景瑞控股
JINGRUI HOLDINGS

景瑞控股有限公司*
JINGRUI HOLDINGS LIMITED

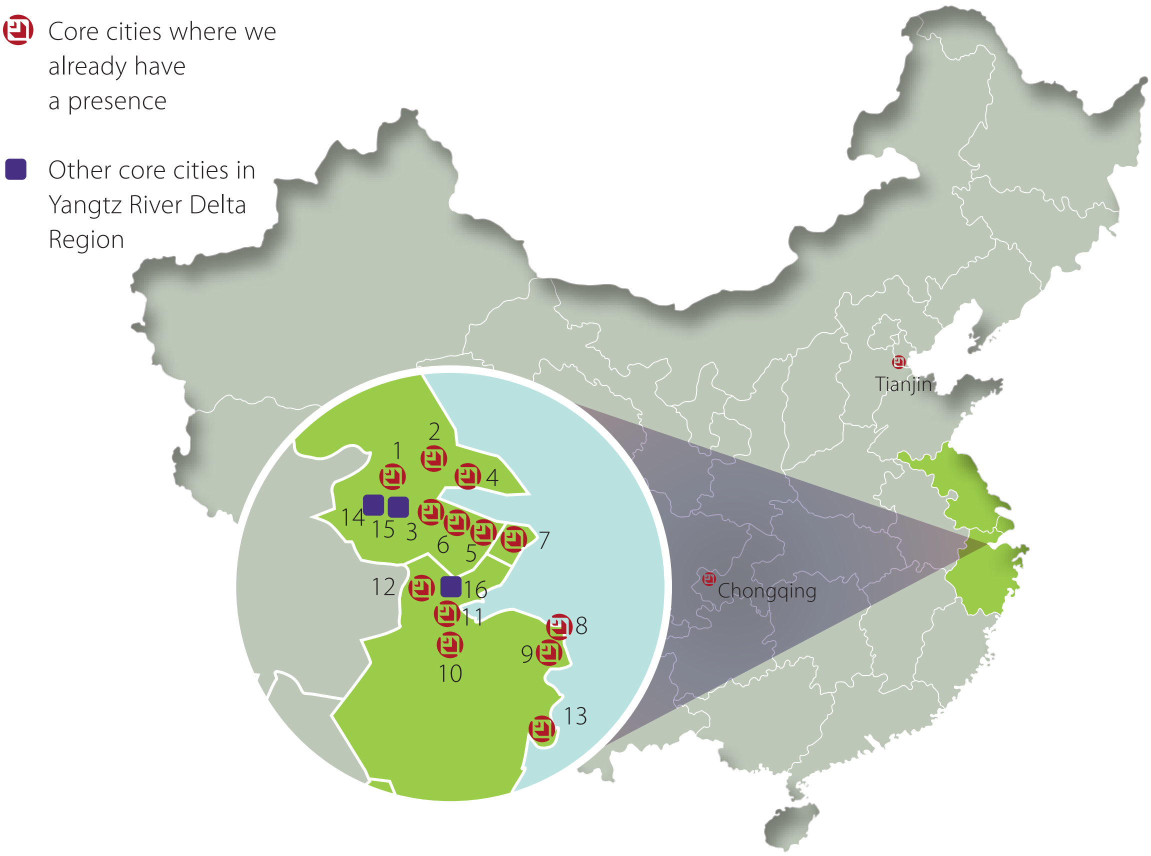
（於開曼群島註冊成立的有限公司）
（Incorporated in the Cayman Islands with limited liability）

股份代號 Stock code
01862

2014 年報
Annual Report

* 僅供識別
For identification purpose only

Contents



1	Yangzhou	5	Suzhou	9	Ningbo	13	Taizhou
2	Taizhou	6	Wuxi	10	Shaoxing	14	Nanjing
3	Changzhou	7	Shanghai	11	Hangzhou	15	Zhenjiang
4	Nantong	8	Zhoushan	12	Huzhou	16	Jiaxing

Jingrui Holdings Limited (stock code: 01862) (the "Company") is one of the leading 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, 2013 and 2014. We were ranked as No. 53, No. 48 and No. 45 of the top 100 real estate companies in China in 2012, 2013 and 2014, 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研究所), 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 (the "Stock Exchange").

The Company emphasizes on the growth opportunities in core cities in the Yangtze River Delta region, and firmly implements the development model of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth". More than 90% of the Company's revenue derived from Yangtze River Delta region. Focusing on providing residential property and service for target customer base with rigid demand and improving demand for living environment, we have developed two main sophisticated product lines, namely "Dignity Mansion (望府)" and "Royal Bay (御藍灣)", based on our research for years.

We have formulated our development strategy for the next three years as "Two Focuses" and "Two Leading Positions", with a view to capture new development opportunities, promote reform and achieve fast growth with scales. In the future, we will seize opportunities in the region and utilize resources to realize significant development and win out admits industrial competition.


美兰湖
景瑞地产

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

Registered Office
190 Elgin Avenue
George Town
Grand Cayman KY1-9005
Cayman Islands

Principal Place of Business and Head Office in the PRC
23rd Floor East Building
333 Chengdubei Road
Shanghai
PRC

Principal Place of Business in Hong Kong
Room 09, 43/F
China Resources Building
26 Harbour Road
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

Key Financial Indicators:

	Year ended 31 December				
	2014		2013		Change
	RMB million	**Percentage to revenue**	RMB million	Percentage to revenue	
		%		%	%
Revenue	**5,273.0**	**100.0**	3,939.0	100.0	33.9
Gross profit	**964.4**	**18.3**	867.9	22.0	11.1
Profit for the year					
– Including non-controlling interests	**279.5**	**5.3**	689.9	17.5	(59.5)
– Attributable to equity holders	**274.0**	**5.2**	476.2	12.1	(42.5)
Core net profit (profit for the year excluding fair value gains)					
– Including non-controlling interests	**224.3**	**4.3**	564.9	14.3	(60.3)
– Attributable to equity holders	**220.1**	**4.2**	351.2	8.9	(37.3)

Key Operation Indicators:

	Year ended 31 December		
	2014	2013	Change
Contracted sales value (RMB million)	**9,104.6**	8,262.3	10.2%
Contracted sales area (sq.m.)	**988,567.0**	830,082.0	19.1%
Average contracted selling price (RMB/sq.m.)	**9,210.0**	9,954.0	(7.5%)

Key Ratio Indicators:

	2014	2013
	%	%
Gross profit margin (%)	**18.3**	22.0
Asset turnover ratio (%)(1)	**22.9**	25.6
Return on equity (%)(2)	**6.9**	25.3
Net debt-to-adjusted capital ratio (%)(3)	**103**	102(restated)

(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), divided by the sum of total equity and amounts due to non-controlling interests of subsidiaries as at the end of the respective period and multiplied by 100%

DEAR SHAREHOLDERS,

On behalf of the board (the "Board") of directors (the "Directors") of Jingrui Holdings Limited ("Jingrui Holdings"), 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 2014 (the "Period under Review" or the "Year").

2014 marked as an uncommon year for the real estate market, which was seen moving into a fine-tune stage. The policies adopted by the Chinese central government focused on "Stability", paying attention to a long-lasting and stable regulation and focusing on reinforcing various reforms related to the real estate market, including new urbanization and reforms on land system and financial system. In addition, the Chinese central government paid more attention to social security and design of top-level system. Through implementing a long-effect mechanism including household registration reform and shantytown reconstruction, the rational housing demand was supported. The liquidity was appropriately enhanced through adoption of various measures including the prudent monetary policy and financial credit, which encouraged more demand for owner-occupied houses, while local governments made adjustments flexibly according to their particular circumstances. With the effect of changes in market since the second quarter of 2014, measures such as restrictions on property purchases and mortgage loans have been gradually removed and the administrative intervention of local governments was minimized. The government applied several policy adjustments such as favorable regional financial policies, housing provident fund and financial subsidies to stimulate and support strong demand for owner-occupied houses and to promote sales of existing supply of properties so as to stabilize housing consumption.

2014 marked a year for us to realize its strategy, commence revolution and consolidate its foundation. We resolutely implemented the established strategy of "Intensively Penetrating into the Yangtze River Delta Region with Leading Product Value and Rapid Growth". In 2014, the Group's network covered 15 cities in the PRC, among which Tianjin in the Bohai Rim region and Chongqing in Southwest region are the two cities of strategic deployment and the remaining 13 cities are core cities in 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). Meanwhile, we secured remarkable market share and obtained good reputation in these cities. The Yangtze River Delta region contributed more than 95.6% of the total contracted sales during the Year, indicating

In view of the objective economic and industrial environments as well as our own advantage in resource and professionalism, we have determined our strategic objective for the next three years (2015-2017), to achieve rapid and quality growth in our business scale by adopting approaches known as "Two Focuses", "Two Leading Positions" and "propelling reform mechanism".

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

the efforts made by the Group in intensively penetrating into the core cities in Yangtze River region. We are committed to providing customers with rigid demand and demand for better housing with comfortable residential properties and agreeable services. Such products as three-room apartments with an area smaller than 90 sq.m. and detached villas varying from 130 to 160 sq.m. are more cost-efficient and in great demand in various cities, receiving overwhelming applause. Meanwhile, launching such innovative products for customers with rigid demand and demand for better housing was well adapted to the policies of the Chinese central government towards the real estate market which tended to be more market-oriented and supported owner-occupied housing consumption with financial means under the new normal state in 2014. Benefiting from significant increase of saleable resources and improvement of sales capabilities, the Group hit a new high in terms of contracted sales and contracted sales area and achieved a steady growth of our business scale regardless of the external market regulation in 2014.

During the Period under Review, profit attributable to equity holders of the Company amounted to RMB274.0 million, representing a decrease of 42.5% over that of the previous year. Basic earnings per share amounted to RMB0.2. Excluding fair value gains on investment properties (net of deferred tax), the profit attributable to equity holders of the Company would be RMB220.1 million, representing a decrease of 37.3% over that of the previous year. The Board has recommended the payment of a final dividend of RMB6.0 cents per share, which will be subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

With an inspiring year 2014, the hard-working days and encouraging achievements, the Group is motivated to achieve a brighter future and greater success in 2015.

For the global environment, we expect the world economy to grow and recover steadily. According to the global economic forecast by International Monetary Fund in January 2015, economic growth rate is expected to be 3.5% and 3.7% for 2015 and 2016 respectively. In respect of the four largest economic regions, namely U.S., Japan, China and Euro Area, Euro Area and Japan will experience a long-term weak growth while China and U.S. will become the two important forces leading the recovery of the global economy. Vertically speaking, the Chinese central government now prefers an economy driven by consumption to an economy driven by loans and investments. Therefore,

the economic growth in the PRC in 2015 will slow down with optimized structure, compared to the rapid growth in the past three decades.

In respect of China, 2014 was the first year of comprehensive deepening reforms, and the central government has accelerated its economic restructuring. The Central Economic Working Conference, which was held at the end of 2014, indicated that China would "adhere to the overall tone of making progress while maintaining stability, focusing on raising the quality and benefits of economic development and proactively adapting to new normal economic development" in 2015. China's economic growth for 2015 was set at 7% in the Premier's Report on the Work of the Government at the conferences of National People's Congress and Chinese People's Political Consultative Conference which were concluded days ago. It indicated that the Chinese government proactively sought a slower but sustainable economic growth. The domestic economy will grow steadily driven by "Reforms" in 2015, and the government will strive to optimize the economic structure and maintain a steady growth under the new normal state by activating market vitality and improving resource allocation efficiency through a series of reform measures.

The real estate market, as stated in the Premier's report is expected to develop steadily and healthily by fulfilling the main responsibilities of local governments and supporting demand for owner-occupied and upgraded housing based on classified guidance and conditions of local markets. The domestic real estate market will no longer focus on short-term iron-fist regulation by the government in 2015, and the primary market demands are rigid demand of owner-occupied housing and demand for better housing. The policies of governments towards the real estate market turned to be moderate and market-oriented, gradually establishing a long-effect mechanism in the future. In addition, the government promoted the registration of real estates and advocated and managed public rental housing market, further indicating that the policy changed to "maintaining price" by means of controlling supply and supporting demand instead of "promoting investment". Based on this, the Chinese central government proactively enhanced its financial support for the real estate market. The Central Economic Working Conference, which was held at the end of 2014, indicated that China would continue to implement proactive fiscal measures and prudent monetary policy. The People's Bank of China twice cut the deposit-reserve ratio and interest rate in February 2015, which implied that the monetary policy would shift from targeted easing to comprehensive adjustment. We expect the successive cut of interest rate and deposit-reserve ratio to promote the liquidity among banks, which in turn strengthened the market confidence and encouraged the rigid housing demand, and all these factors would help boost the market. We forecast further cut in deposit-reserve ratio and interest rate, and more supports from monetary policy. It is expected that the financial liberalization policy and the financial and taxation system reform will have an impact on the development of the real estate in all respects. Meanwhile, the government will ensure a standardization of the real estate market despite of less regulation. Therefore, we believe that the market demand may be promoted in an orderly way, by leveraging on the proactive, sound, regulatory and rational ecological environment for the development of the domestic real estate market in 2015.

In terms of cities, due to less pressure from stock selling and relatively stable increase of supply and market demand, the real estate market in first-tier and second-tier cities will grow stably and slightly as a whole in 2015. We believe that, if restrictions on property purchase are loosened and mortgage loans effects are more obvious, together with various favorable factors including development of urban economy, optimization of industrial structure and migration of population, the potential strong housing demand in these cities will drive the market rallied substantially. A majority of third-tier and fourth-tier cities are characterized as developing and resource-dependent cities with a single or unreasonably industrial structure, and weak in attracting new populations. The overheated investment in the past years has led to unhealthy development of both housing prices and demand, and thus the real estate in these cities rebounded slowly.

In terms of product structure, with the slowdown of demographic dividends and the steady sales of existing supply of properties, the real estate market will grow steadily and rationally upon adjustment and the market demand for housing products will trend to be more mature. Housing demand in real estate market in China will make the transition from rigid demand to "rigid demand as well as demand for better housing".

Based on the above, amidst the complicated economic situation in domestic and overseas markets, we will continue to strengthen our principles and follow the market trend to respond to challenges and capture opportunities. Currently, the overall trend of the macroeconomic development is to achieve steady growth through structure optimization, which is in line with the real estate industry. In view of the objective economic and industrial environments as well as our own advantage in resource and professionalism, we have determined our strategic objective for the next three years (2015-2017), to achieve rapid and quality growth in our business scale by adopting approaches known as "Two Focuses", "Two Leading Positions" and "propelling reform mechanism".

"Two focuses" – focusing on regions and high turnover

In respect of regions, we focused on Yangtze River Delta region and first-tier and second-tier cities such as Tianjin and Chongqing. By 2014, we expanded our business to 15 cities in the PRC, of which 13 cities are listed in the 16 core cities in the Yangtze River Delta region. In 2014, the Group's projects in Yangtze River Delta region contributed more than RMB8.7 billion of contracted sales, representing over 95.6% of the total contracted sales. In addition, we adhered to the strategy of intensively penetrating into cities, which led to an unprecedented high increase of capacity in one single city. There were four key cities with annual sales turnovers in excess of RMB1 billion. Starting from 2015, we will maintain market sensitivity and our innovation capabilities, and strive to make innovations in business model and products with Shanghai as the base city, aiming to finally shape up powerful market influence. For the five cities for strategic deployment where we have a presence, namely Suzhou, Hangzhou, Ningbo, Chongqing and Tianjin, and our target cities such as Nanjing and Hefei, we will take them as cities

for strategic development. We initially will focus on copying standardized products and then seek to take a leading position after gaining certain market shares and building brand recognition through appropriate product innovation and extension, as well as in-depth deployment of multiple product lines. In addition, putting great focus on surrounding areas of cities for strategic deployment, we will take these cities with potential growth as our future development target cities and will seize the opportunities based on our accurate judgments.

We focused on high turnover and shaped up a high turnover model on the basis of asset light and high efficiency operation. On the one hand, we expanded project cooperation and proactively attempted to cooperate with internet companies to explore an asset light innovation model. On the other hand, adhering to the high turnover operation model, we separately determined the objectives and requirements of operation at three levels, the Group, the companies located in the cities and the projects, to further enhance operational efficiency. During the Period under Review, in 2014, Suzhou Taicang Dignity Mansion totally took 89 days from land acquisitions to pre-sale, which hit a new record of the Group and stunned the industry. In 2015, we will strive to achieve high turnover with higher quality through asset light, accurate investment, fast development and sales as well as establishing an efficient three-level linked operating model among the Group, companies located in the cities and projects, so as to further enhance our reputation as "Fast Fish Jingrui" in the industry.

"Two Leading Positions" – leading product value and leading financing model and capability

Leading product value. With the changes in generations of customer base and customers' needs oriented, we diversified our product lines and, based on this, we highlighted the innovative development and resources integration of intelligence community/intelligent home. We also proactively introduce a large scale tailor-made fine decoration according to product demands and customer needs, and consolidated and utilized our role of integrated operator, so at to make the differentiation in value of "hardware". In addition, based on demands for our supporting services from intelligence community/intelligent home, we established our advantages of being a professional and distinguished service provider and achieved synergic effect of "software" service to make the differentiation in value of "software".

Leading financing model and capability. Since the listing in Hong Kong in 2013, the Group has been connected to the international capital market. Through issuance of shares, trust, private equity and other measures, we have established and maintained a good cooperation relationship with international private equity funds and financial institutions. During the Period under Review, in April 2014, we entered into a cooperation with Century Bridge Capital, a U.S. based private equity firm, in respect of the project of Wuxi Dignity Mansion (無錫望府). In August 2014, we issued US$150 million senior notes due to 2019 to fund existing and new property projects. In November 2014, we issued 37,610,744 rights shares to enhance our capital structure and strengthen our equity base and raised funds for general working capital. In December 2014, we entered into an investment agreement with Shanghai Honglong Investment Co. Ltd. (上海宏龍投資控股有限公司) in respect of Shanghai Fengxiang Project. In 2015, by further utilizing the domestic and international financial platforms and the flexible financing strategy as well as proactively seeking to cooperate with the internet financial platform, we will achieve an expansion in diversified financing channels with an aim to facilitate the healthy, rapid and efficient growth of the Company.

Propelling reform mechanism: promoting organizational transformation into strategic headquarters with operating frontlines, and motivating the frontlines

Propelling reform mechanism means promoting organizational transformation into strategic headquarters with operating frontlines, and motivating the frontlines. In 2015, our headquarters will focus on its overall strategic management and optimize its strategic allocation of important resources, including land, capital and manpower, according to its strategic plans. Also, our headquarters will improve its information management mechanism of frontline subsidiaries to effectively assess strategic results and monitor operating risk. In respect of operating frontlines, we will emphasize their operating responsibilities, strengthen the operating decision-making mechanism based on power and responsibilities and improve the motivation mechanism based on the performance of the frontlines, to further motivate our frontlines. Finally, we will establish and effectively implement an overall mechanism of strategic headquarters and operating frontlines by the above role positioning and mechanisms.

2014 was a rapid and steady growing year to the Group. We achieved a steady growth in our business and performance and an enhancement of our operational ability through persisting in our policies and keeping an eye on the overall situation, amid the weak and volatile industry.

In 2015, we aim to overcome challenges, capture opportunities and achieve better development, by adhering to the belief of being cooperative and gaining win-win situation. We will endeavor to become a real estate developer and service provider with powerful regional influence, gaining well reputation from industry players and customers.

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

Yan Hao
Chen Xin Ge
Co-chairmen

Hong Kong
16 March 2015

Breakdown of Major Properties

Completed and Partially Completed Projects

Projects	Property Type	As at 31 December 2014 GFA Available for Sale, Lease or Use by the Group	 Percentage of the Group's Interest in the Project	 Attributable GFA
		in sq.m.	%	in sq.m.
Shanghai Jingrui Softshore City	Residential	4,446	100	4,446
Phase 2		2,873		
Phase 3		1,573		
Shanghai Jingrui Life Square	Commercial	25,442	100	25,442
Shanghai Fengxiang Project	Composite	20,224	52	10,610
Phase 1		20,224		
Tianjin Jingrui Sunny Town	Residential	8,804	100	8,804
Phase 3		8,804		
Tianjin Jingrui England County	Residential	66,479	100	66,479
Phase 1		66,479		
Chongqing Jingrui Blue Vally	Residential	939	100	939
Phase 3		939		
Shaoxing Jingrui Dignity Mansion	Residential	93,798	100	93,798
Phase 2		63,264		
Phase 3		30,534		
Huzhou Jingrui Dignity Mansion	Residential	38,300	100	38,300
Zhoushan Jingrui HOPSCA	Residential	6,753	100	6,753
Phase 1		6,753		
Zhoushan Jingrui Peninsula Bay	Residential	41,288	100	41,288
Ningbo Jingrui Dignity Mansion	Residential	294	100	294
Phase 1		294		
Suzhou Jingrui Jade Bay	Residential	20,244	65	13,159
Phase 2		1,089		
Phase 3		19,155		

Projects	Property Type	As at 31 December 2014 GFA Available for Sale, Lease or Use by the Group	Percentage of the Group's Interest in the Project	Attributable GFA
		in sq.m.	%	in sq.m.
Suzhou Jingrui Dignity Mansion （蘇州景瑞•望府）	Residential	5,189	100	5,189
Phase 1		5,189		
Changzhou Jingrui Dawn City	Residential	6,111	100	6,111
Changzhou Jingrui England County	Residential	115,058	100	115,058
Phase 3		115,058		
Nantong Jingrui Dignity Mansion	Residential	20,520	100	20,520
Phase 1		17,924		
Phase 2		2,596		
Taizhou Jingrui Royal Bay	Residential	4,953	100	4,953
Phase 1		1,592		
Phase 2		3,361		
Total		**478,842**		**462,142**

Projects under Development and under Planning

Project	Property Type	Expected Completion Date	As at 31 December 2014 GFA Under Development	GFA Under Planning	Percentage of the Group's Interest in the Project	Attributable GFA
			in sq.m.	in sq.m.	%	in sq.m.
Shanghai Fengxiang Project	Composite			183,638	52	96,336
Phase 3		December 2017		183,638		
Tianjin Jingrui Sunny Town	Residential		52,098		100	52,098
Phase 4		June 2015	52,098			
Tianjin Jingrui England County	Residential			440,800	100	440,800
Phase 2		October 2016		84,700		
Phase 3		October 2017		173,800		
Phase 4		October 2018		182,300		

Project	Property Type	Expected Completion Date	GFA Under Development	GFA Under Planning	Percentage of the Group's Interest in the Project	Attributable GFA
			As at 31 December 2014			
			in sq.m.	in sq.m.	%	in sq.m.
Chongqing Jingrui Royal Bay	Residential	August 2015	157,821		100	157,821
Hangzhou Jingrui Royal Bay	Residential		206,781		100	206,781
Phase 1		December 2015	156,968			
Phase 2		March 2016	49,813			
Hangzhou Jingrui Royal Mansion (杭州景瑞•御華府)	Residential	December 2015	212,489		51	108,369
Hangzhou Jingrui Shenhua No. One (杭州景瑞•申花壹號院)	Residential		91,751	99,608	51	191,359
Phase 1		December 2016	91,751			
Phase 2		December 2017		99,608		
Ningbo Jingrui Dignity Mansion	Residential		125,509		100	125,509
Phase 2		December 2015	125,509			
Ningbo Jingrui The Mansion (寧波景瑞•上府)	Residential	December 2016	130,980		100	130,980
Shaoxing Jingrui The Mansion	Residential		66,598		100	66,598
Phase 2		December 2015	66,598			
Shaoxing Jingrui Dignity Mansion	Residential		120,370	63,000	100	183,370
Phase 4		December 2016	120,370			
Phase 5		December 2016		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 Jingrui Lake of Dawn (紹興景瑞•曦之湖)	Residential	December 2016	271,215		51	138,320
Taizhou Jingrui Dignity Mansion (台州景瑞•望府)	Residential	June 2016	82,422		100	82,422
Zhoushan Jingrui HOPSCA	Residential			63,659	100	63,659
Phase 3		June 2018		63,659		

Project	Property Type	Expected Completion Date	GFA Under Development	GFA Under Planning	Percentage of the Group's Interest in the Project	Attributable GFA
			As at 31 December 2014			
			in sq.m.	in sq.m.	%	in sq.m.
Suzhou Jingrui Royal Bay	Residential		98,404		100	98,404
Phase 4		October 2015	98,404			
Suzhou Jingrui Jade Bay	Residential		47,994	60,149	65	70,293
Phase 2		June 2015	19,752			
Phase 4		December 2017	28,242	60,149		
Suzhou Jingrui Nobility Mansion (蘇州景瑞 • 御江山)	Residential		193,773	66,283	100	260,056
Phase 1		November 2016	116,001			
Phase 2		August 2016	77,772			
Phase 3		May 2017		44,559		
Phase 4		December 2017		21,724		
Suzhou Jingrui Dignity Mansion (蘇州景瑞 • 望府)	Residential		182,551	68,079	100	250,630
Phase 2		December 2015	58,315			
Phase 3		June 2016	73,406			
Phase 4		December 2016	50,830			
Phase 5		June 2017		68,079		
Wuxi Jingrui Dignity Mansion (無錫景瑞 • 望府)	Residential		253,322	68,079	57	143,786
Phase 1		August 2015	70,931			
Phase 2		November 2016	182,391			
Changzhou Jingrui Dignity Mansion	Residential		152,376	113,266	51	135,477
Phase 1		December 2015	71,458			
Phase 2		December 2015	80,918			
Phase 3		December 2017		113,266		
Nantong Jingrui Dignity Mansion	Residential		165,673	29,336	100	195,009
Phase 2		June 2015	30,160			
Phase 3		December 2015	135,513			
Phase 4		December 2016		29,336		
Nantong Jingrui Nobility Mansion	Residential	December 2015	175,202		100	175,202
Yangzhou Jingrui Dignity Mansion	Residential	December 2015	210,181		100	210,181
Taizhou Jingrui Royal Bay	Residential		120,858		100	120,858
Phase 3		October 2015	120,858			
Total			**3,219,742**	**1,290,185**		**3,908,059**

Business Overview

During the Year, we continued to implement the rapid-asset-turnover operating model and has achieved excellent results of operations. In 2014, we achieved contracted sales of approximately RMB9,104.6 million, representing an increase of approximately 10.2% as compared to 2013, hitting a new high again, and achieved total gross floor areas ("GFA") through contracted sales of approximately 988,567 sq.m., representing an increase of approximately 19.1% as compared to 2013. At the same time, we implemented strong sales collection management, and property sales collection amounted to RMB7,979.2 million throughout the Year, accounting for approximately 87.6% of our contracted sales for the year.

During the Year, our contracted sales were mainly distributed across 22 development projects in nine cities, accounting for approximately 90% of the total contracted sales. In 2014, we launched seven new development projects pre-sold for the first time, and contracted sales accounted for approximately 36.7% of the total contracted sales. Such projects mainly included Suzhou Jingrui Dignity Mansion, Suzhou Jingrui Nobility Mansion, Hangzhou Jingrui Shenhua No. One (杭州景瑞 • 申花壹號院) and Ningbo Jingrui The Mansion. In the meantime, sales of existing projects continued to perform well, accounting for approximately 63.3% of the total contracted sales, mainly including Ningbo Jingrui Dignity Mansion, Nantong Jingrui Dignity Mansion, Shaoxing Jingrui Dignity Mansion, Yangzhou Jingrui Dignity Mansion, Hangzhou Jingrui Royal Mansion (杭州景瑞 • 御華府) and Hangzhou Jingrui Royal Bay. Benefitting from our rapid-asset-turnover strategy, the average cycle of the projects launched during the Year from land acquisitions to sales was 9.1 months. The Suzhou Jingrui Dignity Mansion project took only 89 days from site acquisition to pre-sale. Rapid turnover, sales operating strategy and strong sales collection management could not only realize high investment return, improve cash flow and reduce liquidity risks, but also lead to strong growth and sustainable development for us.

During the Year, the property sales recognized by us amounted to RMB5,183.4 million, representing an increase of 34.3% as compared to last year. This was mainly distributed across the Shaoxing Jingrui Dignity Mansion, Shaoxing Jingrui The Mansion, Suzhou Jingrui Jade Bay, Ningbo Jingrui Dignity Mansion, Zhoushan Jingrui Peninsula Bay and Nantong Jingrui Dignity Mansion projects. The revenue from sales of properties by us accounted for approximately 98.3% of our revenue for the Year, and property sales was the principal operating business of us. We also provided property management services for all its self-developed projects to enhance the project value, to establish good reputation and brand image for our projects and to increase customer loyalty and satisfaction.

We continued to adhere to the development strategy of intensively penetrating into the Yangtze River Delta region, especially focusing on the core cities in this region. Based on the past foundation, we have expanded our business to 15 cities in the PRC during the Year, of which 13 cities are listed among the 16 core cities in the Yangtze River Delta region ("16 Core Cities of Yangtze River Delta" was 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 makes us one of the developers with the widest operational coverage in the core cities in Yangtze River Delta region. In 2014, we acquired five parcels of lands in cities such as Suzhou, Hangzhou, Taizhou and Wuxi, at a total consideration of approximately RMB3,089 million, increasing our total GFA of land reserves by approximately 616,668 sq.m., with the land cost per sq.m. (calculated based on the estimated total GFA) amounting to approximately RMB5,009 per sq.m. As of 31 December 2014, the total GFA of the land reserves held by us in aggregate amounted to approximately 4,988,769 sq.m., sufficient to meet the development need of us 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 upgraded our existing standardized products system, and currently offer two main standardized series of residential properties, namely Yu (御) series (including Nobility Mansion (御江山) and Royal Bay (御藍灣) and Dignity Mansion series, catering the customers of mid-end market and mid-to high-end market respectively. Based on our achievements of constantly improving existing standardized products, we raised a concept of ecological system of standardized achievements, making our standardized achievements to be practicable, expandable and professional. First of all, by taking into account of the design specifications and the needs of customers of the cities where our projects located, we developed standardized products matching the local markets, such as series products of Jiangsu Province, Zhejiang Province, Hangzhou City and Shanghai City, making the standardized achievements practicable. Moreover, after taking customers' feedbacks during the sale of our projects into consideration, we optimized the flat layout of our standardized high-rise units and villas, and further expanded usable area, to improve the living quality. For instance, we upgraded three-room one-bath units of 89 sq.m. to units with two-bath; we modified three-room units of 115 sq.m. to 110 sq.m. and maintained all original functionalities; we increased the width of villas located in the middle of villa area from 5.4 meters to 5.7 meters and cancelled the window pillars in the halls of villas located in the middle of villa area in order to broaden the horizon, making the standardized achievements expandable. In addition, we developed standardized community landscape functionalities and designs, standardized fine-decorated show flats in sales offices, and standardized community electromechanical and structure designs, based on our standardized construction of individual product, making the standardized achievements professional. Finally, the ecological system of standardized achievements was formally launched within us at the end of 2014. The system was available in both personal computer terminal and mobile terminal, and information could be synchronously updated, improving our management efficiency. By selecting and establishing strategic relationships with good general contractors, we are able to simplify and shorten the tender process for contractors, and obtain favourable contractual terms with such contractors along with the scale-up of our operations at the same time, thereby reducing construction costs. During the Year, our strategic suppliers increased from 90 to 110, and the cooperation rate of strategic suppliers was 91.5%, indicating that 91.5% of the total contractual amounts involved strategic suppliers. As we continue to strengthen the application of 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.

We have consistently applied the principle of steady financial management, focusing on maintaining healthy cash flow and guaranteeing capital safety. In August 2014, we issued US$150 million 13.625% senior notes due 2019. In November 2014, we issued 37,610,744 rights shares. The relatively strong contracted sales performance of properties further strengthened our financial position during the Year. As of 31 December 2014, our cash at bank and on hand (including restricted cash) reached RMB4,381.0 million. At the same time, unutilized bank facilities amounted to approximately RMB5,121.0 million. As of 31 December 2014, our net debt-to-adjusted-capital ratio was approximately 103%. We believe that the current liability level is in a reasonable range based on our current development stage and also matches our operations. We will continue to improve its liability level and structure, ensuring that risks are well under control, laying a solid foundation for our 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 the PRC in terms of operating efficiency in 2011, 2012, 2013 and 2014 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 needs of first-time home purchasers and those customers who are purchasing to upgrade their existing living conditions, customers who 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, have been contributing and will continue to contribute to our growth and scalability.

Business Review

Property Development

In 2014, we achieved contracted sales of approximately RMB9,104.6 million, representing an increase of approximately 10.2% as compared to 2013. Our total contracted GFA sold was approximately 0.99 million sq.m., representing an increase of approximately 19.1% as compared to 2013. Our contracted sales were primarily generated from Zhejiang Province and Jiangsu Province. The contracted sales (excluding car parks) generated from these two regions were approximately RMB4,279.2 million and RMB4,033.1 million, representing 47.0% and 44.3% of the total contracted sales, respectively.

Details of our contracted sales in 2014

The following table sets out the geographic breakdown of the Group's contracted sales in 2014:

Project Name	Contracted GFA Sold sq.m.	Contracted Sales RMB million	Contracted Average Selling Price ("ASP") RMB/sq.m.
Shanghai			
Shanghai Jingrui Fair Town	13,364	300	22,444
Shanghai Fengxiang Project (上海鳳翔項目)	2,668	43	16,289
Tianjin			
Tianjin Jingrui Sunny City	23,699	155	6,545
Tianjin Jingrui England County	292	1	4,803
Chongqing			
Chongqing Jingrui Blue Vally	2,501	6	2,199
Chongqing Jingrui Royal Bay	33,309	228	6,831
Sub-total of centrally direct-controlled municipalities	**75,833**	**733**	**9,666**
Hangzhou			
Hangzhou Jingrui Royal Bay	74,212	473	6,377
Hangzhou Jingrui Royal Mansion	48,771	542	11,105
Hangzhou Jingrui Shenhua No. One (杭州景瑞•申花壹號院) (formerly known as Hangzhou Shenhua Project)	38,665	950	24,561
Ningbo			
Ningbo Jingrui Dignity Mansion	83,993	763	9,088
Ningbo Jingrui The Mansion (寧波景瑞•上府) (formerly known as Ningbo Shounan Project)	23,453	325	13,852
Shaoxing			
Shaoxing Jingrui The Mansion	33,974	206	6,049
Shaoxing Jingrui Dignity Mansion	52,785	570	10,807
Shaoxing Jingrui Nobility Mansion	34,719	180	5,188
Shaoxing Jingrui Lake of Dawn (紹興景瑞•曦之湖) (formerly known as Shaoxing Nanloudi Project)	14,263	103	7,191

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	RMB million	RMB/sq.m.
Huzhou			
Huzhou Jingrui Cin Cinnatti	654	8	12,356
Huzhou Jingrui Dignity Mansion	676	19	28,039
Zhoushan			
Zhoushan Jingrui HOPSCA	(173)	(3)	–
Zhoushan Jingrui Peninsula Bay	1,151	8	7,251
Taizhou			
Taizhou Jingrui Dignity Mansion (台州景瑞 • 望府) (formerly known as Taizhou Luqiao Project)	6,557	135	20,538
Sub-total of Zhejiang Province	**413,700**	**4,279**	**10,344**
Suzhou			
Suzhou Jingrui Royal Bay	3,563	94	26,482
Suzhou Jingrui Jade Bay	5,829	68	11,663
Suzhou Jingrui Dignity Mansion (蘇州景瑞 • 望府) (formerly known as Suzhou Taicang Project and Derun Project)	97,323	959	9,859
Suzhou Jingrui Nobility Mansion (蘇州景瑞 • 御江山) (formerly known as Suzhou Wuzhong Project)	52,383	510	9,741
Changzhou			
Changzhou Jingrui Dawn City	9,062	100	11,035
Changzhou Jingrui England County	2,627	32	12,283
Changzhou Jingrui Dignity Mansion	15,266	160	10,491
Wuxi			
Wuxi Jingrui Dignity Mansion (無錫景瑞 • 望府) (formerly known as Wuxi Xidong Project)	43,578	364	8,337

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	RMB million	RMB/sq.m.
Nantong			
Nantong Jingrui Dignity Mansion	99,456	653	6,565
Nantong Jingrui Nobility Mansion	36,004	262	7,276
Yangzhou			
Yangzhou Jingrui Dignity Mansion	74,812	542	7,240
Taizhou			
Taizhou Jingrui Royal Bay	59,131	289	4,884
Sub-total of Jiangsu Province	**499,034**	**4,033**	**8,082**
Car park (lots)	950	60	–
Total	**988,567**[(1)]	**9,105**	**9,210**

Note:

(1) Excluding car parks

Land Bank

As at 31 December 2014, the total land bank of the Group was approximately 4,988,769 sq.m. or approximately 4,370,202 sq.m. on an attributable basis. From 1 January 2015 to 16 March 2015, we acquired two land parcels located in Ningbo and Shanghai. As at 16 March 2015, our total land bank was approximately 5,112,037 sq.m. or approximately 4,493,470 sq.m. on an attributable basis. The average acquisition cost of our land bank based on the expected total GFA was approximately RMB2,562 per sq.m.

Breakdown of our land bank by cities as at 31 December 2014

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	233,750	4.7	136,834	3.1
Tianjin	568,181	11.4	568,181	13.0
Chongqing	158,760	3.2	158,760	3.6
Subtotal	**960,691**	**19.3**	**863,775**	**19.7**
Zhejiang Province				
Hangzhou	610,629	12.2	506,509	11.6
Ningbo	256,783	5.1	256,783	5.9
Shaoxing	818,722	16.4	685,827	15.7
Huzhou	82,422	1.7	82,422	1.9
Zhoushan	38,300	0.8	38,300	0.9
Taizhou	111,700	2.2	111,700	2.6
Subtotal	**1,918,556**	**38.4**	**1,681,541**	**38.5**
Jiangsu Province				
Suzhou	742,666	14.9	697,731	16.0
Wuxi	253,322	5.1	143,786	3.3
Changzhou	386,811	7.8	256,646	5.9
Nantong	390,731	7.8	390,731	8.9
Yangzhou	210,181	4.2	210,181	4.8
Taizhou	125,811	2.5	125,811	2.9
Subtotal	**2,109,522**	**42.3**	**1,824,886**	**41.8**
Total	**4,988,769**	**100.0**	**4,370,202**	**100.0**

During the Year, we purchased five new projects in aggregate, all of which were acquired through public tenders, auctions or listing-for-bidding held by the government. The total GFA of our newly acquired lands was expected to be approximately 616,668 sq.m., and the aggregate consideration was approximately RMB3,088 million. According to the land prices agreed in the acquisition contracts, our average acquisition cost in 2014 based on the expected total GFA was approximately RMB5,009 per sq.m..

From 1 January 2015 to 16 March 2015, we acquired two land parcels, with an expected total GFA of approximately 123,268 sq.m. and an aggregate consideration of approximately RMB442.3 million.

Details of land acquisition for the year ended 31 December 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 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.
Hangzhou	Hangzhou Jingrui Shenhua No. One	Residential	100	24,319	92,669	65,661	971	10,483	14,795
Hangzhou	Hangzhou Jingrui Shenhua No. One	Residential	100	30,148	98,690	69,340	1,105	11,197	15,936
Taizhou	Taizhou Jingrui Dignity Mansion	Residential	100	51,431	82,422	54,003	326	3,955	6,037
Suzhou	Suzhou Jingrui Dignity Mansion	Residential	100	42,651	89,025	68,241	295	3,314	4,323
Wuxi	Wuxi Jingrui Dignity Mansion	Residential	57	103,439	253,862	186,190	391	1,542	2,102
Total				**251,988**	**616,668**	**443,435**	**3,088**	**5,009**	**6,966**

Details of land acquisition from 1 January 2015 to 16 March 2015

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.
Ningbo	The key land No. 6 in Jiangshan Town, Yinzhou District	Residential	100	50,257	117,192	90,463	344	2,934	3,800
Shanghai	Land No. M1-17, Unit N120301, Gaojing Community, Gaojing Town, Baoshan District	Commercial and office	100	3,038	6,076	6,076	98	16,211	16,211
Total				**53,295**	**123,268**	**96,539**	**442**	**3,588**	**4,582**

Revenue from Sale of Properties

The revenue from sale of properties in 2014 was approximately RMB5,183.4 million, representing an increase of 34.3% as compared to last year, and its distribution is as following:

Breakdown of revenue from sale of properties from January to December 2014

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	%	sq.m.	RMB/sq.m.
Shanghai				
Shanghai Jingrui Fair Town	185,470	3.6	8,815	21,039
Jiangsu Province				
Changzhou Jingrui Dawn City	13,922	0.3	2,134	6,523
Changzhou Jingrui England County	71,896	1.4	5,884	12,220
Suzhou Jingrui Royal Bay	170,652	3.3	9,803	17,409
Suzhou Jingrui Jade Bay	563,470	10.9	62,596	9,002
Suzhou Jingrui Dignity Mansion	222,315	4.3	10,938	20,326
Nantong Jingrui Dignity Mansion	372,021	7.2	56,183	6,622
Taizhou Jingrui Royal Bay	165,134	3.2	20,674	7,988
Zhejiang Province				
Huzhou Jingrui Cin Cinnatti	15,663	0.3	1,569	9,981
Huzhou Jingrui Dignity Mansion	213,972	4.1	11,238	19,040
Shaoxing Jingrui Dignity Mansion	1,056,604	20.4	92,836	11,381
Shaoxing Jingrui The Mansion	1,051,044	20.3	93,261	11,270
Zhoushan Jingrui Peninsula Bay	436,465	8.4	43,249	10,092
Ningbo Jingrui Dignity Mansion	544,735	10.4	24,670	22,080
Tianjin				
Tianjin Jingrui Sunny City	21,300	0.4	2,952	7,215
Other projects	**29,507**	**0.6**	**4,120**	**7,163**
Sub-total	**5,134,170**	**99.1**	**450,922**	**11,386**
Car parks	49,212	0.9	895[1]	–
Total	**5,183,382**	**100.0**	**–**	**–**

Notes:

(1) Represents the number of car parks sold.

Employees and Remuneration Policies

As at 31 December 2014, we had a total of 1,959 full-time employees in the PRC and Hong Kong. 656 of our employees worked in the property development operations and 1,303 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 2014, our revenue reached RMB5,273.0 million, representing an increase of 33.9% as compared to RMB3,939.0 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

	2014		2013		
		Percentage of the total revenue		Percentage of the total revenue	Year-on-year change
	RMB'000	**(%)**	RMB'000	(%)	(%)
Sales of properties	**5,183,382**	**98.3**	3,858,486	98.0	34.3
Property management	**74,640**	**1.4**	63,137	1.6	18.2
Rental income	**6,004**	**0.1**	8,930	0.2	(32.8)
Others	**8,927**	**0.2**	8,458	0.2	5.6
Total	**5,272,953**	**100.0**	3,939,011	100.0	33.9

Revenue from sales of properties has been constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 98.3% 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, 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.

During the Year, the properties we delivered were mainly Shaoxing Jingrui Dignity Mansion, Shaoxing Jingrui The Mansion, Suzhou Jingrui Jade Bay, Ningbo Jingrui Dignity Mansion, Zhoushan Jingrui Peninsula Bay and Nantong Jingrui Dignity Mansion. Revenue from sales of properties increased by approximately 34.3% to approximately RMB5,183.4 million in 2014 from approximately RMB3,858.5 million in 2013, mainly due to more GFA delivered during the year than that of last year.

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 2014, property management revenue of the Group was approximately RMB74.6 million, representing an increase of approximately 18.2% 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 operating 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 2014, rental income of the Group was approximately RMB6.0 million, representing a decrease over the 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 increased by 40.3% from RMB3,071.2 million in 2013 to RMB4,308.6 million in 2014, primarily due to (i) the more GFA delivered during the year than that of last year and (ii) the increase in the unit cost per sq.m. of those properties delivered in 2014.

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

	2014		2013	
	RMB'000	%	RMB'000	%
Construction costs	1,930,987	44.8	1,861,850	60.6
Land use right costs	1,591,739	36.9	721,774	23.5
Capitalized interest	272,398	6.3	178,938	5.9
Subtotal: Total cost of properties	3,795,124	88.0	2,762,562	90.0
Business tax and surcharges	302,379	7.0	221,221	7.2
Provision for impairment of properties held or under development for sale	101,575	2.4	–	–
Other costs[(1)]	109,522	2.6	87,378	2.8
Total	4,308,600	100.0	3,071,161	100.0
Total GFA delivered (sq.m.)	450,922		448,357	
Average cost of properties per sq.m. sold (RMB)[(2)]	8,416		6,162	
Average cost per sq.m. as % of ASP	73.9		72.5	

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 Profit Margin

Our gross profit increased by 11.1% from RMB867.9 million in 2013 to RMB964.4 million in 2014. We recorded gross profit margin of approximately 18.3% for the year ended 31 December 2014, compared to that of approximately 22.0% for the year ended 31 December 2013. The lower gross profit margin as compared with the last year was primarily due to (i) the increase in the unit cost per sq.m. for those properties delivered in 2014 and (ii) the provision made for impairment of properties held or under development for sale in 2014.

Fair Value Gains on Investment Properties

Our fair value gains on investment properties decreased from RMB166.6 million in 2013 to RMB71.8 million in 2014. Fair value gains in 2014 were primarily due to the transfer of certain self-held retail areas of Changzhou Jingrui Dawn City from properties held for sale to investment properties, while fair value gains in 2013 were primarily due to the transfer of certain self-held retail areas of Shanghai Fengxiang Project to investment properties.

Selling and Marketing Expenses

Our selling and marketing costs increased by 16.1% from RMB190.4 million in 2013 to RMB221.1 million in 2014. Such increase was primarily due to the increase in pre-sales and sales of more properties.

Administrative Expenses

Our Administrative expenses increased by 17.3% from RMB206.1 million in 2013 to RMB241.6 million in 2014. Such increase was primarily due to increase in the staff cost and the expense arising from our business expansion.

Other Income and Other Gains/(Losses), Net

Other income increased by 4.8% from RMB11.1 million in 2013 to RMB11.7 million in 2014.

We recorded other losses of RMB29.1 million in 2014, compared to other gains of RMB216.4 million in 2013. We recorded other losses in 2014, primarily due to the foreign exchange loss. We recorded other gains in 2013, 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 arose from the corresponding compensation provided by the local government to us and our loss of land costs and relocation costs incurred. No such gains further incurred in 2014.

Finance Income, Net

Our finance income decreased by 10.6% from RMB26.0 million in 2013 to RMB23.2 million in 2014, primarily as a result of the decrease in interest income on bank deposits. Our finance costs expensed decreased by 11.3% from RMB12.6 million in 2013 to RMB11.2 million in 2014. As a result, our net finance income decreased by 10.0% from RMB13.4 million in 2013 to RMB12.1 million in 2014.

Income Tax Expense

Our income tax expense increased by 54.9% from RMB177.9 million in 2013 to RMB275.7 million in 2014, primarily due to (i) the reversal of land appreciation tax accrual of Shanghai Jingrui Fair Town and Shanghai Jingrui Softshore City based on tax clearance results in 2013 and (ii) the increase in income tax expense as a result of the increase of projects completed and settled and the revenue during the period as compared to that of the same period in last year.

Profit for the Year

Profit attributable to our equity holders decreased by 42.5% from RMB476.2 million in 2013 to RMB274.0 million in 2014. Profit attributable to equity holders of the Company without taking into account the changes in fair values of investment properties and relevant deferred tax was RMB220.1 million, representing a decrease of 37.3% as compared to RMB351.2 million of last year.

Profit attributable to non-controlling interests decreased by 98.0% from RMB213.7 million in 2013 to RMB4.2 million in 2014, because net gain generated from government compensation was recorded in 2013 while no such gain of amount was recorded in 2014.

Liquidity and Capital Resources

Cash Positions

As at 31 December 2014, our cash at bank and on hand (including restricted cash) increased by 30.1% from RMB3,367.6 million as at 31 December 2013 to RMB4,381.0 million. Our cash at bank and on hand are mainly dominated in RMB and Hong Kong dollars. Restricted cash of the Group mainly comprised deposits pledged for borrowings.

Borrowings

Our total outstanding borrowings increased from RMB7,182.5 million as at 31 December 2013 to RMB9,618.6 million as at 31 December 2014. As at 31 December 2014, we had approximately RMB5,121.0 million unutilized banking facilities. Our borrowings are mainly denominated in RMB and US dollars.

Breakdown of our borrowings by categories

	As at 31 December		
	2014	2013	Year-on-year change
	RMB'000	RMB'000	%
Current Borrowings:			
Bank loans, secured	**1,422,086**	932,232	52.5
Bank loans, unsecured	**–**	100,000	N/A
Trust financing arrangements, secured			
– conventional loan	**200,000**	290,000	(31.0)
– equity with repurchase obligation	**97,400**	–	N/A
Add: Current portion of long-term borrowings			
– Bank loans, secured	**2,116,697**	700,539	202.2
– Trust financing arrangements, secured	**1,222,143**	1,089,000	12.2
Total Current Borrowings	**5,058,326**	3,111,771	62.6
Non-Current Borrowings			
Bank loans, secured	**5,621,597**	3,230,348	74.0
Trust financing arrangements, secured			
– conventional loan	**–**	550,000	N/A
– equity with repurchase obligation	**1,384,170**	2,079,899	(33.5)
Senior notes due 2019, secured	**893,317**	–	N/A
Less: Current portion of long-term borrowings			
– Bank loans, secured	**(2,116,697)**	(700,539)	202.2
– Trust financing arrangements, secured	**(1,222,143)**	(1,089,000)	12.2
Total Non-Current Borrowings	**4,560,244**	4,070,708	12.0
Total	**9,618,570**	7,182,479	33.9

Breakdown of our borrowings by maturity profiles

	As at 31 December			
	2014		2013	
	RMB'000	**%**	RMB'000	%
Within 1 year	**5,058,326**	**52.6**	3,111,771	43.3
Between 1 and 2 years	**2,824,927**	**29.4**	2,958,573	41.2
Between 2 and 5 years	**1,558,317**	**16.2**	996,429	13.9
Above 5 years	**177,000**	**1.8**	115,706	1.6
Total	**9,618,570**	**100.0**	7,182,479	100.0

Borrowing Costs

The Group's weighted average effective interest rates on bank and other borrowings were 9.67% and 10.30% as at 31 December 2014 and 2013 respectively.

Interest generated from bank loans and trust financing arrangements

	Year ended 31 December		
	2014	2013	Year-on-year change
	RMB'000	RMB'000	%
Finance costs			
– Interest expensed	**11,194**	12,620	(11.3)
– Interest capitalized	**928,281**	548,480	69.2
Total	**939,475**	561,100	67.4

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	
	2014	2013
Bank loans	**7.92%**	7.58%
Trust financing arrangements	**13.85%**	13.51%
Senior notes	**14.44%**	–
Consolidated weighted average effective interest rates	**9.67%**	10.30%

Net Debt-to-Adjusted-Capital Ratio

As at 31 December 2014, our net debt-to-adjusted capital ratio was 103%. Net debt-to-adjusted capital ratio is calculated as net borrowings at the end of the period divided by the aggregate of total equity and amounts due to non-controlling interests of subsidiaries, and multiplied by 100%. Net debt is calculated as total borrowings minus cash and cash equivalents and restricted cash. Our net debt-to-adjusted capital ratio remained flat as compared to that of 102% (restated) as at 31 December 2013.

Cashflow Analysis

Our net cash outflows were RMB83.0 million for the year ended 31 December 2014, consisting of:

Net cash outflows from operating activities were RMB2,975.0 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.

Net cash inflows from investing activities were RMB206.4 million, primarily due to cash proceeds from disposal of part of shares of a subsidiary and interest income, partially offset by purchase of fixed assets and available-for-sale financial assets.

Net cash inflows from financing activities were RMB2,685.7 million, primarily due to additional bank loans, other borrowings and the proceeds generated from issue of senior note, proceeds from rights issue and perpetual capital instruments, partially offset by our repayment of bank loans and other borrowings, and increase in restricted cash.

Assets Pledge

Details of our assets being pledged are set out in Note 20 to the consolidated 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 31 December 2014, 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 RMB5,091.4 million (2013: RMB2,495.2 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 2014, 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, we have 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 on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

Foreign Exchange Risk

We are 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 our assets and liabilities are denominated in RMB. Accordingly, we are not exposed to significant foreign currency risk, except for the issue of senior notes in 2014, which was denominated in US dollars.

Nonetheless, as we expand our operations, we may incur a certain portion of our cash flows in currencies other than RMB 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

2015 is a year to witness stable growth and reform. Amidst the transformation of the PRC economy, the real estate industry will slow down after the rapid growth in the past years. The real estate industry is expected to be subject to reform and improvement as a result of property control and industrial consolidation. The transformation of the economy in the PRC has offered us an opportunity to remain competitive among our competitors. Currently, industrial concentration is increasingly intensified and competitions among real estate enterprises will be fiercer.

We have formulated our development strategy for the next three years as "Two Focuses" and "Two Leading Positions", with a view to capture new development opportunities, promote reform and achieve fast growth with scales. In the future, we will seize opportunities in the region and utilize resources to realize significant development and win out admits industrial competition.

We have set a contracted sales target at RMB10.0 billion for the year ending 31 December 2015.

Executive Directors

Mr. Yan Hao (閆浩), aged 46, is one of the founders and the co-chairman and chief executive officer of the Group. He was appointed as an executive Director of the 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 the 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 cofounded Jingrui Properties (Group) (formerly known as Shanghai Jingrui Property Development Company) in 1993 with Mr. Chen Xin Ge, 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 46, 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 Cheung 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 44, 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., Mr. Yang joined Franshion (China) Property Co., Ltd. (方興地產(中國)有限公司) as a deputy chief financial officer in October 2009. Mr. Yang joined as a chief financial officer of our Group in December 2010. Mr. Yang was appointed to the executive vice-president of our Group in March 2013.

Mr. Xu Chao Hui (許朝輝), aged 47, 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.

Independent Non-executive Directors

Mr. Han Jiong (韓炯), aged 46, 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 non-executive 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 the Stock Exchange (stock code: 02196), in April 2009.

Mr. Qian Shi Zheng (錢世政), aged 63, 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 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. Mr. Qian currently served as an independent non-executive director of Lonking Holdings Limited, which is listed on the 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 19 years of teaching and work experience in the finance and accounting fields.

Dr. Lo Wing Yan William (盧永仁), aged 54, 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 Lovable International Holdings Limited. 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 served as the vice chairman of South China Media Group from September 2011 to September 2014. Dr. Lo is currently the independent non-executive director of the Stock Exchange listed companies, including Varitronix International Limited (SEHK: 710), SITC International Limited (SEHK: 1308), International Housewares Retail Company Limited (SEHK: 1373) and CSI Properties Limited (SEHK: 497), a New York Stock Exchange listed company, Nam Tai Electronics, Inc. (NYSE: NTE) and a Singapore Exchange listed company, E2-Capital Holdings Limited (SGX: E2-Capital).

Senior Management

Mr. Tan Ming Heng (談銘恒), aged 40, 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. He left KPMG and joined our operating subsidiary Jingrui Properties (Group) Co., Ltd. in April 2008 where he served as director of risk management department. Mr. Tan was appointed to his current position in March 2013.

Mr. Lee Chian Jie (李建杰), aged 33, is the head of corporate finance and investor relations of the Company. He joined our Group in June 2014 and is mainly responsible for our Group's corporate finance, capital market and investor relations activities. He is also responsible for the operation and management of our Hong Kong office. Prior to joining our Group, Mr. Lee was a general manager of investment and operation department of Renhe Commercial Holdings Company Limited and an associate director with UBS AG where he worked as an equity analyst covering China (including Hong Kong) real estate sector. He was awarded "best stock picker – real estate and construction" by StarMine in 2008. Mr. Lee has a bachelor's degree in Economics from London School of Economics in 2005.

Joint Company Secretaries

Mr. Yu Jia Le (于嘉樂), aged 37, 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. 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. and Lining Sports (Shanghai) Co., Ltd. from 2000 to 2007 and was appointed as an assistant to the general manager of the finance department of Franshion (China) Property Co., Ltd. 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 till March 2013, when he joined our Group.

Ms. Lai Siu Kuen (黎少娟), aged 40, is a senior manager of KCS Hong Kong Limited. She has over 17 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.

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 2014.

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 during the year ended 31 December 2014. 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 Dr. Lo Wing Yan William). The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2014 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 Directors currently representing more than 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 Director 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 Directors.

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 statute, 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 2014, 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 a policy concerning board diversity. The Company adopted the Board Diversity Policy on 18 March 2014. The Board considers that board diversity shall be different to cater for different listed companies. The existing Directors who are different from each other in terms of age, cultural background, educational 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 at 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	Re-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)	16 May 2014
CHEN Xin Ge	Executive Director and co-chairman (overall strategic planning and business direction)	16 May 2014
YANG Tie Jun	Executive Director and executive vice president (assisting the co-chairmen and chief executive officer and overseeing key departments)	16 May 2014
XU Chao Hui	Executive Director and assistant to the chief executive officer (assisting the chief executive officer in day to day business and management)	16 May 2014
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 the Board	16 May 2014
QIAN Shi Zheng	Independent non-executive Director and member of the Audit Committee, responsible for supervising and providing independent judgment to the Board	16 May 2014
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 the Board	16 May 2014

Appointment and Re-election of Directors

Each of the 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 the executive Directors has entered into a service agreement with us for an initial fixed period of three years commencing from 31 October 2013 (the "Listing Date") unless terminated earlier.

Each of Qian Shi Zheng, Lo Wing Yan William and Han Jiong, the independent non-executive Directors, has entered into a letter of appointment with the 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 meetings, and the relevant subjects would be included in the agenda for such regular meetings. For other Board and committee meetings, reasonable notice is generally given by the Company. The agenda and related board and committee 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.

During the year ended 31 December 2014, four Board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

Role	Name	Attendance/no. of meetings held	Attendance rate
Executive Director	Mr. Yan Hao	4/4	100%
Executive Director	Mr. Chen Xin Ge	4/4	100%
Executive Director	Mr. Yang Tie Jun	4/4	100%
Executive Director	Mr. Xu Chao Hui	4/4	100%
Independent non-executive Director	Mr. Han Jiong	4/4	100%
Independent non-executive Director	Mr. Qian Shi Zheng	4/4	100%
Independent non-executive Director	Dr. Lo Wing Yan William	4/4	100%

During the year ended 31 December 2014, 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 of all the Directors has been made and each of the Directors has confirmed that he has complied with the Model Code during the year ended 31 December 2014.

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 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, re-appointment 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 auditors" 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 Audit Committee about possible improprieties in any matters related to the Company; and

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

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 for 2014. In addition, the Audit Committee has reviewed the annual results and financial statements of the Group for the year ended 31 December 2014, and also reviewed the auditors' remuneration and made recommendation to the Board on the re-appointment of auditor, which is subject to approval by the annual general meeting.

During the year ended 31 December 2014, three meetings were held by the Audit Committee and the attendance of each respective member at the meetings of the Audit Committee held in 2014 is set out in the following table:

Name	Attendance/number of meetings held
Mr. Qian Shi Zheng	3/3
Dr. Lo Wing Yan William	3/3
Mr. Han Jiong	3/3

Remuneration Committee

The Remuneration Committee comprises 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/her own remuneration;

(9) 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.

During the year ended 31 December 2014, one meeting was held by the Remuneration Committee and the attendance of each respective member at the meeting of the Remuneration Committee held in 2014 is set out in the following table:

Name	Attendance/number of meeting held
Mr. Han Jiong	1/1
Dr. Lo Wing Yan William	1/1
Mr. Chen Xin Ge	1/1

Nomination Committee

The Nomination Committee comprises three members, being Mr. Yan Hao (Chairman), Mr. Han Jiong and Dr. Lo Wing Yan William. A majority of the members of the Nomination 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 re-appointment 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 Stock Exchange and the Company.

During the year ended 31 December 2014, one meeting was held by the Nomination Committee and the attendance of each respective member at the meeting of the Nomination Committee held in 2014 is set out in the following table:

Name	Attendance/number of meeting held
Mr. Yan Hao	1/1
Mr. Han Jiong	1/1
Dr. Lo Wing Yan William	1/1

(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 2014 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, financial 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 auditors 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 interim review and the annual audit of the Group's consolidated financial statements for the year, amounted to RMB3.58 million. In addition, RMB2.09 million was incurred for other non-audit services.

(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, senior 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 2014, 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. The annual general meeting for the year ended 31 December 2014 will be held on 11 May 2015.

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 Unit 09, 43/F, China Resources Building, 26 Harbour Road, 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.

During the year ended 31 December 2014, an annual general meeting was held by the Company on 16 May 2014 and the attendance of the individual Directors at this general meeting is set out in the table below:

Name	Attendance/number of meeting held
Mr. Yan Hao	1/1
Mr. Chen Xin Ge	1/1
Mr. Yang Tie Jun	0/1
Mr. Xu Chao Hui	1/1
Mr. Han Jiong	0/1
Mr. Qian Shi Zheng	1/1
Dr. Lo Wing Yan William	0/1

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

There are no changes in the Company's constitutional documents during the year ended 31 December 2014.

The Directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2014.

Global Offering

The Company was incorporated in the Cayman Islands under the Companies Law, Cap.22 ("Companies Law") of the Cayman Islands as an exempted company with limited liability on 7 March 2013. The shares of the Company were listed on the 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 42 to the consolidated financial statements.

An analysis of revenue of the Group for the year by principal activities is set out in Note 26 to the consolidated financial statements.

Results

Details of the Group's results for the year ended 31 December 2014 are set out in the consolidated income statement on page 57 of this annual report.

Subsidiaries

Details of the Company's subsidiaries as at 31 December 2014 are set out in Note 42 to the consolidated financial statements.

Final Dividends

The Board recommended the payment of a final dividend of RMB6.0 cents per share for the year ended 31 December 2014 (2013: RMB7.0 cents). The proposed final dividend shall be subject to approval of shareholders in the forthcoming annual general meeting to be held on 11 May 2015.

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 five financial years are set out on page 148 of the annual report. The summary does not constitute a part of the audited consolidated financial statements.

Previous Fund Raising Activities

Date	Fund raising activity	Net proceeds raised (approximately)	Use of the net proceeds
October 2013	Initial public offering	HK$1,358 million	The Company has fully utilized the net proceeds from its initial public offering in the following manner: (i) approximately 10% (of about HK$136 million) on general working capital; and (ii) approximately 90% (of about HK$1,222 million) on the acquisition of the land parcels located in Hangzhou, Zhejiang Province, in January 2014.
August 2014	Issue of US$150 million 13.625% senior notes due 2019	US$144 million	To fund existing and new property projects
November 2014	Issue of 37,610,744 rights shares	HK$128 million	To enhance the capital structure and strengthen the equity base and raise funds for general working capital

Major Customers and Suppliers

For the year ended 31 December 2014, the Group's procurement from its five largest suppliers accounted for 33.7% (2013: 45.1%) of the Group's total procurement. For the year ended 31 December 2014, the Group's sales to its five largest customers accounted for 1.0% (2013: 2.5%) of the Group's total revenue.

None of the Directors or any of their close 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 Group during the year ended 31 December 2014 are set out in Note 7 to the consolidated financial statements.

Investment Properties

Details of movements in the investment properties of the Group during the year ended 31 December 2014 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 59 and in Note 18 to the consolidated financial statements respectively.

Distributable Reserves

As at 31 December 2014, the Company's reserves available for distribution, calculated in accordance with the provisions of Companies Law, amounted to approximately RMB2,342.4 million.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2014 are set out in Note 20 to the consolidated financial statements.

Directors

The Directors during the year ended 31 December 2014 and up to the date of this report were:

Executive Directors:

Mr. Yan Hao
Mr. Chen Xin Ge
Mr. Yang Tie Jun
Mr. Xu Chao Hui

Independent Non-executive Directors:

Mr. Han Jiong
Mr. Qian Shi Zheng
Dr. Lo Wing Yan William

Board of Directors and Senior Management

Biographies of the Directors and senior management of the Group are set out on pages 33 to 36 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 from each of the independent non-executive Directors and the Company considers such Directors to be independent for the year ended 31 December 2014.

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 the Listing Date 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 the Listing Date.

Directors' Remuneration

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

Details of the remuneration of the Directors and five highest paid individuals of the Group for the year ended 31 December 2014 are set out in Note 32 to the consolidated financial statements.

Directors' Rights to Acquire Shares or Debentures

At no time during the year ended 31 December 2014 was the Company or any of its subsidiaries a party to any arrangement to enable the 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 2014, 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 the Company on 15 October 2013, pursuant to which the Covenantors have unconditionally, irrevocably, jointly and severally undertaken with the 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 the 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 2014 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 121 and "Management Discussion and Analysis" on page 25.

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 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 the 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 the 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 2.18% of the total issued share capital of the Company (the "Awarded Shares"). No further Shares will be issued by the Company pursuant to the Pre-IPO Share Award Scheme. According to the Pre-IPO Share Award Scheme, Selected Persons were granted 24,564,993 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 have vested/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 the 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 2014.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2014, the interests or short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which will be required to be notified to the Company and the 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 the Company and the Stock Exchange, are as follows:

(i) Interests in the Company

Director	Nature of interest	Number of shares held[3]	Approximate % of shareholding interest[4]
Yan Hao[1]	Interest of a controlled corporation	480,220,613 (L)	37.19%
Chen Xin Ge[2]	Interest of a controlled corporation	427,205,918 (L)	33.08%
Xu Chao Hui	Beneficial owner	183,830 (L)	0.01%
Yang Tie Jun	Beneficial owner	222,680 (L)	0.02%

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.

(4) There were 1,291,302,213 shares in issue as at 31 December 2014.

(ii) Interests in Associated Corporations

None of the Directors or chief executives of the Company 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, as at 31 December 2014, none of the Directors or the chief executives of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or its 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 the Company and the Stock Exchange under the Model Code.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

On 31 December 2014, so far as the Directors are aware, the following persons (other than the Directors or the chief executive 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	Number of shares[3]	% of shareholding interest[4]
Beyond Wisdom Limited[1]	Beneficial owner	480,220,613 (L)	37.19%
Decent King Limited[2]	Beneficial owner	427,205,918 (L)	33.08%
RRJ Capital Master Fund II, L.P.	Interest of a controlled corporation	87,123,000 (L)	6.75%

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.

(4) There were 1,291,302,213 shares in issue as at 31 December 2014.

Save as disclosed above and to the knowledge of the Directors, as at 31 December 2014, 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 the 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"), Shanghai Jiacan Investment Co.,Ltd. ("Shanghai Jiacan") owns 49% of Hangzhou Jinghang Property Co., Ltd. ("Hangzhou Jinghang"), Ri yue cheng Property Co., Ltd. ("Ri yue cheng") owns 49% of Shaoxing Jingming Property Co., Ltd. ("Shaoxing Jingming"), and are therefore connected persons of our Company.

2. Transactions

As at 31 December 2014, certain shareholders of Taicang Jingshang, Hangzhou Jinghang and Shaoxing Jingming granted shareholders' loans respectively to Taicang Jingshang, Hangzhou Jinghang and Shaoxing Jingming. Shanghai Jiading and Shanghai Oasis advanced RMB95.0 million and RMB47.5 million respectively to Taicang Jingshang, Shanghai Jiacan advanced RMB61.0 million to Hangzhou Jinghang and Ri yue cheng advanced RMB136.6 million to Shaoxing Jingming ("Substantial Shareholders' Loans"). The purpose of the Substantial Shareholders' Loans was to provide Taicang Jingshang, Hangzhou Jinghang and Shaoxing Jingming with general working capital for its projects.

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

3. Requirements under the Listing Rules

The Substantial Shareholders' Loans constitute continuing connected transactions of the Company which are exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

Connected Transactions

During the year ended 31 December 2014, 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 year ended 31 December 2014, 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 Group, and discussed with them the audit, internal control and financial reporting matters of the Group, including review of the annual results and 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 year ended 31 December 2014.

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 2014. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 37 to 45 of this annual report.

Auditors

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 auditors of the Company.

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

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 54 to 147, which comprise the consolidated and Company balance sheets as at 31 December 2014, 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 information.

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 2014, 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, 16 March 2015

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
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Consolidated Balance Sheet

As at 31 December 2014

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	**20,742**	25,502
Investment properties	8	**775,000**	655,000
Intangible assets	9	**2,816**	1,941
Investments in jointly controlled entities	10	**539,633**	295,402
Deferred income tax assets	25	**252,599**	163,144
Available-for-sale financial assets	11	**10,000**	–
		1,600,790	1,140,989
Current assets			
Prepayments for leasehold land	12	**552,500**	598,169
Properties held or under development for sale	13	**18,585,634**	12,888,484
Trade and other receivables and prepayments	14	**1,050,409**	1,501,601
Prepaid income taxes		**212,884**	146,118
Restricted cash	16	**2,022,947**	923,115
Cash and cash equivalents	16	**2,358,015**	2,444,449
Non-current assets held-for-sale	8	**20,941**	–
		24,803,330	18,501,936
Total assets		**26,404,120**	19,642,925
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	17	**79,361**	77,053
Share premium	17	**1,271,329**	1,260,072
Other reserves and retained earnings	18	**2,339,342**	1,764,643
		3,690,032	3,101,768
Perpetual capital instruments	19	**551,350**	–
Non-controlling interests	42	**517,629**	252,553
Total equity		**4,759,011**	3,354,321

The notes on pages 61 to 147 are an integral part of these financial statements.

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	20	**4,560,244**	4,070,708
Long-term payables	24	**–**	299,042
Deferred income tax liabilities	25	**208,643**	153,926
Trust loans related derivatives	21	**3,788**	43,060
		4,772,675	4,566,736
Current liabilities			
Trade and other payables	22	**2,996,615**	2,102,388
Amounts due to non-controlling interests of subsidiaries	23	**340,093**	394,991
Current portion of long-term payables	24	**316,596**	9,897
Advanced proceeds received from customers		**7,747,856**	5,436,737
Current income tax liabilities		**389,406**	666,084
Borrowings	20	**5,058,326**	3,111,771
Current portion of trust loans related derivatives	21	**23,542**	–
		16,872,434	11,721,868
Total liabilities		**21,645,109**	16,288,604
Total equity and liabilities		**26,404,120**	19,642,925
Net current assets		**7,930,896**	6,780,068
Total assets less current liabilities		**9,531,686**	7,921,057

Yan Hao
Director

Xu Chao Hui
Director

The notes on pages 61 to 147 are an integral part of these financial statements.

Balance Sheet of the Company

As at 31 December 2014

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
ASSETS			
Non-current assets			
Interests in subsidiaries	15	**2,648,641**	2,194,056
Current assets			
Amounts due from subsidiaries	15	**677,902**	–
Cash at bank and on hand	16	**127,808**	261,717
		805,710	261,717
Total assets		**3,454,351**	2,455,773
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value	17	**79,361**	77,053
Share premium	17	**1,271,329**	1,260,072
Other reserves and accumulated losses	18	**1,071,026**	1,112,317
Total equity		**2,421,716**	2,449,442
LIABILITIES			
Non-current liabilities			
Borrowings	20	**893,317**	–
Current liabilities			
Trade and other payables	22	**57,128**	6,331
Amounts due to subsidiaries	15	**82,190**	–
		139,318	6,331
Total liabilities		**1,032,635**	6,331
Total equity and liabilities		**3,454,351**	2,455,773
Net current assets		**666,392**	255,386
Total assets less current liabilities		**3,315,033**	2,449,442

Yan Hao
Director

Xu Chao Hui
Director

The notes on pages 61 to 147 are an integral part of these financial statements.

Consolidated Income Statement

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 RMB'000	2013 RMB'000
Revenue	26	**5,272,953**	3,939,011
Cost of sales	29	**(4,308,600)**	(3,071,161)
Gross profit		**964,353**	867,850
Fair value gains on investment properties	8	**71,790**	166,637
Selling and marketing costs	29	**(221,132)**	(190,401)
Administrative expenses	29	**(241,630)**	(206,054)
Other income	27	**11,665**	11,133
Other (losses)/gains – net	28	**(29,121)**	216,424
Operating profit		**555,925**	865,589
Finance income	30	**23,244**	26,008
Finance costs	30	**(11,194)**	(12,620)
Finance income – net		**12,050**	13,388
Share of results of jointly controlled entities	10	**(12,807)**	(11,141)
Profit before income tax		**555,168**	867,836
Income tax expense	33	**(275,651)**	(177,929)
Profit for the year		**279,517**	689,907
Attributable to:			
Equity holders of the Company		**273,962**	476,171
Holders of perpetual capital instruments		**1,350**	–
Non-controlling interests		**4,205**	213,736
		279,517	689,907
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	35	**RMB0.2**	RMB0.5
Dividends	36	**77,478**	460,405

The notes on pages 61 to 147 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Year ended 31 December 2014 RMB'000	2013 RMB'000
Profit for the year	279,517	689,907
Other comprehensive income	–	–
Total comprehensive income for the year	279,517	689,907
Attributable to:		
Equity holders of the Company	273,962	476,171
Holders of perpetual capital instruments	1,350	–
Non-controlling interests	4,205	213,736
	279,517	689,907

The notes on pages 61 to 147 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	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	Perpetual capital instruments RMB'000 (Note 19)	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2014	**77,053**	**1,260,072**	**805,090**	**959,553**	**3,101,768**	**–**	**252,553**	**3,354,321**
Total profit and comprehensive income for the year 2014	**–**	**–**	**–**	**273,962**	**273,962**	**1,350**	**4,205**	**279,517**
Transactions with owners								
Rights issue (Note 17 (b)(viii))	**2,308**	**99,015**	**–**	**–**	**101,323**	**–**	**–**	**101,323**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**147,000**	**147,000**
Pre-IPO share award scheme (Note 34)	**–**	**–**	**33,826**	**–**	**33,826**	**–**	**–**	**33,826**
2013 final dividend (Note 36)	**–**	**(87,758)**	**–**	**–**	**(87,758)**	**–**	**–**	**(87,758)**
Dividends of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**(24,178)**	**(24,178)**
Issuance of perpetual capital instruments (Note 19)	**–**	**–**	**–**	**–**	**–**	**550,000**	**–**	**550,000**
Changes in ownership interests in subsidiaries without change of control (Note 40)	**–**	**–**	**266,911**	**–**	**266,911**	**–**	**138,049**	**404,960**
	2,308	**11,257**	**300,737**	**–**	**314,302**	**550,000**	**260,871**	**1,125,173**
Balance at 31 December 2014	**79,361**	**1,271,329**	**1,105,827**	**1,233,515**	**3,690,032**	**551,350**	**517,629**	**4,759,011**
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 2013	–	–	–	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	–	–	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 34)	–	–	14,725	–	14,725	–	–	14,725
Changes in ownership interests in subsidiaries without change of control (Note 40)	–	–	(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

The notes on pages 61 to 147 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2014

	Year ended 31 December 2014 RMB'000	2013 RMB'000
Operating activities		
Net cash used in operations (Note 37(a))	**(1,404,443)**	(1,131,480)
Interest paid	**(907,695)**	(499,001)
PRC income tax paid	**(152,762)**	(99,681)
PRC land appreciation tax paid	**(510,132)**	(165,239)
Net cash used in operating activities	**(2,975,032)**	(1,895,401)
Investing activities		
Purchase of property, plant and equipment	**(9,077)**	(16,599)
Purchase of intangible assets	**(1,310)**	(840)
Proceeds from disposal of property, plant and equipment (Note 37(c))	**2,482**	3,939
Dividend received from a jointly controlled entity	**–**	9,600
Acquisition of available-for-sale financial assets	**(10,000)**	–
Amounts due from non-controlling interests of a subsidiary	**–**	(120,000)
Amounts due from a jointly controlled entity	**5,763**	(90,816)
Net cash outflow for acquisition of a subsidiary, Shanghai Jingxiu Property Development Co., Ltd. ("Shanghai Jingxiu") (Note 10 (a))	**–**	(30,185)
Net cash inflow for disposal of a subsidiary, Modern Jump Limited (Note 10 (b))	**195,306**	–
Interest received	**23,244**	26,008
Net cash generated from/(used in) investing activities	**206,408**	(218,893)
Financing activities		
Proceeds from borrowings	**7,404,071**	6,243,710
Proceeds from issuance of senior notes	**897,269**	–
Repayments of borrowings	**(5,891,774)**	(3,112,154)
Proceeds from issuance of perpetual capital instruments	**550,000**	–
Dividends paid	**(108,482)**	(297,000)
Capital contribution from non-controlling interests of a subsidiary	**147,000**	49,000
Amounts due to non-controlling interests of subsidiaries	**197,593**	228,741
Repayment to non-controlling interests of subsidiaries	**(252,491)**	(23,750)
Capital contribution from Yan Hao and Chen Xin Ge	**–**	313,000
Increase in restricted cash relating to financing activities	**(760,135)**	(208,503)
Changes in ownership interests in subsidiaries without change of control	**404,960**	(72,720)
Rights issue	**101,323**	–
Issuance of ordinary shares	**–**	270,721
Payments for initial public offering fees	**(3,668)**	(7,348)
Proceeds from issuance of ordinary shares in connection with the Listing – net	**–**	1,073,349
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	**2,685,666**	3,887,609
Net (decrease)/increase in cash and cash equivalents	**(82,958)**	1,773,315
Effect of foreign exchange rate changes	**(3,476)**	(2,854)
Cash and cash equivalents at beginning of the year	**2,444,449**	673,988
Cash and cash equivalents at end of the year (Note 16)	**2,358,015**	2,444,449

The notes on pages 61 to 147 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 (the "Listing").

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

(b) Group reorganisation in 2013

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)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 El 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 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 in 2013 (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 in 2013 (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 in 2013, 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 prior to completion of the Reorganisation were presented using the carrying values of the Listing Business under Jingrui Properties (Group) for all periods presented.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for this financial year and the comparative period.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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.

(a) New amendments and interpretation of HKFRSs effective for 2014

The following new amendments and interpretation of HKFRSs which are relevant to the Group's operations are effective for the first time for annual period beginning on 1 January 2014.

- Amendments to HKAS 32 "Financial Instruments: Presentation" on financial asset and liability offsetting;
- Amendments to HKFRS 10,12 and HKAS27 on consolidation for investment entities;
- Amendments to HKAS 36 "Impairment of Assets" on recoverable amount disclosures;
- Amendments to HKAS 39 "Financial Instruments: Recognition and Measurement on novation of derivatives;
- HK(IFRIC) 21 "Levies";
- Annual improvements 2012 – amendments with respect to share-based payment transactions for which the grant date is on or after 1 July 2014 and business combinations for which the acquisition date is on or after 1 July 2014.

The adoption of the above new amendments and interpretation starting from 1 January 2014 did not give rise to any significant impact on the Group's results of operations and financial position for the year ended 31 December 2014.

(b) New standards and amendments of HKFRSs not yet effective for 2014 and have not been early adopted by the Group

Certain new standards and amendments of HKFRSs have been published but are not yet effective for annual period beginning on 1 January 2014 and have not been early adopted by the Group. Those that are relevant to the Group's operations are as follows:

- 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 the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "'Related Party Disclosures" and HKAS 38 "Intangible Assets".

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New standards and amendments of HKFRSs not yet effective for 2014 and have not been early adopted by the Group (continued)

- 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 the following 3 standards: HKFRS 3 ''Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property".

- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operations (effective for annual periods beginning on or after 1 January 2016). The amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a 'business' (as defined in HKFRS 3 "Business Combinations").

- Amendments to HKFRS 10 and HKAS 28 on sale or contribution of assets between an investor and its associate or joint venture (effective for annual periods beginning on or after 1 January 2016). The amendments address an inconsistency between HKFRS 10 and HKAS 28 in the sale and contribution of assets between an investor and its associate or joint venture.

- Amendment to HKAS 27 on equity method in separate financial statements (effective for annual periods beginning on or after 1 January 2016). The amendment allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Annual improvements 2014 (effective for annual periods beginning on or after 1 January 2016). The amendments include changes from the 2012-2014 cycle of the annual improvements project that affect the following 4 standards: HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", HKFRS 7 "Financial Instruments: Disclosures", HKAS 19, "Employee Benefits" and HKAS 34 "Interim Financial Reporting".

- Amendments to HKAS 1 for the disclosure initiative (effective for annual periods beginning on or after 1 January 2016). The amendments clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

- HKFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017). HKFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and related interpretations.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New standards and amendments of HKFRSs not yet effective for 2014 and have not been early adopted by the Group (continued)

- HKFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

The management is in the process of assessing the impact of these new standards and amendments on the financial statements of the Group. The adoption of these new standards and amendments when they become effective is currently not expected to have a material impact on the financial statements of the Group, except for the new financial reporting standard HKFRS 15 "Revenue from Contracts with Customers" which the Group is not yet in a position to conclude.

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 (i.e. year beginning 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

(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. 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.

Impairment testing of the investments in subsidiaries is also required according to Note 2.10.

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 venture 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 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.

2 Summary of significant accounting policies (continued)

2.3 Jointly controlled entities (continued)

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

Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

2.4 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.

2 Summary of significant accounting policies (continued)

2.5 Foreign currency translation (continued)

(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.

2.6 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 (losses)/gains – net" in the consolidated income statement.

2 Summary of significant accounting policies (continued)

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.

2.8 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 Non-current assets held-for-sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

2.10 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 Summary of significant accounting policies (continued)

2.11 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.

2.12 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).

2.13 Financial assets

2.13.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. 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.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

2 Summary of significant accounting policies (continued)

2.13 Financial assets (continued)

2.13.2 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. Available-for- sale financial assets and 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. Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

2.13.3 Impairment of financial assets

(a) Assets carried at amortised cost

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 Summary of significant accounting policies (continued)

2.13 Financial assets (continued)

2.13.3 Impairment of financial assets (continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.14 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.

2.15 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.16 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)

2.17 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.

2.18 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.

2.19 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.

2.20 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)

2.21 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)

2.22 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.

2.23 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)

2.24 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.

2.25 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.

2.26 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)

2.26 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.

2.27 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.

2.28 Dividend income

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

2.29 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.

2.30 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.

2.31 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.

2.32 Perpetual capital instruments

Perpetual capital instruments with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

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. The Company and all of its subsidiaries' functional currency is RMB, accordingly cash and borrowings denominated in Hong Kong Dollar ("HKD") or United States Dollar ("USD") is subject to foreign exchange risk.

Fluctuation of the exchange rates for HKD and USD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

As at 31 December 2014, 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 RMB4,680,000 (2013: RMB18,395,000) lower/higher, mainly as a result of foreign exchange loss/gain from the bank deposits denominated in HKD.

As at 31 December 2014, if USD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax profit of the Group for the year would have been RMB33,036,000 (2013: RMB152,000) higher/lower, mainly as a result of foreign exchange loss/gain from borrowings net off bank deposits denominated in USD.

(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 20.

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 2014 and 2013, 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 2014 and 2013 would have changed as follows:

3 Financial risk management (continued)

3.1 Market risk (continued)

(b) Cash flow and fair value interest rate risk (continued)

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Post-tax profit increase/(decrease)		
– 50 basis points higher	**(280)**	(298)
– 50 basis points lower	**280**	298
Capitalised interest increase/(decrease)		
– 50 basis points higher	**16,316**	7,414
– 50 basis points lower	**(16,316)**	(7,414)

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 2014 and 2013:

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Counter party		
Deposits in the four major state-owned banks of the PRC	**1,104,284**	1,124,694
Deposits in other listed banks of the PRC	**1,326,316**	702,798
Deposits in other banks	**1,949,978**	1,539,608
	4,380,578	3,367,100

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 Financial risk management (continued)

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.

	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 2014					
Borrowings, principal (Note 20)	**5,058,326**	**2,824,927**	**1,558,317**	**177,000**	**9,618,570**
Interest payments on borrowings (note)	**744,662**	**345,811**	**439,800**	**17,829**	**1,548,102**
Trust loans related derivatives (Note 21)	**23,542**	**4,437**	**–**	**–**	**27,979**
Trade and other payables	**2,902,027**	**–**	**–**	**–**	**2,902,027**
Amounts due to non-controlling interests of subsidiaries (Note 23)	**340,093**	**–**	**–**	**–**	**340,093**
Current portion of long-term payables (Note 24)	**316,596**	**–**	**–**	**–**	**316,596**
Financial guarantees (Note 39)	**5,091,386**	**–**	**–**	**–**	**5,091,386**
	14,476,632	**3,175,175**	**1,998,117**	**194,829**	**19,844,753**
As at 31 December 2013					
Borrowings, principal (Note 20)	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 21)	–	49,947	7,427	–	57,374
Trade and other payables	1,948,214	–	–	–	1,948,214
Amounts due to non-controlling interests of subsidiaries (Note 23)	394,991	–	–	–	394,991
Current portion of long-term payables (Note 24)	9,897	–	–	–	9,897
Long-term payables (Note 24)	–	328,042	–	–	328,042
Financial guarantees (Note 39)	2,495,227	–	–	–	2,495,227
	8,541,904	3,569,852	1,062,621	143,296	13,317,673

note: The interest on borrowings is calculated based on borrowings held as at 31 December 2014 and 2013, respectively. Floating-rate interests are estimated using the current interest rate as at 31 December 2014 and 2013, respectively.

3 Financial risk management (continued)

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 2014 and 2013 were as follows:

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Borrowings	**9,618,570**	7,182,479
Less: Cash and cash equivalents	**(2,358,015)**	(2,444,449)
Restricted cash deposits pledged for borrowings	**(1,651,395)**	(891,260)
Net debt	**5,609,160**	3,846,770
Total equity	**4,759,011**	3,354,321
Total capital	**10,368,171**	7,201,091
Gearing ratio	**54%**	53%

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 2014 and 2013.

4 Fair value estimation (continued)

	Level 1	Level 2	Level 3	Total
Trust loans related derivatives				
31 December 2014	**–**	**–**	**27,330**	**27,330**
31 December 2013	–	–	43,060	43,060

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 2014 and 2013 are presented in Note 21.

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 Critical accounting estimates and judgements (continued)

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.

5.5 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 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.

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 2014				
	Property development RMB'000	Property investment and management RMB'000	Total segment RMB'000	Elimination RMB'000	Total Group RMB'000
Segment revenue	5,183,382	294,683	5,478,065	(205,112)	5,272,953
Segment profit before income tax expense	518,725	55,285	574,010	(18,842)	555,168
Finance income	21,118	2,126	23,244	–	23,244
Finance costs	(10,889)	(305)	(11,194)	–	(11,194)
Share of results of jointly controlled entities	(12,807)	–	(12,807)	–	(12,807)
Depreciation and amortisation	(8,143)	(2,487)	(10,630)	–	(10,630)
A reconciliation to profit for the year is as follows:					
Total segment profits before income tax expense					555,168
Income tax expense					(275,651)
Profit for the year					279,517

	As at 31 December 2014				
Segment assets	30,230,324	4,982,505	35,212,829	(8,808,709)	26,404,120
Segment assets include:					
Investments in jointly controlled entities	539,633	–	539,633	–	539,633
Additions to property, plant and equipment	6,542	2,535	9,077	–	9,077
Segment liabilities	25,713,756	4,788,230	30,501,986	(8,856,877)	21,645,109

6 Segment information (continued)

	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

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 2014				
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 2014				
Opening net book amount	**9,053**	**8,481**	**7,968**	**25,502**
Additions	**2,756**	**2,506**	**3,815**	**9,077**
Disposals	**(2,697)**	**(130)**	**(680)**	**(3,507)**
Disposal of Modern Jump Limited (Note 10(b))	**–**	**(135)**	**–**	**(135)**
Depreciation charge (Note 29)	**(3,162)**	**(3,264)**	**(3,769)**	**(10,195)**
Closing net book amount	**5,950**	**7,458**	**7,334**	**20,742**
At 31 December 2014				
Cost	**16,943**	**16,280**	**12,756**	**45,979**
Accumulated depreciation	**(10,993)**	**(8,822)**	**(5,422)**	**(25,237)**
Net book amount	**5,950**	**7,458**	**7,334**	**20,742**
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 29)	(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

Depreciation charges of the Group have all been included in administrative expenses and selling and marketing costs for both years ended 31 December 2014 and 2013.

8 Investment properties

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
At beginning of the year	**655,000**	306,000
Addition from acquisition of Shanghai Fengxiang Property Development Co., Ltd. ("Shanghai Fengxiang")	**–**	182,363
Classified as non-current assets held-for- sale (a)	**(20,941)**	–
Transfer from inventories	**69,151**	–
Fair value gains	**71,790**	166,637
At end of the year	**775,000**	655,000

Note:

(a) During the year ended 31 December 2014, the Group signed an agreement with a third party to sell a part of investment properties of Shanghai Fengxiang. The sale is expected to complete in 2015, and management therefore include it under non-current assets held-for-sale.

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 2014 and 2013. The following table analyses the investment properties carried at fair value, by valuation method.

Fair value hierarchy

	Fair value measurements at 31 December 2014 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			
Investment properties located in the PRC:			
– Retail	**–**	**–**	**775,000**

8 Investment properties (continued)

Fair value hierarchy (continued)

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 2014 and 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 valuers, including:

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

Valuation techniques

The Group has three investment properties, among which Jingrui Life Square and Ganglong Plaza are located in Shanghai, the PRC; Changzhou Jingrui Dawn City is located in Jiangsu Province, the PRC, and all were completed.

The valuation of investment properties in Jingrui Life Square and Changzhou Jingrui Dawn City were 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.

8 Investment properties (continued)

Valuation techniques (continued)

Information about fair value measurements as at 31 December 2014 using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2014 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Jingrui Life Square	324,000 (2013: 317,000)	Income capitalisation approach	Term yield	Term yield of 4.5% (2013: 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% (2013: 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 RMB45 (2013: RMB47) per square meter per month to RMB147 (2013: RMB145) per square meter per month.	The higher the market unit rent, the higher the fair value
Properties in Ganglong Plaza	318,000 (2013: 338,000)	Income capitalisation approach	Term yield	Term yield of 4.5% (2013: 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% (2013: 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 RMB97 (2013: RMB80) per square meter per month to RMB161 (2013: 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 RMB21,360 (2013: RMB17,100) per square meter to RMB35,600 (2013: 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

8 Investment properties (continued)

Valuation techniques (continued)

Information about fair value measurements as at 31 December 2014 using significant unobservable inputs (Level 3) (continued):

Description	Fair value at 31 December 2014 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Properties in Changzhou Jingrui Dawn City	133,000 (2013: N/A)	Income capitalisation approach	Term yield	Term yield of 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 5.5%, 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 RMB67(2013: N/A) per square meter per month to RMB133(2013: N/A) 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

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

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Rental income	**5,110**	8,752

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

	As at 31 December	
	2014	2013
	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)	**775,000**	655,000

Investment properties with a total carrying amount of RMB642,000,000 and RMB655,000,000 at 31 December 2014 and 2013 respectively were pledged as collateral for the Group's borrowings (Note 20).

9 Intangible assets

	Computer software RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014			
Cost	**4,973**	**861**	**5,834**
Accumulated amortisation	**(3,851)**	**(42)**	**(3,893)**
Net book amount	**1,122**	**819**	**1,941**
Year ended 31 December 2014			
Opening net book amount	**1,122**	**819**	**1,941**
Additions	**1,310**	**–**	**1,310**
Amortisation charge (Note 29)	**(428)**	**(7)**	**(435)**
Closing net book amount	**2,004**	**812**	**2,816**
At 31 December 2014			
Cost	**6,283**	**861**	**7,144**
Accumulated amortisation	**(4,279)**	**(49)**	**(4,328)**
Net book amount	**2,004**	**812**	**2,816**
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 29)	(786)	(7)	(793)
Closing net book amount	1,122	819	1,941

Amortisation charges of the Group have all been included in administrative expenses for both years ended 31 December 2014 and 2013.

10 Investments in jointly controlled entities

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
At beginning of the year	**295,402**	344,742
Share of results	**(12,807)**	(11,141)
Acquisition of Shanghai Jingxiu (a)	**–**	(38,199)
Disposal of partial shares of Modern Jump Limited (b)	**257,038**	–
At end of the year	**539,633**	295,402

10 Investments in jointly controlled entities (continued)

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 2014	2013	Principal activities
Shanghai Jingxiu	13 July 2001, Shanghai, the PRC	RMB30,000,000	**100%**	100% note(a)	property development
Changzhou Jingshang property Co., Ltd. ("Changzhou Jingshang")	23 February 2011, Jiangsu, the PRC	RMB620,000,000	**51%**	51%	property development
Modern Jump Limited	8 October 2013, BVI	USD74,000,000	**56.76%**	100% note(b)	Investment Holding

notes:

(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. During 2013, the Group disposed all the assets and liabilities of Shanghai Jingxiu, and as at 31 December 2014, Shanghai Jingxiu is in the process of deregistration.

(b) In April 2014, Natural Apex Limited, a wholly-owned subsidiary of the Company, entered into a share purchase agreement (the "Share Purchase Agreement") with a third party Robinson RE Company Limited, an indirect wholly owned subsidiary of Century Bridge Capital, pursuant to which Natural Apex Limited transferred 21,620 shares of Modern Jump Limited, a wholly owned subsidiary of Natural Apex Limited, representing 43.24% of the issued share capital of Modern Jump Limited, to Robinson RE Company Limited at a consideration of US$32,000,000. After the transaction, Robin RE Company Limited jointly controlled Modern Jump Limited, which indirectly holds a property project company Wuxi Jingrui Property Development Co., Ltd. in Jiangsu Province, the PRC.

Completion of the Share Purchase Agreement took place on 25 July 2014 and Modern Jump Limited therefore became a joint venture of the Group since then.

10 Investments in jointly controlled entities (continued)

Summarised financial information for jointly controlled entities

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

Summarised balance sheet

	Changzhou Jingshang As at 31 December		Modern Jump Limited As at 31 December		Shanghai Jingxiu As at 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Current						
Assets	**1,485,701**	1,292,523	**715,135**	–	**–**	–
Liabilities	**583,481**	388,378	**276,671**	–	**–**	–
Total current net assets	**902,220**	904,145	**438,464**	–	**–**	–
Non-current						
Assets	**16,740**	12,204	**4,363**	–	**–**	–
Liabilities	**353,583**	337,129	**100**	–	**–**	–
Total non-current net (liabilities)/assets	**(336,843)**	(324,925)	**4,263**	–	**–**	–
Net assets	**565,377**	579,220	**442,727**	–	**–**	–

Summarised statement of comprehensive income

	Changzhou Jingshang Year ended 31 December		Modern Jump Limited Year ended 31 December		Shanghai Jingxiu Year ended 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue	**–**	–	**–**	–	**–**	8,280
(Loss)/profit before income tax	**(18,199)**	(31,637)	**(13,413)**	–	**–**	4,513
Income tax credit/(expense)	**4,356**	7,082	**3,288**	–	**–**	(1,058)
Post-tax (loss)/profit	**(13,843)**	(24,555)	**(10,125)**	–	**–**	3,455
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive (loss)/income	**(13,843)**	(24,555)	**(10,125)**	–	**–**	3,455
Dividends received from jointly controlled entities	**–**	–	**–**	–	**–**	–

10 Investments in jointly controlled entities (continued)

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.

Reconciliation of summarised financial information presented to the carrying amount of the Group's interests in jointly controlled entities is as follows:

	Changzhou Jingshang		Modern Jump Limited		Shanghai Jingxiu	
	2014	2013	**2014**	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Opening net assets	**579,220**	603,775	**452,852**	–	**–**	92,043
(Loss)/profit for the year/relevant period	**(13,843)**	(24,555)	**(10,125)**	–	**–**	3,455
Other comprehensive income	**–**	–	**–**	–	**–**	–
Closing net assets	**565,377**	579,220	**442,727**	–	**–**	95,498
Dividends	**–**	–	**–**	–	**–**	–
Acquisition of Shanghai Jingxiu	**–**	–	**–**	–	**–**	(95,498)
Interest in jointly controlled entities	**51%**	51%	**56.76%**	–	**–**	40%
Carrying value	**288,342**	295,402	**251,291**	–	**–**	–

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

11 Available-for-sale financial assets

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Unlisted equity security, at cost	**10,000**	–

The above unlisted equity investment represents the investment in Wuhu Ge Fei Hong Jin Investment Management Co., Ltd. (蕪湖歌斐鴻錦投資中心), a private entity established in the PRC. It is measured at cost less impairment at each financial reporting date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that its fair value cannot be reliably measured.

12 Prepayments for leasehold land

The Group made prepayments of RMB552,500,000 as at 31 December 2014 (2013: RMB598,169,000) for the acquisition of leasehold land, which will be transferred to properties under development for sale upon receipt of ownership certificates or commencement development activities.

13 Properties held or under development for sale

	As at 31 December 2014 RMB'000	2013 RMB'000
Properties under development for sale	**15,162,237**	11,868,344
Properties held for sale	**3,548,407**	1,043,575
	18,710,644	12,911,919
Less: Provision for impairment loss	**(125,010)**	(23,435)
	18,585,634	12,888,484

As at 31 December 2014 and 2013, the Group's land use rights included in properties held or under development for sale are as follows:

	As at 31 December 2014 RMB'000	2013 RMB'000
In the PRC, held on leases of:		
– Over 50 years	**10,184,894**	7,428,768
– Between 10 to 50 years	**985,578**	975,091
	11,170,472	8,403,859

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 2014 were approximately RMB928,281,000 (2013: RMB548,480,000).

The capitalisation rate of borrowings was 10.17% for the year ended 31 December 2014 (2013: 10.89%).

As at 31 December 2014 and 2013, the Group's following properties under development for sale and properties held for sale were pledged as collateral for the Group's borrowings (Note 20).

	As at 31 December 2014 RMB'000	2013 RMB'000
Carrying value pledged:		
Properties under development for sale	**9,393,201**	6,910,633
Properties held for sale	**454,822**	308,147

As at 31 December 2014, properties under development for sale with a total carrying amount of RMB7,882,720,000 (2013: RMB7,997,020,000) 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 2014 and 2013 were expected to be recovered within one year from respective reporting period end.

14 Trade and other receivables and prepayments

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Trade receivables	**111,912**	51,295
Notes receivable	**–**	4,445
Trade receivables – subtotal	**111,912**	55,740
Less: Provision for impairment of receivables	**(205)**	(167)
Trade receivables – net	**111,707**	55,573
Amount due from a jointly controlled entity (Note 41)	**98,613**	118,790
Prepaid business tax and surcharges (a)	**441,975**	306,498
Receivable for compensation from a local government (Note 28 (a))	**–**	2,933
Tender deposits (b)	**25,600**	555,150
Deposits with public housing fund centres (c)	**36,973**	27,678
Prepayments of construction costs	**9,406**	113,160
Temporary funding receivables (d)	**157,715**	116,168
Deposits paid for construction work	**85,987**	107,093
Prepayments of relocation costs(e)	**47,544**	117,544
Others	**56,014**	24,845
Less: Provision for impairment of other receivables	**(21,125)**	(43,831)
	1,050,409	1,501,601

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 will be 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 prepayments of relocation costs made by the Group to a relocation company relating to the future property development of Shanghai Fengxiang, a subsidiary 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	
	2014	2013
	RMB'000	RMB'000
Less than 1 year	**105,645**	54,868
Between 1 and 2 years	**5,796**	476
Between 2 and 3 years	**399**	89
Over 3 years	**72**	307
	111,912	55,740

As at 31 December 2014, trade receivables of RMB110,140,000 (2013: RMB6,482,000) 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	
	2014	2013
	RMB'000	RMB'000
Less than 1 year	**105,025**	5,958
Between 1 and 2 years	**5,115**	524
Between 2 and 3 years	**–**	–
	110,140	6,482

As at 31 December 2014, trade and other receivables of RMB21,330,000 (2013: RMB43,998,000) 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	
	2014	2013
	RMB'000	RMB'000
At beginning of the year	**43,998**	44,927
Accrual of provision for receivables impairment (Note 29)	**3,533**	(929)
Receivables written off as uncollectible	**(26,201)**	–
At end of the year	**21,330**	43,998

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 2014 and 2013, the fair value of trade and other receivables approximate their carrying amounts.

As at 31 December 2014 and 2013, the carrying amounts of trade and other receivables and prepayments are all denominated in RMB.

15 Interests in subsidiaries – Company

	As at 31 December 2014 RMB'000	2013 RMB'000
Investment in subsidiaries		
– Amounts due from subsidiaries (a)	**1,484,036**	1,063,277
– Interests in subsidiaries relating to the Pre-IPO share award scheme(b)	**48,551**	14,725
– Unlisted equity investments, at cost (c)	**1,116,054**	1,116,054
	2,648,641	2,194,056
Amounts due from subsidiaries	**677,902**	–
Amounts due to subsidiaries	**82,190**	–

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 34) granted to the employees of the Company's subsidiaries.

(c) Particulars of the Company's subsidiaries as at 31 December 2014 and 2013 are set out in Note 42 to the consolidated financial statements.

16 Cash at bank and on hand

	As at 31 December 2014 RMB'000	2013 RMB'000
Group		
Cash at bank and on hand		
– denominated in RMB	**4,243,776**	2,984,830
– denominated in HKD	**124,819**	367,890
– denominated in USD	**12,367**	14,844
	4,380,962	3,367,564

The effective interest rate on the Group's bank deposits as at 31 December 2014 was 0.60% (2013: 0.61%).

16 Cash at bank and on hand (continued)

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

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Cash at bank and on hand	**4,380,962**	3,367,564
Less: Restricted cash	**(2,022,947)**	(923,115)
	2,358,015	2,444,449

Restricted cash of the Group comprised of the following:

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Deposits for notes issued	**336,283**	6,000
Deposits as security for property purchasers' mortgage loans (a)	**35,269**	25,855
Deposits pledged for borrowings (Note 20)	**1,651,395**	891,260
	2,022,947	923,115

note:

(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	
	2014	2013
	RMB'000	RMB'000
Company		
Cash at bank and on hand		
– denominated in RMB	**5,491**	580
– denominated in HKD	**122,306**	261,044
– denominated in USD	**11**	93
	127,808	261,717

The effective interest rate on the Company's bank deposits as at 31 December 2014 was 0.01% (2013: 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 31 December 2014 and 2013 (iii)	10,000,000,000	100,000,000

(b) Issued shares

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 1 January 2014	1,253,691,469	77,053	1,260,072	1,337,125
2013 final dividend (vii)	–	–	(87,758)	(87,758)
Rights issue (viii)	37,610,744	2,308	99,015	101,323
As at 31 December 2014	1,291,302,213	79,361	1,271,329	1,350,690
Representing:				
Proposed final dividend (vii)			77,478	77,478
Others			1,193,851	1,273,212
			1,271,329	1,350,690
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

17 Share capital and share premium (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 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.

(viii) In December 2014, the Company completed a rights issue on the basis of three rights share for every 100 shares held on the record date 14 November 2014. A total of 37,610,744 rights shares were issued to qualifying shareholders under the rights issue at a price of HKD3.51 per rights share with a par value of USD0.01 each. The net proceeds from the rights issue of approximately RMB101,323,000 was received on 1 December 2014, among which RMB2,308,000 was recorded as share capital and RMB99,015,000 was recorded as share premium.

18 Reserves

Group

	Other reserves					
	Merger reserve RMB'000 (a)	Capital reserve RMB'000	Pre-IPO share award scheme RMB'000	Statutory surplus reserve RMB'000 (c)	Retained Earnings RMB'000	Total RMB'000
Balance at 1 January 2014	**125,481**	**419,447**	**14,725**	**245,437**	**959,553**	**1,764,643**
Total profit and comprehensive income for the year 2014	**–**	**–**	**–**	**–**	**273,962**	**273,962**
Changes in ownership interests in subsidiaries without change of control (Note 40)	**–**	**266,911**	**–**	**–**	**–**	**266,911**
Pre – IPO share award scheme (Note 34)	**–**	**–**	**33,826**	**–**	**–**	**33,826**
Balance at 31 December 2014	**125,481**	**686,358**	**48,551**	**245,437**	**1,233,515**	**2,339,342**
Balance at 1 January 2013	621,079	124,081	–	245,437	856,029	1,846,626
Total profit and comprehensive income for the year 2013	–	–	–	–	476,171	476,171
Dividends of subsidiaries	–	–	–	–	(372,647)	(372,647)
Capital contribution from Yan Hao and Chen Xin Ge (b)	–	312,780	–	–	–	312,780
Changes in ownership interests in subsidiaries without change of control (Note 40)	–	(17,414)	–	–	–	(17,414)
Effect of the Reorganization	(495,598)	–	–	–	–	(495,598)
Pre – IPO share award scheme (Note 34)	–	–	14,725	–	–	14,725
Balance at 31 December 2013	125,481	419,447	14,725	245,437	959,553	1,764,643

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 1 January 2014	**14,725**	**1,115,742**	**(18,150)**	**1,112,317**
Total loss and comprehensive loss for the year 2014	**–**	**–**	**(75,117)**	**(75,117)**
Pre-IPO share award scheme (Note 34)	**33,826**	**–**	**–**	**33,826**
Balance at 31 December 2014	**48,551**	**1,115,742**	**(93,267)**	**1,071,026**
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 34)	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 2014 and 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 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.

(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 Perpetual capital instruments

In December 2014, a wholly owned subsidiary of the Company obtained cash with an aggregate principal amount of RMB550,000,000 from a third party, with no maturity and the payments of distribution can be deferred at the discretion of the Company.

The perpetual capital instruments are jointly guaranteed by the Company, certain subsidiaries and Yan Hao, and secured by pledge of the shares and assets of certain subsidiaries.

20 Borrowings

Group

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
– Banks, secured (a)	**5,621,597**	3,230,348
– Trust financing arrangements, secured		
– conventional loan (b)	**–**	550,000
– equity with repurchase obligation (b)	**1,384,170**	2,079,899
– Senior notes due 2019, secured (c)	**893,317**	–
	7,899,084	5,860,247
Less: Current portion of long-term borrowings		
– Banks, secured (a)	**(2,116,697)**	(700,539)
– Trust financing arrangements, secured (b)	**(1,222,143)**	(1,089,000)
	(3,338,840)	(1,789,539)
	4,560,244	4,070,708
Borrowings included in current liabilities		
– Banks, secured (a)	**1,422,086**	932,232
– Banks, unsecured	**–**	100,000
– Trust financing arrangements, secured		
– conventional loan (b)	**200,000**	290,000
– equity with repurchase obligation (b)	**97,400**	–
	1,719,486	1,322,232
Add: Current portion of long-term borrowings		
– Banks, secured (a)	**2,116,697**	700,539
– Trust financing arrangements, secured (b)	**1,222,143**	1,089,000
	3,338,840	1,789,539
	5,058,326	3,111,771

Company

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Borrowings included in non-current liabilities		
– Senior notes due 2019, secured (c)	**893,317**	–

20 Borrowings (continued)

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 41).

(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 42) or guaranteed by subsidiaries of the Company or by related parties (Note 41). 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.

The following table sets out details of the equity with repurchase obligation trust financing arrangements as at 31 December 2014 and 2013:

	As at 31 December		
	2014	2013	**Expiration date**
	RMB'000	RMB'000	
Chongqing Jingshang Property Co., Ltd. (重慶景尚置業有限公司)	**66,412**	169,412	July 2015
Shanghai Jingji Investment Co., Ltd. (上海景吉投資有限公司)	**139,275**	345,275	October 2015
Shanghai Jingyi Investment Co., Ltd. (上海景熠投資有限公司)	**–**	308,279	November 2014
Shanghai Jingbo Investment Co., Ltd. (上海景博投資有限公司)	**107,164**	272,164	October 2015
Shanghai Ruicui Investment Co., Ltd. (上海瑞萃投資有限公司)	**216,210**	216,210	February 2015, August 2015
Shanghai Chengjing Investment Co., Ltd. (上海誠景投資有限公司)	**494,032**	494,032	June 2015
Shanghai Ruicen Investment Co., Ltd. (上海瑞岑投資有限公司)	**109,527**	274,527	January 2015, January 2016
Taizhou Jingrui Property Co., Ltd. (台州景瑞置業有限公司)	**296,450**	–	September 2015, November 2015
Hangzhou Jingheng Property Co., Ltd. (杭州景恒置業有限公司)	**35,000**	–	June 2016
Ningbo Jingshang Property Co., Ltd. (寧波景尚置業有限公司)	**17,500**	–	October 2015
	1,481,570	2,079,899	

(c) Senior notes due 2019

In August 2014, the Company issued five-year senior notes with principal amount of USD150,000,000, which were listed on the Stock Exchange. These notes are denominated in USD, and bear interest from 8 August 2014 at 13.625% per annum, payable semi-annually in arrears on 8 February and 8 August of each year, commencing on 8 February 2015 and are due for repayment on 8 August 2019. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of the shares of certain subsidiaries.

20 Borrowings (continued)

The senior notes may be redeemed in the following circumstances:

(i) At any time and from time to time on or after 8 August 2017, the Company may at its option redeem the senior notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve month period commencing on 8 August of each of the years indicated below:

Year	**Redemption Price**
2017	106.813%
2018 and thereafter	103.406%

(ii) At any time and prior to 8 August 2017, the Company may at its option redeem the senior notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the senior notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

(iii) At any time and prior to 8 August 2017, the Company may redeem up to 35% of the principal amount of the senior notes at a redemption price of 113.625% of the principal amount of the senior notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the senior notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors of the Company are of the view that the fair values of the above early redemption options were insignificant on initial recognition and as at 31 December 2014.

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

	As at 31 December	
Group	**2014**	2013
	RMB'000	RMB'000
Between 1 and 2 years	**2,824,927**	2,958,573
Between 2 and 5 years	**1,558,317**	996,429
Above 5 years	**177,000**	115,706
	4,560,244	4,070,708

	As at 31 December	
Company	**2014**	2013
	RMB'000	RMB'000
Between 1 and 2 years	**–**	–
Between 2 and 5 years	**893,317**	–
Above 5 years	**–**	–
	893,317	–

20 Borrowings (continued)

The weighted average effective interest rates as at 31 December 2014 and 2013 were as follows:

Group	As at 31 December	
	2014	2013
Bank borrowings	**7.92%**	7.58%
Trust financing arrangements	**13.85%**	13.51%
Senior notes due 2019	**14.44%**	N/A

Company	As at 31 December	
	2014	2013
Senior notes due 2019	**14.44%**	N/A

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.

The carrying amounts and fair value of non-current borrowings as at 31 December 2014 are as follows:

	As at 31 December			
	2014		2013	
	Carrying amount RMB'000	**Fair Value RMB'000**	Carrying amount RMB'000	Fair Value RMB'000
Group				
Bank and trust borrowings	**8,725,253**	**8,725,253**	7,182,479	7,182,479
Senior notes due 2019	**893,317**	**905,854**	–	–
	9,618,570	**9,631,107**	7,182,479	7,182,479
Company				
Senior notes due 2019	**893,317**	**905,854**	–	–

The fair value for the senior notes due 2019 is based on quoted prices in active markets and is within Level 1 of the fair value hierarchy.

20 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
Group				
Borrowings included in non-current liabilities:				
As at 31 December 2014	1,962,400	260,000	2,337,844	4,560,244
As at 31 December 2013	1,752,510	657,860	1,660,338	4,070,708
Borrowings included in current liabilities:				
As at 31 December 2014	3,296,560	1,761,766	–	5,058,326
As at 31 December 2013	891,463	2,220,308	–	3,111,771
Company				
Borrowings included in non-current liabilities:				
As at 31 December 2014	–	–	893,317	893,317

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	As at 31 December 2014 RMB'000	2013 RMB'000
Group		
RMB	**8,725,253**	7,163,572
USD	**893,317**	18,907
	9,618,570	7,182,479
Company		
USD	**893,317**	–

21 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.

21 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

Description	**Fair value measurements at 31 December 2014 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 of the trust loans related derivatives	**–**	**–**	**27,330**

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 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 premium as at the exit date which was determined by the probability-weighted average of floating premiums under three financial projection scenarios prepared by 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.

21 Trust loans related derivatives (continued)

The movement of the embedded derivatives is set out below:

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Opening balance	**43,060**	–
Initial recognition at fair value	**950**	40,101
Losses arising on changes in fair value (Note 28)	**14,747**	2,959
Repayment	**(31,427)**	–
	27,330	43,060
Less: Current portion of trust loans related derivatives	**(23,542)**	–
	3,788	43,060

22 Trade and other payables

Group

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Trade payables	**1,935,902**	1,390,729
Notes payable	**335,882**	6,000
Amounts due to jointly controlled entities (Note 41)	**295,898**	121,042
Business and other taxes payable	**75,788**	139,587
Electricity fee and cleaning fee collected on behalf	**14,633**	14,763
Deed tax collected on behalf	**6,695**	6,506
Accrued payroll	**18,800**	14,587
Interest payable	**106,722**	74,942
Construction deposits received from suppliers	**19,294**	18,633
Temporary funding payables	**–**	4,500
Deposits received from customers	**10,009**	30,115
Deposits received in connection with the disposal of a subsidiary (a)	**10,000**	10,000
Payables for acquisition of Shanghai Fengxiang (b)	**101,763**	211,109
Others	**65,229**	59,875
	2,996,615	2,102,388

notes:

(a) According to relevant equity transfer agreements signed between Jingrui Properties (Group) Co., Ltd. (wholly-owned subsidiary) 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) Co., Ltd. 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) at a total consideration of RMB70,000,000. The third party has paid RMB10,000,000 as deposit to Jingrui Properties (Group) Co., Ltd. for the equity transfer during the year ended 31 December 2012. The equity transfer has not completed as at 31 December 2013 and 31 December 2014.

(b) The balance represents the payables relating to the acquisition of Shanghai Fengxiang by the Group from an independent third party (Note 24 (a)).

22 Trade and other payables (continued)

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

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Less than 1 year	**1,939,001**	1,087,026
Between 1 and 2 years	**189,275**	150,839
Between 2 and 3 years	**30,565**	32,762
Over 3 years	**112,943**	126,102
	2,271,784	1,396,729

As at 31 December 2014 and 2013, the fair value of trade and other payables approximate their carrying amounts.

Company

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Other payables	**6,331**	6,331
Interest payable	**50,797**	–
	57,128	6,331

As at 31 December 2014 and 2013, the carrying amounts of trade and other payables are all denominated in below currencies:

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Group		
– RMB	**2,945,818**	2,102,388
– USD	**50,797**	–
	2,996,615	2,102,388
Company		
– RMB	**6,331**	6,331
– USD	**50,797**	–
	57,128	6,331

23 Amounts due to non-controlling interests of subsidiaries

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Amounts due to non-controlling interests of subsidiaries	**340,093**	394,991

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.

24 Long-term payables/current portion of long-term payables

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Amounts payable for the acquisition of 20% equity interests of Shanghai Fengxiang (a)	**313,200**	295,800
Long-term payables for lease back contracts (b)	**3,396**	13,139
Less: Current portion of long-term payables (b)	**(316,596)**	(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 Shanghai Jiaguan Investment Co., Ltd.,, 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 considered that Shanghai Fengxiang is 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 2014, approximately RMB101,763,000 (2013: RMB211,109,000) remain unpaid for acquisition of 80% equity interests of Shanghai Fengxiang was included in trade and other payables (Note 22(b)), and RMB313,200,000 (2013: RMB295,800,000) remained unpaid for purchase of remaining 20% equity interests of Shanghai Fengxiang.

(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. Shanghai Fengxiang considers 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.

25 Deferred income tax

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Deferred tax assets to be recovered		
– within 12 months	**182,433**	119,893
– after 12 months	**70,166**	43,251
	252,599	163,144
Deferred tax liabilities to be settled		
– within 12 months	**(32,844)**	(18,170)
– after 12 months	**(175,799)**	(135,756)
	(208,643)	(153,926)
Deferred tax assets, net	**43,956**	9,218

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

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Opening balance	**9,218**	80,446
Credited/(charged) to the consolidated income statement (Note 33)	**34,738**	(71,228)
Ending balance	**43,956**	9,218

As at 31 December 2014, deferred income tax assets and deferred income tax liabilities amounting to RMB9,599,000 (2013: RMB19,332,000) were offset.

25 Deferred income tax (continued)

The movement in deferred income tax assets and liabilities for both years ended 31 December 2014 and 2013 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 2014	**36,901**	**3,967**	**15,310**	**3,211**	**113,697**	**9,390**	**182,476**
Credited/(charged) to the consolidated income statement	**31,289**	**26,667**	**738**	**7,767**	**22,580**	**(9,319)**	**79,722**
At 31 December 2014	**68,190**	**30,634**	**16,048**	**10,978**	**136,277**	**71**	**262,198**
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

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 RMB117,140,000 (2013: RMB136,364,000) in respect of tax losses amounting to RMB468,560,000 (2013: RMB545,456,000) as at 31 December 2014. All these tax losses will expire within five years.

25 Deferred income tax (continued)

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 2014	**81,349**	**83,133**	**8,776**	**173,258**
Charged to the consolidated income statement	**17,948**	**19,288**	**7,748**	**44,984**
At 31 December 2014	**99,297**	**102,421**	**16,524**	**218,242**
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

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.

26 Revenue

Turnover of the Group consists of the following revenue:

	Year ended 31 December 2014 RMB'000	2013 RMB'000
Revenue from sales of properties	**5,183,382**	3,858,486
Revenue from property management	**74,640**	63,137
Rental income	**6,004**	8,930
Others	**8,927**	8,458
	5,272,953	3,939,011

27 Other income

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Government grants	**414**	170
Compensation income	**2,156**	2,469
Interest income on loans to a jointly controlled entity (Note 41(d)(i))	**5,586**	7,535
Others	**3,509**	959
	11,665	11,133

28 Other (losses)/gains – net

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Compensation for land and resettlement costs – net (a)	**–**	190,637
Financial assets at fair value through profit or loss		
– Fair value gains	**–**	5
Gains from disposal of financial assets at fair value through profit or loss	**–**	8
(Losses)/gains from disposal of property, plant and equipment	**(1,025)**	2,609
Changes in fair values of trust loans related derivatives (Note 21)	**(14,747)**	(2,959)
Compensation	**(10,685)**	(1,890)
Foreign exchange losses	**(1,921)**	(11,502)
Gains from write-off of long-aged payables	**–**	42,390
Others	**(743)**	(2,874)
	(29,121)	216,424

note:

(a) The amount of RMB190,637,000 for the year ended 31 December 2013 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 was received from the local government in 2013, and the remaining RMB2,933,300 was received in 2014.

29 Expenses by nature

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

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Cost of properties sold	**3,795,124**	2,762,562
Business tax and surcharges (a)	**302,379**	221,221
Accrual of provision for impairment of properties held or under development for sale (Note 13)	**101,575**	–
Depreciation of property, plant and equipment (Note 7)	**10,195**	4,848
Amortisation of intangible assets (Note 9)	**435**	793
Bank charges	**8,065**	3,481
Staff costs (Note 31)	**235,106**	176,321
Entertainment expenses	**9,495**	13,666
Stamp duty and other taxes	**15,853**	8,563
Professional fees	**33,131**	43,115
Auditors' remuneration	**3,580**	2,350
Sales commission	**10,406**	36,309
Advertising and publicity costs	**120,761**	96,455
Office and meeting expenses	**18,798**	15,858
Rental expenses	**14,969**	10,738
Travelling expenses	**10,413**	10,446
Accrual/(reversal) of provision for impairment of receivables	**3,533**	(929)
Other expenses	**77,544**	61,819
Total cost of sales, selling and marketing costs and administrative expenses	**4,771,362**	3,467,616

note:

(a) The PRC companies of 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.

30 Finance income – net

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Finance income		
– Interest income on bank deposits	**23,244**	26,008
Finance costs		
– Interest on bank loans, senior notes and trust financing arrangements	**(939,475)**	(561,100)
– Less: Interest capitalised	**928,281**	548,480
	(11,194)	(12,620)
Net finance income	**12,050**	13,388

31 Staff costs (including directors' emolument)

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Wages and salaries	**169,343**	128,533
Pension	**11,803**	11,731
Other welfare benefit expenses	**20,134**	21,332
Pre-IPO share award scheme (Note 34)	**33,826**	14,725
	235,106	176,321

32 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 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 2014:						
Chen Xin Ge (陳新戈) (ii)	**–**	**–**	**–**	**–**	**–**	**–**
Yan Hao (閆浩) (i)(ii)	**–**	**2,751**	**–**	**62**	**–**	**2,813**
Yang Tie Jun (楊鐵軍) (ii)	**–**	**2,291**	**–**	**62**	**1,459**	**3,812**
Xu Chao Hui (許朝輝) (ii)	**–**	**2,035**	**–**	**62**	**1,174**	**3,271**
Qian Shi Zheng (錢世政) (iii)	**240**	**–**	**–**	**–**	**–**	**240**
Han Jiong (韓炯) (iii)	**240**	**–**	**–**	**–**	**–**	**240**
Lo Wing Yan (盧永仁) (iii)	**240**	**–**	**–**	**–**	**–**	**240**
	720	**7,077**	**–**	**186**	**2,633**	**10,616**
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

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.

32 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 2014 include three (2013: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2013: two) individuals are as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances, pre-IPO share award and benefits in kind	**4,421**	3,371
Bonuses	**778**	117
	5,199	3,488

The emoluments fell within the following bands:

	Number of individuals	
	2014	2013
Emoluments bands (in Hong Kong dollar)		
HKD1,000,000 and below	**–**	–
HKD1,000,001- HKD1,500,000	**–**	–
HKD1,500,001- HKD2,000,000	**–**	1
HKD2,000,001- HKD2,500,000	**–**	–
HKD2,500,001- HKD3,000,000	**–**	1
HKD3,000,001- HKD3,500,000	**1**	–
HKD3,500,001- HKD4,000,000	**1**	–

(c) During both years ended 31 December 2014 and 2013, 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.

33 Income tax expense

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Current income tax		
– PRC land appreciation tax	**135,893**	(104,762)
– PRC corporate income tax	**174,496**	211,463
	310,389	106,701
Deferred income tax (Note 25)	**(34,738)**	71,228
Total income tax charged for the year	**275,651**	177,929

33 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	
	2014	2013
	RMB'000	RMB'000
Profit before income tax	**555,168**	867,836
PRC land appreciation tax	**(135,893)**	104,762
	419,275	972,598
Income tax calculated at statutory rate of 25%	**104,819**	243,150
Effect of expenses not deductible for income tax purposes	**44,335**	9,536
Share of results of jointly controlled entities	**3,202**	2,785
Income not subject to tax	**(1,122)**	(1,275)
Utilisation of previously unrecognised tax losses	**(44,634)**	–
Tax losses not recognised as deferred tax assets	**25,410**	19,719
PRC land appreciation tax	**135,893**	(104,762)
PRC withholding income tax	**7,748**	8,776
Total income tax expense	**275,651**	177,929

PRC corporate income tax

Under the Corporate Income Tax Law of the People's Republic of China (the "CIT Law"), the CIT rate applicable to the Group's subsidiaries located in mainland China 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 2014, the Group accrued for PRC withholding income tax with amount of RMB7,748,000 (2013: RMB8,776,000) 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 these subsidiaries and it has been determined that the remaining earnings will not be distributed in the foreseeable future. As at 31 December 2014, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB89,397,000 (2013: RMB60,623,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB893,966,000 (2013: RMB606,232,000).

33 Income tax expense (continued)

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.

34 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.

On 30 September 2014, additional 4,087,888 shares under the Pre-IPO share award scheme were granted to selected employees, which can be vested in three tranches on 1 January 2015, 2016 and 2017, respectively. The fair value of these shares as at 30 September 2014, the grant date, was HKD14,103,000 (equivalent to RMB11,177,000), which was determined by reference to the market price of HKD3.45 (equivalent to RMB2.73) per share on the grant date.

The Group recognised an expense of RMB33,826,000 (2013: RMB14,725,000) for the year ended 31 December 2014 in relation to the shares awarded to the current employees for the employees' service provided.

35 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 during the year. In determining the weighted average number of shares in issue for the year ended 31 December 2013, the 5,211,735 shares issued in connection with the Reorganisation for the Listing, 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 (Note 17) were deemed to have been in issue since 1 January 2013.

	Year ended 31 December	
	2014	2013
Group's profit attributable to equity holders of the Company (RMB'000)	**273,962**	476,171
Weighted average number of shares in issue (in thousand)	**1,256,782**	992,235
Basic earnings per share (RMB)	**0.2**	0.5

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 2014 and 2013.

36 Dividends

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Proposed final dividend of RMB6 cents (2013: RMB7 cents) per ordinary share (a)	**77,478**	87,758
Dividends of subsidiaries (b)	**–**	372,647
	77,478	460,405

notes:

(a) At a board meeting held on 16 March 2015, the directors proposed a final dividend for the year ended 31 December 2014 of RMB6 cents per ordinary share using the share premium account. 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 2015 upon approval by the shareholders at the forthcoming annual general meeting of the Company.

The final dividend in respect of the year ended 31 December 2013 of RMB7 cents per ordinary share using the share premium account, amounting to RMB87,758,000 was approved at the annual general meeting of the Company held on 16 May 2014. The amount was fully paid in 2014.

(b) The amounts represented dividends declared by the companies of 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.

37 Notes to the consolidated cash flow statement

(a) Net cash used in operations:

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Profit before income tax	**555,168**	867,836
Adjustments for:		
– Depreciation (Note 29)	**10,195**	4,848
– Amortisation (Note 29)	**435**	793
– Losses/(gains) on disposals of property, plant and equipment (Note 28)	**1,025**	(2,609)
– Accrual/(reversal) of provision for impairment of receivables (Note 29)	**3,533**	(929)
– Losses on disposal of Modern Jump Limited	**885**	–
– Financial assets at fair value through profit or loss	**–**	13
– Accrual of provision for impairment of properties held for sale (Note 29)	**101,575**	–
– Fair value gains on investment properties (Note 8)	**(71,790)**	(166,637)
– Share of results of jointly controlled entities (Note 10)	**12,807**	11,141
– Foreign exchange loss	**(477)**	2,648
– Interest income on loans to a jointly controlled entity (Note 27)	**(5,586)**	(7,535)
– Finance costs (Note 30)	**11,194**	12,620
– Finance income (Note 30)	**(23,244)**	(26,008)
– Changes in fair value of trust loans related derivatives (Note 28)	**14,747**	2,959
– Pre-IPO share award scheme (Note 34)	**33,826**	14,725
Changes in working capital		
– Restricted cash relating to operating activities	**(339,697)**	75,631
– Prepayment for leasehold lands	**(552,500)**	(598,169)
– Properties held or under development for sales (excluding capitalised interest)	**(4,952,227)**	(3,979,938)
– Trade and other receivables and prepayments	**570,467**	(634,886)
– Advanced proceeds received from customers	**2,311,119**	2,652,179
– Financial assets at fair value through profit or loss	**–**	5,116
– Trade and other payables	**719,246**	252,454
– (Increase)/decrease in amounts due from a jointly controlled entity	**20,000**	200,972
– Increase in amounts due to jointly controlled entities	**174,856**	181,296
Net cash used in operations	**(1,404,443)**	(1,131,480)

37 Notes to the consolidated cash flow statement (continued)

(b) Major non-cash transactions:

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

(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	
	2014	2013
	RMB'000	RMB'000
Net book value (Note 7)	**3,507**	1,330
(Losses)/gains on disposals of property, plant and equipment (Note 28)	**(1,025)**	2,609
Proceeds from disposal of property, plant and equipment	**2,482**	3,939

38 Commitments

(a) Property development expenditure commitments

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

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Land use rights	**552,500**	1,687,700
Other property development expenditure	**3,025,345**	3,613,377
	3,577,845	5,301,077

(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	
	2014	2013
	RMB'000	RMB'000
Within 1 year	**6,154**	4,664
1 to 5 years	**2,884**	1,255
	9,038	5,919

39 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	
	2014	2013
	RMB'000	RMB'000
Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties	**5,091,386**	2,495,227

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

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 (the "Hongkou Case"). 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 filed a petition to appeal the judgement in August 2013. As at 31 December 2014, the Hongkou Case has not settled yet.

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. The directors considered the ultimate outcome of the legal case will not have further adverse effect on the consolidated financial statements of the Group.

40 Changes in ownership interests in subsidiaries without change of control

Acquisition of additional interest in subsidiaries

(a) In June 2014, the Company acquired an additional 25% of the equity interests of Shanghai Huajiang Construction and Development Co., Ltd. (上海華江建設發展有限公司) ("Shanghai Huajiang") at a consideration of RMB80,092,000. The carrying amount of the non-controlling interests in Shanghai Huajiang on the date of acquisition was RMB156,995,000. The Group recognised a decrease in non-controlling interests of RMB65,415,000 and a decrease in equity attributable to equity holders of the Company of RMB14,677,000.

(b) In August 2014, the Company acquired an additional 5% of the equity interests of Taicang Jingshang Property Development Co., Ltd. (太倉景尚置業有限公司) ("Taicang Jingshang") at a consideration of RMB8,250,000. The carrying amount of the non-controlling interests in Taicang Jingshang on the date of acquisition was RMB43,967,000. The Group recognised a decrease in non-controlling interests of RMB6,281,000 and a decrease in equity attributable to equity holders of the Company of RMB1,969,000.

(c) In December 2014, the Company acquired an additional 2.5% of the equity interests of Shanghai Huajiang Construction and Development Co., Ltd. (上海華江建設發展有限公司) ("Shanghai Huajiang") at a consideration of RMB6,698,000. The carrying amount of the non-controlling interests in Shanghai Huajiang on the date of acquisition was RMB67,816,000. The Group recognised a decrease in non-controlling interests of RMB4,844,000 and a decrease in equity attributable to equity holders of the Company of RMB1,854,000.

(d) In April 2013, the Group acquired the 39% equity interests of its subsidiary Changzhou Jingshen Property Co., Ltd. (常州景申置業有限公司) ("Changzhou Jingshen") 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 attributable to equity holders of the Company. Since then, Changzhou Jingshen became a wholly owned subsidiary of the Group.

(e) 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 Jingshang Property Co., Ltd. is owned as to 65% by the Group.

The effects of changes in the ownership interests of Shanghai Huajiang, Taicang Jingshang and Changzhou Jingshen on the equity attributable to equity holders of the Company are summarised as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Carrying amount of non-controlling interests acquired	**76,540**	55,306
Consideration paid to non-controlling interests	**(95,040)**	(72,720)
Excess of consideration paid recognised within equity	**18,500**	17,414

40 Changes in ownership interests in subsidiaries without change of control (continued)

Deemed disposal of interest in a subsidiary without loss of control

(f) In December 2014, pursuant to certain agreement, a third party injected cash of RMB500,000,000 as its capital contribution to Shanghai Jiaguan Investment Co., Ltd., a wholly owned subsidiary of the Group, which has an effective dilution of the Group's interest in Shanghai Jiaguan Investment Co., Ltd.. After this capital contribution, the third party and the Group own equity interests of Shanghai Jiaguan Investment Co., Ltd. as to 34.43% and 65.57% respectively, and the Group still controls Shanghai Jiaguan Investment Co., Ltd.. The Group recognised an increase in non-controlling interests of RMB214,589,000 and an increase in equity attributable to equity holders of the Company of RMB285,411,000. Shanghai Jiaguan Investment Co., Ltd. effectively owns 100% equity interests in Shanghai Fengxiang.

The effects of changes in the ownership interests of Shanghai Jiaguan Investment Co., Ltd. on the equity attributable to equity holders of the Company are summarised as follows:

	Year ended December 31	
	2014	2013
	RMB'000	RMB'000
Carrying amount of non-controlling interests disposed of	**(214,589)**	–
Consideration received from non-controlling interests	**500,000**	–
Gain on disposal recognised within equity	**(285,411)**	–

41 Related-party transactions

(a) Name and relationship with related parties

Name	Relationship with the Group
Shanghai Jingxiu	Jointly controlled entity (i)
Changzhou Jingshang	Jointly controlled entity
Modern Jump Limited	Jointly controlled entity (ii)
Shimmery Amber International Limited	A subsidiary of a jointly controlled entity (ii)
Wuxi Jingrui Property Development Co., Ltd.	A subsidiary of a jointly controlled entity (ii)
Yan Hao	Substantial shareholder, director, co-chairmen, chief executive officer
Chen Xin Ge	Substantial shareholder, director, co-chairmen

note:

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

(ii) Since 25 July 2014, Modern Jump Limited, a previously wholly owned subsidiary of the Group, became a jointly controlled entity of the Group. Shimmery Amber International Limited and Wuxi Jingrui Property Development Co., Ltd. are wholly owned subsidiaries of Modern Jump Limited (Note 10(b)).

41 Related-party transactions (continued)

(b) Transactions with related parties

The Group has the following related party transactions:

		Year ended 31 December	
		2014	2013
		RMB'000	RMB'000
(i)	(Repayment of)/providing temporary funding to related parties		
	– Changzhou Jingshang	**(5,880)**	98,789
(ii)	Collection of temporary funding from related parties		
	– Changzhou Jingshang	**383,134**	198,171
(iii)	Borrowings guaranteed by related parties		
	– Yan Hao (note)	**550,000**	–

note: As at 31 December 2014, perpetual capital instruments of RMB550,000,000 of the Group were guaranteed by Yan Hao.

(iv) Sales of properties to a related party

	Year ended 31 December	
	2014	2013
	RMB'000	RMB'000
Yan Hao (note)	**–**	(3,977)

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

(c) Key management compensation

Key management includes directors (executive and non-executive), chief financial officer, vice presidents, head of corporate finance and investor relations 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	
	2014	2013
	RMB'000	RMB'000
Salaries, Pre-IPO share award and other short-term employee benefits	**14,974**	7,063
Post-employment benefits	**320**	242
	15,294	7,305

41 Related-party transactions (continued)

(d) Related-party balances

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
(i) Amounts due from related parties (Note 14)		
– Changzhou Jingshang (note)	**98,613**	118,790

note: The balances as at 31 December 2014 and 2013 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 2014 includes an amount of RMB98,613,000 (2013: 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.

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
(ii) Amounts due to related parties (Note 22)		
– Changzhou Jingshang (note (i))	**195,898**	121,042
– Wuxi Jingrui Property Development Co., Ltd. (note (ii))	**100,000**	–
	295,898	121,042

note:

(i) The balance of RMB195,898,000 (2013: RMB121,042,000) due to Changzhou Jingshang as at 31 December 2014 represents the funding from Changzhou Jinshang to the Group.

(ii) The balance of RMB100,000,000 due to Wuxi Jingrui Property Development Co., Ltd. as at 31 December 2014 represents the funding from Wuxi Jingrui Property Development Co., Ltd. to the Group.

Except for the entrusted loan lent by the Group to Changzhou Jingshang in March 2013 as mentioned above (Note 41 (d)(i)), the amounts due from and due to related parties are unsecured, non-interest bearing and repayable on demand.

42 Particulars of subsidiaries

Particulars of the subsidiaries of the Group as at 31 December 2014 and 2013 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 2014	2013	Principal activities
Subsidiaries established in the PRC						
Jingrui Properties (Group) Co., Ltd. (景瑞地產(集團)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
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	**67.5%**	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

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Changzhou Jingshen Property Co., Ltd. (常州景申置業有限公司)	14 April 2006	80,000	80,000	**100%**	100%	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)	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)	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. (上海景鋭投資有限公司)	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	**70%**	65%	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
Zhoushan Jingshang Property Co., Ltd. (舟山景尚置業有限公司)	17 August 2010	200,000	200,000	**100%**	100%	Property development

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
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)	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	140,000	140,000	**100%**	100%	Property development
Shaoxing Jingkang Property Co., Ltd. (紹興景康置業有限公司) ("Shaoxing Jingkang") (a)	17 January 2012	100,000	100,000	**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

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Shaoxing Jinghu Property Co., Ltd. (紹興景湖置業有限公司) (a)	25 January 2013	100,000	100,000	**100%**	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%**	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%**	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%**	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%**	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%**	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%**	100%	Property development
Hangzhou Jingyue Property Co., Ltd. (杭州景越置業有限公司) (a)	1 March 2013	100,000	100,000	**100%**	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%**	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%**	99%	Investment holding
Shanghai Ruicen Investment Co., Ltd. (上海瑞岑投資有限公司) (c)	16 April 2013	49,000	49,000	**100%**	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%**	100%	Investment holding

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Shanghai Ruice Investment Co., Ltd. (上海瑞策投資有限公司)	16 April 2013	10,000	10,000	**100%**	100%	Investment holding
Shanghai Ruicui Investment Co., Ltd. (上海瑞萃投資有限公司)	16 April 2013	49,000	49,000	**100%**	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%**	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%**	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%**	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%**	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%**	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%**	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%**	100%	Investment holding
Shanghai Jiaguan Investment Co., Ltd. (上海佳冠投資有限公司) (Note 40 (f))	10 July 2013	30,500	30,500	**65.57%**	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%**	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%**	100%	Investment holding

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Shanghai Jiamu Investment Co., Ltd. (上海佳穆投資有限公司)	10 July 2013	1,000	1,000	**100%**	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%**	100%	Investment holding
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%**	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%**	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%**	100%	Property Development
Shanghai Fengxiang Property Development Co., Ltd. (上海鳳翔房地產開發有限公司) ("Shanghai Fengxiang")	23 June 1998	100,000	100,000	**65.57%**	100%	Property Development
Zhuji Jingxiang Property Co., Ltd (諸暨景祥置業有限公司)*	24 December 2013	–	–	**–**	100%	Property Development
Ningbo Jingshang Property Co,. Ltd. (寧波景尚置業有限公司) (a)(c)	10 January 2014	50,000	50,000	**100%**	–	Hardware and building materials
Shanghai Yongrui Construction Material Co,. Ltd. (上海永芮建築材料有限公司)	14 January 2014	10,000	10,000	**100%**	–	Hardware and building materials
Shanghai Yongran Construction Material Co,. Ltd. (上海永然建築材料有限公司)	18 January 2014	10,000	10,000	**100%**	–	Hardware and building materials
Shaoxing Jingming Property Co,. Ltd. (紹興景明置業有限公司) ("Shaoxing Jingming")	22 January 2014	100,000	100,000	**51%**	–	Property development
Taizhou Jingrui Property Co,. Ltd. (台州景瑞置業有限公司) (a)(c)	23 January 2014	100,000	100,000	**100%**	–	Property development

* Zhuji Jingxiang Property Co., Ltd was deregistered in April 2014.

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Hangzhou Jingheng Property Co., Ltd. (杭州景恒置業有限公司) (a)(c)	18 February 2014	100,000	100,000	100%	–	Property development
Shanghai Xiaoxin Investment Co,. Ltd. (上海驍欣投資有限公司)	28 April 2014	100	100	100%	–	Investment holding
Shanghai Xiaorui Investment Co,. Ltd. (上海驍瑞投資有限公司)	29 April 2014	100	100	100%	–	Investment holding
Shanghai Xiaopin Investment Co,. Ltd. (上海驍品投資有限公司)	4 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaoguan Investment Co,. Ltd. (上海驍冠投資有限公司)	4 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaoyu Investment Co,. Ltd. (上海驍禦投資有限公司)	7 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaoze Investment Co,. Ltd. (上海驍澤投資有限公司)	7 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaohua Investment Co,. Ltd. (上海驍華投資有限公司)	7 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaozhi Investment Co,. Ltd. (上海驍智投資有限公司)	13 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaoyi Investment Co,. Ltd. (上海驍翼投資有限公司)	13 May 2014	100	100	100%	–	Investment holding
Shanghai Xiaoyi Investment Co,. Ltd. (上海驍意投資有限公司)	13 May 2014	100	100	100%	–	Investment holding
Shanghai Yuyu Construction Material Co,. Ltd. (上海宇語建築材料有限公司)	13 June 2014	40,000	40,000	100%	–	Hardware and building materials

42 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 2014	2013	Principal activities
Subsidiaries established in the PRC (continued)						
Shanghai Yufu Construction Material Co,. Ltd. (上海宇阜建築材料有限公司)	18 July 2014	20,000	20,000	**100%**	–	Hardware and building materials
Shanghai Yuyun Investment Co,. Ltd. (上海宇秐投資有限公司)	18 July 2014	5,000	5,000	**100%**	–	Hardware and building materials
Shaoxing Hengpeng Construction Material Co,. Ltd. (紹興恒鵬建築材料有限公司)	1 August 2014	20,000	20,000	**100%**	–	Hardware and building materials
Hangzhou Yuyu Construction Material Co,. Ltd. (杭州宇語建築材料有限公司)	7 August 2014	40,000	40,000	**100%**	–	Hardware and building materials
Hangzhou Jingxi Property Co,. Ltd. (杭州景璽置業有限公司)	11 September 2014	1,105,000	552,373	**100%**	–	Property development
Suzhou Zaihe Construction Material Co,. Ltd. (蘇州載和建築材料有限公司)	15 October 2014	20,000	20,000	**100%**	–	Hardware and building materials
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%**	100%	Urban infrastructure development
Shanghai Jingxiu Property Development Co.,Ltd. (上海景秀置業發展有限公司) ("Shanghai Jingxiu")	13 July 2001	30,000	30,000	**100%**	100%	Property development
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%**	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%**	100%	Urban infrastructure development

42 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 2014	2013	Principal activities
Subsidiaries incorporated in Hong Kong						
Jingrui HK Holdings Limited ("EI HK") (b)	25 June 2007	USD10	USD10	**100%**	100%	Property and investment holding
Sincere Paragon Limited	5 February 2013	HKD380,000	HKD380,000	**100%**	100%	Investment holding
Strong Pioneer Investment Co., Ltd. (健創投資有限公司)	30 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Bright Harmony Co., Ltd. (亮致有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Mega Harmony Development Co., Ltd. (萬致發展有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Gainful Hero Holdings Co., Ltd. (利勇集團有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Gainful Harmony International Co., Ltd. (利致國際有限公司)	30 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Wise Rainbow Holdings Co., Ltd. (智彩集團有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Dragon Braveness Holdings Co., Ltd. (龍英集團有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Luxuriant Ocean Co., Ltd. (薈洋有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding
Wise Amber Co., Ltd. (智珀有限公司)	31 October 2013	HKD10,000	–	**100%**	100%	Investment holding

42 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 2014	2013	Principal activities
Subsidiaries incorporated in BVI						
Natural Apex Limited	9 January 2013	USD50,000	USD50,000	**100%**	100%	Investment holding
Decent Pillar Limited	22 October 2013	USD50,000	–	**100%**	100%	Investment holding
Faithful Gem Limited	18 September 2013	USD50,000	–	**100%**	100%	Investment holding
Gladly Sheen Limited	8 October 2013	USD50,000	–	**100%**	100%	Investment holding
Joyful Dawn Limited	22 October 2013	USD50,000	–	**100%**	100%	Investment holding
Model Sheen Limited	8 October 2013	USD50,000	–	**100%**	100%	Investment holding
Model Wealth Limited	22 October 2013	USD50,000	–	**100%**	100%	Investment holding
Sheeny Blaze Limited	8 October 2013	USD50,000	–	**100%**	100%	Investment holding
Sheeny Bright Limited	8 October 2013	USD50,000	–	**100%**	100%	Investment holding
Sound Pillar Limited	18 October 2013	USD50,000	–	**100%**	100%	Investment holding

42 Particulars of subsidiaries (continued)

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 2014 and 2013 (Note 20). For details, please refer to the table below:

	As at 31 December	
	2014	2013
Percentage of equity interests in Chongqing Jingshang Property Co., Ltd.	**51%**	51%
Percentage of equity interests in Yangzhou Jingrui Property Co., Ltd.	**51%**	51%
Percentage of equity interests in Shaoxing Jinghu Property Co., Ltd.	**–**	51%
Percentage of equity interests in Hangzhou Jingyue Property Co., Ltd.	**51%**	51%
Percentage of equity interests in Nantong Jingshang Property Co., Ltd.	**51%**	51%
Percentage of equity interests in Zhuji Jingrui Property Co., Ltd.	**60%**	60%
Percentage of equity interests in Ningbo Jingrui Property Co., Ltd.	**70%**	70%
Percentage of equity interests in Taizhou Jingrui Property Co., Ltd.	**51%**	N/A
Percentage of equity interests in Hangzhou Jingheng Property Co., Ltd.	**49%**	N/A
Percentage of equity interests in Ningbo Jingshang Property Co., Ltd.	**65%**	N/A
Percentage of equity interests in Shaoxing Jingkang	**100%**	N/A

(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 for trust financing arrangement (Note 20) 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	
	2014	2013
Chongqing Jingshang Property Co., Ltd	**49%**	49%
Shanghai Jingji Investment Co., Ltd. (i)	**100%**	100%
Shanghai Jingyi Investment Co., Ltd. (i)	**–**	100%
Shanghai Jingbo Investment Co., Ltd. (i)	**100%**	100%
Shanghai Ruicen Investment Co., Ltd (i)	**100%**	100%
Zhuji Jingrui Property Co., Ltd	**40%**	40%
Ningbo Jingrui Property Co., Ltd	**30%**	30%
Taizhou Jingrui Property Co., Ltd	**49%**	N/A
Hangzhou Jingheng Property Co., Ltd	**35%**	N/A
Ningbo Jingshang Property Co., Ltd	**35%**	N/A

42 Particulars of subsidiaries (continued)

note:

(i) 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 was 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 before June 2014. 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.

In June 2014 and December 2014, the Group acquired additional 25% and 2.5% of equity interests from other shareholders and owned 67.5% of equity interests of Shanghai Huajiang since then (Note 40).

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

The non-controlling interests of the Group are as follows:

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Non-controlling interest for		
– Shanghai Huajiang	**77,129**	160,000
– Taicang Jingshang Property Co., Ltd.	**46,936**	45,114
– Hangzhou Jinghang Property Co., Ltd.	**37,213**	47,221
– Shaoxing Jingming	**141,542**	–
– Shanghai Jiaguan Investment Co., Ltd.	**214,589**	–
– Other subsidiaries	**220**	218
	517,629	252,553

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., Shaoxing Jingming and Shanghai Jianguan Investment Co., Ltd. that have non-controlling interests that are material to the Group, and the information below is the amount before inter-company elimination.

42 Particulars of subsidiaries (continued)

Summarised balance sheet

	Shanghai Huajiang As at 31 December 2014 RMB'000	2013 RMB'000	Taicang Jingshang Property Co., Ltd. As at 31 December 2014 RMB'000	2013 RMB'000	Hangzhou Jinghang Property Co., Ltd. As at 31 December 2014 RMB'000	2013 RMB'000
Current						
Assets	**471,745**	705,684	**991,577**	1,406,630	**1,084,152**	788,700
Liabilities	**235,929**	448,704	**689,881**	917,107	**655,964**	284,889
Total current net assets	**235,816**	256,980	**301,696**	489,523	**428,188**	503,811
Non-current						
Assets	**1,503**	9,686	**137**	5,623	**8,756**	1,300
Liabilities	**–**	–	**145,379**	366,250	**361,000**	408,741
Total non-current net assets/(liabilities)	**1,503**	9,686	**(145,242)**	(360,627)	**(352,244)**	(407,441)
Net assets	**237,319**	266,666	**156,454**	128,896	**75,944**	96,370

	Shaoxing Jingming As at 31 December 2014 RMB'000	Shanghai Jiaguan Investment Co., Ltd. As at 31 December 2014 RMB'000
Current		
Assets	**751,434**	**2,927,199**
Liabilities	**251,244**	**2,291,450**
Total current net assets	**500,190**	**635,749**
Non-current		
Assets	**5,265**	**339,873**
Liabilities	**216,593**	**352,360**
Total non-current net liabilities	**(211,328)**	**(12,487)**
Net assets	**288,862**	**623,262**

42 Particulars of subsidiaries (continued)

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	
	2014	2013	**2014**	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue	**195,284**	199,435	**563,470**	310,519	**–**	–
Profit/(loss) before income tax	**74,273**	313,674	**52,026**	11,579	**(27,201)**	(4,840)
Income tax expense	**(34,540)**	46,930	**(24,468)**	(11,003)	**6,775**	1,210
Post-tax profit/(loss)	**39,733**	360,604	**27,558**	576	**(20,426)**	(3,630)
Other comprehensive income	**–**	–	**–**	–	**–**	–
Total comprehensive income	**39,733**	360,604	**27,558**	576	**(20,426)**	(3,630)
Profit/(loss) allocated to non-controlling interests	**11,566**	216,363	**8,104**	201	**(10,009)**	(1,779)
Dividends paid to non-controlling interests	**(24,178)**	(210,000)	**–**	–	**–**	–

	Shaoxing Jingming Year ended 31 December	Shanghai Jiaguan Investment Co., Ltd. Year ended 31 December
	2014	**2014**
	RMB'000	**RMB'000**
Revenue	**–**	**–**
Loss before income tax	**(14,850)**	**–**
Income tax expense	**3,715**	**–**
Post-tax loss	**(11,135)**	**–**
Other comprehensive income	**–**	**–**
Total comprehensive income	**(11,135)**	**–**
Loss allocated to non-controlling interests	**(5,456)**	**–**
Dividends paid to non-controlling interests	**–**	**–**

42 Particulars of subsidiaries (continued)

Summarised cash flow statement

	Shanghai Huajiang Year ended 31 December		Taicang Jingshang Property Co., Ltd. Year ended 31 December		Hangzhou Jinghang Property Co., Ltd. Year ended 31 December	
	2014	2013	**2014**	2013	**2014**	2013
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Net cash (used in)/ generated from operating activities	**(187,698)**	476,760	**160,069**	416,315	**274,617**	(259,164)
Net cash generated from/ (used in) investing activities	**544**	(114,879)	**(6)**	13,031	**(34)**	(81)
Net cash (used in)/ generated from financing activities	**(312,670)**	(155,000)	**(12,401)**	(653,696)	**(306,668)**	408,741
Net (decrease)/increase in cash and cash equivalents	**(499,824)**	206,881	**147,662**	(224,350)	**(32,085)**	149,496
Cash and cash equivalents at beginning of the year	**575,860**	368,979	**66,327**	290,677	**149,496**	-
Cash and cash equivalents at end of the year	**76,036**	575,860	**213,989**	66,327	**117,411**	149,496

	Shaoxing Jingming	Shanghai Jiaguan Investment Co., Ltd.
	Year ended 31 December	
	2014	**2014**
	RMB'000	**RMB'000**
Net cash used in operating activities	**(339,113)**	**(500,396)**
Net cash used in investing activities	**(2,000)**	**(1,764)**
Net cash generated from financing activities	**374,700**	**500,000**
Net increase/(decrease) in cash and cash equivalents	**33,587**	**(2,160)**
Cash and cash equivalents at beginning of the relevant period	**–**	**5,371**
Cash and cash equivalents at end of the relevant period	**33,587**	**3,211**

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

43 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 16 March 2015.

Five-Year Financial Information

I. Key data of income statements

	2010 RMB'000	2011 RMB'000	2012 RMB'000	2013 RMB'000	**2014 RMB'000**
Revenue	2,532,400	3,454,341	4,058,848	3,939,011	**5,272,953**
Cost of sales	(1,584,680)	(2,362,898)	(3,160,844)	(3,071,161)	**(4,308,600)**
Gross profit	947,720	1,091,443	898,004	867,850	**964,353**
Fair value gains on investment properties	4,000	8,000	24,000	166,637	**71,790**
Selling and marketing costs	(133,880)	(190,259)	(166,586)	(190,401)	**(221,132)**
Administrative expenses	(139,073)	(153,797)	(151,188)	(206,054)	**(241,630)**
Other income	2,096	1,718	2,998	11,133	**11,665**
Other (losses)/gains – net	(9,337)	(6,890)	(21,774)	216,424	**(29,121)**
Operating profit	671,526	750,215	585,454	865,589	**555,925**
Finance income	8,909	15,912	30,246	26,008	**23,244**
Finance costs	(17,214)	(11,128)	(12,057)	(12,620)	**(11,194)**
Finance (costs)/income – net	(8,305)	4,784	18,189	13,388	**12,050**
Share of results of jointly controlled entities	34,333	(1,981)	2,007	(11,141)	**(12,807)**
Profit before income tax	697,554	753,018	605,650	867,836	**555,168**
Income tax expense	(360,377)	(384,884)	(264,200)	(177,929)	**(275,651)**
Profit for the year	337,177	368,134	341,450	689,907	**279,517**
Attributable to:					
Equity holders of the Company	194,798	160,278	271,682	476,171	**273,962**
Holders of perpetual capital instruments	–	–	–	–	**1,350**
Non-controlling interests	142,379	207,856	69,768	213,736	**4,205**
	337,177	368,134	341,450	689,907	**279,517**

II. Key data of financial position

	2010 RMB'000	2011 RMB'000	2012 RMB'000	2013 RMB'000	**2014 RMB'000**
Total non-current assets	568,080	905,154	833,746	1,140,989	**1,600,790**
Total current assets	8,724,624	10,137,613	10,322,026	18,501,936	**24,803,330**
Total assets	9,292,704	11,042,767	11,155,772	19,642,925	**26,404,120**
Total non-current liabilities	1,798,002	1,975,152	2,057,345	4,566,736	**4,772,675**
Total current liabilities	5,823,362	7,072,141	6,996,898	11,721,868	**16,872,434**
Total liabilities	7,621,364	9,047,293	9,054,243	16,288,604	**21,645,109**
Total equity attributable to:					
Equity holders of the Company	1,535,094	1,651,372	1,846,626	3,101,768	**3,690,032**
Perpetual capital instruments	–	–	–	–	**551,350**
Non-controlling interests	136,246	344,102	254,903	252,553	**517,629**
Total equity	1,671,340	1,995,474	2,101,529	3,354,321	**4,759,011**

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