet users.

The Group's established strategies and rapid-growth performance are our strengths in terms of our scale of development, and also reflective of our sincere commitment to our investors. We will proactively address challenges to our firm beliefs and improve our operating model of "rapid growth", propelling the Group to new heights.

We will remain focused on our core business. We will continue to focus on residential properties, and on first-time home purchasers and customers purchasing to upgrade their existing living conditions to adapt to state policies and the mainstream market. During the Period under Review, the Group continued to adjust the house area percentage of standardized products, reducing the percentage of larger-sized products and increasing the percentage of smaller-sized products. As of 31 December 2013, the percentage of units with saleable areas of less than 90 square meters in our saleable stock increased to 31% from 10% as of the end of 2012, while the percentage of units with saleable areas of more than 144 square meters decreased to 16% from 43% as of the end of 2012. Through improvement and optimization of house areas, our product competitiveness has been significantly enhanced, and we have met the demand of target customers in a more accurate manner. In terms of regions, we will still focus on the core region of Yangtze River Delta. During 2013, we had expanded our business to 13 cities in the PRC, of which 11 cities are listed in the 16 core cities in the Yangtze River Delta region ("16 Core Cities of Yangtze River Delta" as defined in "The Regional Plan for the Yangtze River Delta Region" by the State Council in May 2010). According to the China Index Academy, relative to other leading property developers also focusing on this region, the footprint mentioned above has enabled us to become one of the developers with the widest operational coverage in the core cities in Yangtze River Delta region. In 2013, we had acquired 12 parcels of lands in cities such as Shanghai, Hangzhou, Ningbo, Shaoxing, Suzhou, Yangzhou and Nantong, at a total consideration of approximately RMB6,434 million, increasing our total gross floor areas of land reserves by approximately 2,224,000 square meters, with the land cost per square meter (calculated based on the estimated total gross floor areas) amounting to approximately RMB2,893 per square meter.

As of 31 December 2013, the total gross floor areas of the land reserves held by the Group in aggregate amounted to approximately 5,014,496 square meters, which could meet the development needs of the Group for the next three to five years. A majority of our land reserves is situated in wealthy core cities with sound economies in the Yangtze River Delta region mentioned above. The Group held several projects in some core cities, which was more beneficial to the development strategy of intensively penetrating into the Yangtze River Delta. Supported by policies, we will continue to expand our presence in Yangtze River Delta, and intensively penetrate and tap into the region.

Improve our product standardization. In addition to building up our strength through "focus", the Company also constantly optimizes each product line along with its established business model: on one hand, standardized products are further increased to cater for cost performance of customers' demand. During the Reporting Period, the Group continued to improve standardized achievements of existing products and optimized high-rise standardized units, namely reducing areas and expanding practical use spaces, such as optimizing the two-room units of 91 square meters into the three-room units of 89 square meters, and adding the two-room units of 75 square meters, and innovated low-density standardized products, such as adding mini-townhouse products of 130-160 square meters, to promote cost performance.

On the other hand, implementation efficiency during standardized product launch is further increased. In 2013, the number of strategic suppliers of the Group increased to 90 from 73 in 2012. The level of cooperation with the Group's strategic suppliers reached 96% during the year, i.e. 96% of contract amounts were completed by strategic suppliers. Promptly optimizing the steps remaining to be improved in practice, refining the results open to testing and eventually establishing an ecological mechanism platform of standardized products enabled the Company to achieve fast turnover. During the Period under Review, developments from land acquisitions to sales debuts of the projects acquired at the beginning of 2013 were basically completed within 7.2 months. The "148 days" achieved by the project of Hangzhou Royal Mansion created the fastest development record locally, rapidly increasing the Group's brand awareness. In 2014, we are confident to further enhance such standard, and the title of "Fast Fish Jingrui" will be familiar by more industry players.

Integrate Internet marketing. At the marketing end, we will take advantage of the Internet technologies such as big data and cloud services to set up and improve the online customer communication platform of the Group, specifically, strengthening our customers' experience and collecting customers' data from registration stage. We have to be good at collecting, classifying and listing systematically the important data and gradually increase the level of informationization of the Group based on the Internet. Through interaction of online socialized marketing products and integration and packaging of offline marketing activities, by incorporating the Internet component, we rapidly disseminate information regarding our products to our customers and acquire timely feed-back of demand information from our customers to remain effective and ensure interaction at all times.

Strengthening our reputation and customer satisfaction. The truth that the water that bears the boat is the same that swallows it needs not many words. Recognition and acceptance by our customers are affirmation on our efforts as well as guarantee for our sustainable development! During the Reporting Period, the Group's customer satisfaction hit a new high. Pursuant to a customer satisfaction survey conducted by Gallup Consulting, we scored 85 in 2013, which was industry-leading standard. In the future, we will continue to explore new demand and concerns of customers to quickly respond and adjust by leveraging on the information platform of the Group and always put customers on the first place for decision making!

Today, the Group has rolled into the passing lane, chasing higher goals in full swing. Every one of us will keep pace with the times, strive to achieve self-improvement and adapt to the rapid development of the Company.

In 2014, we must continue compete for victory in every aspect to constantly overcome greater challenges, capitalize on growth opportunities, create higher achievements, and achieve greater value.

On behalf of the Board, we would like to express our sincere thanks to our customers, business partners, shareholders, and all employees of the Company. The Group will continue to use its best endeavours and ability to make progress and achieve better results with a view to creating value for its shareholders!

Co-chairmen
Yan Hao
Chen Xin Ge

Hong Kong
18 March 2014

Breakdown of Major Properties

Completed and Partially Completed Projects

Projects	Property Type	As at 31 December 2013 GFA Available for Sale, Lease or Use by the Group	Percentage of Group's Interest in the Project	Attributable GFA
		in sq.m.	%	in sq.m.
Shanghai Jingrui Softshore City	Residential	5,976	100%	5,976
Phase 1				
Phase 2		4,403		
Phase 3		1,573		
Shanghai Jingrui Life Square	Commercial	25,442	100%	25,442
Shanghai Fengxiang Project*	Composite	37,023	100%	29,618
Phase 1		16,239		
Phase 2		20,784		
Tianjin Jingrui Sunny Town	Residential	11,268	100%	11,268
Phase 1		799		
Phase 2		128		
Phase 3		10,341		
Tianjin Jingrui England County	Residential	67,159	100%	67,159
Phase 1		67,159		
Chongqing Jingrui Blue Vally	Residential	3,767	100%	3,767
Phase 1				
Phase 2				
Phase 3		3,767		
Shaoxing Jingrui Dignity Mansion	Residential	1,213	100%	1,213
Phase 1		1,213		
Huzhou Jingrui Cin Cinnatti	Residential	2,407	100%	2,407
Phase 1		1,030		
Phase 2		1,377		
Zhoushan Jingrui HOPSCA	Residential	6,580	100%	6,580
Phase 1		6,580		
Phase 2				
Suzhou Jingrui Royal Bay	Residential	15,141	100%	15,141
Phase 1		12,882		
Phase 2				
Phase 3		2,259		
Phase 4				

* Pursuant to the terms and conditions of the Purchase Agreement, the directors of the Company considered effective 100% equity interest in Shanghai Fengxiang shall be attributable to the Group. As of 31 December 2013, we have completed the legal procedure for the acquisition of an 80% equity interest in Shanghai Fengxiang, and completed relevant change in equity interest registration as well as change in industrial and commercial registration. In this table, the property's GFA after equity interests was calculated using the percentage of 80%.

Projects	Property Type	As at 31 December 2013 GFA Available for Sale, Lease or Use by the Group in sq.m.	Percentage of Group's Interest in the Project %	Attributable GFA in sq.m.
Suzhou Jingrui Jade Bay	Residential	163	65%	106
Phase 1				
Phase 2		163		
Phase 3				
Changzhou Jingrui Dawn City	Residential	20,714	100%	20,714
Nantong Jingrui Dignity Mansion	Residential	38,540	100%	38,540
Phase 1		38,540		
Taizhou Jingrui Royal Bay	Residential	8,226	100%	8,226
Phase 1		2,354		
Phase 2		5,872		
Total		**243,619**		**236,157**

Projects under Development and under Planning

Project	Property Type	Expected Completion Date	As at 31 December 2013 GFA Under Development in sq.m.	GFA Under Planning in sq.m.	Percentage of Group's Interest in the Project %	Attributable GFA in sq.m.
Projects under Development and under Planning						
Shanghai Jingrui Fair Town	Residential		17,338		40%	6,935
Phase 5		December 2014	17,338			
Shanghai Fengxiang Project*	Composite			183,638	100%	146,910
Phase 3		December 2015		183,638		
Tianjin Jingrui Sunny Town	Residential		52,098		100%	52,098
Phase 4		April 2015	52,098			
Tianjin Jingrui England County	Residential			440,800	100%	440,800
Phase 2		October 2015		84,700		
Phase 3		October 2017		173,800		
Phase 4		October 2018		182,300		

			As at 31 December 2013			
Project	Property Type	Expected Completion Date	GFA Under Development in sq.m.	GFA Under Planning in sq.m.	Percentage of Group's Interest in the Project %	Attributable GFA in sq.m.
Chongqing Jingrui Royal Bay	Residential	December 2014	157,821		100%	157,821
Hangzhou Jingrui Royal Bay	Residential		156,968	49,813	100%	206,780
Phase 1		December 2015	156,968			
Phase 2		December 2015		49,813		
Hangzhou Jingrui Royal Mansion (杭州景瑞 • 御華府)	Residential	December 2015	212,489		51%	108,369
Ningbo Jingrui Dignity Mansion	Residential		162,782		100%	162,782
Phase 1		December 2014	37,273			
Phase 2		December 2015	125,509			
Ningbo Shounan Project (寧波首南項目)[1]	Residential	June 2016	130,980		100%	130,980
Shaoxing Jingrui The Mansion	Residential		164,496		100%	164,496
Phase 1		December 2014	97,898			
Phase 2		December 2015	66,598			
Shaoxing Jingrui Dignity Mansion	Residential		216,329	183,370	100%	399,699
Phase 2		December 2014	115,375			
Phase 3		December 2014	100,954			
Phase 4		December 2015		120,370		
Phase 5		December 2015		63,000		
Shaoxing Jingrui Nobility Mansion	Residential		101,374	102,367	100%	203,741
Phase 1		November 2015	101,374			
Phase 2		December 2016		102,367		
Shaoxing Nanloudi Project (紹興南漊底項目)	Residential	December 2016		271,215	51%	138,320
Huzhou Jingrui Dignity Mansion	Residential	October 2014	53,030		100%	53,030
Zhoushan Jingrui HOPSCA	Residential			63,659	100%	63,659
Phase 3		May 2016		63,659		
Zhoushan Jingrui Peninsula Bay	Residential	June 2014	99,570		100%	99,570
Suzhou Jingrui Royal Bay	Residential		119,012		100%	119,012
Phase 3		June 2014	20,608			
Phase 4		October 2015	98,404			

Project	Property Type	Expected Completion Date	As at 31 December 2013 GFA Under Development in sq.m.	GFA Under Planning in sq.m.	Percentage of Group's Interest in the Project %	Attributable GFA in sq.m.
Suzhou Jingrui Jade Bay	Residential		119,392	88,391	65%	135,059
Phase 2		June 2015	68,690			
Phase 3		December 2014	50,702			
Phase 4		December 2015		88,391		
Suzhou Wuzhong Project (蘇州吳中項目)	Residential	December 2016		248,764	100%	248,764
Suzhou Taicang Project Site 2013-29-1 & 2013-29-2 (蘇州太倉項目 2013-29-1地塊 及2013-29-2地塊)	Residential	December 2016		181,304	100%	181,304
Changzhou Jingrui England County	Residential		123,440		100%	123,440
Phase 3		December 2014	123,440			
Changzhou Jingrui Dignity Mansion	Residential		151,080	120,562	51%	138,537
Phase 1		December 2015	71,458			
Phase 2		December 2015	79,622	7,296		
Phase 3		December 2017		113,266		
Nantong Jingrui Dignity Mansion	Residential		221,195	29,336	100%	250,531
Phase 2		December 2014	85,682			
Phase 3		June 2016	135,513			
Phase 4		December 2016		29,336		
Nantong Jingrui Nobility Mansion	Residential	November 2015	175,202		100%	175,202
Yangzhou Jingrui Dignity Mansion	Residential	December 2015	210,181		100%	210,181
Taizhou Jingrui Royal Bay	Residential		162,883		100%	162,883
Phase 2		December 2014	42,025			
Phase 3		August 2015	120,858			
Total			**2,676,680**	**2,094,199**		**4,280,903**

(1) The Ningbo Shounan Project was won on 24 December 2013, and the relevant land contract was entered into on 8 January 2014.

Management Discussion
And Analysis

Suzhou Jingrui Royal Bay

Business Overview

During the Year, the Group has successfully implemented the rapid-asset-turnover operating model and has achieved excellent results of operations. In 2013, the Group recorded contracted sales of approximately RMB8,262.3 million, representing a substantial increase of approximately 75% over the last year, hitting a new high, and recorded total gross floor areas ("GFA") through contracted sales of approximately 830,080 square meters, representing an increase of approximately 48% over the last year. At the same time, the Group implemented strong sales collection and management, and property sales collection amounted to RMB6,941.0 million throughout the Year, accounting for approximately 84% of the annual contract amounts.

During the Year, the Group's contracted sales were mainly distributed across 15 development projects in eight cities, accounting for approximately 90% of the total contracted sales. In 2013, the Group launched eight new development projects pre-sold for the first time, and sales performance accounted for approximately 37% of the total contracted sales. Such projects mainly included Shaoxing Jingrui The Mansion, Ningbo Jingrui Dignity Mansion, Hangzhou Jingrui Royal Bay and Nantong Jingrui Nobility Mansion. In the meantime, sales of existing projects continued to perform well, accounting for approximately 63% of the total contracted sales, mainly included Shaoxing Jingrui Dignity Mansion, Suzhou Jingrui Jade Bay, Suzhou Jingrui Royal Bay, Taizhou Jingrui Royal Bay, Nantong Jingrui Dignity Mansion and Changzhou Jingrui Dignity Mansion. Benefitting from the Group's rapid-asset-turnover strategy, the projects launched in 2013 all recorded rapid sales, and the average cycle of the projects launched during the Year from land acquisitions to sales was 7.2 months. The Hangzhou Jingrui Royal Mansion (杭州景瑞•御華府) project took only 148 days from site acquisition to pre-sale. Rapid turnover, sales operating strategy and strong sales collection management not only could realize high investment return, improve cash flow and reduce liquidity risks, and also led to strong growth and sustainable development for the Group.

During the Year, the property sales recognized by the Group amounted to RMB3,858.5 million, which is similar to the previous year. This was mainly distributed across the Shaoxing Jingrui Dignity Mansion and Changzhou Jingrui England County projects. As different delivery arrangements existed for different projects, there was no concentration of delivery and accounting of a large amount of projects during the Year, and the sales accounted therefore did not record significant growth during the Year. The revenue from sales of properties recognized by the Group accounted for 98.0% of the Group's revenue for the Year, and property sales was the principal operating business of the Group. The Group also provided property management services for all its self-developed projects to enhance the project value, to establish good reputation and brand image for the Group's projects and to increase customer loyalty and satisfaction.

The Group continued to adhere to the development strategy of intensively penetrating into the Yangtze River Delta region. Our headquarters is in Shanghai, and we have expanded our business to 13 cities in the PRC during the Year, of which 11 cities are listed among the 16 core cities in the Yangtze River Delta region ("16 Core Cities of Yangtze River Delta" defined in "The Regional Plan for the Yangtze River Delta Region" by the State Council in May 2010). According to the information of the China Index Academy, relative to other leading property developers who are also focusing on the same region, the footprint mentioned above, we have become one of the developers with the widest operational coverage in the core cities in Yangtze River Delta region. In 2013, we acquired 12 parcels of lands in cities such as Shanghai, Hangzhou, Ningbo, Shaoxing, Suzhou, Yangzhou and Nantong, respectively, at a total consideration of approximately RMB6,434 million, increasing our total GFA of land reserves by approximately 2,224,000 square meters, with the land cost per square meter (calculated based on the estimated total GFA) amounting to approximately RMB2,893 per square meter. As of 31 December 2013, the total GFA of the land reserves held by the Group in aggregate amounted to approximately 5,014,496 square meters, which should meet the development need of the Group in the next three to four years. A majority of our land reserves are situated in wealthy core cities with sound economies in the Yangtze River Delta region in the PRC, which will be beneficial to our development strategy of intensively penetrating into the Yangtze River Delta region.

We currently offer two main standardized series of residential properties, namely Royal Bay and Dignity Mansion. The Group continuously enhances its standardized product portfolio, to optimize the flat layout of standardized high-rise units, by ways of reducing flat area and expanding usable area. For instance, in 2013 we modified two-bedroom units of 91 sq.m. to three-bedroom units of 89 sq.m., and launched two-bedroom units of 75 sq.m.. Meanwhile, the Group innovated low-density standardized products, by launching mini townhouse of 130 to 160 sq.m. to increase the price/performance ratio of our development. In addition, the Group constantly adjusted the percentage of various units in its standardized product portfolio, by reducing the number of large-sized units while increasing the number of small-sized units. By the end of 2013, percentage of area available for sale of units under 90 sq.m. increased from 10% in 2012 to 31% in 2013, and area available for sale of units over 144 sq.m. decreased from 43% in 2012 to 16% in 2013. Standardized product portfolio mitigates mistakes and defects during each separate project design and construction process, thus, reducing the overall development time and relevant costs. By virtue of these flat improvements, product competitiveness was significantly enhanced, allowing us to meet the demands of target customers more effectively. By selecting and establishing strategic relationships with qualified general contractors, the Group is able to simplify and shorten the tender process for contractors, and obtain favorable contractual terms with such contractors along with the scale-up of our operations at the same time, thereby reducing construction costs. During the Year, the Group's strategic suppliers increased from 73 to 90, and the cooperation rate of strategic suppliers increased to 96%, indicating that 96% of the total contractual amounts involved strategic suppliers. As we continue strengthen the application of our rapid-asset-turnover model, we aim to further reduce our development time frame in order to reduce financing costs and administrative expenses, which we believe will in turn lead to increased return on investment performance for each of our projects. Such reduced development cycle, as assisted by the various standardized operating procedures and products that are the result of the application of our rapid-asset-turnover model, will also serve to enhance the efficiency of our development process, providing us with the capability to more efficiently expand our operations.

The Group has consistently applied the principle of steady financial management, focusing on maintaining healthy cash flow and guaranteeing capital safety. In October 2013, the net proceeds from the initial public offering of the Company (after deduction of underwriting fees and relevant expenses) raised approximately HK$1,358.1 million for the Group. The relatively strong contracted sales results of properties further strengthened our financial position during the Year. As of 31 December 2013, our cash at bank and on hand (including restricted cash) reached RMB3,367.6 million. At the same time, unutilized bank facilities amounted to approximately RMB565.0 million. As of 31 December 2013, our net debt-to-equity ratio was approximately 114.7%. We believe the current liability level is in a reasonable range based on the current development stage of the Company and also matches our operations. The Group will continue to improve its liability level and structure, ensuring that risks well under control, laying a solid foundation for the Group's sustained operations and steady future growth.

As a recognition of the success of our rapid-asset-turnover model, we were recognized as one of the top 10 property developers in China in terms of operating efficiency in 2011, 2012 and 2013 by the China Real Estate and Housing Research Association, the China Real Estate Industry Association and the China Real Estate Appraisal Center. We are a customer driven residential property developer that focuses on developing properties catering to the demand of our target customers. Our products are designed to meet the need of first-time home purchasers and those customers who are purchasing to upgrade their existing living conditions, customers that currently constitute a significant portion of all property purchasers in the PRC. As a result, our products are positioned in accordance with current market trends and government policies. We believe our strategic product positioning and the continuous expansion of our potential customer base as a result of rapid economic growth and accelerating urbanization in the Yangtze River Delta region, together with our rapid-asset-turnover model, had and will continue to contribute to our growth and scalability.

Business Review

Property Development

In 2013, the Group recorded a contracted sales of approximately RMB8,262.3 million, representing an increase of approximately 75.4% as compared to 2012. Our total GFA sold was approximately 0.8 million sq.m., representing an increase of approximately 48.0% as compared to 2012. Our contracted sales primarily generated from Zhejiang Province and Jiangsu Province. The contracted sales (excluding car parks) generated from the above two regions were approximately RMB3,783.6 million and RMB3,885.1 million, representing 45.8% and 47.0% of the total contracted sales respectively.

Details of contracted sales of the Group in 2013

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

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	RMB million	RMB/sq.m.
Shanghai			
Shanghai Jingrui Fair Town	9,334	202	21,676
Shanghai Xuhui New Town	543	8	14,246
Tianjin			
Tianjin Jingrui Sunny City	39,393	259	6,572
Tianjin Jingrui England County	495	3	5,155
Chongqing			
Chongqing Jingrui Blue Vally	3,836	29	7,550
Chongqing Jingrui Royal Bay	5,734	53	9,196
Sub-total of centrally direct-controlled municipalities	**59,335**	**554**	**9,323**
Hangzhou			
Hangzhou Jingrui Royal Bay	51,549	379	7,350
Hangzhou Jingrui Royal Mansion (杭州景瑞 • 御華府)	18,039	159	8,807
Ningbo			
Ningbo Jingrui Dignity Mansion	24,809	546	22,027
Shaoxing			
Shaoxing Jingrui The Mansion	81,680	1,168	14,295
Shaoxing Jingrui Dignity Mansion	70,192	1,139	16,228
Shaoxing Jingrui Nobility Mansion	22,576	147	6,519
Huzhou			
Huzhou Jingrui Cin Cinnatti	2,432	16	6,617
Huzhou Jingrui Dignity Mansion	3,538	70	19,774
Zhoushan			
Zhoushan Jingrui Peninsula Bay	15,979	159	9,978
Sub-total of Zhejiang Province	**290,794**	**3,783**	**13,011**

Project Name	Contracted GFA Sold sq.m.	Contracted Sales RMB million	Contracted Average Selling Price ("ASP") RMB/sq.m.
Suzhou			
Suzhou Jingrui Royal Bay	75,218	746	9,922
Suzhou Jingrui Jade Bay	83,354	753	9,033
Changzhou			
Changzhou Jingrui Dawn City	5,465	34	6,298
Changzhou Jingrui England County	34,371	236	6,865
Changzhou Jingrui Dignity Mansion	39,835	392	9,828
Nantong			
Nantong Jingrui Dignity Mansion	77,446	522	6,744
Nantong Jingrui Nobility Mansion	47,408	363	7,664
Yangzhou			
Yangzhou Jingrui Dignity Mansion	34,597	282	8,160
Taizhou			
Taizhou Jingrui Royal Bay	82,257	557	6,759
Sub-total of Jiangsu Province	**479,951**	**3,885**	**8,095**
Car park (lots)	635	40	–
Total	**830,080**(1)	**8,262**	**9,954**

(1) excluding car parks

Land Bank

As at 31 December 2013, the total land bank of the Group was approximately 5,014,496 sq.m. or approximately 4,517,061 sq.m. on an attributable basis. In January and February 2014, the Group acquired five land parcels located in Hangzhou, Wuxi, Taizhou and Taicang respectively. As at 28 February 2014, the total land bank of the Group was approximately 5,631,164 sq.m. or 5,133,729 sq.m. on an attributable basis. The average acquisition cost of our land bank based on the expected total GFA was approximately RMB2,585 per sq.m.

Breakdown of land bank of the Group by cities

City	Total GFA	Percentage of the Group's Total GFA	GFA Attributable to the Group's Interests	Percentage of GFA Attributable to the Group's Interests
	(sq.m.)	%	(sq.m.)	%
Municipalities directly under the central government				
Shanghai	269,417	5.4	214,882	4.8
Tianjin	571,325	11.4	571,325	12.6
Chongqing	161,588	3.2	161,588	3.6
Subtotal	**1,002,330**	**20.0**	**947,795**	**21.0**
Zhejiang Province				
Hangzhou	419,269	8.4	315,150	7.0
Ningbo	293,762	5.9	293,762	6.5
Shaoxing	1,040,365	20.7	907,469	20.1
Huzhou	55,437	1.1	55,437	1.2
Zhoushan	169,809	3.4	169,809	3.8
Subtotal	**1,978,642**	**39.5**	**1,741,627**	**38.6**
Jiangsu Province				
Suzhou	772,166	15.4	699,386	15.4
Changzhou	415,795	8.3	282,690	6.3
Nantong	464,273	9.3	464,273	10.3
Yangzhou	210,181	4.2	210,181	4.7
Taizhou	171,109	3.3	171,109	3.7
Subtotal	**2,033,524**	**40.5**	**1,827,639**	**40.4**
Total	**5,014,496**	**100.0**	**4,517,061**	**100.0**

During the Year, the Group purchased 12 new projects in aggregate, among which 11 were acquired through public tenders, auctions or listing-for-bidding held by the government, and we also purchased another property project by acquiring the equity interest in the entity holding the property project.

The total GFA of the newly acquired lands of the Group was expected to be 2,224,098 sq.m., and the aggregate consideration was approximately RMB6,434 million. According to the land price agreed in the acquisition contract, the average acquisition cost of the Group in 2013 based on the expected total GFA was approximately RMB2,893 per sq.m. From 31 December 2013 to 28 February 2014, the Group acquired five land parcels, with an expected total GFA of approximately 616,668 sq.m. and an aggregate consideration of approximately RMB3,088 million.

Details of land acquisition from January to December 2013

City	Project/Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Land Premium	Average Land Cost (based on the expected total GFA)	Average Land Cost (based on the expected total GFA above ground)
			%	sq.m.	sq.m.	sq.m.	RMB million	RMB/sq.m.	RMB/sq.m.
Shanghai	Fengxiang Project	Residential, Commercial & Official	100	79,944[(1)]	220,661	144,049	972	4,405	6,748
Hangzhou	Jingrui Royal Bay	Residential	100	68,342	206,780	157,187	299	1,446	1,902
Hangzhou	Jingrui Royal Mansion (景瑞•御華府)	Residential	51	77,030	212,489	154,060	521	2,452	3,381
Ningbo	Jingrui Dignity Mansion	Residential	100	69,693	162,782	125,447	766	4,709	6,110
Ningbo	Shounan Project	Residential	100	44,925	130,980	98,835	674	5,146	6,820
Shaoxing	Jingrui Nobility Mansion	Residential	100	73,992	203,741	170,182	284	1,395	1,670
Shaoxing	Nanloudi Project	Residential	51	85,385	271,215	213,463	481	1,774	2,253
Suzhou	Wuzhong Project	Residential	100	108,657	248,764	195,582	1,230	4,944	6,289
Suzhou	Taicang Project Site 2013-29-1	Residential	100	42,137	105,082	67,419	253	2,408	3,753
Suzhou	Taicang Project Site 2013-29-2	Residential	100	41,814	76,222	66,902	251	3,293	3,752
Yangzhou	Jingrui Dignity Mansion	Residential	100	73,295	210,181	161,249	402	1,911	2,491
Nantong	Jingrui Nobility Mansion	Residential	100	67,749	175,202	142,273	301	1,721	2,119
Subtotal				**832,963**	**2,224,098**	**1,696,648**	**6,434**	**2,893**	**3,793**

Details of land acquisition from 1 January 2014 to 28 February 2014

City	Project /Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Land Premium	Average Land Cost (based on the expected aggregate GFA)	Average Land Cost (based on the expected aggregate GFA above ground)
			%	sq.m.	sq.m.	sq.m.	RMB million	RMB/sq.m.	RMB/sq.m.
Hangzhou	Shenhua Project (申花項目) Site R21-17	Residential	100	24,319	92,669	65,661	971	10,483	14,795
Hangzhou	Shenhua Project Site R21-19	Residential	100	30,148	98,690	69,340	1,105	11,197	15,936
Taizhou	Luqiao Project (路橋項目)	Residential	100	51,431	82,422	54,003	326	3,955	6,037
Suzhou	Derun Project in Taicang	Residential	100	42,651	89,025	68,241	295	3,314	4,323
Wuxi	Xidong Project (錫東項目)	Residential	100	103,439	253,862	186,190	391	1,542	2,102
Total				**251,988**	**616,668**	**443,435**	**3,088**	**5,009**	**6,966**

(1) For the attributable interest, please refer to notes to "Breakdown of Major Properties" in the Annual Report. The GFA excludes the portion sold before acquisition of the project

Revenue from Sale of Properties

The revenue from sale of properties in 2013 was approximately RMB3,858.5 million, representing a decrease of 3.4% as compared to last year, and its distribution is as following:

Breakdown of revenue from sale of properties from January to December 2013

	Revenue	Percentage of total revenue	GFA	ASP
	RMB'000	%	sq.m.	RMB/sq.m.
Shanghai				
Shanghai Jingrui Fair Town	184,731	4.8	8,461	21,833
Shanghai Jingrui Softshore City	45,086	1.2	2,793	16,141
Jiangsu Province				
Changzhou Jingrui Dawn City	30,915	0.8	4,523	6,835
Changzhou Jingrui England County	624,370	16.2	105,206	5,935
Suzhou Jingrui Royal Bay	388,904	10.1	36,402	10,684
Suzhou Jingrui Jade Bay	310,519	8.0	34,888	8,900
Nantong Jingrui Dignity Mansion	193,668	5.0	22,585	8,575
Taizhou Jingrui Royal Bay	449,235	11.6	51,257	8,764
Zhejiang Province				
Huzhou Jingrui Cin Cinnatti	32,038	0.8	4,548	7,045
Shaoxing Jingrui Dignity Mansion	839,817	21.8	72,037	11,658
Tianjin				
Tianjin Jingrui Sunny City	357,474	9.3	57,091	6,262
Tianjin Jingrui England County	3,335	0.1	632	5,273
Chongqing				
Chongqing Jingrui Blue Vally	294,361	7.6	45,349	6,491
Others[1]	55,623	1.4	2,585	21,515
Sub-total	**3,810,076**	**98.7**	**448,357**	**8,498**
Car parks	48,410	1.3	918[2]	–
Total	**3,858,486**	**100.0**	**–**	**–**

(1) Represents certain units in properties that were completed prior to 1 January 2010.

(2) Represents the number of car parks sold.

Employees and Remuneration Policies

As at 31 December 2013, we had a total of 1,847 full-time employees in the PRC and Hong Kong. 688 of our employees worked in the property development operations and 1,159 are engaged in property management, customer services and other related operations.

The remuneration package of our employees includes salary and bonuses. In general, we determine employee salaries based on each employee's qualifications, experience, position and seniority. We have designed an annual review system to assess the performance of our employees, which forms the basis for us to determine salary raises, bonuses and promotion. We also review and adjust our remuneration package by referring to the relevant salary survey in real estate industry published by renowned consulting firms. We believe the salaries and benefits that our employees receive are competitive with market standards in each geographic location where we conduct business.

We have also established systematic training programs for our employees based on their positions and expertise. For example, training programs for members of our management teams focus on improving their management and leadership skills. We also provide trainings designed to improve sales capabilities for our marketing and sales personnel. In addition to the internal trainings, we also engage external experts or sponsor continuing educations for our employees from time to time.

Financial Review

Revenue

For the year ended 31 December 2013, the revenue of the Group reached RMB3,939.0 million, representing a decrease of 3.0% as compared to RMB4,058.8 million of last year. Our revenue consists of revenue from (i) sales of properties, (ii) provision of property management services, (iii) rental income and (iv) other operations.

The table below sets forth our revenue for each of the businesses described above and the percentage on total revenue represented for the periods indicated:

Revenue by business segments

	2013		2012		
	RMB'000	**Percentage of the total revenue (%)**	RMB'000	Percentage of the total revenue (%)	Year-on-year change (%)
Sales of properties	**3,858,486**	**98.0**	3,995,539	98.4	(3.4)
Property management	**63,137**	**1.6**	48,622	1.2	29.9
Rental income	**8,930**	**0.2**	12,371	0.3	(27.8)
Others	**8,458**	**0.2**	2,316	0.1	265.2
Total	**3,939,011**	**100.0**	4,058,848	100.0	(3.0)

Revenue from sales of properties has been constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing 98.0% of our total revenue.

Our operating results for any given period are dependent upon the GFA and the selling prices of the properties we deliver during such period and the market demand for those properties. Consistent with industry practice, we typically enter into purchase contracts with customers while the properties are still under development but after satisfying the conditions for pre-sales in accordance with PRC laws and regulations. In general, there is a time difference, typically at least one year, between the time we commence the pre-selling of properties under development and the completion of the construction of such properties. We do not recognize any revenue from the pre-sales of the properties until such properties are completed and the possession of such properties has been delivered to the customers.

Nantong Jingrui Dignity Mansion

During the Year, the properties delivered by the Group were mainly Shaoxing Jingrui Dignity Mansion and Changzhou Jingrui England County. Revenue from sales of properties decreased by 3.4% to approximately RMB3,858.5 million in 2013 from approximately RMB3,995.5 million in 2012, mainly due to less GFA delivered during the period than that of 2012.

Our property management revenue represents revenue generated from property management services we provide through our wholly-owned subsidiary, Shanghai Jingrui Property Management Co., Ltd., to owners of all our properties and certain properties developed by third parties. Property management revenue is recognized over the period when our property management services are rendered. In 2013, property management revenue of the Group was approximately RMB63.1 million, representing an increase of 29.9% as compared to last year. Revenue from property management, both in absolute amount and as percentage of total revenue, increased steadily, primarily due to the continued growth of our properties completed.

Rental income mainly includes recurring revenue from leasing our investment properties and certain other completed properties and is recognized on a straight-line basis over the relevant lease terms. We currently focus on the development of residential properties but usually develop certain ancillary retail areas in our projects, which increases the value of such projects and enables us to better serve residents of our property projects. A substantial portion of our rental income was generated from leasing the retail areas of Shanghai Jingrui Life Square. In 2013, rental income of the Group was approximately RMB8.9 million, representing a decrease of 27.8% as compared to last year.

Cost of Sales

Our cost of sales primarily represents the costs we incur directly for the property development activities as well as our property management and leasing operations. The principal components of cost of sales for our property development include cost of properties sold, which represents direct construction costs, land use right costs and capitalized interest costs on related borrowings for the purpose of property development during the period of construction.

Our cost of sales decreased by 2.8% from RMB3,160.8 million in 2012 to RMB3,071.2 million in 2013, primarily due to the less GFA delivered during the period than that of 2012.

The table below sets forth information relating to our cost of sales and as percentage of total cost of sales:

	2013		2012	
	RMB'000	%	RMB'000	%
Construction costs	1,861,850	60.6	1,889,317	59.8
Land use right costs	721,774	23.5	721,665	22.8
Capitalised interest	178,938	5.9	255,153	8.1
Subtotal: Total cost of properties	2,762,562	90.0	2,866,135	90.7
Business tax and surcharges	221,221	7.2	227,280	7.2
Other costs(1)	87,378	2.8	67,429	2.1
Total	3,071,161	100.0	3,160,844	100.0
Total GFA delivered (sq.m.)	448,357		456,612	
Average cost of properties per sq.m. sold (RMB)(2)	6,162		6,277	
Average cost per sq.m. as % of ASP	72.5		72.4	

Notes:

(1) Includes costs associated with property management, leasing and other operations.

(2) Refers to cost of properties sold for a period divided by total GFA delivered (excluding car parks) in that period.

Gross Profit and Gross Margin

Our gross profit decreased by 3.4% from RMB898.0 million in 2012 to RMB867.9 million in 2013. The Group recorded gross margin of approximately 22.0% for the year ended 31 December 2013, compared to that of approximately 22.1% for the year ended 31 December 2012. The gross margin remained flat as compared with the last year.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties increased from RMB24.0 million in 2012 to RMB166.6 million in 2013. Change in fair value was primarily due to the transfer of certain retail areas of Shanghai Fengxiang Project to investment properties.

Selling and Marketing Expenses

Our selling and marketing costs increased by 14.3% from RMB166.6 million in 2012 to RMB190.4 million in 2013. Such increase was primarily due to pre-sales and sales of more properties.

Administrative Expenses

Our Administrative expenses increased by 36.3% from RMB151.2 million in 2012 to RMB206.1 million in 2013. Such increase was primarily due to increase in the staff cost and the expense arising from the business expansion as well as relevant expenses relating to the initial public offering.

Other Income and Other Gains/(Losses), Net

Other income increased by 271.4% from RMB3.0 million in 2012 to RMB11.1 million in 2013. We recorded other losses in 2012, primarily due to a one-time provision for land use rights of Shanghai Garden City in the amount of RMB23.4 million. Other gains recorded in 2013 were primarily due to the return of a parcel of land by us to the local government as a result of change in the zoning plan over such land by the local government and the net gain of RMB190.6 million arising from the corresponding compensation provided by the local government to us and our loss of land costs and relocation costs incurred.

Finance Income, Net

Our finance income decreased by 14.0% from RMB30.2 million in 2012 to RMB26.0 million in 2013, primarily as a result of the decrease in interest income on bank deposits. Our finance costs increased by 4.1% from RMB12.1 million in 2012 to RMB12.6 million in 2013, primarily due to the increase of interest expenses for borrowings. As a result, our finance income, net decreased by 26.4% from RMB18.2 million in 2012 to RMB13.4 million in 2013.

Income Tax Expense

Our income tax expense decreased by 32.7% from RMB264.2 million in 2012 to RMB177.9 million in 2013, primarily due to the reversal of land appreciation tax accrual of Shanghai Jingrui Fair Town and Shanghai Jingrui Softshore City based on tax clearance results.

Profit for the Year

Our profit for the Year increased by 102.0% from RMB341.5 million in 2012 to RMB689.9 million in 2013 and profit margin increased from 8.4% to 17.5% over the same period.

Profit for the Year Attributable to Equity Holders of the Company and Non-controlling Interests

Profit attributable to our equity holders increased by 75.3% from RMB271.7 million in 2012 to RMB476.2 million in 2013. Profit attributable to non-controlling interests increased by 206.2% from RMB69.8 million in 2012 to RMB213.7 million in 2013, due to the increase of profit of the subsidiaries including Shanghai Huajiang and Taicang Jingshang Property Co., Ltd. that have non-controlling interests that are material to the Group.

Liquidity and Capital Resources

Cash Positions

As of 31 December 2013, the Group's cash at bank and on hand (including restricted cash) increased by 144.8% from RMB1,375.7 million as at 31 December 2012 to RMB3,367.6 million. The Group's cash at banks and in hand are mainly dominated in RMB and HKD. Restricted cash of the Group mainly comprised of deposits pledged for borrowings.

Borrowings

Our total outstanding borrowings increased from RMB3,982.2 million as of 31 December 2012 to RMB7,182.5 million as of 31 December 2013, primarily due to the increase in the construction activities resulting from our business expansion. As of 31 December 2013, the Group had approximately RMB565.0 million in unutilized banking facilities. The Group's borrowings are mainly dominated in RMB.

Breakdown of our borrowings by categories

	As at 31 December		
	2013	2012	Year-on-year change
	RMB'000	RMB'000	%
Current Borrowings:			
Bank loans, secured	**932,232**	740,166	26.0
Bank loans, unsecured	**100,000**	–	–
Trust financing arrangements, secured:			
– conventional loan	**290,000**	–	–
– equity with repurchase obligation	**–**	150,000	(100.0)
Short-term borrowings from a micro-credit company, secured	**–**	22,500	(100.0)
Add: Current portion of long-term borrowings:			
Bank loans, secured	**700,539**	567,544	23.4
Trust financing arrangements, secured	**1,089,000**	530,400	105.3
Total Current Borrowings	**3,111,771**	2,010,610	54.8
Non-Current Borrowings			
Bank loans, secured	**3,230,348**	2,074,765	55.7
Trust financing arrangements, secured:			
– conventional loan	**550,000**	994,800	(44.7)
– equity with repurchase obligation	**2,079,899**	–	–
Less: Current portion of long-term borrowings:			
Bank loans, secured	**(700,539)**	(567,544)	23.4
Trust financing arrangements, secured	**(1,089,000)**	(530,400)	105.3
Total Non-Current Borrowings	**4,070,708**	1,971,621	106.5
Total	**7,182,479**	3,982,231	80.4

Breakdown of our borrowings by maturity profiles

	As at 31 December			
	2013		2012	
	RMB'000	**%**	RMB'000	%
Within 1 year	**3,111,771**	**43.3**	2,010,610	50.5
Between 1 and 2 years	**2,958,573**	**41.2**	824,890	20.7
Between 2 and 5 years	**996,429**	**13.9**	970,000	24.4
Above 5 years	**115,706**	**1.6**	176,731	4.4
Total	**7,182,479**	**100.0**	3,982,231	100.0

Borrowing Costs

The Group's weighted average effective interest rates on bank and other borrowings were 10.30% and 9.72% on 31 December 2013 and 2012 respectively.

Current interest generated from bank loans and trust financing

	Year ended 31 December		
	2013	2012	Year-on-year change
	RMB'000	RMB'000	%
Finance costs			
– Current interest expensed	**12,620**	12,057	4.7
– Current interest capitalised	**548,480**	338,473	62.0
Total	**561,100**	350,530	60.1

The table below sets forth the weighted average effective interest rates on our bank and other borrowings as at the dates indicated:

	As at 31 December	
	2013	2012
Bank loans	**7.58%**	7.03%
Trust financing arrangements	**13.51%**	16.60%
Short-term borrowings from a micro-credit company	**–**	16.00%
Consolidated weighted average effective interest rates	**10.30%**	9.72%

Net Debt-to-Equity Ratio

As at 31 December 2013, our net debt-to-equity ratio was 114.7%. Net debt-to-equity ratio is calculated as net debt divided by total equity as at the end of the respective period and multiplied by 100%. Net debt is calculated as total borrowings minus cash and cash equivalents and restricted cash deposit pledged for borrowings. Our net debt-to-equity ratio showed a decrease as compared to that of 129.1% as at 31 December 2012, primarily due to the increase in our total equity resulting from the global offering and Listing of our shares as at 31 October 2013 (the "**Listing**" or "**Listing Date**") and our control on debt scale, as well as our relatively stable bank borrowings.

Cashflow Analysis

Net cash inflows of the Group were RMB1,773.3 million for the year ended 31 December 2013, consisting of:

Net cash outflows from operating activities were RMB1,895.4 million, primarily due to our payment of land and construction costs, marketing costs, management fees, interest and taxation expenses, partially offset by our revenue derived from sales of properties and the government grants.

Net cash outflows from investing activities were RMB218.9 million, primarily due to our recovery of pledged deposits and our sale of certain completed projects during the year, partially offset by our payment of project investments and purchase of fixed assets.

Net cash inflows from financing activities were RMB3,887.6 million, primarily due to additional bank loans, other borrowings and the proceeds raised from the Listing, partially offset by our repayment of bank loans and other borrowings.

Assets Pledge

Details of the Group's assets being pledged are set out in Note 19 to the financial statement.

Contingent Liabilities

We provide mortgage guarantees to banks in respect of the mortgage loans they provided to our customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificate to the customer, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans.

As at December 31, 2013, the material contingent liabilities incurred for our provision of guarantees to financial institutions in respect of the mortgage loans they provided to our property purchasers were approximately RMB2,495.2 million (2012: RMB1,771.0 million).

Our Directors confirm that we have not encountered defaults by purchasers in which we provided mortgage guarantees that, in aggregate, had a material adverse effect on our financial condition and results of operations.

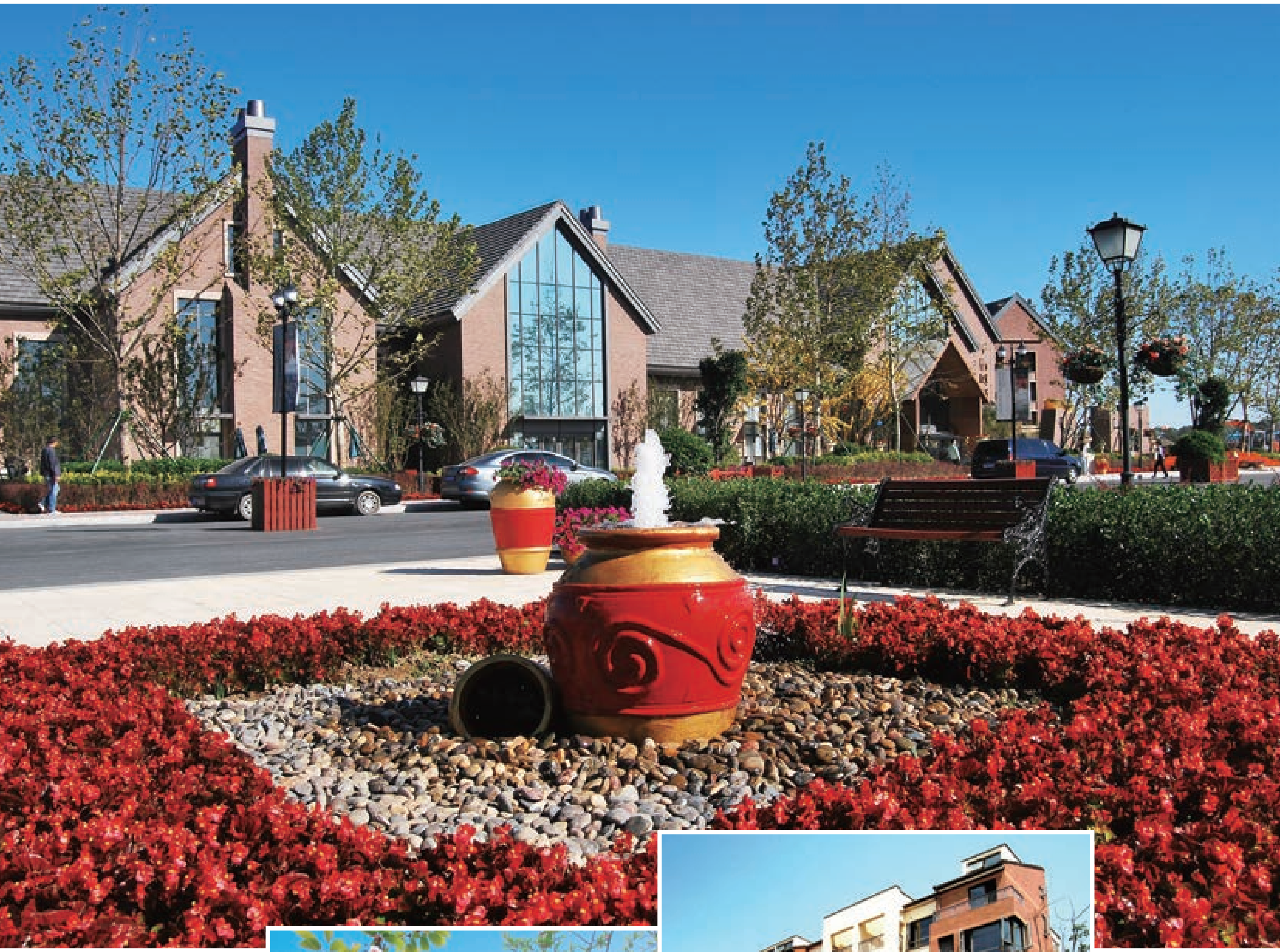
Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities, as of 31 December 2013, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings and other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits bearing stable interest rates, the Group has no other significant interest-bearing assets.

Our exposure to changes in interest rates is mainly attributable to our borrowings from bank and trust financing providers. Borrowings at floating rates expose us to cash flow interest rate risk, while borrowings at fixed rates expose us to fair value interest rate risk. We have not hedged our cash flow or fair value interest rate risk. Our Directors do not anticipate significant impacts to interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.



Chongqing Jingrui Blue Vally

Foreign Exchange Risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits from the Company's initial public offering, which are denominated in HKD.

Nonetheless, as we expand our operations, we may incur a certain portion of our cash flows in currencies other than Renminbi and thereby, may increase our exposure to fluctuations on exchange rates. We currently do not have a foreign currency hedging policy but our Directors would manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currency exposures.

Prospects

Since the end of the year, and looking ahead into 2014, as a result of the transformation of the PRC economy, the slowdown of the overall GDP growth, and the significant weakening of growth in the cyclical industry and the infrastructure industry, the real estate industry will slow down after the rapid growth in the past years. The government will continue to rationalize the relationship between the government and the market, and accelerate the process of reform and improvement of the real estate system to be well positioned for that the market will really become the dominant force of real estate. Due to the over-supply emerging in certain cities, more restrictive lending policy of banks to the real estate industry, intense competition arising from the industry centralization, certain small-sized developer will exit from the industry, to leave sufficient market share for leading players. Investment value of residential properties has continuously declined, thus, properties catered to self-occupation demand, especially of first-time home buyers and improving-type home buyers will dominate the market.

The Group will continue to adhere to the development model of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth", focus on "First-time Home Purchasers and Customers Purchasing to Upgrade their Existing Living Conditions", promote "Product Standardization", and increase quality land reserves in due course with prudent footprint and controlled costs in a highly disciplined manner of investment by catering to market changes to achieve "Rapid Growth" and "Sustainable Development". It is believed that the Group will necessarily win out amidst property control and industrial consolidation.

Directors and Senior Management

Executive Directors

Mr. Yan Hao (閆浩), aged 45, is one of the founders and the co-chairman and chief executive officer of our Group. He was appointed as an executive Director of our Company on 6 October 2013. Mr. Yan is responsible for the overall strategic planning and business direction and the day to day business and management of our Group. Mr. Yan obtained an EMBA degree from Fudan University (復旦大學) in June 2004. He has more than 20 years of experience in the PRC real estate industry. Mr. Yan co-founded Jingrui Properties (Group) (formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Chen, and has since served as the deputy general manager, building our business to its current scale from 1993 to 1999 and the chief executive officer since 1999, being responsible for overseeing our day to day operations, strategic directions and business growth.

Mr. Chen Xin Ge (陳新戈), aged 45, is one of the founders and the co-chairman of our Group. He was appointed as an executive Director of our Company on 6 October 2013. Mr. Chen is responsible for determining the overall strategic planning and business direction of our Group together with Mr. Yan. Mr. Chen graduated from Capital University of Economics and Business (首都經濟貿易大學) in March 2001. He also completed the EMBA Program at Cheong Kong Graduate School of Business in September 2007 and obtained a diploma of Executive Master of Business Administration. Mr. Chen has more than 20 years of experience in the PRC real estate industry. Mr. Chen co-founded Jingrui Properties (Group) (formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Yan, and has since served as the general manager, building our business to its current scale from 1993 to 1999 and the chairman of board of directors since 1999, being responsible, along with Mr. Yan, for the strategic directions and business growth of our Group.

Mr. Yang Tie Jun (楊鐵軍), aged 43, is the executive vice-president of our Group. He was appointed as an executive Director of our Company on 6 October 2013. Mr. Yang is responsible for assisting Mr. Yan and Mr. Chen in implementing the overall strategic plans and business directions of our Group, as well as overseeing key departments such as investments and financing, planning and design, project management, contract management and marketing. Mr. Yang graduated from the University of International Business and Economics (對外經濟貿易大學) in June 1994 with a Bachelor's degree in Economics. He also obtained a Master of Business Administration from the China Europe International Business School (中歐國際工商學院) in September 2009, and a Master of Professional Accountancy from the Chinese University of Hong Kong (香港中文大學) in December 2004. From July 1994 to December 1998, Mr. Yang worked as an accountant in Reanda Certified Public Accountants Co., Ltd. (利安達會計師事務所). Mr. Yang then joined China Jin Mao Group Co., Ltd (中國金茂（集團）有限公司) in January 1999, where he was appointed to various roles such as finance manager and deputy general manager. In December 2003, he was made general manager of its group's finance department. After leaving China Jin Mao Group Co., Ltd. in October 2009, Mr. Yang joined Franshion (China) Property Co., Ltd. (方興地產（中國）有限公司) as a deputy chief financial officer. Mr. Yang joined as a chief financial officer of our Group in December 2010, and is currently the executive vice-president of our Group.

Mr. Xu Chao Hui (許朝輝), aged 46, is the assistant to the chief executive officer of our Group. He was appointed as an executive Director of our Company on 6 October 2013. Mr. Xu is responsible for assisting our chief executive officer in the day to day business and management of our Group. Mr. Xu graduated from Zhongshan University in July 1991 with a degree in Economics. He also obtained a Master of Business Administration from Peking University in June 2001. After graduation, he joined China National Scientific Instruments & Material Corporation (中國科學器材公司) as a deputy manager of the exhibition department, before leaving in August 1999 to join Sinotrust International Information & Consulting (Beijing) Co., Ltd. (北京新華信商業風險管理有限公司). From June 2002 to January 2009, Mr. Xu was a partner of Adfaith Management Consulting Co., Ltd. (北京正略鈞策企業管理諮詢有限公司) (formerly known as Beijing Sinotrust Management Consultant Co., Ltd. (北京新華信管理顧問有限公司)), primarily in charge of the real estate consulting business unit. He joined our Group in February 2009 as a strategic development advisor, primarily responsible for the establishment and adjustment of our business strategies and the relevant execution plans. The strategic development adviser also monitors and ensures the business strategies in line with our centralized operating system and to fit in various operating procedures. Mr. Xu is currently holding the position of assistant to the chief executive officer of our Group.

Independent Non-executive Directors

Mr. Han Jiong (韓炯), aged 45, was appointed as an independent non-executive Director of our Company on 6 October 2013. Mr. Han has been appointed as a member of our Audit Committee, Remuneration Committee and Nomination Committee and is responsible for supervising and providing independent judgment to our Board, and in particular, as the Chairman of our Remuneration Committee, he is responsible for overseeing the policy and structure of the remuneration for the Directors and senior management and making recommendations on employee benefit arrangement. Mr. Han graduated from East China University of Political Science and Law (華東政法大學) in July 1992, and qualified as a lawyer in the PRC in February 1993. He joined Shanghai Jinmao Law Firm (上海金茂律師事務所) in July 1992, and was an associate when he left in December 1998. He was a founding partner of Llinks Law Offices (通力律師事務所) which was established in September 1998, and he is currently a managing partner. Mr. Han was a member of the Seventh and the Eighth CSRC Public Offering Review Committee from January 2005 to April 2007, and was appointed by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) as a member of the First and the Second Review Committee for the Enterprise Annuity Fund Management Association (企業年金基金管理機構評審委員會) from June 2005 to August 2009. He is a council member of the Shanghai Bar Association (上海市律師協會). Mr. Han was appointed as an independent director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (上海復星醫藥（集團）股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600196) and Hong Kong Stock Exchange (stock code: 02196), in April 2009.

Mr. Qian Shi Zheng (錢世政), aged 62, was appointed as an independent non-executive Director of our Company on 6 October 2013. Mr. Qian has been appointed as the Chairman of our Audit Committee and is responsible for reviewing and supervising the financial reporting process and internal control system as well as overseeing the audit process of the Group. Mr. Qian received a Bachelor's degree in Accounting from Shanghai University of Finance and Economics in 1983, and obtained a Doctorate degree in Management Science from Fudan University (復旦大學) in July 2001. Mr. Qian has been an associate professor at Fudan University (復旦大學) specialized in accounting since 1995. Mr. Qian joined Shanghai Industrial Investment (Holdings) Co., Ltd. in January 1998 and has served as its vice president from September 2005 to 2012. He was an executive director and deputy CEO of Shanghai Industrial Holdings Limited, which is listed on the Hong Kong Stock Exchange (stock code: 0363), from 2002 to 2012. Mr. Qian was an executive director of Shanghai Industrial Urban Development Group Limited, which is listed on the Hong Kong Stock Exchange (stock code: 0563), from 2010 to 2012. He was also a deputy chairman of the board of directors of Haitong Securities Company Limited, which is listed on the Shanghai Stock Exchange (stock code: 600837), from 2007 to 2013. From February 2005, Mr. Qian served as an independent non-executive director of Lonking Holdings Limited, which is listed on the Hong Kong Stock Exchange (stock code: 3339). From November 2007, he also served as an independent director of Zoomlion Heavy Industrial Science and Technology Co., Ltd., which is listed on Shenzhen Stock Exchange (stock code: 157). Mr. Qian is currently teaching in Fudan University (復旦大學) and has over 30 years of teaching and work experience in the finance and accounting fields.

Dr. Lo Wing Yan William (盧永仁), aged 53, JP, was appointed as an independent non-executive Director of our Company on 6 October 2013. Dr. Lo has been appointed as a member of our Audit Committee, Remuneration Committee and Nomination Committee and is responsible for supervising and providing independent judgment to our Board and performing other duties and responsibilities as assigned by our

Board. Dr. Lo holds a Master's degree and a Doctorate from the University of Cambridge in England in March 1986 and March 1988 respectively. Dr. Lo was also a Bye-Fellow of Downing College, the University of Cambridge. In 1999, he was appointed as a Justice of Peace (JP) by the government of Hong Kong. In 2003, he was appointed as a member of Shantou Committee of the Chinese People's Political Consultative Conference. Dr. Lo is currently the vice chairman of South China Media Group. From June 2002 to March 2006, Dr. Lo served as an executive director and vice president of China Unicom Limited. He was an independent non-executive director of I.T Limited from October 2004 to May 2006, and from May 2006 to May 2009, he served as its executive director, vice chairman, managing director and chief financial officer. Dr. Lo is a governor of an independent school, the ISF Academy, as well as a chairman of Junior Achievement Hong Kong. Dr. Lo is currently the independent non-executive director of Hong Kong Stock Exchange listed companies, including Varitronix International Limited (SEHK: 710), SITC International Limited (SEHK: 1308), and International Housewares Retail Company Limited (SEHK: 1373), a New York Stock Exchange listed company, Nam Tai Electronics, Inc. (NYSE: NTE) and a Singapore Stock Exchange listed company, E2-Capital Holdings Limited (SGX: E2-Capital). He was appointed as an independent non-executive director of South China Land Limited (a company listed on Hong Kong Stock Exchange, SEHK: 8155) in 2002 and was re-designated as a non-executive director in September 2011.

Senior Management

Mr. Tan Ming Heng (談銘恒), age 39, is our chief financial officer and is responsible for the overall financial operation of our Group. Mr. Tan graduated from Shanghai University in July 1998 with a Bachelors' degree in International Finance. He also obtained an EMBA degree from Fudan University (復旦大學) in June 2013. He has been recognized as a certified public accountant by the Ministry of Finance of the PRC since June 2000. In November 2002, Mr. Tan was also recognized as a certified internal auditor by the Institute of Internal Auditors and China Institute of Internal Auditors. In August 1998, he joined Ernst & Young Hua Ming's audit department, before leaving in January 2001 to join KPMG's audit department and risk consulting department. He left KPMG and joined our operating subsidiary Jingrui Properties (Group) Co., Ltd. in April 2008 where he served as the Chief Risk Officer. Mr. Tan was appointed to his current position in March 2013.

Joint Company Secretaries

Mr. Yu Jia Le (于嘉樂), aged 36, is our joint company secretary and senior finance manager. Mr. Yu joined our Group in March 2013 as a senior finance manager and was appointed as our company secretary in May 2013. Mr. Yu has been recognized as a certified public accountant granted by the Ministry of Finance of the PRC since May 2001, a certified internal auditor granted by China Institute of Internal Auditors since November 2003, and has been recognized as a mid-level accountant by the Ministry of Finance of the PRC since May 2005. He also obtained a certificate as a registered tax agent from the Shanghai Municipal Human Resources and Social Security Bureau in July 2005. Mr. Yu obtained a Bachelor's degree in Economics from Jiangxi University of Finance and Economics (江西財經大學) in July 2000, and also obtained an advanced diploma in management accounting from the Chartered Institute of Management Accountants in 2010. Mr. Yu served in Shanghai Sanjiu Technology Development Co., Ltd. (上海三九科技發展股份有限公司) and Lining Sports (Shanghai) Co., Ltd. (李寧體育（上海）有限公司) from 2000 to 2007 and was appointed as an assistant to the general manager of the finance department of Franshion (China) Property Co., Ltd. (方興地產（中國）有限公司) from October 2007 to April 2012. Thereafter, Mr. Yu worked as a senior finance manager of the Bohai Sea Region of Shimao Property Holdings Limited (世茂房地產控股有限公司) till March 2013, when he joined our Group. Mr. Yu was appointed as a senior finance manager of Jingrui Properties (Group) in March 2013.

Ms. Lai Siu Kuen (黎少娟), aged 39, is a manager of KCS Hong Kong Limited. She has over 15 years of professional and in-house experience in the company secretarial field. She holds a Bachelor of Arts degree in Accountancy and is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in United Kingdom.

Corporate Governance Report

The Board is pleased to present this corporate governance report as set out in the annual report of the Company for the year ended 31 December 2013.

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules as its own code of corporate governance. The Company has been in compliance with the code provisions set out in the CG Code since the Listing Date and up to 31 December 2013. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

(A) The Board

The Board shall be liable to the shareholders, responsible for the general strategy, internal control and risk management of the Group. In order to supervise the specific affairs of the Company, the Board has established three board committees, including the Audit Committee, Remuneration Committee and Nomination Committee (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

Composition of the Board

Currently, the Board consists of four executive Directors (namely Mr. Yan Hao, Mr. Chen Xin Ge, Mr. Yang Tie Jun and Mr. Xu Chao Hui) and three independent non-executive Directors (namely Mr. Han Jiong, Mr. Qian Shi Zheng and Mr. Lo Wing Yan William). The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

Since 31 October 2013 on which the Company was listed on the Hong Kong Stock Exchange (the "Listing" or "Listing Date") and up to the date of this annual report, the Board has been in compliance with the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

Under Rule 3.10A of the Listing Rules, independent non-executive directors shall account for at least one third of the board members. The Company has three independent non-executive Director currently representing one third of the Board members and therefore the Company has complied with the Rule 3.10A of the Listing Rules.

The Company has received written annual confirmation of independence from each independent non-executive Directors as required by the Listing Rules. The Company considers all the independent non-executive Directors to be independent for the purpose of the independence guidelines set out in the Rule 3.13 of the Listing Rule.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the code provision of the CG Code requiring directors to disclose to the issuer the number and nature of offices held in public companies or organizations and other significant commitments as well as the names of such companies or organizations and the time involved in such offices, each Director has agreed to disclose their commitments to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant status, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on the latest development and changes in the Listing Rules and other relevant laws and regulations from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

During the year ended 31 December 2013, all the Directors participated in continuous professional development. They developed and updated their knowledge and skills through participation in training programs or external seminars, thus to make contributions to the Board.

Board Diversity

As required by the code provision A.5.6 of the CG Code, the Nomination Committee (or the Board) shall develop the Policy concerning Board Diversity. The Company adopted the Policy concerning Board Diversity on 18 March 2014. The Board considers that Board Diversity shall be different to cater for different listed companies. The existing Directors of the Company, who are different from each other in terms of age, culture background, education background and professional experiences, can deliver corporate governance on a supplement basis and promise a relatively complete corporate governance system. Details are set out under the section headed "Directors and Senior Management" of this annual report.

The Nomination Committee is mainly responsible for identifying talent with adequate qualification to serve as a board member, and will take into account the Board Diversity Policy. The Board Diversity Policy would be reviewed by the Board on a regular basis to ensure continuous efficiency.

Duties of the Board

The functions and duties of the Board include convening shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed on these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the Articles of Association of the Company ("Articles of Association").

Name	Position and role	Appointment date
YAN Hao	Executive Director, co-chairman and chief executive officer (overall strategic planning and business direction and day to day business and management)	6 October 2013
CHEN Xin Ge	Executive Director and co-chairman (overall strategic planning and business direction)	6 October 2013
YANG Tie Jun	Executive Director and executive vice president (assisting our co-chairmen and chief executive officer and overseeing key departments)	6 October 2013
XU Chao Hui	Executive Director and assistant to the chief executive officer (assisting the chief executive officer in day to day business and management)	6 October 2013
HAN Jiong	Independent non-executive Director and Member of the Audit Committee, Remuneration Committee and Nomination Committee, responsible for supervising and providing independent judgment to our Board	6 October 2013
QIAN Shi Zheng	Independent non-executive Director and Member of the Audit Committee, responsible for supervising and providing independent judgment to our Board	6 October 2013
LO Wing Yan William	Independent non-executive Director and Member of the Audit Committee, Remuneration Committee and Nomination Committee, responsible for supervising and providing independent judgment to our Board	6 October 2013

Appointment and Re-election of Directors

Each of our executive Directors and independent non-executive Directors has entered into a service contract or letter of appointment with the Company with specified terms, and is subject to retirement and re-election at the forthcoming annual general meeting of the Company.

Each of our executive Directors has entered into a service agreement with us for an initial fixed period of three years commencing from the Listing Date unless terminated earlier.

Each of Qian Shi Zheng, Lo Wing Yan William and Han Jiong, our independent non-executive Directors, has entered into a letter of appointment with our Company, for an initial term of three years commencing from the Listing Date.

Save as disclosed above, none of the Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

In accordance with the Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall offer himself/herself for election by shareholders at the first general meeting of the Company after appointment and new Directors appointed as an addition to the Board shall offer himself/herself for re-election by shareholders at the next following general meeting of the Company after appointment.

The procedures and process of appointment, re-election and removal of directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, re-election and succession planning of Directors.

Board Meetings

The Company will adopt the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days for all regular board meetings are given to all Directors to attend the meeting, and the relevant subjects would be included in the agenda for such regular meeting. For other Board and committee meetings, reasonable notice is generally given by the Company. The agenda and related board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meeting. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting. Minutes of meetings are kept by the Joint Company Secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by Directors.

Since the Listing Date and up to 31 December 2013, two Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

Role	Name	Attended/Eligible to attend	Attendance rate
Executive Director	Mr. Yan Hao	2/2	100%
Executive Director	Mr. Chen Xin Ge	2/2	100%
Executive Director	Mr. Yang Tie Jun	2/2	100%
Executive Director	Mr. Xu Chao Hui	2/2	100%
Independent non-executive Director	Mr. Han Jiong	2/2	100%
Independent non-executive Director	Mr. Qian Shi Zheng	2/2	100%
Independent non-executive Director	Mr. Lo Wing Yan William	2/2	100%

Since the Listing Date and up to 31 December 2013, all meetings of the Board were held with the presence of all Directors.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code since the Listing Date and up to 31 December 2013.

Delegation by the Board

The Board reserves its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The corporate governance functions to be performed by the Board include:

(1) to develop and review the corporate governance policies and practices and to make recommendations to the Board;

(2) to review and monitor the training and continuous professional development of the Directors and senior management;

(3) to review and monitor the policies and practices on compliance with legal and regulatory requirements;

(4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to the employees and Directors; and

(5) to review the compliance with the CG Code and disclosure in the Corporate Governance Report.

Committees of the Board

Audit Committee

The Audit Committee comprises of three independent non-executive Directors, being Mr. Qian Shi Zheng (Chairman), Dr. Lo Wing Yan William and Mr. Han Jiong. The main duties of the Audit Committee are:

(1) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, to approve the remuneration and terms of engagement of the external auditors, and to deal with any questions of their resignation or dismissal;

(2) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

(3) to develop and implement policy on engaging external auditors to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(4) to monitor integrity of the Company's financial statements and annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee should focus particularly on:

(4.1) any changes in accounting policies and practices;

(4.2) major judgmental areas;

(4.3) significant adjustments resulting from audit;

(4.4) the going concern assumptions and any qualifications;

(4.5) compliance with accounting standards; and

(4.6) compliance with the Listing Rules and legal requirements in relation to financial reporting;

(5) regarding paragraph (4) above:

(5.1) members of the Audit Committee should liaise with the Board and the Company's senior management and the Audit Committee must meet, at least twice a year, with the Company's external auditors; and

(5.2) the Audit Committee should consider any significant or unusual items that are, or may need to be, reflected in the report and accounts, and it should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditors;

(6) to review the Company's financial reporting system and internal control procedure;

(7) to discuss the internal control system with management to ensure that management has performed its duty to establish and maintain an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function;

(8) to consider major investigation findings on internal control matters on its own initiative or as delegated by the Board and management's response to these findings;

(9) to ensure coordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(10) to review the Group's financial and accounting policies and practices;

(11) to review the external auditors' management letter, any material queries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;

(12) to ensure that the Board will provide a timely response to the issues raised in the external auditors' management letter;

(13) to report to the Board on the matters included under the heading "Audit Committee" in Appendix 14 to the Listing Rules;

(14) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(15) to act as the key representative body for overseeing the Company's relations with the external auditors;

(16) the Audit Committee shall establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence, with the Committee about possible improprieties in any matter related to the Company; and

(17) to consider other matters as referred to the Audit Committee by the Board.

Since the Listing Date and up to 31 December 2013, no meeting was held by the Audit Committee. As at the date of this annual report, the Audit Committee has reviewed the audit plan, audit scope and major audit issues of the external auditor in 2013. In addition, the Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2013, and also reviewed the auditors' remuneration and made recommendation to the Board on the re-appointment of auditors, which is subject to approval by the annual general meeting.

Remuneration Committee

The Remuneration Committee comprises of three members, being Mr. Han Jiong (Chairman), Dr. Lo Wing Yan William and Mr. Chen Xin Ge. A majority of the members of the Remuneration Committee are independent non-executive Directors.

The main duties of the Remuneration Committee are:

(1) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(2) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(3) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(4) to make recommendations to the Board on the remuneration of the non-executive Directors;

(5) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(6) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(7) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(8) to ensure that no Director or any of his/her associates is involved in deciding his own remuneration;

(9) to consult with the Company's Chairman and/or the president/managing director/chief executive officer about their remuneration proposals for other executive Directors; and

(10) to consider all other matters as referred to the Remuneration Committee by the Board.

Since the Listing Date and up to 31 December 2013, no meeting was held by the Remuneration Committee.

Nomination Committee

The Nomination Committee comprises of three members, being Mr. Yan Hao (Chairman), Mr. Han Jiong and Dr. Lo Wing Yan William. A majority of the members of the Remuneration Committee are independent non-executive Directors. The main duties of the Nomination Committee are:

(1) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(3) to assess the independence of independent non-executive Directors; and

(4) to make recommendations to the Board on the appointment or reappointment of Directors and succession planning for Directors, in particular the Chairman and the chief executive.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. Their written terms of reference are available on the websites of the Hong Kong Stock Exchange and the Company.

Since the Listing Date and up to 31 December 2013, no meeting was held by the Nomination Committee.

(B) Financial Reporting and Internal Control

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2013 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report of this annual report.

Internal Control

The Board takes full responsibilities for maintaining sound and effective internal controls to safeguard the Company's assets and shareholders' interests. The Directors confirm that the Company, through its Internal Control Department, conducts regular checks on office procedures, practices and systems to prevent assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. The regular reviews also cover all major controls, including financial, operational and compliance supervision and risk management functions of the Company.

The Directors consider that the Group's existing internal control systems are effective.

External Auditor

The remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers, in connection with the audit of the Group's annual consolidated financial statements for the year, amounted to RMB2.35 million.

(C) Joint Company Secretaries and Shareholders' Rights

Joint Company Secretaries

Mr. Yu Jia Le, our joint company secretary, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Lai Siu Kuen, manager of KCS Hong Kong Limited (a company secretarial service provider), as its joint company secretary to assist Mr. Yu to discharge his duties as company secretary of the Company. The primary corporate contact person at the Company is Mr. Yu Jia Le, the joint company secretary of the Company. As at 31 December 2013, the joint company secretaries have acknowledged that, they have undertaken not less than 15 hours of relevant professional training.

Shareholders' Rights

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting. Since the Listing Date and up to 31 December 2013, the Company has not held any general meeting.

Convening of extraordinary general meeting and putting forward proposals

Pursuant to Article 66 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary to require an extraordinary general meeting to be called by the Board, with the transaction of any business specified in such requisition. The written requisition can be lodged at the Company's principal place of business in Hong Kong for the attention of the Joint Company Secretaries.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the principal place of business for the Company in Hong Kong at 8th Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.

(D) Investor Relations and Communication with Shareholders

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at (www.jingruis.com), where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

Information Disclosure

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

Constitutional Documents

On 6 October 2013, the Company adopted an amended and restated Memorandum and Articles of Association of the Company, which was effective on the Listing Date.

Report of the Directors

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2013.

Global Offering

The Company was incorporated in the Cayman Islands under Cayman Companies Law ("Companies Law") as an exempted company with limited liability on 7 March 2013. The shares of the Company were listed on the Hong Kong Stock Exchange on 31 October 2013.

Principal Activities

The Company is an investment holding company, and the principal activities of its subsidiaries are development of and investment in real estate projects as well as management of properties. Details of the subsidiaries of the Company are set out in Note 40 to the consolidated financial statements.

An analysis of revenue of the Group for the year by principal activities is set out in Note 25 to the consolidated financial statements.

Results

Details of the Group's results for the year ended 31 December 2013 are set out in the consolidated income statement on page 51 of this annual report.

Subsidiaries

Details of our subsidiaries as at 31 December 2013 are set out in Note 40 to the consolidated financial statements.

Final Dividends

The Board recommended the payment of a final dividend of RMB7.0 cents per share for the year ended 31 December 2013. The proposed final dividend shall be subject to approval of shareholders in the forthcoming annual general meeting to be held on 16 May 2014.

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB to Hong Kong dollars at the exchange rate of RMB against Hong Kong dollars as announced by the People's Bank of China on the date of annual general meeting.

Financial Summary/Financial Review

Financial summary of results, assets and liabilities and financial review of the Group for the past four financial years are set out on page 126 of the annual report. The summary does not constitute a part of the audited consolidated financial statements.

Use of Net Proceeds from Listing

Net proceeds from the Listing (after deduction of underwriting fees and relevant expenses) amounted to approximately HK$1,358.1 million. Such net proceeds are intended to be applied in the manner consistent with that in the Company's prospectus dated 21 October 2013.

Major Customers and Suppliers

For the year ended 31 December 2013, the Group's procurement from its five largest suppliers accounted for 45.1% (2012: 42.8%) of the Group's total procurement. For the year ended 31 December 2013, the Group's sales to its five largest customers accounted for less than 2.5% (2012: 0.7%) of the Group's total revenue.

None of the Directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2013 are set out in Note 7 to the consolidated financial statements.

Investment Properties

Details of movements in the investment properties of the Company and the Group during the year ended 31 December 2013 are set out in Note 8 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the year are set out in Note 17 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 53 and in Note 18 to the consolidated financial statements respectively.

Distributable Reserves

As at 31 December 2013, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB2,372.4 million.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2013 are set out in Note 19 to the consolidated financial statements.

Directors

The Directors during the year ended 31 December 2013 and up to the date of this report were:

Executive Directors:

Mr. Yan Hao (appointed on 6 October 2013)
Mr. Chen Xin Ge (appointed on 6 October 2013)
Mr. Yang Tie Jun (appointed on 6 October 2013)
Mr. Xu Chao Hui (appointed on 6 October 2013)

Independent Non-executive Directors:

Mr. Han Jiong (appointed on 6 October 2013)
Mr. Qian Shi Zheng (appointed on 6 October 2013)
Dr. Lo Wing Yan William (appointed on 6 October 2013)

Board of Directors and Senior Management

Biographies of the Directors and senior management of the Group are set out on pages 31 to 33 of this annual report.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules of the Hong Kong Stock Exchange from each of the independent non-executive Directors and the Company considers such Directors to be independent for the year ended 31 December 2013.

Directors' Service Contracts and Letter of Appointments

Each of the executive Directors has entered into a service contract with the Company on 6 October 2013 for a term of three years commencing from 6 October 2013 and such service contracts may be terminated in accordance with the respective terms thereof.

Each of the independent non-executive Directors has signed a letter of appointment with the Company on 6 October 2013 for an initial term of three years commencing from 6 October 2013.

Directors' Remuneration

The Directors' remuneration is determined by reference to each Directors' duties and responsibilities, individual performance and the results of the Group.

Details of the remuneration of the Directors of the Company and five highest paid individuals of the Group for the year ended 31 December 2013 are set out in Note 31 to the consolidated financial statements.

Directors' Rights to Acquire Shares or Debentures

At no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Company's Directors, their respective spouse or minor children to acquire benefits by means of the acquisitions of shares in the Company or in any other body corporate.

Director's Interests in Competing Business

As at 31 December 2013, none of the Directors of the Company had any interest in business which competes or may constitute competition directly or indirectly with the business of the Group.

Compliance with Non-Competition Undertaking

Each of Mr. Yan Hao, Mr. Chen Xin Ge, Decent King Limited and Beyond Wisdom Limited (the "**Covenantors**") has entered into a Deed of Non-Competition with and in favor of our Company on 15 October 2013, pursuant to which the Covenantors have unconditionally, irrevocably, jointly and severally undertaken with our Group that they shall not (except through the Group), and shall procure that all their respective associates (excluding any member of the Group), shall not directly or indirectly, carry on, participate, acquire or hold any right or interest or otherwise be interested, involved or engaged in or connected with, any business which is in any respect in competition with or similar to or is likely to be in competition with the business of our Group (the "**Restricted Business**").

Directors' Interests in Contracts

No contract of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2013 or at any time during the year. The Company did not provide any loans to the Directors or the management personnel of the Company during the year.

Employees and Remuneration Policies

For details regarding the employees and remuneration policies of the Group during the Year, please refer to the sections "Directors' Remuneration" on page 42 and "Management Discussion and Analysis" on page 22.

The Company has adopted a Pre-IPO share award scheme (the "Pre-IPO Share Award Scheme") to reward qualified employees, the details of which are set out in the section "Pre-IPO Share Award Scheme" below.

Management Contract

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Pre-emptive rights

There is no provision regarding pre-emptive rights under the Articles of Association of the Company and the laws of the Cayman Islands.

Pre-IPO Share Award Scheme

The Company adopted the Pre-IPO Share Award Scheme on 6 October 2013.

1. Objective

The Pre-IPO Share Award Scheme aims to establish an effective incentive mechanism, attract and cultivate talent and align the interests of our management team with those of our shareholders in order to promote our Group's strategies and growth.

2. Implementation

Pursuant to the Pre-IPO Share Award Scheme, a total of 113 employees (each, a "Selected Person") will be awarded Shares of our Company which are held by Tianyan (PTC) Limited as trustee for the benefits of the Selected Persons under the Tianyan Trust. Tianyan (PTC) Limited is a special purpose vehicle incorporated in the BVI on 5 September 2013, to act as the trustee of Tianyan Trust, for the benefit of the Selected Persons. On Listing Date, Tianyan (PTC) Limited held 28,207,844 Shares, representing approximately 2.25% of the total issued share capital of our Company (the "Awarded Shares"). No further Shares will be issued by our Company pursuant to the Pre-IPO Share Award Scheme. According to the Pre-IPO Share Award Scheme, Selected Persons were granted 24,034,476 Awarded Shares in total as of the date of this report.

3. Vesting of the Awarded Shares

The vesting principles of the Pre-IPO Share Award Scheme are summarized as follows:

- The Selected Persons are not entitled to exercise, enjoy or transfer the rights to the Awarded Shares pending the vesting of the Awarded Shares.
- Vesting period for a Selected Person is determined based on his or her (I) performance appraisal; (II) length of service; and (III) seniority (if applicable).
- The Awarded Shares granted to any particular Selected Person will vest in four tranches on 1 January 2014, 2015, 2016 and 2017 respectively.
- The first vesting date for all the relevant Selected Persons is 1 January 2014.
- The Selected Persons are not required to pay any consideration for the Awarded Shares for the purpose of vesting.
- Vesting period for a Selected Person is subject to postponement in the event of unsatisfactory work performance based on his or her annual performance appraisal (if applicable).
- Prior to vesting, the Selected Persons are not entitled to the voting rights to the Awarded Shares.
- All dividends declared and paid in respect of the Awarded Shares shall be held by the Trustee for the benefit of the respective Selected Person pending vesting, and may be distributed to the Selected Person after vesting.

4. **Events Triggering Surrender of Awarded Shares**

Awarded Shares which have not vested will be deemed to have been surrendered by a Selected Person upon the occurrence of any of the following events:

- termination of employment with or without cause;
- Dishonest behaviour or breach of employment contract;
- unsatisfactory performance leading to demotion and failure to satisfy the criteria for re-promotion within one year; or
- passing away not in the course of carrying out his or her duties as an employee of our Group.

Awarded Shares deemed to have been surrendered may be re-allocated or disposed at the discretion of Tianyan (PTC) Limited.

Charitable Donations

No charitable or other donations were made by the Group for the year ended 31 December 2013.

Directors and Chief Executive Officer's Interests in Shares or Underlying Shares of the Company

As at 31 December 2013, the interests or short positions of the Directors and the chief executive officer of our Company in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in relevant provision, or which will be required, pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Hong Kong Stock Exchange, are as follows:

(i) Interests in the Company

Director	Nature of Interest	Number of shares held [3]	Approximate % shareholding interest
Yan Hao [1]	Interest of a controlled corporation	442,346,008(L)	35.28%
Chen Xin Ge [2]	Interest of a controlled corporation	432,678,240(L)	34.51%

Notes:

(1) Beyond Wisdom Limited is wholly owned by Mr. Yan Hao. According to the SFO, Mr. Yan Hao is deemed to be interested in the shares held by Beyond Wisdom Limited.

(2) Decent King Limited is wholly owned by Mr. Chen Xin Ge. According to the SFO, Mr. Chen Xin Ge is deemed to be interested in the shares held by Decent King Limited.

(3) (L) represents long positions in these securities.

(ii) Interests in Associated Corporations

None of our Directors or chief executives has any interests or short positions in the shares, underlying shares or debentures of any of the associated corporations of the Company.

Save as disclosed above and to the best knowledge of the Directors of the Company, as at 31 December 2013, none of the Directors or the chief executive officer of our Company has any interest or short position in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be entered in the register referred to in relevant provision under the Section 352 of the SFO, or which will be required to be notified to our Company and the Hong Kong Stock Exchange under the Model Code.

Substantial Shareholders' Interests in Relevant Shares of the Company

On 31 December 2013, so far as our Directors are aware, the following persons (other than the Directors or the chief executive officer of the Company) have or are deemed to have interests and/or short positions in the Shares or underlying shares which will be required to be disclosed pursuant to the provisions of Division 2 and 3 of Part XV of the SFO:

Name	Nature of interest held	Number of shares [(3)]	% shareholding interest
Beyond Wisdom Limited [(1)]	Beneficial owner	442,346,008(L)	35.28%
Decent King Limited [(2)]	Beneficial owner	432,678,240(L)	34.51%
RRJ Capital Master Fund II,L.P.	Interest of a controlled corporation	87,123,000(L)	6.95%

Notes:

(1) Beyond Wisdom Limited is wholly owned by Mr. Yan Hao. According to the SFO, Mr. Yan Hao is deemed to be interested in the shares held by Beyond Wisdom Limited.

(2) Decent King Limited is wholly owned by Mr. Chen Xin Ge. According to the SFO, Mr. Chen Xin Ge is deemed to be interested in the shares held by Decent King Limited.

(3) (L) represents long positions in these securities,

Save as disclosed above and to the knowledge of the Directors, as at 31 December 2013, no person had an interest or a short position in the shares or underlying shares of the Company required to be entered in the register referred to in relevant provision under the Section 336 of the SFO.

Exempt Continuing Connected Transactions

The following transactions constitute exempt continuing connected transactions between our Group and its connected persons as at the date of this report.

1. Connected Person

Shanghai Jiading Properties (Group) Co., Ltd. ("Shanghai Jiading") and Shanghai Oasis Investment Holding Group Limited ("Shanghai Oasis") owns 20% and 10% respectively of Taicang Jingshang Property Co., Ltd. ("Taicang Jingshang"), and are therefore connected persons of our Company.

2. Transactions

Between April to December 2013, certain shareholders of Taicang Jingshang granted shareholders' loans to Taicang Jingshang. Shanghai Jiading and Shanghai Oasis advanced RMB95.0 million and RMB47.5 million respectively to Taicang Jingshang ("Substantial Shareholders' Loans"). The purpose of the Substantial Shareholders' Loans was to provide Taicang Jingshang with general working capital for its projects.

The Directors have confirmed that the Substantial Shareholders' Loans were made for the benefit of Taicang Jingshang on normal terms where no security over our Group's assets was granted. The Directors (including our independent non-executive Directors) are of the view that the Substantial Shareholders' Loans are fair and reasonable and in the interest of our Group and shareholders as a whole.

3. Requirements under the Listing Rules

The Substantial Shareholders' Loans constitute continuing connected transactions of our Company which are exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

Connected Transactions

During the Period under Review, the Company had not conducted any one-off non-exempt connected transactions with connected persons.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's total issued share capital as required under the Listing Rules.

Purchase, Sale or Redemption of Listed Securities of the Company

During the period from the Listing Date to 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Review by Audit Committee

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Company, and discussed with them the audit, internal control and financial reporting matters of the Company, including review of the financial statements for the year.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code contained in the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with such code of conduct during the period from the Listing Date to 31 December 2013.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. The Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules for the year ended 31 December 2013. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 34 to 40 of this annual report.

Auditor

The financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire at the forthcoming annual general meeting and being eligible, will offer itself for re-appointment. A resolution will be proposed at the forthcoming annual general meeting to re-appoint PricewaterhouseCoopers as the auditor of the Company.

On behalf of the Board
Co-chairmen
Yan Hao
Chen Xin Ge

Independent Auditor's Report

pwc 羅兵咸永道

TO THE SHAREHOLDERS OF JINGRUI HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Jingrui Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 48 to 125, which comprise the consolidated and Company balance sheets as at 31 December 2013, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 March 2014

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Consolidated Balance Sheet

As at 31 December 2013

	Note	As at 31 December 2013 RMB'000	2012 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	**25,502**	14,941
Investment properties	8	**655,000**	306,000
Intangible assets	9	**1,941**	1,893
Investments in jointly controlled entities	10	**295,402**	344,742
Deferred income tax assets	24	**163,144**	166,170
		1,140,989	833,746
Current assets			
Prepayments for leasehold land	12	**598,169**	100,000
Properties held or under development for sale	13	**12,888,484**	7,901,789
Trade and other receivables and prepayments	14	**1,501,601**	874,702
Prepaid income taxes		**146,118**	64,675
Financial assets at fair value through profit or loss	11	**–**	5,129
Restricted cash	16	**923,115**	701,743
Cash and cash equivalents	16	**2,444,449**	673,988
		18,501,936	10,322,026
Total assets		**19,642,925**	11,155,772
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	17	**77,053**	–
Share premium	17	**1,260,072**	–
Other reserves and retained earnings	18	**1,764,643**	1,846,626
		3,101,768	1,846,626
Non-controlling interests		**252,553**	254,903
Total equity		**3,354,321**	2,101,529

The notes on pages 55 to 125 are an integral part of these financial statements.

	Note	As at 31 December 2013 RMB'000	2012 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	19	**4,070,708**	1,971,621
Long-term payables	23	**299,042**	–
Deferred income tax liabilities	24	**153,926**	85,724
Trust loans related derivatives	20	**43,060**	–
		4,566,736	2,057,345
Current liabilities			
Trade and other payables	22	**2,497,379**	1,535,222
Current portion of long-term payables	23	**9,897**	–
Advanced proceeds received from customers	21	**5,436,737**	2,765,446
Current income tax liabilities		**666,084**	685,620
Borrowings	19	**3,111,771**	2,010,610
		11,721,868	6,996,898
Total liabilities		**16,288,604**	9,054,243
Total equity and liabilities		**19,642,925**	11,155,772
Net current assets		**6,780,068**	3,325,128
Total assets less current liabilities		**7,921,057**	4,158,874

Yan Hao
Director

Xu Chao Hui
Director

The notes on pages 55 to 125 are an integral part of these financial statements.

Balance Sheet of the Company

As at 31 December 2013

	Note	As at 31 December 2013 RMB'000
ASSETS		
Non-current assets		
Interests in subsidiaries	15	**2,194,056**
Current assets		
Cash at bank and on hand	16	**261,717**
Total assets		**2,455,773**
OWNERS' EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	17	**77,053**
Share premium	17	**1,260,072**
Other reserves and accumulated losses	18	**1,112,317**
Total equity		**2,449,442**
Current liabilities and total liabilities		
Trade and other payables	22	**6,331**
Total equity and liabilities		**2,455,773**
Net current assets		**255,386**
Total assets less current liabilities		**2,449,442**

Yan Hao
Director

Xu Chao Hui
Director

The notes on pages 55 to 125 are an integral part of these financial statements.

Consolidated Income Statement

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 RMB'000	2012 RMB'000
Revenue	25	**3,939,011**	4,058,848
Cost of sales	28	**(3,071,161)**	(3,160,844)
Gross profit		**867,850**	898,004
Fair value gains on investment properties	8	**166,637**	24,000
Selling and marketing costs	28	**(190,401)**	(166,586)
Administrative expenses	28	**(206,054)**	(151,188)
Other income	26	**11,133**	2,998
Other gains/(losses) – net	27	**216,424**	(21,774)
Operating profit		**865,589**	585,454
Finance income	29	**26,008**	30,246
Finance costs	29	**(12,620)**	(12,057)
Finance income – net		**13,388**	18,189
Share of results of jointly controlled entities	10	**(11,141)**	2,007
Profit before income tax		**867,836**	605,650
Income tax expense	32	**(177,929)**	(264,200)
Profit for the year		**689,907**	341,450
Attributable to:			
Equity holders of the Company		**476,171**	271,682
Non-controlling interests		**213,736**	69,768
		689,907	341,450
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	34	**RMB0.5**	RMB0.3
Dividends	35	**460,405**	41,405

The notes on pages 55 to 125 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Profit for the year	**689,907**	341,450
Other comprehensive income	**–**	–
Total comprehensive income for the year	**689,907**	341,450
Attributable to:		
Equity holders of the Company	**476,171**	271,682
Non-controlling interests	**213,736**	69,768
	689,907	341,450

The notes on pages 55 to 125 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

	Attributable to equity holders of the Company						
	Share capital RMB'000 (Note 17)	Share premium RMB'000 (Note 17)	Other reserves RMB'000 (Note 18)	Retained earnings RMB'000 (Note 18)	Sub-total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2013	**–**	**–**	**990,597**	**856,029**	**1,846,626**	**254,903**	**2,101,529**
Total profit and comprehensive income for the year	**–**	**–**	**–**	**476,171**	**476,171**	**213,736**	**689,907**
Transactions with owners							
Dividends of subsidiaries	**–**	**–**	**–**	**(372,647)**	**(372,647)**	**(210,000)**	**(582,647)**
Issuance of ordinary shares (Note 17(b)(i)(ii))	**325**	**270,396**	**–**	**–**	**270,721**	**–**	**270,721**
Capital contribution from Yan Hao and Chen Xin Ge (Note 18)	**–**	**–**	**312,780**	**–**	**312,780**	**49,220**	**362,000**
Effect of the Reorganisation	**–**	**–**	**(495,598)**	**–**	**(495,598)**	**–**	**(495,598)**
Capitalisation issue (Note 17(b)(v))	**55,750**	**(55,750)**	**–**	**–**	**–**	**–**	**–**
Issue of ordinary shares in connection with the Listing (Note 17(b)(iv))	**19,252**	**1,045,426**	**–**	**–**	**1,064,678**	**–**	**1,064,678**
Issuance of ordinary shares in connection with Pre-IPO share award scheme (Note 17(b)(vi))	**1,726**	**–**	**–**	**–**	**1,726**	**–**	**1,726**
Pre-IPO share award scheme (Note 33)	**–**	**–**	**14,725**	**–**	**14,725**	**–**	**14,725**
Changes in ownership interests in subsidiaries without change of control	**–**	**–**	**(17,414)**	**–**	**(17,414)**	**(55,306)**	**(72,720)**
	77,053	**1,260,072**	**(185,507)**	**(372,647)**	**778,971**	**(216,086)**	**562,885**
Balance at 31 December 2013	**77,053**	**1,260,072**	**805,090**	**959,553**	**3,101,768**	**252,553**	**3,354,321**
Balance at 1 January 2012	–	–	1,009,013	642,359	1,651,372	344,102	1,995,474
Total profit and comprehensive income for the year	–	–	–	271,682	271,682	69,768	341,450
Transactions with owners							
Appropriations	–	–	16,607	(16,607)	–	–	–
Dividends of subsidiaries	–	–	–	(41,405)	(41,405)	(120,000)	(161,405)
Changes in ownership interests in subsidiaries without change of control	–	–	(35,023)	–	(35,023)	(38,967)	(73,990)
	–	–	(18,416)	(58,012)	(76,428)	(158,967)	(235,395)
Balance at 31 December 2012	–	–	990,597	856,029	1,846,626	254,903	2,101,529

The notes on pages 55 to 125 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2013

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Operating activities		
Net cash (used in)/generated from operations (Note 36(a))	**(1,131,480)**	316,243
Interest paid	**(499,001)**	(340,492)
PRC income tax paid	**(99,681)**	(166,710)
PRC land appreciation tax paid	**(165,239)**	(135,231)
Net cash used in operating activities	**(1,895,401)**	(326,190)
Investing activities		
Purchase of property, plant and equipment	**(16,599)**	(2,575)
Purchase of intangible assets	**(840)**	(324)
Proceeds from disposal of intangible assets	**–**	2
Proceeds from disposal of property, plant and equipment (Note 36(c))	**3,939**	281
Dividend received from a jointly controlled entity	**9,600**	34,400
Amounts due from non-controlling interests of a subsidiary	**(120,000)**	–
Amounts due from a jointly controlled entity	**(90,816)**	–
Prepayment received in connection with the disposal of a subsidiary (Note 38 (b)(ii))	**–**	10,000
Net cash outflow for acquisition of a subsidiary, Shanghai Jingxiu Property Development Co., Ltd. ("Shanghai Jingxiu") (Note 10 (a))	**(30,185)**	–
Interest received	**26,008**	30,246
Net cash (used in)/generated from investing activities	**(218,893)**	72,030
Financing activities		
Proceeds from borrowings	**6,243,710**	4,038,310
Repayments of borrowings	**(3,112,154)**	(4,022,055)
Dividends paid	**(297,000)**	(41,405)
Capital contribution from non-controlling interests of a subsidiary	**49,000**	–
Amounts due to non-controlling interests of subsidiaries	**228,741**	–
Repayment to non-controlling interests of subsidiaries	**(23,750)**	–
Capital contribution from Yan Hao and Chen Xin Ge	**313,000**	–
Decrease/(increase) in restricted cash relating to financing activities	**(208,503)**	163,937
Changes in ownership interests in subsidiaries without change of control	**(72,720)**	(73,990)
Issuance of ordinary shares	**270,721**	–
Proceeds from issuance of ordinary shares in connection with the Listing – net	**1,073,349**	–
Payments for initial public offering fees	**(7,348)**	–
Issuance of ordinary shares in connection with Pre-IPO share award scheme	**1,726**	–
Consideration paid in connection with the Reorganisation (Note 1(b))	**(571,163)**	–
Net cash generated from financing activities	**3,887,609**	64,797
Net increase/(decrease) in cash and cash equivalents	**1,773,315**	(189,363)
Effect of foreign exchange rate changes	**(2,854)**	–
Cash and cash equivalents at beginning of the year	**673,988**	863,351
Cash and cash equivalents at end of the year (Note 16)	**2,444,449**	673,988

The notes on pages 55 to 125 are an integral part of these financial statements.

1 General information and group reorganisation

(a) General information

Jingrui Holdings Limited (the "Company") was incorporated in the Cayman Islands on 7 March 2013 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 address of its registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

The Company is an investment holding company and its subsidiaries (together with the Company, referred to as "the Group") are principally engaged in property development business (the "Listing Business") in the People's Republic of China (the "PRC").

The Company's shares began to list on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 31 October 2013.

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

(b) Group reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation") as described below, the Listing Business was operated through Jingrui Properties (Group) Co., Ltd. (景瑞地產（集團）股份有限公司, formerly named Shanghai Jingrui Properties (Group) Co., Ltd. (上海景瑞地產（集團）股份有限公司)) ("Jingrui Properties (Group)") and its subsidiaries. Jingrui Properties (Group), a joint stock company incorporated under the law of the PRC, was effectively owned as to 38.26% by Yan Hao (37.46% owned through Yangpu Saiente Science and Technology Industry Co., Ltd. (洋浦賽恩特科技實業有限公司) ("Yangpu Saiente"), a PRC company wholly owned by Yan Hao, and 0.80% directly owned by Yan Hao), 37.13% by Chen Xin Ge (36.62% owned through Yangpu Wanbaolong Industry Co., Ltd. (洋浦萬寶隆實業有限公司) ("Yangpu Wanbaolong"), a PRC company wholly owned by Chen Xin Ge, and 0.51% directly owned by Chen Xin Ge), 20.3% by EI Urban Facilities Development (Tianjin) Co.,Ltd. (天津億安城市設施開發有限公司) ("Tianjin Yi An"), and the remaining 4.31% by other nine individual shareholders respectively before the Reorganisation.

In preparation for listing of the Company's shares on the Stock Exchange (the "Listing"), the Group underwent the Reorganisation to transfer the Listing Business to the Company principally through the following processes:

(i) On 7 January 2013, Decent King Limited was incorporated in the British Virgin Islands (the "BVI") with an authorised share capital of 50,000 shares with a par value of US$1.00 each, all of which were allotted and issued to Chen Xin Ge and credited as fully paid.

(ii) On 9 January 2013, Natural Apex Limited was incorporated in the BVI with an authorised share capital of 50,000 shares with a par value of US$1.00 each, all of which were allotted and issued to the Company and credited as fully paid on 21 March 2013. As a result, Natural Apex Limited became a wholly owned subsidiary of the Company.

1 General information and group reorganisation (Continued)

(b) Group reorganisation (Continued)

(iii) On 5 February 2013, Sincere Paragon Limited was incorporated in Hong Kong with an authorised share capital of HK$10,000 divided into 10,000 shares with a par value of HK$1.00. Upon its incorporation, one ordinary share of HK$1.00 was allotted and issued to the initial subscriber as fully paid, which was then transferred to Natural Apex Limited on 21 March 2013. On 21 March 2013, the authorised and issued share capital of Sincere Paragon Limited increased to HK$380,000 divided into 380,000 shares with a par value of HK$1.00. The additional 379,999 ordinary shares of HK$379,999 were all allotted and issued to Natural Apex Limited on 21 March 2013 as fully paid. As a result, Sincere Paragon Limited became a wholly owned subsidiary of Natural Apex Limited.

(iv) On 6 February 2013, Beyond Wisdom Limited was incorporated in the BVI with an authorised share capital of 50,000 shares with a par value of US$1.00 each, all of which were allotted and issued to Yan Hao and credited as fully paid.

(v) On 7 March 2013, the Company was incorporated in Cayman Islands with an authorised share capital of US$50,000 divided into 50,000 shares with a par value of US$1.00 each. Upon its incorporation, one ordinary share of US$1.00 was allotted and issued to the sole subscriber and then was transferred to Beyond Wisdom Limited. On the same date, the Company further allotted and issued 24,999 and 25,000 ordinary shares to Beyond Wisdom Limited and Decent King Limited respectively at a total consideration of US$43,507,822.65 which has been fully paid in April 2013.

(vi) Pursuant to the share transfer agreements dated 20 March 2013, Yangpu Saiente acquired the 0.80% equity interests in Jingrui Properties (Group) from Yan Hao and Yangpu Wanbaolong acquired the 0.51% equity interests in Jingrui Properties (Group) from Chen Xin Ge, respectively.

(vii) Pursuant to the share transfer agreements dated 6 April 2013, Yangpu Saiente and Yangpu Wanbaolong acquired the aggregate 4.31% equity interests in Jingrui Properties (Group) from the other nine individual shareholders.

(viii) Pursuant to a sale and purchase agreement dated 2 April 2013 between Natural Apex Limited and Jingrui Properties Co., Ltd. (a third party company incorporated in the Cayman Islands), Natural Apex Limited acquired the entire issued share capital, namely one ordinary share with nominal value of US$10 of Jingrui HK Holdings Limited ("EI Hong Kong"), and an interest-free shareholder's loan with a principal of US$68,201,146.34 of EI Hong Kong from Jingrui Properties Co., Ltd., at a total consideration of US$41,500,000. EI Hong Kong is the sole shareholder of Equity International Urban Facilities Development (Tianjin) Co., Ltd. (權益城市設施開發（天津）有限公司) ("Quan Yi Tianjin"), which in turn is the sole shareholder of Tianjin Yi An. Both Quan Yi Tianjin and Tianjin Yi An are limited liability companies established in the PRC. EI Hong Kong, Quanyi Tianjin and Tianjin Yi An have no other business other than the holding of 20.3% equity interests in Jingrui Properties (Group). Upon completion of the acquisition, EI Hong Kong, Quan Yi Tianjin and Tianjin Yi An became wholly owned subsidiaries of Natural Apex Limited. The consideration of US$41,500,000 has been fully paid by Natural Apex Limited in May 2013.

1 General information and group reorganisation (Continued)

(b) Group reorganisation (Continued)

(ix) On 19 April 2013, the authorised capital of the Company was subdivided from 50,000 shares with a par value of US$1.00 each to 5,000,000 shares with a par value of US$0.01 each, and the authorised capital was increased from US$50,000.00 to US$52,117.35 divided into 5,211,735 shares with a par value of US$0.01 each. On the same date, the Company allotted and issued 211,735 shares at US$2,117.35 with a par value of US$0.01 each to the other nine individual shareholders, and Decent King Limited transferred 27,802 shares out of its 2,500,000 shares of the Company to Beyond Wisdom Limited.

(x) On 17 April 2013, Hainan Jingshang Commercial Management Co., Ltd. (海南景尚商業管理有限公司) was established in the PRC as a wholly owned subsidiary of Sincere Paragon Limited.

(xi) On 14 May 2013, Hainan Jingshen Investment Management Co., Ltd. (海南景申投資管理有限公司) was established in the PRC as a wholly owned subsidiary of Hainan Jingshang Commercial Management Co., Ltd..

(xii) Pursuant to the share transfer agreements dated 15 May 2013 with each of Yangpu Wanbaolong and Yangpu Saiente, Hainan Jingshen Investment Management Co., Ltd. acquired the 39.65% equity interests in Jingrui Properties (Group) owned by Yangpu Wanbaolong at a consideration of RMB155,708,700, and acquired the 40.05% equity interests in Jingrui Properties (Group) owned by Yangpu Saiente at a consideration of RMB157,291,730. The considerations have been fully paid by Hainan Jingshen Investment Management Co., Ltd. in June 2013.

Upon completion of the Reorganisation, the Company became the holding company of the Group.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

Immediately prior to and after the Reorganisation, the Listing Business is held by Jingrui Properties (Group) and conducted through Jingrui Properties (Group) and its subsidiaries. Pursuant to the Reorganisation, Jingrui Properties (Group) and the Listing Business are transferred to and held by the Company. The Company and its other subsidiaries have not been involved in any business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business. Accordingly, the consolidated financial statements of the companies comprising the Group is presented using the carrying values of the Listing Business under Jingrui Properties (Group) for all periods presented.

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

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) *New standards, amendments and interpretations of HKFRSs effective for 2013*

The following standards and amendments of HKFRSs which are relevant to the Group's operations are effective for the first time for annual period beginning on 1 January 2013. These have already been adopted by the Group when it prepared its consolidated financial statements for the three years ended 31 December 2010, 2011, 2012 and six months ended 30 June 2013 for the Listing of the Company.

- Amendments to HKAS 1 "Presentation of Financial Statements"
- Amendments to HKFRS 7 "Financial Instruments: Disclosures"
- HKFRS 10 "Consolidated Financial Statements"
- HKAS 27 (Revised 2011) "Separate Financial Statements"
- HKFRS 11"Joint Arrangements"
- HKAS 28 (Revised 2011) "Investments in Associates and Joint Ventures"
- Amendments to HKFRS 10, 11 and 12 on transition guidance
- HKFRS 12 "Disclosure of Interests in Other Entities"
- HKFRS 13 "Fair Value Measurement"
- Annual improvements to 2011: Amendments to HKFRS 1 "First-time Adoption"; HKAS 1 "Presentation of Financial Statements"; HKAS 16 "Property, Plant and Equipment"; HKAS 32 "Financial Instruments: Presentation" and HKAS 34 "Interim Financial Reporting"
- Annual improvements 2012 – Amendments to HKFRS 13 "Fair Value Measurement"

(b) *New standards, amendments and interpretations of HKFRSs not yet effective for 2013 and have not been early adopted by the Group*

Certain new standards, amendments and interpretations of HKFRSs have been published but are not yet effective for annual period beginning on 1 January 2013 and have not been early adopted by the Group. Those that are relevant to the Group's operations are as follows:

- Amendments to HKAS 32 "Financial instruments: Presentation", on financial asset and liability offsetting (effective for annual periods beginning on or after 1 January 2014). These amendments are to the application guidance in HKAS 32, and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(b) New standards, amendments and interpretations of HKFRSs not yet effective for 2013 and have not been early adopted by the Group (Continued)

- Amendments to HKAS 36 "Impairment of Assets" on recoverable amount disclosures (effective for annual periods beginning on or after 1 January 2014). The amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to HKAS 39 "Financial Instruments: Recognition and Measurement, on novation of derivatives and continuation of hedge accounting" (effective for annual periods beginning on or after 1 January 2014). The amendments provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

- HK(IFRIC) 21 "Levies" (effective for annual periods beginning on or after 1 January 2014). This is an interpretation of HKAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. HKAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Annual improvements 2012 (effective for annual periods beginning on or after 1 July 2014). The amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards: HKFRS 2 "Share-based Payment", HKFRS 3 "Business Combinations", HKFRS 8 "Operating Segments", the basis for conclusion on HKFRS 13 "Fair Value Measurement", HKAS 16 "Property, Plant and Equipment", HKAS 24 "'Related Party Disclosures" and HKAS 38 "Intangible Assets".

- Annual improvements 2013 (effective for annual periods beginning on or after 1 July 2014). The amendments include changes from the 2011-2013 cycle of the annual improvements project that affect 4 standards: HKFRS 1 "First-time Adoption of Hong Kong Financial Reporting Standards", HKFRS 3 ''Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property".

- HKFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015). It is the first standard issued as part of a wider project to replace HKAS 39. HKFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in HKAS 39 on impairment of financial assets and hedge accounting continues to apply.

The management is in the process of assessing the impact of the above new standards and amendments on the financial statements of the Group. The adoption of the above when they become effective is currently not expected to have a material impact on the financial statements of the Group.

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group or to Jingrui Properties (Group) prior to the completion of the Reorganisation. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method as described below to account for business combination except for the Reorganisation which has been accounted for as stated in Note 2.1 above. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the reorganised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisitions date carrying value of the acquirer's previously held equity interests in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held equity interest measured is less than the fair value of the identifiable net assets of the subsidiary acquired as in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 Summary of significant accounting policies (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

In the Company's balance sheet, the investments in subsidiaries are stated at cost less impairment (Note 15). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Jointly controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

A jointly venture gives the parties rights to the net assets or outcome of the arrangement. A joint venturer does not have rights to individual assets or obligations for individual liabilities of the joint venture. Instead, joint venturers share the net assets and, in turn, the outcome (profit and or loss) of the activity undertaken by the joint venture. In contrast, a joint operation is a joint arrangement that gives parties to the arrangement direct rights to the assets and obligations for the liabilities. A joint operator will reorganise its interest based on its involvement in the joint operation (that is, based on its direct rights and obligations) rather than on the participation interest it has in the joint arrangement.

All the jointly controlled entities of the Group are joint ventures established as a corporation, partnership or other entities.

Investment in a jointly controlled entity is accounted for using the equity method of accounting and is initially recognised at cost. The consolidated income statement include the Group's share of the post-acquisition results of jointly controlled entities, and the consolidated balance sheet include the Group's share of the net assets of the jointly controlled entities and goodwill identified on acquisition net of any accumulated impairment losses.

2 Summary of significant accounting policies (Continued)

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors that make strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Since the majority of the assets and operations of the Group are located in the PRC, the financial statements are presented in RMB, which is the functional currency of the Company and the presentation currency of the Group.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet are translated at the date of that balance sheet;

(ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rate; and

(iii) all resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2 Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs less their residual values over their estimated useful lives, as follows:

– Motor vehicles	6 years
– Furniture, fittings and equipment	5 years
– Leasehold improvements and others	5 years
– Office buildings	20-30 years

The assets' residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the consolidated income statement.

2.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties.

Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated income statement in fair value gains or losses on investment properties.

The investment properties of the Group are held with a business model to consume substantially all of the economic benefits embodied in the invested properties over the time, rather than through sale.

2 Summary of significant accounting policies (Continued)

2.8 Intangible assets

Intangible assets of the Group mainly comprise acquired computer software which is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

2.9 Impairment of investments in subsidiaries, joint ventures and non-financial assets

Assets that have an indefinite useful life -for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Properties held or under development for sale

Properties held or under development for sale are included in current assets at the lower of cost and net realisable value. The costs of properties held or under development consist of costs of leasehold land, resettlement costs (if any), construction expenditure, capitalised borrowing costs and other direct costs incurred during the development period. The costs of properties held are determined by apportionment of the total development costs for that development project attributable to the unsold properties. Net realisable value is based on estimated selling price in the ordinary course of business as determined by management with reference to the prevailing market conditions, less further costs expected to be incurred to completion and selling and marketing costs.

2.11 Land use rights

All land in the PRC is state-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realisable value, of which those within normal operating cycle are classified as current assets and included in properties held or under development for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (Note 2.7).

2 Summary of significant accounting policies (Continued)

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period, which are classified as non-current assets. The Group's loans and receivables comprise certain items in "Trade and other receivables and prepayments" and bank deposits included in "Cash and cash equivalents" and "Restricted cash" in the consolidated balance sheets (Note 16).

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 Summary of significant accounting policies (Continued)

2.12 Financial assets (Continued)

2.12.3 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held- to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.13 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in consolidated balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 Summary of significant accounting policies (Continued)

2.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Restricted cash is excluded from cash and cash equivalents.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fees are capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 Summary of significant accounting policies (Continued)

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and jointly controlled entities, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and jointly controlled entities only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 Summary of significant accounting policies (Continued)

2.21 Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The contributions are recognised as employee benefit expense when they are due.

2.22 Share-based payments

The Group operates an equity-settled Pre-IPO share award scheme, under which the entity receives services from employees as consideration for equity instruments (awards) of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The grant by the shareholders of the Company, Yan Hao and Chen Xin Ge, of the Company's shares to the employees of subsidiaries of the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity account of the Company.

2 Summary of significant accounting policies (Continued)

2.23 Provisions and contingent liabilities

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.24 Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation.

Financial guarantee liabilities are derecognised from the consolidated balance sheets when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

2.25 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of returns, rebates and discounts and after eliminated sales within the Group. Revenue is recognised as follows:

(a) Sales of properties

Revenue from sales of properties is recognised when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets under current liabilities.

2 Summary of significant accounting policies (Continued)

2.25 Revenue recognition (Continued)

(b) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

(c) Service income

Revenue from services is recognised when services have been provided, total amount of revenue and costs can be estimated reliably and the collectability of the related receivables is reasonably assured.

2.26 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

2.27 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to an entity within the Group with no future related costs are recognised as income of the period in which they become receivable.

2.29 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.30 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

3.1 Market risk

(a) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits from the Company's initial public offering, which are denominated in Hong Kong dollar ("HKD").

No hedging has been arranged as management is expecting converting the HKD deposits into RMB fairly quickly.

As at 31 December 2013, if HKD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax profit of the Group for the year would have been RMB18,395,000 (2012: Nil) lower/higher, mainly as a result of foreign exchange loss/gain from the bank deposits denominated in HKD.

(b) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits with stable interest rates, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and non-bank financial institutions. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 19.

Management does not anticipate significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of bank deposits are not expected to change significantly.

As at 31 December 2013 and 2012, if interest rates on borrowings at floating rates had been 50 basis points higher/lower with all other variables held constant, the post-tax profit and capitalised interest for the years ended 31 December 2013 and 2012 would have changed as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Post-tax profit increase/(decrease)		
– 50 basis points higher	**(298)**	(293)
– 50 basis points lower	**298**	293
Capitalised interest increase/(decrease)		
– 50 basis points higher	**7,414**	10,820
– 50 basis points lower	**(7,414)**	(10,820)

3 Financial risk management (Continued)

3.2 Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of bank deposits and trade and other receivables included in the consolidated balance sheets represent the Group's maximum exposure to credit risk in relation to its financial assets.

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December and 2013 and 2012:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Counter party		
Deposits in the four major state-owned banks of the PRC	**1,124,694**	495,331
Deposits in other listed banks of the PRC	**702,798**	329,863
Deposits in other banks	**1,539,608**	550,141
	3,367,100	1,375,335

Management does not expect any losses from non-performance of these counterparties.

The Group has policies in place to ensure that sales of properties are made to buyers with an appropriate financial strength and appropriate percentage of down payment. Meanwhile, the Group has the right to cancel the sales contract in the event that the buyers default in payment, and put the underlying properties back to the market for sale. Therefore, the credit risk from sales of properties is limited. Credit is normally granted to anchor tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Other receivables mainly comprise receivables from related parties and deposits made in the ordinary course of business. The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3.3 Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

The table below analyses the Group's non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivatives financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows.

3 Financial risk management (Continued)

3.3 Liquidity risk (Continued)

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2013					
Borrowings, principal (Note 19)	**3,111,771**	**2,958,573**	**996,429**	**115,706**	**7,182,479**
Interest payments on borrowings (note)	**581,804**	**233,290**	**58,765**	**27,590**	**901,449**
Trust loans related derivatives (Note 20)	**–**	**49,947**	**7,427**	**–**	**57,374**
Trade and other payables	**2,343,205**	**–**	**–**	**–**	**2,343,205**
Current portion of long-term payables	**9,897**	**–**	**–**	**–**	**9,897**
Long-term payables (Note 23)	**–**	**328,042**	**–**	**–**	**328,042**
Financial guarantees (Note 38)	**2,495,227**	**–**	**–**	**–**	**2,495,227**
	8,541,904	**3,569,852**	**1,062,621**	**143,296**	**13,317,673**
As at 31 December 2012					
Borrowings, principal (Note 19)	2,010,610	824,890	970,000	176,731	3,982,231
Interest payments on borrowings (note)	274,192	137,990	100,130	40,041	552,353
Trade and other payables	1,462,781	–	–	–	1,462,781
Financial guarantees (Note 38)	1,771,006	–	–	–	1,771,006
	5,518,589	962,880	1,070,130	216,772	7,768,371

note: The interest on borrowings is calculated based on borrowings held as at 31 December 2013 and 2012. Floating-rate interests are estimated using the current interest rate as at 31 December 2013 and 2012, respectively.

3.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and deposits pledged for borrowings. Total capital is calculated as total equity, as shown in the consolidated balance sheets, plus net debt.

The gearing ratios at 31 December 2013 and 2012 were as follows:

	As at 31 December	
	2013 RMB'000	2012 RMB'000
Borrowings	**7,182,479**	3,982,231
Less: Cash and cash equivalents	**(2,444,449)**	(673,988)
Restricted cash deposits pledged for borrowings	**(891,260)**	(594,257)
Net debt	**3,846,770**	2,713,986
Total equity	**3,354,321**	2,101,529
Total capital	**7,201,091**	4,815,515
Gearing ratio	**53%**	56%

4 Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

– Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

– Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

– Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2013 and 2012.

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
31 December 2013	**–**	**–**	**–**	**–**
31 December 2012	5,129	–	–	5,129

	Level 1	Level 2	Level 3	Total
Trust loans related derivatives				
31 December 2013	**–**	**–**	**43,060**	**43,060**
31 December 2012	–	–	–	–

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Trust loan related derivatives of the Group are measured at fair value by Level 3. The changes in level 3 instruments for the years ended 31 December 2013 and 2012 are presented in Note 20.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5.1 Development costs directly attributable to property development activities

The Group allocates portions of land and development costs to properties held and under development for sale. As certain of the Group's property development projects are developed and completed by phases, the budgeted development costs of the whole project are dependent on the estimate on the outcome of total development. Based on the experience and the nature of the development undertaken, the management makes estimates and assumptions concerning the future events that are believed to be reasonable under the circumstances. Given the uncertainties involved in the property development activities, the related actual results may be higher or lower than the amount estimated at the end of the reporting period. Any change in estimates and assumptions would affect the Group's operating performance in future years.

5.2 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the recoverable amount of the properties. Given the volatility of the property market in the PRC, the actual recoverable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

5.3 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant judgement is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the current income tax and the deferred income tax provision in the periods in which such taxes have been finalised with local tax authorities.

5.4 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the current income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5 Critical accounting estimates and judgements (Continued)

5.5 Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions have been disclosed in Note 8.

5.6 Fair value of trust loans related derivatives

The Group assesses the fair value of the embedded derivatives in respect of the floating premiums in the trust loans based on valuations determined by independent professional qualified valuers, which is estimated by using the discounted cash flow method. The discounted cash flow projections are based on reliable discounted estimates of future cash flows, derived from operation data of the projects such as volatility, property selling prices, net profit and property development plan of the projects estimated by the management.

Where the actual future operation data and property development plan varies, a material adjustment on the fair value of trust loans related derivatives may arise. When estimating the fair value of trust loans related derivatives with reference to the valuation report, management has exercised its judgment and is satisfied that the method of valuation is reflective of its best estimation.

6 Segment information

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance.

The Group manages its business by two operating segments based on their products and services, which is consistent with the way in which information is reported internally to the Group's CODM for the purpose of resources allocation and performance assessment:

- Property development segment engages in real estate development in the PRC;
- Property investment and management segment invests in properties for their rental income potential and/or for capital appreciation, and provides management and security services to residential and commercial properties in the PRC.

6 Segment information (Continued)

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

	Year ended 31 December 2013				
	Property development RMB'000	Property investment and management RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	3,858,486	179,122	4,037,608	(98,597)	3,939,011
Segment profit before income tax expense	683,149	189,088	872,237	(4,401)	867,836
Finance income	25,101	907	26,008	–	26,008
Finance costs	(12,620)	–	(12,620)	–	(12,620)
Share of results of jointly controlled entities	(11,141)	–	(11,141)	–	(11,141)
Depreciation and amortisation	(4,833)	(808)	(5,641)	–	(5,641)
A reconciliation to profit for the year is as follows:					
Total segment profits before income tax expense					867,836
Income tax expense					(177,929)
Profit for the year					689,907

	As at 31 December 2013				
Segment assets	20,246,413	2,353,268	22,599,681	(2,956,756)	19,642,925
Segment assets include:					
Investments in jointly controlled entities	295,402	–	295,402	–	295,402
Additions to property, plant and equipment	16,018	721	16,739	–	16,739
Segment liabilities	17,471,144	1,750,370	19,221,514	(2,932,910)	16,288,604

6 Segment information (Continued)

	Year ended 31 December 2012				
	Property development RMB'000	Property investment and management RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	3,999,070	119,818	4,118,888	(60,040)	4,058,848
Segment profit before income tax expense	602,105	11,991	614,096	(8,446)	605,650
Finance income	29,000	1,246	30,246	–	30,246
Finance costs	(12,057)	–	(12,057)	–	(12,057)
Share of results of jointly controlled entities	2,007	–	2,007	–	2,007
Depreciation and amortisation	(5,405)	(708)	(6,113)	–	(6,113)
A reconciliation to profit for the year is as follows:					
Total segment profits before income tax expense					605,650
Income tax expense					(264,200)
Profit for the year					341,450

	As at 31 December 2012				
Segment assets	10,809,989	1,921,613	12,731,602	(1,575,830)	11,155,772
Segment assets include:					
Investments in jointly controlled entities	344,742	–	344,742	–	344,742
Additions to property, plant and equipment	1,228	1,347	2,575	–	2,575
Segment liabilities	8,681,349	1,467,418	10,148,767	(1,094,524)	9,054,243

7 Property, plant and equipment

	Motor vehicles RMB'000	Furniture, fittings and equipment RMB'000	Leasehold improvements and others RMB'000	Total RMB'000
At 1 January 2013				
Cost	**17,823**	**10,831**	**4,128**	**32,782**
Accumulated depreciation	**(8,562)**	**(7,067)**	**(2,212)**	**(17,841)**
Net book amount	**9,261**	**3,764**	**1,916**	**14,941**
Year ended 31 December 2013				
Opening net book amount	**9,261**	**3,764**	**1,916**	**14,941**
Additions	**3,054**	**6,272**	**7,272**	**16,598**
Addition from acquisition of Shanghai Jingxiu	**69**	**72**	**–**	**141**
Disposals	**(413)**	**(138)**	**(779)**	**(1,330)**
Depreciation charge (Note 28)	**(2,918)**	**(1,489)**	**(441)**	**(4,848)**
Closing net book amount	**9,053**	**8,481**	**7,968**	**25,502**
At 31 December 2013				
Cost	**19,272**	**16,661**	**10,154**	**46,087**
Accumulated depreciation	**(10,219)**	**(8,180)**	**(2,186)**	**(20,585)**
Net book amount	**9,053**	**8,481**	**7,968**	**25,502**
Year ended 31 December 2012				
Opening net book amount	11,253	4,335	2,501	18,089
Additions	1,333	1,175	67	2,575
Disposals	(378)	(54)	(5)	(437)
Depreciation charge (Note 28)	(2,947)	(1,692)	(647)	(5,286)
Closing net book amount	9,261	3,764	1,916	14,941
At 31 December 2012				
Cost	17,823	10,831	4,128	32,782
Accumulated depreciation	(8,562)	(7,067)	(2,212)	(17,841)
Net book amount	9,261	3,764	1,916	14,941

Depreciation charges of the Group have all been included in administrative expenses and selling and marketing costs for both years ended 31 December 2013 and 2012.

8 Investment properties

	Year ended 31 December 2013 RMB'000	2012 RMB'000
At beginning of the year	**306,000**	282,000
Addition from acquisition of Shanghai Fengxiang Property Development Co., Ltd. ("Shanghai Fengxiang") (Note 23(a))	**182,363**	–
Fair value gains	**166,637**	24,000
At end of the year	**655,000**	306,000

An independent valuation of the Group's investment properties was performed by the valuer, DTZ Debenham Tie Leung Limited, to determine the fair value of the investment properties as at 31 December 2013 and 2012. The following table analyses the investment properties carried at fair value, by valuation method.

Fair value hierarchy

Description	Fair value measurements at 31 December 2013 using: Quoted prices in active markets for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurements			
Investment properties located in the PRC:			
– Retail	**–**	**–**	**655,000**

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2013 by independent professionally qualified valuers of DTZ Debenham Tie Leung Limited who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance team will review the valuation performed by the independent valuers, including:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report;
- holds discussions with independent valuers.

8 Investment properties (Continued)

Valuation techniques

The Group has two investment properties, Jingrui Life Square and Ganglong Plaza, which are all completed and located in Shanghai, the PRC.

The valuation of investment properties in Jingrui Life Square was determined using the income capitalisation approach (term and reversionary method) which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

The valuation of investment properties in Ganglong Plaza was determined using a combination of income capitalisation approach and direct comparison approach by making reference to comparable sales transactions as available in the relevant market.

There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Jingrui Life Square	Income capitalisation approach	Term yield	Term yield of 4.5%, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	The higher the term yield, the lower the fair value
		Reversionary yield	Reversionary yield of 5%, taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
		Market unit rent of individual unit	Market unit rent, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities of range from RMB47 per square meter per month to RMB145 per square meter per month.	The higher the market unit rent, the higher the fair value

8 Investment properties (Continued)

Valuation techniques (Continued)

Information about fair value measurements using significant unobservable inputs (Level 3): (Continued)

Description	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Ganglong Plaza	Income capitalisation approach	Term yield	Term yield of 4.5%, taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received.	The higher the term yield, the lower the fair value
		Reversionary yield	Reversionary rate of 5%, taking into account annual unit market rental income and unit market value of the comparable properties.	The higher the reversionary yield, the lower the fair value
		Market unit rent of individual unit	Market unit rent, ranging from RMB80 per square meter per month to RMB161 per square per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities.	The higher the market unit rent, the higher the fair value
	Direct comparison approach	Adjusted recent prices of similar properties	Adjusted recent prices of similar properties in the relevant market, ranging from RMB17,100 per square meter to RMB34,200 per square meter, taking into account of location and other individual factors, such as road frontage, size of property and facilities.	The higher the unit price, the higher the fair value

The rental income from investment properties has been recognised in the consolidated financial statements:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Rental income	**8,752**	10,054

The Group's interests in investment properties at their net book values are analysed as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
In the PRC, held on:		
Leases with original term of 50 years (and remaining unexpired period between 10 to 50 years)	**655,000**	306,000

Investment properties with a total carrying amount of RMB655,000,000 and RMB306,000,000 at 31 December 2013 and 2012 respectively were pledged as collateral for the Group's borrowings (Note 19).

9 Intangible assets

	Computer software RMB'000	Others RMB'000	Total RMB'000
At 1 January 2013			
Cost	**4,132**	**861**	**4,993**
Accumulated amortisation	**(3,065)**	**(35)**	**(3,100)**
Net book amount	**1,067**	**826**	**1,893**
Year ended 31 December 2013			
Opening net book amount	**1,067**	**826**	**1,893**
Additions	**841**	**–**	**841**
Amortisation charge (Note 28)	**(786)**	**(7)**	**(793)**
Closing net book amount	**1,122**	**819**	**1,941**
At 1 January 2012			
Cost	3,811	861	4,672
Accumulated amortisation	(2,246)	(28)	(2,274)
Net book amount	1,565	833	2,398
Year ended 31 December 2012			
Opening net book amount	1,565	833	2,398
Additions	324	–	324
Disposals	(2)	–	(2)
Amortisation charge (Note 28)	(820)	(7)	(827)
Closing net book amount	1,067	826	1,893

Amortisation charges of the Group have all been included in administrative expenses for both years ended 31 December 2013 and 2012.

10 Investments in jointly controlled entities

	Year ended 31 December 2013 RMB'000	2012 RMB'000
At beginning of the year	**344,742**	386,735
Share of results	**(11,141)**	2,007
Dividends	**–**	(44,000)
Acquisition of Shanghai Jingxiu (a)	**(38,199)**	–
At end of the year	**295,402**	344,742

The particulars of the joint ventures of the Group, all of which are unlisted, are set out as follows:

Company name	Country/date of incorporation	Paid-in capital	% interests held As at 31 December 2013	2012	Principle activities
Shanghai Jingxiu	13 July 2001, Shanghai, the PRC	RMB30,000,000	**100% note(a)**	40%	property development
Changzhou Jingshang property Co., Ltd. ("Changzhou Jinshang")	23 February 2011, Jiangsu, the PRC	RMB620,000,000	**51%**	51%	property development

(a) On 14 June 2013, the Group acquired the aggregate 60% equity interests of Shanghai Jingxiu held by the other shareholders at a total consideration of RMB32,400,000 and since then Shanghai Jingxiu became a wholly-owned subsidiary of the Group. Shanghai Jingxiu does not qualify as a business upon the acquisition date, the substance of the transaction is the acquisition of assets of Shanghai Jingxiu. As at 31 December 2013, the Group disposed all the assets and liabilities of Shanghai Jingxiu and Shanghai Jingxiu is in the process of deregistration.

Summarised financial information for jointly controlled entities

Set out below are the summarised financial information for Changzhou Jingshang and Shanghai Jingxiu which are accounted for using the equity method.

10 Investments in jointly controlled entities (Continued)

Summarised balance sheet

	Changzhou Jingshang As at 31 December		Shanghai Jingxiu As at 31 December	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current				
Assets	**1,292,523**	1,081,812	**–**	186,923
Liabilities	**388,378**	283,708	**–**	95,255
Total current net assets	**904,145**	798,104	**–**	91,668
Non-current				
Assets	**12,204**	5,671	**–**	375
Liabilities	**337,129**	200,000	**–**	–
Total non-current net (liabilities)/assets	**(324,925)**	(194,329)	**–**	375
Net assets	**579,220**	603,775	**–**	92,043

Summarised statement of comprehensive income

	Changzhou Jingshang Year ended 31 December		Shanghai Jingxiu Year ended 31 December	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Revenue	**–**	–	**8,280**	(672)
(Loss)/profit before income tax	**(31,637)**	(16,771)	**4,513**	29,440
Income tax credit/(expense)	**7,082**	3,427	**(1,058)**	(7,410)
Post-tax (loss)/profit	**(24,555)**	(13,344)	**3,455**	22,030
Other comprehensive income	**–**	–	**–**	–
Total comprehensive (loss)/income	**(24,555)**	(13,344)	**3,455**	22,030
Dividends received from jointly controlled entities	**–**	–	**–**	(110,000)

The information above reflects the amounts presented in the financial statements of the jointly controlled entities, adjusted for differences in accounting policies between the Group and the jointly controlled entities, and not the Group's share of those amounts.

10 Investments in jointly controlled entities (Continued)

Reconciliation of summarised financial information presented to the carrying amount of its interest in jointly controlled entities.

	Changzhou Jingshang		Shanghai Jingxiu	
	2013	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000
Opening net assets	**603,775**	617,119	**92,043**	180,013
(Loss)/profit for the year	**(24,555)**	(13,344)	**3,455**	22,030
Other comprehensive income	**–**	–	**–**	–
Closing net assets	**579,220**	603,775	**95,498**	202,043
Dividends	**–**	–	**–**	(110,000)
Acquisition of Shanghai Jingxiu	**–**	–	**(95,498)**	–
Interest in jointly controlled entities	**51%**	51%	**40%**	40%
Carrying value	**295,402**	307,925	**–**	36,817

There are no commitments and contingent liabilities relating to the Group's interests in the jointly controlled entities.

11 Financial assets at fair value through profit or loss

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Market value	**–**	5,129

Financial assets at fair value through profit or loss represent listed funds in the PRC which the Group held for trading.

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the consolidated cash flow statement (Note 36).

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'Other gains/(losses) – net' in the consolidated income statement (Note 27).

The fair value of all equity securities is based on their bid prices in an active market as at the balance sheet date.

12 Prepayments for leasehold land

The Group made prepayments of RMB598,169,000 as at 31 December 2013 (2012: RMB100,000,000) for the acquisition of leasehold land, which will be transferred to properties under development for sale upon receipt of ownership certificates or commencement of development activities.

13 Properties held or under development for sale

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Properties under development for sale	**11,868,344**	6,653,644
Properties held for sale	**1,043,575**	1,273,640
	12,911,919	7,927,284
Less: Provision for impairment loss	**(23,435)**	(25,495)
	12,888,484	7,901,789

As at 31 December 2013 and 2012, the Group's land use rights included in properties held or under development for sale are as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
In the PRC, held on leases of:		
– Over 50 years	**7,428,768**	4,752,073
– Between 10 to 50 years	**975,091**	168,522
	8,403,859	4,920,595

The properties held or under development for sale are all located in the PRC.

Borrowing costs capitalised in properties under development for sale and held for sale for the year ended 31 December 2013 were approximately RMB548,480,000 (2012: RMB338,473,000).

The capitalisation rate of borrowings was 10.89% for the year ended 31 December 2013 (2012: 9.84%).

As at 31 December 2013 and 2012, the Group's following properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 19).

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Carrying value pledged:		
Properties under development for sale	**6,910,633**	5,264,006
Properties held for sale	**308,147**	125,098

As at 31 December 2013, properties under development for sale with a total carrying amount of RMB7,997,020,000 (2012: RMB3,848,889,000) were related to property projects which were not scheduled to complete within one year from reporting period end although pre-sales of some of these properties may occur. The other balances in properties under development for sale as at 31 December 2013 and 2012 were expected to be recovered within one year from respective reporting period end.

14 Trade and other receivables and prepayments

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Trade receivables	**51,295**	12,670
Notes receivable	**4,445**	2,752
Trade receivables – subtotal	**55,740**	15,422
Less: Provision for impairment of receivables	**(167)**	(164)
Trade receivables – net	**55,573**	15,258
Amounts due from jointly controlled entities (Note 39)	**118,790**	210,572
Prepaid business tax and surcharges (a)	**306,498**	154,201
Receivable for compensation from a local government (Note 27 (a))	**2,933**	–
Tender deposits (b)	**555,150**	220,730
Deposits with public housing fund centres (c)	**27,678**	22,693
Prepayments of construction costs	**113,160**	9,970
Temporary funding receivables (d)	**116,168**	105,763
Deposits paid for construction work	**107,093**	84,296
Amounts due from non-controlling interests of a subsidiary (e)	**–**	90,000
Prepayments of relocation costs (f)	**117,544**	–
Others	**24,845**	5,982
Less: Provision for impairment of other receivables	**(43,831)**	(44,763)
	1,501,601	874,702

notes:

(a) Business tax and surcharges are levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised.

(b) The balance represents the tender deposits for bidding of land use rights, which were subsequently returned or transferred to prepayments for leasehold land upon successful bidding of the land use rights.

(c) The balance represents the deposits paid to public housing fund centres to secure the housing fund loans taken by certain property purchasers of the Group. Such deposits will be released upon the transfer of the properties' ownership certificates to these purchasers.

(d) Temporary funding receivables are funds temporarily advanced to non-related parties, which are non-interest bearing and unsecured.

(e) The balance represents the amounts due from non-controlling interests of a subsidiary of the Group, which are unsecured, non-interest bearing and receivable on demand. The balance has been fully settled by the Group through netting off with the dividend payable of the subsidiary due to the respective non-controlling interests upon its dividend declaration in September 2013.

(f) The balance represents the prepayments of relocation costs made by the Group to a relocation company relating to the future property development of Shanghai Fengxiang, a subsidiary newly acquired by the Group in September 2013.

14 Trade and other receivables and prepayments (Continued)

The aging analysis of trade receivables is as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Less than 1 year	**54,868**	14,428
Between 1 and 2 years	**476**	633
Between 2 and 3 years	**89**	72
Over 3 years	**307**	289
	55,740	15,422

As at 31 December 2013, trade receivables of RMB6,482,000 (2012: RMB9,816,000) were past due but not impaired. The balances are related to independent customers for whom there is no recent history of default.

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Less than 1 year	**5,958**	9,816
Between 1 and 2 years	**524**	–
Between 2 and 3 years	**–**	–
Over 3 years	**–**	–
	6,482	9,816

As at 31 December 2013, trade and other receivables of RMB43,998,000 (2012: RMB44,927,000) were considered impaired and provided for. The other classes within trade and other receivables do not contain impaired assets.

Movements on the provision for impairment of trade and other receivables are as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
At beginning of the year	**44,927**	38,160
(Reversal)/accrual of provision for receivables impairment (Note 28)	**(929)**	7,083
Receivables written off as uncollectible	**–**	(316)
At end of the year	**43,998**	44,927

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

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

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

15 Interests in subsidiaries – Company

	As at 31 December 2013 RMB'000
Amounts due from subsidiaries (a)	**1,063,277**
Interests in subsidiaries relating to the Pre-IPO share award scheme (b)	**14,725**
Unlisted equity investments, at cost (c)	**1,116,054**
	2,194,056

notes:

(a) The amounts due from subsidiaries represent equity funding made by the Company to its subsidiaries which are measured in accordance with the Company's accounting policy for investments in subsidiaries. They are unsecured, non-interest bearing and have no specific repayment terms. The Company will not recall the amounts in the foreseeable future.

(b) The amounts are related to the Pre-IPO share award scheme (Note 33) granted to the employees of the Company's subsidiaries.

(c) Particulars of the Company's subsidiaries as at 31 December 2013 and 2012 are set out in Note 40 to the consolidated financial statements.

16 Cash at bank and on hand

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Group		
Cash at bank and on hand		
– denominated in RMB	**2,984,830**	1,375,731
– denominated in USD	**14,844**	–
– denominated in HKD	**367,890**	–
Total cash and cash equivalents	**3,367,564**	1,375,731

The effective interest rate on the Group's bank deposits as at 31 December 2013 was 0.61% (2012: 0.35%).

Cash and cash equivalents of the Group were determined as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Cash at bank and on hand	**3,367,564**	1,375,731
Less: Restricted cash	**(923,115)**	(701,743)
	2,444,449	673,988

16 Cash at bank and on hand (Continued)

Restricted cash of the Group comprised of the following:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Deposits for notes issued	**6,000**	90,000
Deposits as security for property purchasers' mortgage loans (a)	**25,855**	17,486
Deposits pledged for borrowings (Note 19)	**891,260**	594,257
	923,115	701,743

notes:

(a) These bank deposits are restricted to secure the bank loans taken by certain property purchasers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the transfer of the properties' ownership certificates to these purchasers.

	As at 31 December
	2013
	RMB'000
Company	
Cash at bank and on hand	
– denominated in RMB	**580**
– denominated in HKD	**261,044**
– denominated in USD	**93**
Total cash and cash equivalents	**261,717**

The effective interest rate on the Company's bank deposits as at 31 December 2013 was 0.01%.

17 Share capital and share premium

Group and Company

(a) Authorised shares

	Number of authorised shares	Nominal value of ordinary shares US$
As at 7 March 2013 (date of incorporation) (i)	50,000	50,000.00
Subdivision of ordinary shares (ii)	4,950,000	–
Increase in ordinary shares (ii)	211,735	2,117.35
Increase in ordinary shares (iii)	9,994,788,265	99,947,882.65
As at 31 December 2013	10,000,000,000	100,000,000.00

(b) Issued shares

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 7 March 2013 (date of incorporation) (i)	50,000	312	270,396	270,708
Subdivision of ordinary shares (ii)	4,950,000	–	–	–
Issuance of ordinary shares (ii)	211,735	13	–	13
Issuance of ordinary shares in connection with the Listing (iv)	313,430,000	19,252	1,045,426	1,064,678
Capitalisation issue (v)	906,841,890	55,750	(55,750)	–
Issuance of ordinary shares in connection with Pre-IPO share award scheme (vi)	28,207,844	1,726	–	1,726
As at 31 December 2013	1,253,691,469	77,053	1,260,072	1,337,125
Representing:				
Proposed final dividend (vii)			87,758	87,758
Others			1,172,314	1,249,367
			1,260,072	1,337,125

17 Share capital and share premium (Continued)

Group and Company (Continued)

notes:

(i) Upon incorporation on 7 March 2013, the authorised share capital of the Company was US$50,000 divided into 50,000 shares with a par value of US$1.00 each.

On the date of its incorporation, one ordinary share of US$1.00 was allotted and issued to the sole subscriber and then was transferred to Beyond Wisdom Limited. On the same date, the Company further allotted and issued 24,999 and 25,000 ordinary shares to Beyond Wisdom Limited and Decent King Limited respectively at a total consideration of US$43,507,822.65 (equivalent to RMB270,708,000), which has been fully paid in April 2013.

(ii) On 19 April 2013, the authorised share capital of the Company was subdivided from 50,000 shares with a par value of US$1.00 each to 5,000,000 shares with a par value of US$0.01 each, and the authorised capital was increased from US$50,000.00 to US$52,117.35 divided into 5,211,735 shares with a par value of US$0.01 each.

On the same date, the Company allotted and issued 211,735 ordinary shares at US$2,117.35 (equivalent to RMB13,000) with a par value of US$0.01 each to the other nine individual shareholders, and Decent King Limited transferred 27,802 shares out of its 2,500,000 ordinary shares of the Company to Beyond Wisdom Limited.

(iii) On 6 October 2013, pursuant to a shareholders' resolution, the authorised share capital of the Company was increased to US$100,000,000 divided into 10,000,000,000 shares of US$0.01 each.

(iv) On 31 October 2013, the Company issued 313,430,000 new ordinary shares of US$0.01 each at HK$4.45 per share in connection with its global offering and commencement of the listing of its shares on the Stock Exchange on the same date and raised gross proceeds of approximately HK$1,394,763,500 (equivalent to RMB1,105,072,000). The excess over the par value of RMB19,252,000 for the 313,413,000 shares issued net of the transaction costs of approximately RMB40,394,000 was credited to share premium account with an amount of RMB1,045,426,000.

(v) Pursuant to a shareholders' resolution dated 6 October 2013, on 31 October 2013, the Company capitalised an amount of US$9,068,418.9 (approximately RMB55,750,000), standing to the credit of its share premium account and to appropriate such amount as capital to pay up 906,841,890 shares in full at par to the then shareholders of the Company in proportion to their then respective shareholdings in the Company (the "Capitalisation Issue").

(vi) On 31 October 2013, a total number of 28,207,844 shares at par value of US$0.01 each were allotted and issued to Tianyan (PTC) Limited who acts as trustee for the benefits of the selected employees in connection with the Pre-IPO share award scheme for cash consideration of US$282,077 (equivalent to RMB1,726,000) which was fully paid by Decent King Limited.

(vii) Under the Cayman Companies Law, the share premium account may be applied by the Company for paying distributions or dividends to shareholders if immediately following the date on which the Company proposes to distribute the dividend, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. Details of the proposed final dividend are set out in Note 35.

18 Reserves

Group

	Other reserves					
	Merger reserve RMB'000 (a)	Capital reserve RMB'000 (b)	Pre-IPO share award scheme RMB'000	Statutory surplus reserve RMB'000 (c)	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2013	**621,079**	**124,081**	**–**	**245,437**	**856,029**	**1,846,626**
Total profit and comprehensive income for the year	**–**	**–**	**–**	**–**	**476,171**	**476,171**
Dividends of subsidiaries	**–**		**–**	**–**	**(372,647)**	**(372,647)**
Capital contribution from Yan Hao and Chen Xin Ge	**–**	**312,780**	**–**	**–**	**–**	**312,780**
Changes in ownership interests in subsidiaries without change of control	**–**	**(17,414)**	**–**	**–**	**–**	**(17,414)**
Effect of the Reorganization	**(495,598)**	**–**	**–**	**–**	**–**	**(495,598)**
Pre – IPO share award scheme (Note 33)	**–**	**–**	**14,725**	**–**	**–**	**14,725**
Balance at 31 December 2013	**125,481**	**419,447**	**14,725**	**245,437**	**959,553**	**1,764,643**
Balance at 1 January 2012	414,053	366,130	–	228,830	642,359	1,651,372
Total profit and comprehensive income for the year	–	–	–	–	271,682	271,682
Transfer of capital reserve to paid-in-capital for a subsidiary	207,026	(207,026)	–	–	–	–
Appropriations	–	–	–	16,607	(16,607)	–
Dividends of subsidiaries	–	–	–	–	(41,405)	(41,405)
Changes in ownership interests in subsidiaries without change of control	–	(35,023)	–	–	–	(35,023)
Balance at 31 December 2012	621,079	124,081	–	245,437	856,029	1,846,626

18 Reserves (Continued)

Company

	Other reserves			
	Pre-IPO share award scheme RMB'000	Contributed surplus RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 7 March 2013 (date of incorporation)	–	–	–	–
Contributed surplus (d)	–	1,115,742	–	1,115,742
Total loss and comprehensive loss for the period	–	–	(18,150)	(18,150)
Pre-IPO share award scheme (Note 33)	14,725	–	–	14,725
Balance at 31 December 2013	14,725	1,115,742	(18,150)	1,112,317

notes:

(a) Merger reserve

Merger reserve as at 31 December 2012 represent the paid-in capital of Jingrui Properties (Group).

During the year ended 31 December 2012, in accordance with the shareholder's resolution in March 2012, the paid-in capital of Jingrui Properties (Group) was increased from RMB414,053,000 to RMB621,079,000 by transferring RMB207,026,000 from its capital reserve to paid-in capital, and the shareholding percentage for each of the shareholders in Jingrui Properties (Group) remained the same after that.

Merger reserve as at 31 December 2013 represent the difference of aggregate consideration paid by the Group for the acquisition of subsidiaries pursuant to the Reorganisation as disclosed in Note 1(b) and the aggregate capital of the subsidiaries acquired, after elimination of investment in subsidiaries.

(b) Capital reserve

(i) In April 2013, Jingrui Properties (Group) acquired the 39% equity interests of its subsidiary Changzhou Jingshen Property Co., Ltd. (常州景申置業有限公司) from the non-controlling interests Shanghai Real Estate (Group) Co., Ltd. (上海房地（集團）有限公司) at a consideration of RMB64,470,000. The difference of RMB (15,580,000) between the amount by which the non-controlling interests of RMB48,890,000 and the consideration paid was recognised in equity and attributed to the equity holders of the Company. Since then, Changzhou Jingshen Property Co., Ltd. became a wholly owned subsidiary of Jingrui Properties (Group).

(ii) Capital contribution from Yan Hao and Chen Xin Ge represents the capital injection to certain subsidiaries of the Group made by Yangpu Saiente, which is wholly owned by Yan Hao, and Yangpu Wanbaolong, which is wholly owned by Chen Xin Ge, in June 2013 totalling RMB313,000,000.

(iii) In July 2013, the Group acquired 5% equity interests of its subsidiary Taicang Jinshang Property Co., Ltd. (太倉景尚置業有限公司) from one of the non-controlling interests at a consideration of RMB8,250,000. The difference of RMB (1,834,000) between the amount by which the non-controlling interests of RMB6,416,000 and the consideration paid was recognised in equity and attributed to the equity holders of the Company. Since then, Taicang Jinshang Property Co., Ltd. is owned as to 65% by the Group.

(c) Statutory surplus reserve

In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations.

(d) Contributed surplus

Contributed surplus of the Company represents the difference between the excess of the equity funding to the subsidiaries by the Company for the purpose of completion of the Reorganisation and the aggregate net book value of the subsidiaries acquired pursuant to the Reorganisation.

19 Borrowings

	As at 31 December 2013 RMB'000	2012 RMB'000
Borrowings included in non-current liabilities:		
– Banks, secured (a)	**3,230,348**	2,074,765
– Trust financing arrangements, secured		
– conventional loan (b)	**550,000**	994,800
– equity with repurchase obligation (b)	**2,079,899**	–
	5,860,247	3,069,565
Less: Current portion of long-term borrowings		
– Banks, secured (a)	**(700,539)**	(567,544)
– Trust financing arrangements, secured (b)	**(1,089,000)**	(530,400)
	(1,789,539)	(1,097,944)
	4,070,708	1,971,621
Borrowings included in current liabilities:		
– Banks, secured (a)	**932,232**	740,166
– Banks, unsecured	**100,000**	–
– Trust financing arrangements, secured		
– conventional loan (b)	**290,000**	–
– equity with repurchase obligation (b)	**–**	150,000
– Short-term borrowings from a micro-credit company, secured (c)	**–**	22,500
	1,322,232	912,666
Add: Current portion of long-term borrowings		
– Banks, secured (a)	**700,539**	567,544
– Trust financing arrangements, secured (b)	**1,089,000**	530,400
	1,789,539	1,097,944
	3,111,771	2,010,610

notes:

(a) The Group's bank borrowings are secured by properties held or under development for sale (Note 13), investment properties (Note 8) and bank deposits (Note 16) of the Group or guaranteed by subsidiaries of the Company for each other or by related parties (Note 39).

(b) These borrowings are mainly obtained through trust arrangements with trust financing companies. Borrowings under trust financing arrangements are secured by certain properties held or under development for sale (Note 13) and shares of subsidiaries of the Group (Note 40) or guaranteed by subsidiaries of the Company or by related parties (Note 39). Under the conventional loan trust financing arrangements, these trust financing companies provide loans to the Group through loan agreements entered into with the Group. Under the equity with repurchase obligation trust financing arrangements, the borrowings are provided by the underlying trust financing companies through the injection of capital or the transfer of equity interests in project companies with repurchase obligation of the Group. The substance of this type of trust financing arrangement is borrowing, with the equity interests in the project companies legally transferred as collateral.

(c) The short term borrowing of RMB22,500,000 as at 31 December 2012 were borrowed from a PRC micro-credit company, which were secured by the pledge of investment properties with total carrying amount of RMB306,000,000 as at 31 December 2012 of a subsidiary of the Group and guaranteed by Jingrui Properties (Group) and have been fully repaid in 2013.

19 Borrowings (Continued)

The following table sets out details of the equity with repurchase obligation trust financing arrangements as at 31 December 2013 and 2012:

	As at 31 December		
	2013	2012	**Expiration date**
	RMB'000	RMB'000	
Shanghai Jingshang Property Co., Ltd. (上海景尚置業有限公司)	**–**	150,000	July, September 2013
Chongqing Jingshang Property Co., Ltd. (重慶景尚置業有限公司)	**169,412**	–	January 2014, July 2015
Shanghai Jingji Investment Co., Ltd. (上海景吉投資有限公司)	**345,275**	–	October 2014, October 2015
Shanghai Jingyi Investment Co., Ltd. (上海景熠投資有限公司)	**308,279**	–	October 2014, October 2015
Shanghai Jingbo Investment Co., Ltd. (上海景博投資有限公司)	**272,164**	–	October 2014, October 2015
Shanghai Ruicui Investment Co., Ltd. (上海瑞萃投資有限公司)	**216,210**	–	February 2015, August 2015
Shanghai Chengjing Investment Co., Ltd. (上海誠景投資有限公司)	**494,032**	–	June 2015,
Shanghai Ruicen Investment Co., Ltd. (上海瑞岑投資有限公司)	**274,527**	–	January 2015 January 2016
	2,079,899	150,000	

The maturity of non-current borrowings at the reporting dates is as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Between 1 and 2 years	**2,958,573**	824,890
Between 2 and 5 years	**996,429**	970,000
Above 5 years	**115,706**	176,731
	4,070,708	1,971,621

The weighted average effective interest rates as at 31 December 2013 and 2012 were as follows:

	As at 31 December	
	2013	2012
Bank borrowings	**7.58%**	7.03%
Trust financing arrangements	**13.51%**	16.60%
Short-term borrowings from a micro-credit company	**–**	16.00%

The cost of financing of the trust financing arrangements includes the interest costs and administrative fees, such as arrangement or consultancy fees and trustee fees.

19 Borrowings (Continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

	6 months or less RMB'000	6 – 12 months RMB'000	1 – 5 years RMB'000	Total RMB'000
Borrowings included in non-current liabilities:				
As at 31 December 2013	**1,752,510**	**657,860**	**1,660,338**	**4,070,708**
As at 31 December 2012	1,330,490	140,000	501,131	1,971,621
Borrowings included in current liabilities:				
As at 31 December 2013	**891,463**	**2,220,308**	**–**	**3,111,771**
As at 31 December 2012	1,082,866	927,744	–	2,010,610

The carrying amounts of the Group's borrowings approximate their fair value and the fair value are within level 2 fair value hierarchy. The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December	
	2013 RMB'000	2012 RMB'000
RMB	**7,163,572**	3,982,231
USD	**18,907**	–
	7,182,479	3,982,231

20 Trust loans related derivatives

Certain borrowings of the Group are in the form of trust arrangements with trust financing companies involving either capital increase in or transfer of equity interest in project companies with repurchase obligations. The repurchase prices of the equity interests reflect the fixed returns and the floating premiums that the trust financing companies are entitled to. The floating premiums are linked to valuation of equity interest of the relevant project companies at the time as stipulated in the relevant agreements. The classification of trust loans related derivatives are determined based on the earliest repayment dates that can be demanded by trust financing companies.

The proceeds received from the trust companies have been split between the trust loans element and financial derivatives component, representing the fair value of the embedded derivatives inspect of the floating premiums.

These trust loans contain embedded derivatives which are not closely related to the host contract and are treated as separate derivatives. The embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

20 Trust loans related derivatives (Continued)

An independent valuation was performed by the valuer, DTZ Debenham Tie Leung Limited, to determine the fair value of the embedded derivatives. The following table analyses the trust loans related derivatives carried at fair value, by valuation method.

Fair value hierarchy

	Fair value measurements at 31 December 2013 using		
Description	Quoted prices in active markets for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
Recurring fair value measurements of the trust loans related derivatives	–	–	43,060

Valuation techniques

The valuation of the embedded derivatives was determined using the discounted cash flow method under the income approach. The significant unobservable inputs are expected floating premiums as at the exit date which was determined by the probability-weighted average of floating premiums under three financial projection scenarios prepared by the management, and the discount rate which was determined using the capital asset pricing model.

There were no changes to the valuation techniques during the year.

The movement of the embedded derivatives is set out below:

	Year ended 31 December	
	2013 **RMB'000**	2012 RMB'000
Opening balance	**–**	–
Initial recognition at fair value	**40,101**	–
Losses arising on changes in fair value (Note 27)	**2,959**	–
Ending balance	**43,060**	–

21 Advanced proceeds received from customers

The Group starts sales of properties and collection of proceeds from customers before the properties are completed and ready for delivery. Such proceeds from customers are recorded as advanced proceeds received from customers before relevant sales are recognised.

22 Trade and other payables

Group

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Trade payables	**1,390,729**	1,011,855
Notes payable	**6,000**	90,000
Amounts due to non-controlling interests of subsidiaries (a)	**394,991**	190,000
Amounts due to jointly controlled entities (Note 39)	**121,042**	16,875
Business and other taxes payable	**139,587**	57,961
Maintenance and decoration fees collected on behalf	**1,941**	4,310
Electricity fee and cleaning fee collected on behalf	**14,763**	16,903
Deed tax collected on behalf	**6,506**	12,608
Accrued payroll	**14,587**	14,480
Interest payable	**74,942**	18,643
Construction deposits received from suppliers	**18,633**	19,004
Temporary funding payables	**4,500**	–
Deposits received from customers	**30,115**	26,414
Deposits received in connection with the disposal of a subsidiary (b)	**10,000**	10,000
Accrued initial public offering fees	**4,625**	–
Payables for acquisition of Shanghai Fengxiang (c)	**211,109**	–
Others	**53,309**	46,169
	2,497,379	1,535,222

notes:

(a) The balance represents the funding from non-controlling interests of certain subsidiaries for their operational purpose in property development, which are unsecured, non-interest bearing and repayable on demand.

(b) According to relevant equity transfer agreements signed between Jingrui Properties (Group) and a third party on 14 August 2012 and 27 April 2013 respectively and a supplementary agreement signed in June 2013, the third party agreed to acquire and Jingrui Properties (Group) agreed to sell its 100% equity interests and a shareholder's loan amounting to RMB30,500,000 of Shanghai Garden City Real Estate Development Co., Ltd. (上海花園城房地產開發有限公司) ("Shanghai Garden City") at a total consideration of RMB70,000,000. The third party has paid RMB10,000,000 as deposit to Jingrui Properties (Group) for the equity transfer during the year ended 31 December 2012. The equity transfer has not completed as at 31 December 2013.

(c) The balance represents the payables relating to the acquisition of Shanghai Fengxiang by the Group from an independent third party (Note 23 (a)).

22 Trade and other payables (Continued)

Group

The aging analysis of trade payables and notes payable are as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Less than 1 year	**1,087,026**	910,583
Between 1 and 2 years	**150,839**	63,862
Between 2 and 3 years	**32,762**	35,834
Over 3 years	**126,102**	91,576
	1,396,729	1,101,855

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

As at 31 December 2013 and 2012, the carrying amounts of trade and other payables are all denominated in RMB.

Company

	As at 31 December 2013 RMB'000
Trade and other payables	**6,331**

23 Long-term payables

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Amounts payable for the acquisition of 20% equity interests of Shanghai Fengxiang (a)	**295,800**	–
Long-term payables for lease back contracts (b)	**13,139**	
Less: Current portion of long-term payables (b)	**(9,897)**	–
	299,042	

notes:

(a) Pursuant to an equity transfer agreement entered into on 18 July 2013 between an independent third party (the "Seller"), and the Group through one of its wholly owned subsidiary, the Group acquired Shanghai Fengxiang in September 2013 with 100% effective equity interests attributable to the Group.

Pursuant to the terms and conditions of the equity transfer agreement, the Group considers that Shanghai Fengxiang does not qualified as a business at the acquisition date and the substance of the acquisition is the purchase of a group of assets of Shanghai Fengxiang.

As at 31 December 2013, approximately RMB211,109,000 remain unpaid for acquisition of 80% equity interests of Shanghai Fengxiang was included in trade and other payables (Note 22(c)), and RMB295,800,000 including cumulative interests relating to purchase of remaining 20% equity interests of Shanghai Fengxiang was included in long-term payables.

23 Long-term payables (Continued)

(b) Long-term payables for lease back contracts

Before acquisition by the Group, when Shanghai Fengxiang entered into sales agreements with purchasers of its shopping mall units, separate operating lease contracts were also signed with these purchasers by Shanghai Fengxiang or by related parties of the Seller, to lease back these sold units for varied lease period less than 10 years at guarantee rental expenses. Directors consider that the sales and leased back transactions are linked transactions, and therefore recognised a long-term payable for the present value of relevant future net rental expenses.

24 Deferred income tax

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Deferred tax assets to be recovered		
– within 12 months	**119,893**	5,003
– after 12 months	**43,251**	161,167
	163,144	166,170
Deferred tax liabilities to be settled		
– within 12 months	**(18,170)**	(8,769)
– after 12 months	**(135,756)**	(76,955)
	(153,926)	(85,724)
Deferred tax assets, net	**9,218**	80,446

The gross movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Opening balance	**80,446**	179,568
Charged to the consolidated income statement (Note 32)	**(71,228)**	(99,122)
Ending balance	**9,218**	80,446

As at 31 December 2013, deferred income tax assets and deferred income tax liabilities amounting to RMB19,332,000 (2012: RMB85,232,000) were offset.

24 Deferred income tax (Continued)

The movement in deferred income tax assets and liabilities for both years ended 31 December 2013 and 2012 without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Tax losses RMB'000	Provision for impairment of properties held for sale and receivables RMB'000	Land appreciation tax RMB'000	Elimination of inter-company transactions RMB'000	Temporary difference on recognition of sales and cost of sales RMB'000	Accruals RMB'000	Total RMB'000
At 1 January 2013	**24,852**	**5,199**	**145,095**	**2,111**	**60,525**	**13,620**	**251,402**
Credited/(charged) to the consolidated income statement	**12,049**	**(1,232)**	**(129,785)**	**1,100**	**53,172**	**(4,230)**	**(68,926)**
At 31 December 2013	**36,901**	**3,967**	**15,310**	**3,211**	**113,697**	**9,390**	**182,476**
At 1 January 2012	17,325	2,994	161,270	–	82,391	8,805	272,785
Credited/(charged) to the consolidated income statement	7,527	2,205	(16,175)	2,111	(21,866)	4,815	(21,383)
At 31 December 2012	24,852	5,199	145,095	2,111	60,525	13,620	251,402

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group did not recognise deferred income tax assets of RMB136,364,000 (2012: RMB116,645,000) in respect of tax losses amounting to RMB545,456,000 (2012: RMB466,580,000) as at 31 December 2013. All these tax losses will expire within five years.

Deferred income tax liabilities

	Temporary difference on recognition of fair value gains on investment properties RMB'000	Temporary difference on recognition of sales and cost of sales RMB'000	Undistributed profits of PRC subsidiaries RMB'000	Total RMB'000
At 1 January 2013	**39,690**	**131,266**	**–**	**170,956**
Charged/(credited) to the consolidated income statement	**41,659**	**(48,133)**	**8,776**	**2,302**
At 31 December 2013	**81,349**	**83,133**	**8,776**	**173,258**
At 1 January 2012	33,690	59,527	–	93,217
Charged to the consolidated income statement	6,000	71,739	–	77,739
At 31 December 2012	39,690	131,266	–	170,956

Deferred income tax arose as a result of differences in timing of recognition of certain revenues, costs and expenses between the tax based accounts and the financial statements prepared in accordance with HKFRSs. This constitutes temporary differences, being the differences between the carrying amounts of the assets or liabilities in the consolidated balance sheets and their tax bases, in accordance with HKAS 12.

25 Revenue

Revenue of the Group consists of the following:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Revenue from sales of properties	**3,858,486**	3,995,539
Revenue from property management	**63,137**	48,622
Rental income	**8,930**	12,371
Others	**8,458**	2,316
	3,939,011	4,058,848

26 Other income

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Government grants	**170**	1,038
Compensation income	**2,469**	1,295
Interest income on loans to a jointly controlled entity (Note 39 (d)(i))	**7,535**	–
Dividend income on financial assets at fair value through profit or loss	**–**	10
Others	**959**	655
	11,133	2,998

27 Other gains/(losses) – net

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Compensation for land and resettlement costs – net (a)	**190,637**	–
Financial assets at fair value through profit or loss (Note 11)		
– Fair value losses	**–**	(52)
– Fair value gains	**5**	2,504
Gains from disposal of financial assets at fair value through profit or loss	**8**	2,260
Gains/(losses) from disposal of property, plant and equipment	**2,609**	(156)
Changes in fair values of trust loans related derivatives (Note 20)	**(2,959)**	–
Provision for impairment of land use rights of Shanghai Garden City (Note 38(b))	**–**	(23,435)
Compensation	**(1,890)**	(2,306)
Foreign exchange losses	**(11,502)**	–
Gains from write-off of long-aged payables	**42,390**	–
Others	**(2,874)**	(589)
	216,424	(21,774)

note:

(a) The amount represents the net gain arising from the return of certain parcels of land of the Group to the local government due to change of usage plan over such land by the local government. The local government agreed to pay RMB302,071,200 to compensate the Group's loss of land and resettlement costs incurred, among which RMB299,137,900 has been received from the local government and RMB2,933,300 remains receivable as at 31 December 2013.

28 Expenses by nature

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

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Cost of properties sold	**2,762,562**	2,866,135
Business tax and surcharges (a)	**221,221**	227,280
Accrual of provision for impairment of properties held for sale (Note 13)	**–**	2,060
Depreciation of property, plant and equipment (Note 7)	**4,848**	5,286
Amortisation of intangible assets (Note 9)	**793**	827
Bank charges	**3,481**	2,225
Staff costs (Note 30)	**176,321**	136,698
Entertainment expenses	**13,666**	9,998
Stamp duty and other taxes	**8,563**	6,804
Professional fees	**43,115**	8,329
Auditors' remuneration	**2,350**	861
Sales commission	**36,309**	68,790
Advertising and publicity costs	**96,455**	74,137
Office and meeting expenses	**15,858**	9,642
Rental expenses	**10,738**	7,566
Travelling expenses	**10,446**	7,190
(Reversal)/accrual of provision for impairment of receivables (Note 14)	**(929)**	7,083
Other expenses	**61,819**	37,707
Total cost of sales, selling and marketing costs and administrative expenses	**3,467,616**	3,478,618

note:

(a) The PRC companies comprising the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income, while surcharges are 4% to 12% of business tax.

29 Finance income – net

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Finance costs		
– Interest on bank loans and trust financing arrangements	**(561,100)**	(350,530)
– Less: interest capitalised	**548,480**	338,473
Total finance costs	**(12,620)**	(12,057)
Finance income		
– Interest income on bank deposits	**26,008**	30,246
Total finance income	**26,008**	30,246
Net finance income	**13,388**	18,189

30 Staff costs (including directors' emolument)

	Year ended 31 December 2013 RMB'000	2012 RMB'000
Wages and salaries	**128,533**	113,945
Pension	**11,731**	9,790
Other welfare benefit expenses	**21,332**	12,963
Pre-IPO share award scheme (Note 33)	**14,725**	–
	176,321	136,698

31 Directors and senior management's emoluments – Group

(a) Directors' emoluments

The emoluments of the Company's directors and the chief executive paid/payable by the companies comprising the Group are set out below:

Name of director	Fees RMB'000	Salaries and other allowances RMB'000	Discretionary bonus RMB'000	Retirement scheme contributions RMB'000	Pre-IPO share award scheme RMB'000	Total RMB'000
Year ended 31 December 2013:						
Chen Xin Ge (陳新戈) (ii)	**–**	**–**	**–**	**–**	**–**	**–**
Yan Hao (閆浩) (i)(ii)	**–**	**1,129**	**–**	**60**	**–**	**1,189**
Yang Tie Jun (楊鐵軍) (ii)	**–**	**1,110**	**–**	**60**	**1,371**	**2,541**
Xu Chao Hui (許朝輝) (ii)	**–**	**925**	**–**	**60**	**1,104**	**2,089**
Qian Shi Zheng (錢世政) (iii)	**60**	**–**	**–**	**–**	**–**	**60**
Han Jiong (韓炯) (iii)	**120**	**–**	**–**	**–**	**–**	**120**
Lo Wing Yan (盧永仁) (iii)	**60**	**–**	**–**	**–**	**–**	**60**
	240	**3,164**	**–**	**180**	**2,475**	**6,059**
Year ended 31 December 2012:						
Chen Xin Ge (陳新戈) (ii)	–	–	–	–	–	–
Yan Hao (閆浩) (i)(ii)	–	1,083	–	56	–	1,139
Yang Tie Jun (楊鐵軍) (ii)	–	1,153	–	56	–	1,209
Xu Chao Hui (許朝輝) (ii)	–	900	–	56	–	956
Han Jiong (韓炯) (iii)	120	–	–	–	–	120
	120	3,136	–	168	–	3,424

notes:

(i) The chief executive of the Company is Yan Hao, who is also one of the executive directors of the Company.

(ii) These four executive directors of the Company were appointed in October 2013.

(iii) Han Jiong (韓炯), Qian Shi Zheng (錢世政) and Lo Wing Yan (盧永仁) were appointed as independent non-executive directors of the Company in October 2013.

31 Directors and senior management's emoluments – Group (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2013 include three (2012: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2012: two) individuals are as follows:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances, Pre-IPO share award scheme and benefits in kind	**3,371**	1,429
Bonuses	**117**	504
	3,488	1,933

The emoluments fell within the following bands:

	Number of individuals	
	2013	2012
Emoluments bands (in Hong Kong dollar)		
HKD1,000,000 and below	**–**	–
HKD1,000,001- HKD1,500,000	**–**	2
HKD1,500,001- HKD2,000,000	**1**	–
HKD2,000,001- HKD2,500,000	**–**	–
HKD2,500,001- HKD3,000,000	**1**	–

(c) During both years ended 31 December 2013 and 2012, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

32 Income tax expense

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax	**(104,762)**	79,942
– PRC corporate income tax	**211,463**	85,136
	106,701	165,078
Deferred income tax (Note 24)	**71,228**	99,122
Total income tax charged for the year	**177,929**	264,200

32 Income tax expense (Continued)

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

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Profit before income tax	**867,836**	605,650
PRC land appreciation tax	**104,762**	(79,942)
	972,598	525,708
Income tax calculated at statutory rate of 25%	**243,150**	131,427
Effect of expenses not deductible for income tax purposes	**9,536**	4,677
Share of results of jointly controlled entities	**2,785**	(502)
Income not subject to tax	**(1,275)**	–
Tax losses not recognised as deferred tax assets	**19,719**	48,656
PRC land appreciation tax	**(104,762)**	79,942
PRC withholding income tax	**8,776**	–
Total income tax expense	**177,929**	264,200

PRC corporate income tax

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") which became effective on 1 January 2008. Under the CIT Law, the CIT rate applicable to the Group's subsidiaries located in mainland China from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The directors of the Company had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. For the year ended 31 December 2013, the Group accrued for PRC withholding income tax with an amount of RMB8,776,000 (2012: Nil) based on the tax rate of 10% on a portion of the earnings generated by its PRC subsidiaries after 30 June 2013. The Group controls the dividend policies of those subsidiaries and it has been determined that the remaining earnings will not be distributed in the foreseeable future. As at 31 December 2013, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB60,623,000 on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB606,232,000.

Land appreciation tax

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

During the year ended 31 December 2013, the Group has completed tax clearance of PRC land appreciation tax for certain projects and thus adjusted the PRC land appreciation tax accruals based on tax clearance results.

33 Share-based payments

Pursuant to a Board meeting resolution and a shareholders' resolution dated 6 October 2013, the Company adopted a Pre-IPO share award scheme. Pursuant to the Pre-IPO share award scheme, a total number of 24,034,476 shares was subsequently granted to selected employees on 25 December 2013. Subject to certain vesting conditions including successful listing of the Company on the Stock Exchange before 31 October 2013, the employee being still on service at the end of each vesting period and the required performance rating of the employee before the vesting dates, the granted shares can be vested in four tranches on 1 January 2014, 2015, 2016 and 2017, respectively.

The fair value of the shares granted under the Pre-IPO share award scheme as at 25 December 2013, the grant date, was HKD97,820,000 (equivalent to RMB77,151,000) and was determined by reference to the market price of HKD4.07 (equivalent to RMB3.21) per share on the grant date.

The Group recognised an expense of RMB14,725,000 for the year ended 31 December 2013 in relation to the shares awarded to the current employees for the employees' service provided.

34 Earnings per share

Basic earnings per share is calculated by dividing the Group's profit attributable to the equity holders of the Company by the weighted average numbers of ordinary shares in issue. In determining the weighted average number of shares in issue during 2013 and 2012, the 5,211,735 shares issued in connection with the Reorganisation, the 906,841,890 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 31 October 2013 and the bonus element of the shares issued in connection with the Pre-IPO share award scheme on 31 October 2013 (Note17) were deemed to have been in issue since 1 January 2012.

	Year ended 31 December	
	2013	2012
Group's profit attributable to equity holders of the Company (RMB'000)	**476,171**	271,682
Weighted average number of shares in issue (in thousand)	**992,235**	939,772
Basic earnings per share (RMB)	**0.5**	0.3

Diluted earnings per share is equal to basic earnings per share as there was no dilutive potential share outstanding for both years ended 31 December 2013 and 2012.

35 Dividends

	Year ended 31 December	
	2013	2012
Proposed final dividend of RMB7 cents (2012: Nil) per ordinary share (a)	**87,758**	–
Dividends of subsidiaries (b)	**372,647**	41,405
	460,405	41,405

35 Dividends (Continued)

notes:

(a) A final dividend in respect of the year ended 31 December 2013 of RMB7 cents per ordinary share, amounting to approximately RMB87,758,000, out of share premium account was proposed by the directors at the Company's Board meeting held on 18 March 2014. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2014 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

(b) The amounts represented dividends declared by the companies comprising the Group to the then equity holders of the companies before the Listing of the Company on the Stock Exchange, after elimination of intra-group dividends.

36 Notes to the consolidated cash flow statement

(a) Net cash (used in)/generated from operations:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Profit before income tax	**867,836**	605,650
Adjustments for:		
– Depreciation (Note 28)	**4,848**	5,286
– Amortisation (Note 28)	**793**	827
– (Gains)/losses on disposals of property, plant and equipment (Note 27)	**(2,609)**	156
– (Reversal)/accrual of provision for impairment of receivables (Note 28)	**(929)**	7,083
– Financial assets at fair value through profit or loss (Note 27)	**13**	4,712
– Accrual of provision for impairment of properties held for sale (Note 28)	**–**	2,060
– Provision for land use rights of Shanghai Garden City (Note 27)	**–**	23,435
– Fair value gains on investment properties (Note 8)	**(166,637)**	(24,000)
– Share of results of jointly controlled entities (Note 10)	**11,141**	(2,007)
– Foreign exchange loss	**2,648**	–
– Interest income on loans to a jointly controlled entity (Note 26)	**(7,535)**	–
– Finance costs (Note 29)	**12,620**	12,057
– Finance income (Note 29)	**(26,008)**	(30,246)
– Changes in fair values of trust loans related derivatives (Note 27)	**2,959**	–
– Pre-IPO share award scheme (Note 33)	**14,725**	–
Changes in working capital		
– Restricted cash relating to operating activities	**75,631**	227,357
– Prepayment for leasehold lands	**(598,169)**	(100,000)
– Properties held or under development for sales (excluding capitalised interest)	**(3,979,938)**	(1,306,770)
– Trade and other receivables and prepayments	**(634,886)**	803,622
– Advanced proceeds received from customers	**2,652,179**	295,485
– Other non-current assets	**–**	327
– Financial assets at fair value through profit or loss	**5,116**	2,172
– Trade and other payables	**252,454**	(221,413)
– Decrease in amounts due from related parties	**200,972**	27,975
– Increase/(decrease) in amounts due to jointly controlled entities	**181,296**	(17,525)
Net cash (used in)/generated from operations	**(1,131,480)**	316,243

36 Notes to the consolidated cash flow statement (Continued)

(b) Major non-cash transactions:

One subsidiary of the Group declared dividends of RMB210,000,000 and RMB120,000,000 during the years ended 31 December 2013 and 2012 to its non-controlling interests respectively. Such dividends payable was settled by netting off with the amounts due from non-controlling interests of the subsidiary during the years ended 31 December 2013 and 2012 respectively.

(c) Proceeds from disposal of property, plant and equipment:

In the consolidated cash flow statement, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Net book value (Note 7)	**1,330**	437
Gains/(losses) on disposals of property, plant and equipment (Note 27)	**2,609**	(156)
Proceeds from disposal of property, plant and equipment	**3,939**	281

37 Commitments

(a) Property development expenditure commitments

Property development expenditure committed at the balance sheet date but not yet incurred is as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Land use rights	**1,687,700**	773,737
Other property development expenditure	**3,613,377**	657,936
	5,301,077	1,431,673

(b) Operating lease commitments

The future aggregated minimum rental expenses at the balance sheet date in respect of certain office buildings held under non-cancellable operating leases are payable in the following periods:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Within 1 year	**4,664**	5,966
1 to 5 years	**1,255**	3,550
	5,919	9,516

38 Financial guarantees and contingent liabilities

(a) Guarantees on mortgage facilities

The Group had the following contingent liabilities in respect of financial guarantees on mortgage facilities at each balance sheet date:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**2,495,227**	1,771,006

The Group has arranged bank financing for certain purchasers of the Group's properties and provided guarantees to secure obligations of such purchaser for repayments. Such guarantees will terminate upon the earlier of (i) the transfer of the real estate ownership certificate to the purchaser, or (ii) the satisfaction of mortgage loans by the purchasers of the properties.

Pursuant to the terms of the guarantees, upon default of mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principal together with accrued interest owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the date of grant of mortgage. The directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

(b) Legal disputes

The Group was involved in pending legal disputes with certain construction contractors and other external party below:

(i) In September 2012 and April 2013, a construction contractor fee dispute claim of approximately RMB10,300,000 for the outstanding construction fee was brought by the construction contractor to a subsidiary of the Group in relating to a property development in Zhoushan City, Zhejiang Province in the PRC. As at 31 December 2013, the Group has estimated and accrued relevant costs of RMB 4, 000,000 in this regards.

(ii) On 31 December 2012, a dispute claim for deposit of RMB30,500,000 and the land use right with a carrying value of RMB23,000,000 as at 31 December 2012 was brought by Education Bureau of Hongkou District, Shanghai (上海市虹口區教育局) (the "Education Bureau") to Shanghai Garden City, a subsidiary of the Group, in relation to Shanghai Garden City's not being able to construct and deliver the school by May 2007 as agreed pursuant to an agreement (教育配套協議) signed between Shanghai Garden City and the Education Bureau on 20 June 2005. On 23 July 2013, Hongkou District People's Court of Shanghai (上海市虹口區人民法院) delivered a judgment in favour of Education Bureau, ruling that it is entitled to retain the RMB30,500,000 and to obtain the land use rights in dispute. The Group has accrued an estimated amount of RMB30,500,000 for the relevant required construction costs. A provision of RMB23,400,000 for the land use right has also been made as at 31 December 2012 pursuant to the court judgement (Note 13).

38 Financial guarantees and contingent liabilities (Continued)

(b) Legal disputes (Continued)

The Group is of the view that the pledge of the land use rights to the local government which were acquired by Shanghai Garden City at a cost of RMB23,400,000 only served as a guarantee for Shanghai Garden City to fulfill its obligation to construct a school and to bear the construction costs on an additional land parcel to be granted at zero consideration by the local government. The failure by the local government to complete the required demolition work and deliver the additional land parcel to us does not give rise to the Education Bureau the rights to require Shanghai Garden City to surrender the title to the land use rights at zero consideration to them which it had acquired through open market for commercial property development and in fact special approvals are required to change the use of the land. The Group has filed a petition to appeal the judgment with the Shanghai Second Intermediate People's Court in August 2013.

In addition, the Group has signed agreements in 2012 and 2013 to transfer its 100% equity interests in Shanghai Garden City to a third party (Note 22(b)).

Pursuant to the series of equity transfer agreements above, the third party buyer is to pay additional consideration of RMB57,000,000 to the Group before 31 July 2013 and relevant share transfer procedures are to be completed before 31 July 2013. The remaining consideration of RMB3,000,000 is to be paid by the buyer to the Group on the condition that Shanghai Garden City be able to early terminate the operating lease contracts attached to the land with its third party lessee before 31 December 2013. If the buyer does not make the additional payments to the Group within 30 calendar days after 31 July 2013, the Group is entitled to unilaterally terminate the equity transfer agreements, forfeit the deposit of RMB10,000,000 and claim damages from the buyer.

Up to the date of issuance of these financial statements, the third party had not made additional payments for the equity transfer, which was supposed to complete prior to 31 July 2013.

The Group has assessed the claims and considered that the ultimate outcome of these legal proceedings will not have a material adverse effect on financial position of the Group.

39 Related-party transactions

(a) Name and relationship with related parties

Name	Relationship with the Group
Shanghai Jingxiu	Jointly controlled entity (note)
Changzhou Jingshang	Jointly controlled entity
Yan Hao	Shareholder, director, co-chairmen, chief executive officer
Chen Xin Ge	Shareholder, director, co-chairmen

note: Since 14 June 2013, Shanghai Jingxiu became a wholly owned subsidiary of the Group (Note 10 (a)).

39 Related-party transactions (Continued)

(b) Transactions with related parties

The Group has the following related party transactions:

		Year ended 31 December	
		2013	2012
		RMB'000	RMB'000
(i)	Providing temporary funding to related parties		
	– Shanghai Jingxiu	**–**	75,000
	– Changzhou Jingshang	**98,789**	76,282
(ii)	Collection of temporary funding from related parties		
	– Shanghai Jingxiu	**–**	75,000
	– Changzhou Jingshang	**198,171**	65,182
(iii)	Dividend income from a related party		
	– Shanghai Jingxiu	**–**	44,000
(iv)	Borrowings guaranteed by related parties		
	– Shanghai Jingxiu	**–**	509,466
	– Yan Hao and his spouse (note)	**–**	404,800
	– Chen Xin Ge and his spouse (note)	**–**	254,800

notes:

As at 31 December 2012, trust financing borrowings of RMB150,000,000 of the Group, among which RMB95,000,000 was matured in July 2013 and RMB55,000,000 was matured in September 2013, were guaranteed by Yan Hao and his spouse and pledged by Shanghai Jingxiu with properties held for sale with carrying amount of RMB7,351,000 as at 31 December 2012. On 30 July 2013, the trust financing company agreed to release the guarantee required from Yan Hao and his spouse.

As at 31 December 2012, Yan Hao (and his spouse) and Chen Xin Ge (and his spouse) provided personal guarantee to China National Investment & Guaranty Co., Ltd. (中國投資擔保有限公司) for it to provide guarantee for the trust financing borrowings of RMB254,800,000 of the Group which were fully repaid by the Group in September 2013, and the personal guarantees from Yan Hao (and his spouse) and Chen Xin Ge (and his spouse) have been released accordingly.

(v) Sales of properties to a related party

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Yan Hao (note)	**(3,977)**	3,977

note: The property sold to Yan Hao was returned to the Group in May 2013.

39 Related-party transactions (Continued)

(c) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents and secretary of the board of directors. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2013	2012
	RMB'000	RMB'000
Salaries, Pre-IPO share award scheme and other short-term employee benefits	**7,063**	3,495
Post-employment benefits	**242**	169
	7,305	3,664

(d) Related-party balances

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
(i) Amounts due from related parties (Note 14)		
– Shanghai Jingxiu (note)	**–**	9,600
– Changzhou Jingshang (note)	**118,790**	200,972
	118,790	210,572

notes: The balance of RMB9,600,000 as at 31 December 2012 represents dividend receivable due from Shanghai Jingxiu, which has been fully settled by 31 December 2013.

The balances as at 31 December 2013 and 2012 represent the funding from the Group to Changzhou Jinshang, a jointly controlled entity of the Group, in addition to the capital contribution for its operational purpose in property development which is under construction. The balance as at 31 December 2013 includes an amount of RMB98,790,000 which was the outstanding principal and interest receivable balance of an entrusted loan from the Group to Changzhou Jinshang. In March 2013, the Group lent an entrusted loan with a principal amount of RMB220,000,000 and annual interest rate of 6.15% to Changzhou Jingshang through Bank of China, which will be matured in March 2016. Changzhou Jingshang repaid principal amount of RMB122,870,000 in August 2013.

39 Related-party transactions (Continued)

(d) Related-party balances (Continued)

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
(ii) Amounts due to related parties (Note 22)		
– Changzhou Jingshang (note)	**121,042**	16,875

note: The balance of RMB16,875,000 due to Changzhou Jingshang as at 31 December 2012 represents the prepayment for decoration costs received by the Group from Changzhou Jingshang, which has been settled by 31 December 2013.

The balance of RMB121,042,000 due to Changzhou Jingshang as at 31 December 2013 represents the funding from Changzhou Jinshang to the Group.

Except for the entrusted loan lent by the Group to Changzhou Jingshang in March 2013 as mentioned above (Note 39 (d)(i)), the amounts due from and due to related parties are unsecured, non-interest bearing and repayable on demand.

40 Particulars of subsidiaries

Particulars of the subsidiaries of the Group as at 31 December 2013 and 2012 are as follows:

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC						
Jingrui Properties (Group) Co., Ltd. (景瑞地產（集團）股份有限公司) ("Jingruis Properties (Group)")	8 September 1993	621,079	621,079	**100%**	100%	Property land investment holding
Shanghai Jingrui Property Management Co., Ltd. (上海景瑞物業管理有限公司)	31 December 1996	5,000	5,000	**100%**	100%	Property management
Shanghai Jingrui Real Estate Agency Co., Ltd. (上海景瑞房地產營銷代理有限公司)	19 November 1999	10,000	10,000	**100%**	100%	Real estate marketing

40 Particulars of subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC (Continued)						
Shanghai Garden City Real Estate Development Co., Ltd. (上海花園城房地產開發有限公司) ("Shanghai Garden City")	27 April 2000	20,000	20,000	**100%**	100%	Property development
Shanghai Lijing Real Estate Development Co., Ltd. (上海麗景房地產開發有限公司)	18 October 2000	10,000	10,000	**100%**	100%	Property development
Shanghai Huajiang Construction and Development Co., Ltd. (上海華江建設發展有限公司) ("Shanghai Huajiang") (d)	16 August 2002	100,000	100,000	**40%**	40%	Property development
Shanghai Jingrui Investment Co.,Ltd. (上海景瑞投資有限公司)	22 July 2003	100,000	100,000	**100%**	100%	Investment holding
Shanghai Jingxiang Property Co., Ltd. (上海景祥置業有限公司)	9 April 2004	20,000	20,000	**100%**	100%	Property development
Chongqing Jingkang Property Development Co., Ltd. (重慶景康置業發展有限公司)	20 July 2005	20,000	20,000	**100%**	100%	Property development
Zhoushan Jingrui Property Co., Ltd. (舟山景瑞置業有限公司)	16 February 2006	50,000	50,000	**100%**	100%	Property development
Changzhou Jingshen Property Co., Ltd. (常州景申置業有限公司)	14 April 2006	80,000	80,000	**100%**	61%	Property development
Huzhou Jingrui Property Co., Ltd. (湖州景瑞置業有限公司)	20 August 2007	100,000	100,000	**100%**	100%	Property development
Tianjin Jingxiu Property Investment Co., Ltd. (天津景秀置業投資有限公司)	24 July 2007	60,000	60,000	**100%**	100%	Property development
Tianjin Jingshang Property Investment Co., Ltd. (天津景尚置業投資有限公司)	14 August 2007	30,000	30,000	**100%**	100%	Property development
Taicang Jingrui Property Co., Ltd. (太倉景瑞置業有限公司) (a)	25 December 2007	500,600	500,600	**100%**	100%	Property development
Shanghai Jingshang Property Co., Ltd. (上海景尚置業有限公司) (a)(c)	8 April 2008	20,000	20,000	**100%**	100%	Property development
Taizhou Jingrui Property Co., Ltd. (泰州景瑞置業有限公司)	17 November 2009	205,000	205,000	**100%**	100%	Property development
Shanghai Jingrui Investment Co., Ltd. (上海景銳投資有限公司)	9 December 2009	1,000	1,000	**100%**	100%	Investment holding
Taicang Jingshang Property Co., Ltd. (太倉景尚置業有限公司)	6 January 2010	150,000	150,000	**65%**	60%	Property development
Nantong Jingrui Property Co., Ltd. (南通景瑞置業有限公司)	26 January 2010	100,000	100,000	**100%**	100%	Property development
Shanghai Chengjing Investment Co., Ltd. (上海誠景投資有限公司)	28 April 2010	40,000	40,000	**100%**	100%	Investment holding

40 Particulars of subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC (Continued)						
Zhoushan Jingshang Property Co., Ltd. (舟山景尚置業有限公司) (a)	17 August 2010	200,000	200,000	**100%**	100%	Property development
Huzhou Jingshang Property Co., Ltd. (湖州景尚置業有限公司)	12 May 2011	51,000	51,000	**100%**	100%	Property development
Shaoxing Jingrui Property Co., Ltd. (紹興景瑞置業有限公司) (a)(c)	27 June 2011	100,000	100,000	**100%**	100%	Property development
Shanghai Lichen Building Decoration Engineering Co., Ltd. (上海立臣建築裝飾工程有限公司)	4 November 2011	8,000	8,000	**100%**	100%	Building decoration engineering
Shaoxing Jingxiang Property Co., Ltd. (紹興景祥置業有限公司)	17 January 2012	100,000	100,000	**100%**	100%	Property development
Shaoxing Jingkang Property Co., Ltd. (紹興景康置業有限公司)	17 January 2012	10,000	10,000	**100%**	100%	Property development
Shanghai Jingrui Commercial Investment Management Co., Ltd. (上海景瑞商業投資管理有限公司)	11 May 2012	2,000	2,000	**100%**	100%	Investment holding
Shanghai Youmao Construction Material Co., Ltd. (上海友茂建築材料有限公司)	14 August 2012	10,000	10,000	**100%**	100%	Hardware and building materials
Shanghai Jingyi Investment Co., Ltd. (上海景熠投資有限公司) (c)	26 November 2012	49,000	49,000	**100%**	100%	Investment holding
Shanghai Jingbo Investment Co., Ltd. (上海景博投資有限公司) (c)	26 November 2012	49,000	49,000	**100%**	100%	Investment holding
Shanghai Jingji Investment Co., Ltd. (上海景吉投資有限公司) (c)	26 November 2012	49,000	49,000	**100%**	100%	Investment holding
Chongqing Jingshang Property Co., Ltd. (重慶景尚置業有限公司) (a)(c)	6 December 2012	100,000	100,000	**100%**	100%	Property development
Shaoxing Jinghu Property Co., Ltd. (紹興景湖置業有限公司) (a)	25 January 2013	100,000	100,000	**100%**	–	Property development
Shanghai Ruijun Investment Co., Ltd. (上海瑞峻投資有限公司)	16 February 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruixu Investment Co., Ltd. (上海瑞旭投資有限公司)	16 February 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruiye Investment Co., Ltd. (上海瑞曄投資有限公司)	16 February 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruiyou Investment Co., Ltd. (上海瑞佑投資有限公司)	16 February 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruizhi Investment Co., Ltd. (上海瑞徵投資有限公司)	16 February 2013	11,000	11,000	**99%**	–	Investment holding
Ningbo Jingrui Property Co., Ltd. (寧波景瑞置業有限公司) (a)(c)	20 February 2013	200,000	200,000	**100%**	–	Property development

40 Particulars of subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC (Continued)						
Hangzhou Jingyue Property Co., Ltd. (杭州景越置業有限公司)(a)	1 March 2013	100,000	100,000	**100%**	–	Investment holding
Yangzhou Jingrui Property Co., Ltd. (揚州景瑞置業有限公司)(a)	8 April 2013	100,000	100,000	**100%**	–	Property development
Shanghai Ruibin Investment Co., Ltd. (上海瑞賓投資有限公司)	16 April 2013	11,000	11,000	**99%**	–	Investment holding
Shanghai Ruicen Investment Co., Ltd. (上海瑞岑投資有限公司)(c)	16 April 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruichen Investment Co., Ltd. (上海瑞琛投資有限公司)	16 April 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruice Investment Co., Ltd. (上海瑞策投資有限公司)	16 April 2013	10,000	10,000	**100%**	–	Investment holding
Shanghai Ruicui Investment Co., Ltd. (上海瑞萃投資有限公司)	16 April 2013	10,000	10,000	**100%**	–	Investment holding
Hainan Jingshen Investment Management Co., Ltd. (海南景申投資管理有限公司)	14 May 2013	10,000	10,000	**100%**	–	Property management and investment holding
Zhuji Jingrui Property Co., Ltd. (諸暨景瑞置業有限公司)(a)(c)	19 June 2013	100,000	100,000	**100%**	–	Property development
Nantong Jinshang Property Co., Ltd. (南通景尚置業有限公司)(a)	2 July 2013	100,000	100,000	**100%**	–	Property development
Shanghai Jiahe Investment Co., Ltd. (上海佳赫投資有限公司)	8 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiachun Investment Co., Ltd. (上海佳淳投資有限公司)	8 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiabang Investment Co., Ltd. (上海佳邦投資有限公司)	8 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiajing Investment Co., Ltd. (上海佳靖投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiaguan Investment Co., Ltd. (上海佳冠投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jialing Investment Co., Ltd. (上海佳翎投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiamu Investment Co., Ltd. (上海佳慕投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiamu Investment Co., Ltd. (上海佳穆投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding
Shanghai Jiajie Investment Co., Ltd. (上海佳捷投資有限公司)	10 July 2013	1,000	1,000	**100%**	–	Investment holding

40 Particulars of subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital RMB'000	Issued and fully paid capital RMB'000	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC (Continued)						
Shanghai Jingshen Culture Development Co., Ltd. (上海景申文化發展有限公司)	15 July 2013	10,000	10,000	**100%**	–	Culture development
Hangzhou Jinghang Property Co., Ltd. (杭州景航置業有限公司)	14 August 2013	100,000	100,000	**51%**	–	Property development
Suzhou Jinglong Property Co., Ltd. (蘇州景隆置業有限公司)	10 October 2013	100,000	20,000	**100%**	–	Property development
Shanghai Fengxiang Property Development Co., Ltd. (上海鳳翔房地產開發有限公司) ("Shanghai Fengxiang") (Note 23(a))	23 June 1998	100,000	100,000	**100%**	–	Property development
Zhuji Jingxiang Property Co., Ltd (諸暨景祥置業有限公司)	24 December 2013	50,000	50,000	**100%**	–	Property development
EI Urban Facilities Development (Tianjin) Co., Ltd. (天津億安城市設施開發有限公司) ("Tianjin Yi An")(b)	15 August 2007	533,325	533,325	**100%**	–	Urban infrastructure development
Shanghai Jingxiu Property Development Co.,Ltd. (上海景秀置業發展有限公司) ("Shanghai Jingxiu") (Note 10 (a))	13 July 2001	30,000	30,000	**100%**	40%	Property development

Company name	Date of incorporation/ establishment	Authorised or registered capital	Issued and fully paid capital	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries established in the PRC (Continued)						
Hainan Jingshang Commercial Management Co., Ltd. (海南景尚商業管理有限公司)	17 April 2013	USD2,000,000	USD2,000,000	**100%**	–	Property management and investment holdings
Equity International Urban Facilities Development (Tianjin) Co., Ltd. (權益城市設施開發(天津)有限公司) ("Quan Yi Tianjin")(b)	25 June 2007	USD71,600,000	USD71,600,000	**100%**	–	Urban infrastructure development
Subsidiaries incorporated in Hong Kong						
Jingrui HK Holdings Limited ("EI HK")(b)	25 June 2007	USD10	USD10	**100%**	–	Property and investment holding
Sincere Paragon Limited	5 February 2013	HKD380,000	HKD380,000	**100%**	–	Investment holding
Strong Pioneer Investment Co., Ltd. (健創投資有限公司)	30 October 2013	HKD10,000	–	**100%**	–	Investment holding
Bright Harmony Co., Ltd. (亮致有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Shimmery Amber International Co., Ltd. (亮珀國際有限公司)	30 October 2013	HKD10,000	–	**100%**	–	Investment holding
Mega Harmony Development Co., Ltd. (萬致發展有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Gainful Hero Holdings Co., Ltd. (利勇集團有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Gainful Harmony International Co., Ltd. (利致國際有限公司)	30 October 2013	HKD10,000	–	**100%**	–	Investment holding
Wise Rainbow Holdings Co., Ltd. (智彩集團有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Dragon Braveness Holdings Co., Ltd. (龍英集團有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding

40 Particulars of subsidiaries (Continued)

Company name	Date of incorporation/ establishment	Authorised or registered capital	Issued and fully paid capital	Percentage of attributable equity interest as at 31 December 2013	2012	Principal activities
Subsidiaries incorporated in Hong Kong (Continued)						
Luxuriant Ocean Co., Ltd. (薈洋有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Wise Amber Co., Ltd. (智珀有限公司)	31 October 2013	HKD10,000	–	**100%**	–	Investment holding
Subsidiaries incorporated in BVI						
Natural Apex Limited	9 January 2013	USD50,000	USD50,000	**100%**	–	Investment holding
Decent Pillar Limited	22 October 2013	USD50,000	–	**100%**	–	Investment holding
Faithful Gem Limited	18 September 2013	USD50,000	–	**100%**	–	Investment holding
Gladly Sheen Limited	8 October 2013	USD50,000	–	**100%**	–	Investment holding
Joyful Dawn Limited	22 October 2013	USD50,000	–	**100%**	–	Investment holding
Model Sheen Limited	8 October 2013	USD50,000	–	**100%**	–	Investment holding
Model Wealth Limited	22 October 2013	USD50,000	–	**100%**	–	Investment holding
Modern Jump Limited	8 October 2013	USD50,000	–	**100%**	–	Investment holding
Sheeny Blaze Limited	8 October 2013	USD50,000	–	**100%**	–	Investment holding
Sheeny Bright Limited	8 October 2013	USD50,000	–	**100%**	–	Investment holding
Sound Pillar Limited	18 October 2013	USD50,000	–	**100%**	–	Investment holding

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

(a) Certain equity interests in the subsidiaries of the Company were pledged for trust financing arrangement as at 31 December 2013 and 2012 (Note 19). For details, please refer to the table below:

	As at 31 December 2013	2012
Percentage of equity interests in Zhoushan Jingshang Property Co., Ltd.	**–**	51%
Percentage of equity interests in Taizhou Jingrui Property Co., Ltd.	**–**	–
Percentage of equity interests in Taicang Jingrui Property Co., Ltd.	**–**	100%
Percentage of equity interests in Shaoxing Jingrui Property Co., Ltd.	**–**	99%
Percentage of equity interests in Shanghai Jingshang Property Co., Ltd.	**–**	51%
Percentage of equity interests in Chongqing Jingshang Property Co., Ltd.	**51%**	–
Percentage of equity interests in Yangzhou Jingrui Property Co., Ltd.	**51%**	–
Percentage of equity interests in Shaoxing Jinghu Property Co., Ltd.	**51%**	–
Percentage of equity interests in Hangzhou Jingyue Property Co., Ltd.	**51%**	–
Percentage of equity interests in Nantong Jingshang Property Co., Ltd.	**51%**	
Percentage of equity interests in Zhuji Jingrui Property Co., Ltd.	**60%**	
Percentage of equity interests in Ningbo Jingrui Property Co., Ltd.	**70%**	

40 Particulars of subsidiaries (Continued)

(b) The companies are investment holding companies without any business other than the holding of 20.3% equity interests in Jingrui Properties (Group). They were acquired by the Group in April 2013 for the purpose of the Reorganisation (Note 1 (b)).

(c) The percentage of attributable equity interest presented is the beneficiary interests held by the Company's shareholders. The legal equity interests in certain entities are lower than the beneficiary interests because of the existence of trust financing arrangements.

The Group legally transferred the equity interests in the following subsidiaries as collateral to trust financing companies or to China National Investment & Guaranty Co., Ltd. for trust financing arrangement (Note 19) through capital injection by the underlying trust financing companies or the transfer of equity interests by the Group with repurchase obligation.

	As at 31 December	
	2013	2012
Shanghai Jingshang Property Co., Ltd.	**–**	49%
Shaoxing Jingrui Property Co., Ltd. (i)	**–**	1%
Chongqing Jingshang Property Co., Ltd	**49%**	–
Shanghai Jingji Investment Co., Ltd. (ii)	**100%**	–
Shanghai Jingyi Investment Co., Ltd. (ii)	**100%**	–
Shanghai Jingbo Investment Co., Ltd.(ii)	**100%**	–
Shanghai Ruicen Investment Co., Ltd (ii)	**100%**	
Zhuji Jingrui Property Co.,Ltd	**40%**	
Ningbo Jingrui Property Co., Ltd	**30%**	

notes:

(i) The 1% equity interests in Shaoxing Jingrui Property Co., Ltd. held by the Group were legally transferred to China National Investment & Guaranty Co., Ltd. as a pledge for it to provide guarantee to the Group's trust financing arrangements.

(ii) Shanghai Jingji Investment Co., Ltd., Shanghai Jingyi Investment Co., Ltd., Shanghai Jingbo Investment Co., Ltd. and Shanghai Ruicen Investment Co.,Ltd. were incorporated by the Group as special purpose vehicles to hold 49% equity interests in Yangzhou Jingrui Property Co., Ltd., Shaoxing Jinghu Property Co.,Ltd., Hangzhou Jingyue Property Co., Ltd and Nantong Jingshang Property Co., Ltd. respectively, therefore the trust financing companies indirectly holds 49% equity interests in respective project companies through their holding of 100% equity interests in these investment companies. The Group holds the remaining 51% equity interests in these project companies which have been pledged to the respective trust financing companies for the trust financing arrangement.

(d) Shanghai Huajiang is owned as to 40% by the Group, 30% by Shanghai South Real Estate Co., Ltd. (上海南方房地產有限公司), 20% and 5%, 2.5% and 2.5% by the other four non-controlling interests respectively. The directors of the Group consider that the Group has effective control of Shanghai Huajiang even though it legally holds less than 50% equity interests in Shanghai Huajiang. This is because that the Group is the majority shareholder of Shanghai Huajiang, Shanghai South Real Estate Co., Ltd. and Shanghai Zongquan Real Estate Co., Ltd. (上海總泉置業有限公司), which hold 30% and 2.5% equity interests in Shanghai Huajiang respectively, are following with the Group on all the substantive decision on the operating and financing policies during the life of Shanghai Huajiang based on agreement between the Group and each of Shanghai South Real Estate Co., Ltd. and Shanghai Zongquan Real Estate Co., Ltd. respectively, and there is no history of other shareholders forming a group to exercise their votes collectively.

40 Particulars of subsidiaries (Continued)

(e) Summarised financial information on subsidiaries with non-controlling interests material to the Group

The total non-controlling interests as at 31 December 2013 is RMB252,553,000, among which RMB160,000,000 is for Shanghai Huajiang, RMB45,114,000 is attributed to Taicang Jingshang Property Co., Ltd. and RMB47,221,000 is for Hangzhou Jinghang Property Co., Ltd.

Set out below are the summarised financial information for the subsidiaries including Shanghai Huajiang, Taicang Jingshang Property Co., Ltd., and Hangzhou Jinghang Property Co., Ltd. that have non-controlling interests that are material to the Group, and the information below is the amount before inter-company elimination.

Summarised balance sheet

	Shanghai Huajiang As at 31 December		Taicang Jingshang Property Co., Ltd. As at 31 December		Hangzhou Jinghang Property Co., Ltd. As at 31 December	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Current						
Assets	**705,684**	920,458	**1,406,630**	1,809,368	**788,700**	–
Liabilities	**448,704**	726,290	**917,107**	1,104,058	**284,889**	–
Total current net assets	**256,980**	194,168	**489,523**	705,310	**503,811**	–
Non-current						
Assets	**9,686**	61,893	**5,623**	7,410	**1,300**	–
Liabilities	**–**	–	**366,250**	584,400	**408,741**	–
Total non-current net assets/ (liabilities)	**9,686**	61,893	**(360,627)**	(576,990)	**(407,441)**	–
Net assets	**266,666**	256,061	**128,896**	128,320	**96,370**	–

Summarised statement of comprehensive income

	Shanghai Huajing Year ended 31 December		Taicang Jingshang Property Co., Ltd. Year ended 31 December		Hangzhou Jinghang Property Co., Ltd. Year ended 31 December	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue	**199,435**	333,370	**310,519**	213,678	**–**	–
Profit/(loss) before income tax	**313,674**	201,594	**11,579**	(3,820)	**(4,840)**	–
Income tax expense	**46,930**	(97,562)	**(11,003)**	(3,845)	**1,210**	–
Post-tax profit/(loss)	**360,604**	104,032	**576**	(7,665)	**(3,630)**	–
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**360,604**	104,032	**576**	(7,665)	**(3,630)**	–
Profit/(loss) allocated to non-controlling interests	**216,363**	62,419	**201**	(3,066)	**(1,779)**	–
Dividends paid to non-controlling interests	**(210,000)**	(120,000)	**–**	–	**–**	–

40 Particulars of subsidiaries (Continued)

(e) Summarised financial information on subsidiaries with non-controlling interests material to the Group (Continued)

Summarised cash flow

	Shanghai Huajiang For the year ended 31 December		Taicang Jingshang Property Co., Ltd. For the year ended 31 December		Hangzhou Jinghang Property Co., Ltd. For the year ended 31 December	
	2013	2012	**2013**	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Net cash generated from/ (used in) operating activities	**476,760**	161,242	**416,315**	(369,382)	**(259,164)**	-
Net cash (used in)/generated from investing activities	**(114,879)**	7,325	**13,031**	13,873	**(81)**	-
Net cash (used in)/generated from financing activities	**(155,000)**	(385,000)	**(653,696)**	627,466	**408,741**	-
Net increase in cash and cash equivalents	**206,881**	(216,433)	**(224,350)**	271,957	**149,496**	-
Cash and cash equivalents at beginning of the year	**368,979**	585,412	**290,677**	18,720	**-**	-
Cash and cash equivalents at end of the year	**575,860**	368,979	**66,327**	290,677	**149,496**	-

The information above is the amount before inter-company eliminations.

41 Events after the balance sheet date

Save as disclosed below and elsewhere in the notes to the consolidated financial statements set out above, there is no other material subsequent event undertaken by the Company or by the Group after 31 December 2013:

(a) In January 2014, Shaoxing Jingming Co., Ltd. (紹興景明置業有限公司) was incorporated in the PRC and owned as to 51% by Shanghai Jingrui Investment Co., Ltd. and 49% by Riyuecheng Co., Ltd. (日月城置業有限公司), an independent third party company established in the PRC.

(b) In February 2014, the Group acquired 100% equity interests in Taicang Derun Investment Co., Ltd. (太倉德潤投資發展有限公司) from independent third parties, at a total consideration of RMB295,022,000. Taicang Derun Investment Co., Ltd. does not qualify as a business upon the acquisition date, the Group considers that the substance of the transaction is the acquisition of a group of assets of Taicang Derun Investment Co., Ltd.

42 Authorisation for issue of the financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 18 March 2014.

Four-Year Financial Information

I. Key data of income statements

	2010 RMB'000	2011 RMB'000	2012 RMB'000	**2013** **RMB'000**
Revenue	2,532,400	3,454,341	4,058,848	**3,939,011**
Cost of sales	(1,584,680)	(2,362,898)	(3,160,844)	**(3,071,161)**
Gross profit	947,720	1,091,443	898,004	**867,850**
Fair value gains on investment properties	4,000	8,000	24,000	**166,637**
Selling and marketing costs	(133,880)	(190,259)	(166,586)	**(190,401)**
Administrative expenses	(139,073)	(153,797)	(151,188)	**(206,054)**
Other income	2,096	1,718	2,998	**11,133**
Other (losses)/gains – net	(9,337)	(6,890)	(21,774)	**216,424**
Operating profit	671,526	750,215	585,454	**865,589**
Finance income	8,909	15,912	30,246	**26,008**
Finance costs	(17,214)	(11,128)	(12,057)	**(12,620)**
Finance (costs)/income – net	(8,305)	4,784	18,189	**13,388**
Share of results of jointly controlled entities	34,333	(1,981)	2,007	**(11,141)**
Profit before income tax	697,554	753,018	605,650	**867,836**
Income tax expense	(360,377)	(384,884)	(264,200)	**(177,929)**
Profit for the year	337,177	368,134	341,450	**689,907**
Attributable to:				
Equity holders of the Company	194,798	160,278	271,682	**476,171**
Non-controlling interests	142,379	207,856	69,768	**213,736**
	337,177	368,134	341,450	**689,907**

II. Key data of financial position

	2010 RMB'000	2011 RMB'000	2012 RMB'000	**2013** **RMB'000**
Total non-current assets	568,080	905,154	833,746	**1,140,989**
Total current assets	8,724,624	10,137,613	10,322,026	**18,501,936**
Total assets	9,292,704	11,042,767	11,155,772	**19,642,925**
Total non-current liabilities	1,798,002	1,975,152	2,057,345	**4,566,736**
Total current liabilities	5,823,362	7,072,141	6,996,898	**11,721,868**
Total liabilities	7,621,364	9,047,293	9,054,243	**16,288,604**
Attributable to:				
Equity holders of the Company	1,535,094	1,651,372	1,846,626	**3,101,768**
Non-controlling interests	136,246	344,102	254,903	**252,553**
Total equity	1,671,340	1,995,474	2,101,529	**3,354,321**

景瑞控股
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