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 2014

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2014 was approximately RMB9,104.6 million, representing an increase of approximately 10.2% as compared to last year
- Revenue for the year ended 31 December 2014 was RMB5,273.0 million, representing an increase of 33.9% as compared to last year
- Core profit for the year ended 31 December 2014 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) was RMB220.1 million, representing a decrease of 37.3% as compared to last year
- Proposed final dividend of RMB6 cents per share for the year ended 31 December 2014
- Land reserve as at 31 December 2014 was approximately 4,988,769 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 2014 (the "**Year**") together with the comparative figures for the year ended 31 December 2013 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

		Year ended 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**5,272,953**	3,939,011
Cost of sales	*4*	**(4,308,600)**	(3,071,161)
Gross profit		**964,353**	867,850
Fair value gains on investment properties		**71,790**	166,637
Selling and marketing costs	*4*	**(221,132)**	(190,401)
Administrative expenses	*4*	**(241,630)**	(206,054)
Other income		**11,665**	11,133
Other (losses)/gains – net	*5*	**(29,121)**	216,424
Operating profit		**555,925**	865,589
Finance income	*6*	**23,244**	26,008
Finance costs	*6*	**(11,194)**	(12,620)
Finance income – net	*6*	**12,050**	13,388
Share of results of jointly controlled entities		**(12,807)**	(11,141)
Profit before income tax		**555,168**	867,836
Income tax expense	*7*	**(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	*8*	**RMB0.2**	RMB0.5
Dividends	*9*	**77,478**	460,405

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Year ended 31 December	
	2014	2013
	RMB'000	*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

CONSOLIDATED BALANCE SHEET

At 31 December 2014

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

	Note	As at 31 December 2014 RMB'000	2013 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		**4,560,244**	4,070,708
Long-term payables		**–**	299,042
Deferred income tax liabilities		**208,643**	153,926
Trust loans related derivatives		**3,788**	43,060
		4,772,675	4,566,736
Current liabilities			
Trade and other payables	*11*	**2,996,615**	2,102,388
Amounts due to non-controlling interests of subsidiaries		**340,093**	394,991
Current portion of long-term payables		**316,596**	9,897
Advanced proceeds received from customers		**7,747,856**	5,436,737
Current income tax liabilities		**389,406**	666,084
Borrowings		**5,058,326**	3,111,771
Current portion of trust loans related derivatives		**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

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 2014 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.

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

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 HKAS 27 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.

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. 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" (effective for annual periods beginning on or after 1 January 2017) which the Group is not yet in a position to conclude.

3 REVENUE AND SEGMENT INFORMATION

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

Turnover of the Group consists of the following revenue:

	Year ended 31 December	
	2014	2013
	RMB'000	*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

(b) **Segment information**

	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**

	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

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	
	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	**101,575**	–
Depreciation of property, plant and equipment	**10,195**	4,848
Amortisation of intangible assets	**435**	793
Bank charges	**8,065**	3,481
Staff costs	**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.

5 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	**(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.

6 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

7 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	**(34,738)**	71,228
Total income tax charged for the year	**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.

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.

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 during the year.

In determining the weighted average number of shares in issue during 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 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.

9 DIVIDENDS

	Year ended 31 December	
	2014	2013
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 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	
	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	**98,613**	118,790
Prepaid business tax and surcharges (a)	**441,975**	306,498
Receivable for compensation from a local government	**–**	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 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 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. (上海鳳翔房地產開發有限公司) ("**Shanghai Fengxiang**"), a subsidiary acquired by the Group in September 2013.

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	**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.

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 payments, 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	
	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	**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.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Year, the Group continued to implement the rapid-asset-turnover operating model and has achieved excellent results of operations. In 2014, the Group recorded 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 recorded 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, the Group implemented strong sales collection management, and property sales collection amounted to RMB7,979.2 million throughout the Year, accounting for approximately 87.6% of the Group's contracted sales for the year.

During the Year, the Group's contracted sales were mainly distributed across 22 development projects in nine cities, accounting for approximately 90% of the total contracted sales. In 2014, the Group 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 the Group's 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 the Group.

During the Year, the property sales recognized by the Group 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 the Group accounted for approximately 98.3% 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, 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 the Group in aggregate amounted to approximately 4,988,769 sq.m., sufficient to 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 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 the Company 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, 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 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.

The Group has consistently applied the principle of steady financial management, focusing on maintaining healthy cash flow and guaranteeing capital safety. In August 2014, the Company issued US$150 million 13.625% senior notes due 2019. In November 2014, the Company 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 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 are 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 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, the Group 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 contracted sales of the Group 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
Huzhou			
Huzhou Jingrui Cin Cinnatti	654	8	12,356
Huzhou Jingrui Dignity Mansion	676	19	28,039

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB million*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
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
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, the Group acquired two land parcels located in Ningbo and Shanghai. As at the date of this announcement, the total land bank of the Group 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 land bank of the Group by cities for the year ended 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, the Group 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 the newly acquired lands of the Group 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, the average acquisition cost of the Group in 2014 based on the expected total GFA was approximately RMB5,009 per sq.m..

From 1 January 2015 to 16 March 2015, the Group 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
Others[1]	**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[2]	–
Total	**5,183,382**	**100.0**	**–**	**–**

Notes:

(1) Represents certain units in properties that were completed prior to 1 January 2014.

(2) 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, the revenue of the Group 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 delivered by the Group 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. The Group 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 of 31 December 2014, the Group's 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. The Group's 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 of 31 December 2013 to RMB9,618.6 million as of 31 December 2014. As of 31 December 2014, the Group had approximately RMB5,121.0 million in unutilized banking facilities. The Group's borrowings are mainly dominated 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.

Current interest generated from bank loans and trust financing

	Year ended 31 December		
	2014	2013	Year-on-year change
	RMB'000	*RMB'000*	*%*
Finance costs			
– Current interest expensed	**11,194**	12,620	(11.3)
– Current 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.

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, 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 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

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 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 "leads", 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 admist industrial competition.

The Group has set a contracted sales target at RMB10.0 billion for the year ending 31 December 2015.

DIVIDEND

The Board has recommended the payment of a final dividend of RMB6 cents per share for the year ended 31 December 2014 (2013: RMB7 cents). 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 Friday, 1 May 2015 to Monday, 11 May 2015, 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 Monday, 11 May 2015. 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, 30 April 2015.

The register of members of the Company will also be closed from Friday, 15 May 2015 to Monday, 18 May 2015, 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, 14 May 2015.

PREVIOUS FUND RAISING EXERCISE

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

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 to 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 for 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.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2014 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 2014 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, 16 March 2015

As at the date of this announcement, the Board 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*