JINGRUI HOLDINGS LIMITED
景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01862)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales increased by 75.4% to RMB8,262.3 million for the year ended 31 December 2013 compared to RMB4,710.6 million for the year ended 31 December 2012
- Profit for the year attributable to equity holders of the Company increased by 75.3% to RMB476.2 million
- Core profit for the year ended 31 December 2013 attributable to equity holders of the Company (profit for the year attributable to equity holders of the Company without taking into account the changes in fair values of investment properties and relevant deferred tax) increased by 38.4% to RMB351.2 million, compared to RMB253.7 million for the year ended 31 December 2012
- Proposed final dividend of RMB7 cents per share for the year ended 31 December 2013
- Land reserve as at 31 December 2013 was approximately 5,014,496 sq.m.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2013 (the "**Year**") together with the comparative figures for the year ended 31 December 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

	Note	Year ended 31 December **2013** *RMB'000*	2012 *RMB'000*
Revenue	*3*	**3,939,011**	4,058,848
Cost of sales	*4*	**(3,071,161)**	(3,160,844)
Gross profit		**867,850**	898,004
Fair value gains on investment properties		**166,637**	24,000
Selling and marketing costs	*4*	**(190,401)**	(166,586)
Administrative expenses	*4*	**(206,054)**	(151,188)
Other income		**11,133**	2,998
Other gains/(losses) – net	*5*	**216,424**	(21,774)
Operating profit		**865,589**	585,454
Finance income	*6*	**26,008**	30,246
Finance costs	*6*	**(12,620)**	(12,057)
Finance income – net	*6*	**13,388**	18,189
Share of results of jointly controlled entities		**(11,141)**	2,007
Profit before income tax		**867,836**	605,650
Income tax expense	*7*	**(177,929)**	(264,200)
Profit for the year		**689,907**	341,450
Attributable to:			
Equity holders of the Company		**476,171**	271,682
Non-controlling interests		**213,736**	69,768
		689,907	341,450
Earnings per share for profit attributable to equity holders of the Company			
– Basic and diluted	*8*	**RMB0.5**	RMB0.3
Dividends	*9*	**460,405**	41,405

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2013

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

CONSOLIDATED BALANCE SHEET
As at 31 December 2013

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

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

NOTES:

1 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 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 information are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial information is extracted from the Company's consolidated financial statements for the year ended 31 December 2013 which 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.

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

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

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

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

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

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

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

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

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

- Annual improvements 2012 (effective for annual periods beginning on or after 1 July 2014). The amendments include changes from the 2010-2012 cycle of the annual improvements project that affect 7 standards: HKFRS2 "Share-based Payment", HKFRS3 "Business Combinations", HKFRS8 "Operating Segments", the basis for conclusion on IFRS13 "Fair Value Measurement", HKAS16 "Property, Plant and Equipment", HKAS24 "Related Party Disclosures", HKAS38 "Intangible Assets".

- Annual improvements 2013 (effective for annual periods beginning on or after 1 July 2014). The amendments include changes from the 2011-2013 cycle of the annual improvements project that affect 4 standards: HKFRS1 "First-time Adoption of Hong Kong Financial Reporting Standards", HKFRS3 "Business Combinations", HKFRS13 "Fair Value Measurement", HKAS40 "Investment Property".

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

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

3 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker (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.

(a) Revenue

Revenue of the Group consists of the following:

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

(b) Segment information

	Year ended 31 December 2013				
	Property development	**Property investment and management**	**Total segment**	**Elimination**	**Total Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***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**

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

A reconciliation to profit for the year is as follows:

Total segment profits before income tax expense	605,650
Income tax expense	(264,200)
Profit for the year	341,450

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

4 EXPENSES BY NATURE

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

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

note:

(a) The PRC companies 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.

5 OTHER GAINS/(LOSSES) – NET

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

note:

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

6 FINANCE INCOME – NET

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

7 INCOME TAX EXPENSE

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

PRC corporate income tax

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

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

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 for land appreciation tax for certain projects and thus adjusted the land appreciation tax accruals based on tax clearance results.

8 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to the equity holders of the Company by the weighted average numbers of ordinary shares in issue. In determining the weighted average number of shares in issue during 2013 and 2012, the 5,211,735 shares issued in connection with the Reorganisation 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 were deemed to have been in issue since 1 January 2012.

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

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

9 DIVIDENDS

	Year ended 31 December	
	2013	2012
	RMB'000	*RMB'000*
Proposed final dividend of RMB7 cents (2012: Nil) per ordinary share (a)	**87,758**	–
Dividends of subsidiaries (b)	**372,647**	41,405
	460,405	41,405

notes:

(a) A final dividend in respect of the year ended 31 December 2013 of RMB7 cents per ordinary share, amounting to approximately RMB87,758,000 was proposed by the directors at the Company's Board meeting held on 18 March 2014 and is to be approved at the forthcoming annual general meeting of the Company. This proposed dividend is not reflected as a dividend payable as at 31 December 2013.

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

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

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

notes:

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

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

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

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

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

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

The aging analysis of trade receivables is as follows:

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

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

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

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

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

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

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

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.

11 TRADE AND OTHER PAYABLES

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

notes:

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

(b) According to relevant equity transfer agreements signed between Jingrui Properties (Group) 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) agreed to sell its 100% equity interests and a shareholder's loan amounting to RMB30,500,000 of Shanghai Garden City at a total consideration of RMB70,000,000. The third party has paid RMB10,000,000 as deposit to Jingrui Properties (Group) for the equity transfer during the year ended 31 December 2012. The equity transfer has not completed as at 31 December 2013.

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

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

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

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

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

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

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

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

Business Review

Property Development

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

Details of contracted sales of the Group in 2013

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

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB million*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Shanghai			
Shanghai Jingrui Fair Town	9,334	202	21,676
Shanghai Xuhui New Town	543	8	14,246
Tianjin			
Tianjin Jingrui Sunny City	39,393	259	6,572
Tianjin Jingrui England County	495	3	5,155
Chongqing			
Chongqing Jingrui Blue Vally	3,836	29	7,550
Chongqing Jingrui Royal Bay	5,734	53	9,196
Sub-total of centrally direct-controlled municipalities	**59,335**	**554**	**9,323**
Hangzhou			
Hangzhou Jingrui Royal Bay	51,549	379	7,350
Hangzhou Jingrui Royal Mansion (杭州景瑞•御華府)	18,039	159	8,807
Ningbo			
Ningbo Jingrui Dignity Mansion	24,809	546	22,027
Shaoxing			
Shaoxing Jingrui The Mansion	81,680	1,168	14,295
Shaoxing Jingrui Dignity Mansion	70,192	1,139	16,228
Shaoxing Jingrui Nobility Mansion	22,576	147	6,519
Huzhou			
Huzhou Jingrui Cin Cinnatti	2,432	16	6,617
Huzhou Jingrui Dignity Mansion	3,538	70	19,774
Zhoushan			
Zhoushan Jingrui Peninsula Bay	15,979	159	9,978
Sub-total of Zhejiang Province	**290,794**	**3,783**	**13,011**
Suzhou			
Suzhou Jingrui Royal Bay	75,218	746	9,922
Suzhou Jingrui Jade Bay	83,354	753	9,033
Changzhou			
Changzhou Jingrui Dawn City	5,465	34	6,298
Changzhou Jingrui England County	34,371	236	6,865
Changzhou Jingrui Dignity Mansion	39,835	392	9,828

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB million*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Nantong			
Nantong Jingrui Dignity Mansion	77,446	522	6,744
Nantong Jingrui Nobility Mansion	47,408	363	7,664
Yangzhou			
Yangzhou Jingrui Dignity Mansion	34,597	282	8,160
Taizhou			
Taizhou Jingrui Royal Bay	82,257	557	6,759
Sub-total of Jiangsu Province	**479,951**	**3,885**	**8,095**
Car park (lots)	635	40	–
Total	**830,080**(1)	**8,262**	**9,954**

(1) excluding car parks

Land Bank

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

Breakdown of land bank of the Group by cities

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

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

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

Details of land acquisition from January to December 2013

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

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

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

(1) Excluding the portion sold before acquisition of the project.

Revenue from Sale of Properties

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

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

	Revenue	Percentage of total revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui Fair Town	184,731	4.8	8,461	21,833
Shanghai Jingrui Softshore City	45,086	1.2	2,793	16,141
Jiangsu Province				
Changzhou Jingrui Dawn City	30,915	0.8	4,523	6,835
Changzhou Jingrui England County	624,370	16.2	105,206	5,935
Suzhou Jingrui Royal Bay	388,904	10.1	36,402	10,684
Suzhou Jingrui Jade Bay	310,519	8.0	34,888	8,900
Nantong Jingrui Dignity Mansion	193,668	5.0	22,585	8,575
Taizhou Jingrui Royal Bay	449,235	11.6	51,257	8,764
Zhejiang Province				
Huzhou Jingrui Cin Cinnatti	32,038	0.8	4,548	7,045
Shaoxing Jingrui Dignity Mansion	839,817	21.8	72,037	11,658
Tianjin				
Tianjin Jingrui Sunny City	357,474	9.3	57,091	6,262
Tianjin Jingrui England County	3,335	0.1	632	5,273

	Revenue	Percentage of total revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Chongqing				
Chongqing Jingrui Blue Vally	294,361	7.6	45,349	6,491
Others(1)	55,623	1.4	2,585	21,515
Sub-total	**3,810,076**	**98.7**	**448,357**	**8,498**
Car parks	48,410	1.3	918(2)	–
Total	**3,858,486**	**100.0**	**–**	**–**

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

(2) Represents the number of car parks sold.

Employees and Remuneration Policies

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

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

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

Financial Review

Revenue

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

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

Revenue by business segments

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

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

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

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

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

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

Cost of Sales

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

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

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

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

Notes:

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

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

Gross Profit and Gross Margin

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

Fair Value Gains on Investment Properties

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

Selling and Marketing Expenses

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

Administrative Expenses

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

Other Income and Other Gains/(Losses), Net

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

Finance Income, Net

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

Income Tax Expense

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

Profit for the Year

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

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

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

Liquidity and Capital Resources

Cash Positions

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

Borrowings

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

Breakdown of our borrowings by categories

	As at 31 December		
			Year-on-year
	2013	2012	change
	RMB'000	*RMB'000*	*%*
Current Borrowings:			
Bank loans, secured	**932,232**	740,166	26.0
Bank loans, unsecured	**100,000**	–	–
Trust financing arrangements, secured:			
– conventional loan	**290,000**	–	–
– equity with repurchase obligation	**–**	150,000	(100.0)
Short-term borrowings from a micro-credit company, secured	**–**	22,500	(100.0)
Add: Current portion of long-term borrowings:			
Bank loans, secured	**700,539**	567,544	23.4
Trust financing arrangements, secured	**1,089,000**	530,400	105.3
Total Current Borrowings	**3,111,771**	2,010,610	54.8

	As at 31 December		
	2013	2012	Year-on-year change
	RMB'000	*RMB'000*	%
Non-Current Borrowings			
Bank loans, secured	**3,230,348**	2,074,765	55.7
Trust financing arrangements, secured:			
– conventional loan	**550,000**	994,800	(44.7)
– equity with repurchase obligation	**2,079,899**	–	–
Less: Current portion of long-term borrowings:			
Bank loans, secured	**(700,539)**	(567,544)	23.4
Trust financing arrangements, secured	**(1,089,000)**	(530,400)	105.3
Total Non-Current Borrowings	**4,070,708**	1,971,621	106.5
Total	**7,182,479**	3,982,231	80.4

Breakdown of our borrowings by maturity profiles

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

Borrowing Costs

The Group's average borrowing costs were 10.30% and 9.72% in 2013 and 2012 respectively.

Current interest generated from bank loans and trust financing

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

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

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

Net Debt-to-Equity Ratio

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

Contingent Liabilities

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

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

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

Off-Balance Sheet Commitments and Arrangements

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

Interest Rate Risk

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

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

Foreign Exchange Risk

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

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

Prospects

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

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

DIVIDEND

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

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 at the exchange rate of RMB to Hong Kong dollars as announced by the People's Bank of China on the date of annual general meeting.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 12 May 2014 to Friday, 16 May 2014, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend the forthcoming annual general meeting to be held on Friday, 16 May 2014. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 9 May 2014.

The register of members of the Company will also be closed from Friday, 23 May 2014 to Monday, 26 May 2014, both days inclusive, in order to determine the entitlement of the shareholders to the final dividend (if approved by the shareholders). All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 22 May 2014.

USE OF NET PROCEEDS FROM LISTING

Net proceeds from the Listing (after deduction of underwriting fees and relevant expenses) amounted to approximately HK$1,358.1 million. Such net proceeds will be applied in the manner consistent with that in the Company's prospectus dated 31 October 2013.

CORPORATE GOVERNANCE

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 Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has been in compliance with the code provisions set out in the CG Code since the Listing Date and up to 31 December 2013. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

REVIEW BY AUDIT COMMITTEE

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2013 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2013 Annual Report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Jingrui Holdings Limited
Yan Hao Chen Xin Ge
Co-chairmen

Hong Kong, 18 March 2014

As at the date of this announcement, the Board of Directors of the Company comprises Yan Hao, Chen Xin Ge, Yang Tie Jun and Xu Chao Hui, as executive Directors; Han Jiong, Qian Shi Zheng and Lo Wing Yan William, as independent non-executive Directors.

* *For identification purpose only*