JINGRUI HOLDINGS LIMITED
景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014 AND CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2014, the Group achieved contracted sales of RMB3.02 billion, representing an increase of approximately 30% as compared to the corresponding period last year.
- As at 30 June 2014, the Group's total assets amounted to RMB24.7 billion, representing an increase of 26% as compared to 31 December 2013.
- As at 30 June 2014, the land bank of the Group was approximately 5,516,545 sq.m.
- For the six months ended 30 June 2014, due to lesser GFA of the properties delivered in the first half of this year, the Group's revenue amounted to only RMB895 million, representing a decrease of 27% as compared to the corresponding period last year. The loss of the Group attributable to equity holders of the Company was RMB123 million.
- The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2014.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2014 (the "**Period under Review**") together with the comparative figures for the corresponding period in 2013 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		Unaudited	Audited
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**894,973**	1,227,097
Cost of sales	*8*	**(755,334)**	(965,082)
Gross profit		**139,639**	262,015
Fair value gains on investment properties		**1,000**	7,000
Selling and marketing costs	*8*	**(122,055)**	(66,055)
Administrative expenses	*8*	**(120,276)**	(72,432)
Other income		**8,532**	920
Other (losses)/gains- net	*7*	**(1,942)**	191,253
Operating (loss)/profit		**(95,102)**	322,701
Finance income	*9*	**5,614**	14,904
Finance costs	*9*	**(4,468)**	(2,425)
Finance income – net		**1,146**	12,479
Share of results of jointly controlled entities		**(3,395)**	(2,687)
(Loss)/profit before income tax		**(97,351)**	332,493
Income tax expense	*10*	**(34,551)**	(134,747)
(Loss)/profit for the period		**(131,902)**	197,746
Attributable to:			
Equity holders of the Company		**(123,222)**	106,804
Non-controlling interests		**(8,680)**	90,942
		(131,902)	197,746
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company			
– Basic and diluted	*11*	**RMB(0.1)**	RMB0.1
Dividends	*12*	**–**	372,647

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Six months ended 30 June	
	2014	2013
	Unaudited	Audited
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(131,902)**	197,746
Other comprehensive income or loss	**–**	–
Total comprehensive (loss)/income for the period	**(131,902)**	197,746
Attributable to:		
Equity holders of the Company	**(123,222)**	106,804
Non-controlling interests	**(8,680)**	90,942
	(131,902)	197,746

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	**As at 30 June 2014 Unaudited** *RMB'000*	As at 31 December 2013 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**25,467**	25,502
Investment properties		**656,000**	655,000
Intangible assets		**2,091**	1,941
Investments in jointly controlled entities		**292,007**	295,402
Deferred income tax assets		**207,451**	163,144
		1,183,016	1,140,989
Current assets			
Prepayments for leasehold land		**1,628,075**	598,169
Properties held or under development for sale		**17,599,925**	12,888,484
Trade and other receivables and prepayments	*5*	**1,002,445**	1,501,601
Prepaid income taxes		**209,419**	146,118
Restricted cash		**1,286,663**	923,115
Cash and cash equivalents		**1,826,624**	2,444,449
		23,553,151	18,501,936
Total assets		**24,736,167**	19,642,925
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**77,053**	77,053
Share premium		**1,172,314**	1,260,072
Other reserves and retained earnings		**1,641,487**	1,764,643
		2,890,854	3,101,768
Non-controlling interests		**227,458**	252,553
Total equity		**3,118,312**	3,354,321

	Note	As at 30 June 2014 Unaudited *RMB'000*	As at 31 December 2013 Audited *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**4,322,852**	4,070,708
Long-term payables		**304,500**	299,042
Deferred income tax liabilities		**164,439**	153,926
Trust loans related derivatives		**38,999**	43,060
		4,830,790	4,566,736
Current liabilities			
Trade and other payables	*6*	**3,177,984**	2,102,388
Amounts due to non-controlling interests of subsidiaries		**335,036**	394,991
Current portion of long-term payables		**8,432**	9,897
Advanced proceeds received from customers		**7,782,834**	5,436,737
Current income tax liabilities		**413,915**	666,084
Current portion of a trust loan related derivatives		**3,281**	–
Borrowings		**5,065,583**	3,111,771
		16,787,065	11,721,868
Total liabilities		**21,617,855**	16,288,604
Total equity and liabilities		**24,736,167**	19,642,925
Net current assets		**6,766,086**	6,780,068
Total assets less current liabilities		**7,949,102**	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**").

In preparation for listing of the Company's shares (the "**Listing**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Group underwent certain reorganisation processes (the "**Reorganisation**") as described in the Company's prospectus dated 21 October 2013. Upon completion of the Reorganisation, the Company became the holding company of the Group.

The Company's shares began to list on the Main Board of the Stock Exchange on 31 October 2013.

The condensed consolidated interim financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated and were approved and authorised for issue by the board of directors of the Company on 28 August 2014.

These condensed consolidated interim financial statements have not been audited.

2 BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared 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, and in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2013, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

New amendments and interpretation of HKFRSs effective for 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 and continuation of hedge accounting;
- HK(IFRIC) 21 "Levies''.

The adoption of the above amendments and interpretation did not give rise to any significant impact on the Group's results of operations and financial position for the six months ended 30 June 2014.

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretations to existing standards which have been issued but are not yet effective for the financial year ending on 31 December 2014.

4 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 or loss before income tax. The measurement basis excludes the effects of income tax expense.

(a) Revenue

	Six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
Revenue from sales of properties	**850,585**	1,197,729
Revenue from property management	**32,624**	24,318
Rental income	**4,475**	4,813
Others	**7,289**	237
	894,973	1,227,097

(b) Segment information

	Six months ended 30 June 2014				
	Property development	**Property investment and management**	**Total segment**	**Elimination**	**Total Group**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**850,585**	**102,304**	**952,889**	**(57,916)**	**894,973**
Segment loss before income tax expense	**(79,921)**	**(18,953)**	**(98,874)**	**1,523**	**(97,351)**
Finance income	**5,489**	**125**	**5,614**	**–**	**5,614**
Finance costs	**(4,468)**	**–**	**(4,468)**	**–**	**(4,468)**
Share of results of jointly controlled entities	**(3,395)**	**–**	**(3,395)**	**–**	**(3,395)**
Depreciation and amortisation	**(3,937)**	**(1,800)**	**(5,737)**	**–**	**(5,737)**

A reconciliation to loss for the period is as follows:

Total segment losses before income tax expense	**(97,351)**
Income tax expense	**(34,551)**
Loss for the period	**(131,902)**

	As at 30 June 2014				
Segment assets	**27,156,824**	**2,498,439**	**29,655,263**	**(4,919,096)**	**24,736,167**
Segment assets include:					
Investments in jointly controlled entities	**292,007**	**–**	**292,007**	**–**	**292,007**
Additions to property, plant and equipment	**5,344**	**1,768**	**7,112**	**–**	**7,112**
Segment liabilities	**(24,000,697)**	**(2,518,982)**	**(26,519,679)**	**4,901,824**	**(21,617,855)**

	Six months ended 30 June 2013				
	Property development *RMB'000*	Property investment and management *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	1,197,085	73,083	1,270,168	(43,071)	1,227,097
Segment profit before income tax expense	329,871	5,775	335,646	(3,153)	332,493
Finance income	14,839	65	14,904	–	14,904
Finance costs	(2,425)	–	(2,425)	–	(2,425)
Share of results of jointly controlled entities	(2,687)	–	(2,687)	–	(2,687)
Depreciation and amortisation	(2,436)	(444)	(2,880)	–	(2,880)

A reconciliation to profit for the period is as follows:

Total segment profits before income tax expense	332,493
Income tax expense	(134,747)
Profit for the period	197,746

	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

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2014 *RMB'000*	31 December 2013 *RMB'000*
Trade receivables	**5,750**	51,295
Notes receivable	**–**	4,445
Trade receivables – subtotal	**5,750**	55,740
Less: Provision for impairment of receivables	**(406)**	(167)
Trade receivables – net	**5,344**	55,573
Amounts due from jointly controlled entities	**118,823**	118,790
Prepaid business tax and surcharges (a)	**436,095**	306,498
Receivable for compensation from a local government	**2,933**	2,933
Tender deposits (b)	**18,600**	555,150
Deposits with public housing fund centres (c)	**35,693**	27,678
Prepayments of construction costs	**4,269**	113,160
Temporary funding receivables (d)	**146,791**	116,168
Deposits paid for construction work	**97,508**	107,093
Prepayments of relocation costs (e)	**105,544**	117,544
Deposits paid as pledge for borrowings	**20,000**	–
Others	**58,937**	24,845
Less: Provision for impairment of other receivables	**(48,092)**	(43,831)
	1,002,445	1,501,601

notes:

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

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

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

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

(e) The balance represents the prepayments of relocation costs made by the Group to a relocation company relating to the future property development of Shanghai Fengxiang 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:

	30 June 2014 RMB'000	31 December 2013 RMB'000
Less than 1 year	**4,416**	54,868
Between 1 and 2 years	**850**	476
Between 2 and 3 years	**399**	89
Over 3 years	**85**	307
	5,750	55,740

6 TRADE AND OTHER PAYABLES

	30 June 2014 RMB'000	31 December 2013 RMB'000
Trade payables	**1,582,779**	1,390,729
Notes payable	**388,281**	6,000
Amounts due to jointly controlled entities	**136,793**	121,042
Business and other taxes payable	**51,051**	139,587
Electricity fee and cleaning fee collected on behalf	**16,174**	14,763
Deed tax collected on behalf	**5,063**	6,506
Accrued payroll	**16,124**	14,587
Interest payable	**119,976**	74,942
Construction deposits received from suppliers	**16,258**	18,633
Deposits received from customers	**19,441**	30,115
Deposits received in connection with the disposal of subsidiaries (a)	**207,056**	10,000
Payables for acquisition of Shanghai Fengxiang (b)	**132,068**	211,109
Payables for acquisition of Taicang Derun Investment Co., Ltd. (太倉德潤投資發展有限公司) ("**Taicang Derun**") (c)	**147,509**	–
Temporary funding payables (d)	**291,000**	4,500
Others	**48,411**	59,875
	3,177,984	2,102,388

notes:

(a) The balance of RMB207,056,000 at 30 June 2014 represents:

- The deposit of RMB10,000,000 (31 December 2013: RMB10,000,000) received from a third party in 2013 for the transfer of 100% equity interests of Shanghai Garden City Real Estate Development Co., Ltd. (上海花園城房地產開發有限公司), a subsidiary of the Group. The equity transfer has not completed as at 31 December 2013 and 30 June 2014.

- The deposit of USD32,000,000 (equivalent to RMB197,056,000) (31 December 2013: Nil) received from a third party, Robinson RE Company Limited in April 2014 for the transfer of 43.24% equity interests of Modern Jump Limited, a subsidiary of the Group. The equity transfer is subsequently completed on 25 July 2014.

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

(c) The balance of RMB147,509,000 represents the payables relating to the acquisition of Taicang Derun from an independent third party. Pursuant to a share transfer agreement dated 12 February 2014, the Group acquired 100% equity interests in Taicang Derun at a total consideration of RMB295,020,000. The Group considered that Taicang Derun does not qualified as a business at the acquisition date and the substance of the acquisition is to acquire the piece of land in Taicang Economic Development Area, Jiangsu Province held by Taicang Derun.

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

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

	30 June 2014	31 December 2013
	RMB'000	*RMB'000*
Less than 1 year	**1,529,391**	1,087,026
Between 1 and 2 years	**264,126**	150,839
Between 2 and 3 years	**56,331**	32,762
Over 3 years	**121,212**	126,102
	1,971,060	1,396,729

As at 30 June 2014 and 31 December 2013, the fair value of trade and other payables approximate their carrying amounts.

Except for the deposits of USD32,000,000 received as mentioned in note(a) above, as at 30 June 2014 and 31 December 2013, the carrying amounts of the Group's other trade and other payables are all denominated in RMB.

7 OTHER (LOSSES)/GAINS – NET

	Six months ended 30 June	
	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	**(176)**	2,453
Changes in fair values of trust loans related derivatives	**1,730**	(1,028)
Compensation	**(2,949)**	(458)
Others	**(547)**	(364)
	(1,942)	191,253

note:

(a) The amount of RMB190,637,000 for the six months ended 30 June 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 has been received from the local government in 2013, and RMB2,933,300 remains receivable as at 31 December 2013 and 30 June 2014.

8 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
Cost of properties sold	**671,018**	860,934
Business tax and surcharges (a)	**50,968**	70,135
Depreciation of property, plant and equipment	**5,479**	2,438
Amortisation of intangible assets	**258**	442
Bank charges	**3,045**	1,181
Staff costs	**112,919**	66,672
Entertainment expenses	**5,160**	4,589
Stamp duty and other taxes	**6,881**	4,900
Professional fees	**5,911**	11,429
Auditors' remuneration	**1,080**	2,291
Sales commission	**10,592**	14,696
Advertising and publicity costs	**58,868**	30,552
Office and meeting expenses	**8,383**	6,080
Rental expenses	**7,040**	4,620
Travelling expenses	**5,183**	3,782
Accrual of provision for properties held for sale	**3,418**	–
Accrual/(reversal) of provision for impairment of receivables	**4,500**	(360)
Other expenses	**36,962**	19,188
Total cost of sales, selling and marketing costs and administrative expenses	**997,665**	1,103,569

note:

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

9 FINANCE INCOME – NET

	Six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
Finance costs		
– Interest on bank loans and trust financing arrangements	**384,945**	233,223
– Less: Interest capitalised	**(380,477)**	(230,798)
Total finance costs	**4,468**	2,425
Finance income		
– Interest income on bank deposits	**(5,614)**	(11,202)
– Interest income on loans to related parties	**–**	(3,702)
Total finance income	**(5,614)**	(14,904)
Net finance income	**(1,146)**	(12,479)

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2014	2013
	RMB'000	*RMB'000*
Current income tax		
– PRC land appreciation tax	**26,423**	44,197
– PRC corporate income tax	**41,922**	42,448
	68,345	86,645
Deferred income tax	**(33,794)**	48,102
Total income tax charged for the period	**34,551**	134,747

PRC corporate income tax

Under the Corporate Income Tax Law of the People's Republic of China (the "**CIT Law**") which became effective on 1 January 2008, 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. As at 31 December 2013, the Group accrued for PRC withholding income tax with an amount of 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 those subsidiaries and it has been determined that the remaining earnings will not be distributed in the foreseeable future.

As at 30 June 2014, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB77,701,000 (31 December 2013: RMB89,362,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB777,010,000 (31 December 2013: RMB893,619,000).

Land appreciation tax

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

11 (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share is calculated by dividing the Group's (loss)/profit attributable to 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 the six months ended 30 June 2014 and 2013, the 5,211,735 shares issued in connection with the Reorganisation, the 906,841,890 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 31 October 2013 and the bonus element of the shares issued in connection with the Pre-IPO share award scheme on 31 October 2013 were deemed to have been in issue since 1 January 2013.

	Six months ended 30 June	
	2014	2013
Group's (loss)/profit attributable to equity holders of the Company *(RMB'000)*	**(123,222)**	106,804
Weighted average number of shares in issue *(in thousand)*	**1,253,691**	939,772
Basic (loss)/earnings per share *(RMB)*	**(0.1)**	0.1

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there was no dilutive potential share outstanding for the six months ended 30 June 2014 and 2013.

12 DIVIDENDS

The board of the directors does not recommend any payment of interim dividend for the six months ended 30 June 2014. The dividends in respect of the six months ended 30 June 2013 represented dividends declared by the companies comprising the Group to the then equity holders of these companies before the Listing of the Company on the Stock Exchange, after elimination of intra-group dividends.

A final dividend in respect of the year ended 31 December 2013 of RMB7 cents per ordinary share, amounting to approximately RMB87,758,000 has been approved at the annual general meeting of the Company held on 16 May 2014. The dividend has been paid out by the Company as at 30 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

According to the economic statistics for the first half of 2014 released by the National Bureau of Statistics, the growth of the PRC's gross domestic product slowed down during the first half of 2014, reporting a year-on-year increase of 7.4%. China's current macro-economic conditions is in a bottom phase now. In the monetary and credit aspects, due to the unfavorable macro-economic conditions and tightening liquidity during the first half of 2014, the PRC government began to moderately adjust its policies to increase market liquidity and stimulate the macro-economy. In respect of the overall real estate market in the PRC, the growth of investment in real estate development during the first half of 2014 also slowed down compared to the corresponding period in the previous year. Areas of the newly constructed properties recorded a year-on-year decline of 16.4%, of which areas of newly constructed residential properties decreased by 19.8%. Areas of commodity properties sold nationwide reported a year-on-year decrease of 6.0%, of which areas of residential properties sold decreased by 7.8%. Overall, the real estate market in the PRC during the first half of 2014 did not play a significant role in accelerating macro-economic growth. In the meantime, some real estate companies experienced varying degrees of difficulty in development as bank lendings tightened. The transaction value of the real estate market in the first half of 2014 showed no signs of improvement although some real estate companies adopted price reduction strategies to increase their sales volumes and the restrictions on property purchases in certain cities were relaxed or cancelled.

Prospects

In the second half of 2014, as more local governments adjusted their policies, policies of restrictions on property purchases in second-tier and third-tier cities will be gradually eased. It is predicted that the turnover in the overall market would gradually stabilize and in some regional markets would probably rally. With exit of quantitative easing in U.S., the targeted quantitative easing monetary policies will be sustained and the monetary and credit environment will be gradually improved in the second half of the year. It is possible for the central bank to moderately implement "fine-tuning" through reverse repo and other monetary policy instruments to balance Chinese economic demand. From the perspective of control policies, in the second half of the year, the central government will continue to let the market solve its own conflict of supply and demand through its own adjustment under the principles of overall stability and categorized control. Maintaining "minimal stimulus" will be a strategy of control of the central government.

Amidst such market environment, 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", increase the proportion of the products developed for "First-time Home Purchasers and Customers Purchasing to Upgrade their Existing Living Conditions" to facilitate sales, focus on cash flow security to ensure financial stability, increase quality land reserves in due course with prudent footprint and control our costs in a highly disciplined manner of investment to achieve "Rapid Growth" and "Sustainable Development".

BUSINESS REVIEW

Property Development

In the first half of 2014, the Group achieved contracted sales of approximately RMB3,022.9 million, representing an increase of approximately 30% as compared to the corresponding period last year, which would lay a good foundation for future recognised revenue of the Group when the relevant properties are completed and delivered to buyers. Our total contracted gross floor area ("GFA") sold was approximately 0.31 million sq.m., representing an increase of approximately 26% as compared to 2013. Our contracted sales were primarily generated from Zhejiang Province and Jiangsu Province. The contracted sales (excluding car parks) generated from the above two regions were approximately RMB1,194.0 million and RMB1,463.0 million, representing 39% and 48% of the total contracted sales, respectively.

The following table sets out the geographic breakdown of the Group's contracted sales from January to June 2014:

Project Name	**Contracted GFA Sold**	**Contracted Sales**	**Contracted Average Selling Price**
	sq.m.	*RMB*	*RMB/sq.m.*
Shanghai			
Shanghai Jingrui Fair Town	4,427	110,351,792	24,930
Shanghai Xuhui New Town	893	18,933,637	21,198
Tianjin			
Tianjin Jingrui Sunny City	16,278	106,879,099	6,566
Tianjin Jingrui England County	292	1,402,608	4,800
Chongqing			
Chongqing Jingrui Blue Vally	2,501	5,500,000	2,199
Chongqing Jingrui Royal Bay	12,346	95,320,296	7,721
Sub-total of centrally direct-controlled municipalities	**36,737**	**338,387,432**	**9,211**
Hangzhou			
Hangzhou Jingrui Royal Bay	31,827	224,368,103	7,050
Hangzhou Jingrui Royal Mansion	19,060	310,250,764	16,278
Ningbo			
Ningbo Jingrui Dignity Mansion	19,246	210,166,068	10,920
Shaoxing			
Shaoxing Jingrui The Mansion	16,283	116,470,061	7,153
Shaoxing Jingrui Dignity Mansion	20,866	249,345,204	11,950
Shaoxing Jingrui Nobility Mansion	9,319	61,226,399	6,570

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB*	Contracted Average Selling Price *RMB/sq.m.*
Huzhou			
Huzhou Jingrui Cin Cinnatti	649	9,305,862	14,336
Huzhou Jingrui Dignity Mansion	288	6,746,814	23,466
Zhoushan			
Zhoushan Jingrui HOPSCA	(173)	(2,192,437)	
Zhoushan Jingrui Peninsula Bay	1,041	8,332,306	8,002
Sub-total of Zhejiang Province	**118,406**	**1,194,019,144**	**10,084**
Suzhou			
Suzhou Jingrui Royal Bay	3,752	95,751,980	25,523
Suzhou Jingrui Jade Bay	2,919	46,161,955	15,813
Suzhou Jingrui Dignity Mansion	35,374	458,095,879	12,950
Changzhou			
Changzhou Jingrui Dawn City	9,062	100,000,000	11,036
Changzhou Jingrui England County	1,509	18,511,320	12,264
Changzhou Jingrui Dignity Mansion	7,246	76,109,948	10,504
Nantong			
Nantong Jingrui Dignity Mansion	29,146	195,158,254	6,696
Nantong Jingrui Nobility Mansion	20,543	156,638,098	7,625
Yangzhou			
Yangzhou Jingrui Dignity Mansion	21,994	176,940,145	8,045
Taizhou			
Taizhou Jingrui Royal Bay	23,107	139,631,870	6,043
Sub-total of Jiangsu Province	**154,652**	**1,462,999,449**	**9,460**
Car park (lots)	427	27,523,442	
Total	**309,795**[1]	**3,022,929,467**	**9,758**

(1) Excluding car parks

Land Bank

As at 30 June 2014, the total land bank of the Group was approximately 5,516,545 sq.m. or approximately 5,037,807 sq.m. on an attributable basis. In the first half of 2014, the Group acquired five land parcels located in Hangzhou, Wuxi, Taizhou and Taicang respectively, with an expected total GFA of approximately 616,668 sq.m. and an aggregate consideration of approximately RMB3,088 million.

The table below sets forth the breakdown of land bank of the Group by cities:

	As at 30 June 2014			
City	**Total GFA**	**Approximate Percentage of the Group's Total GFA**	**GFA Attributable to the Group's Interests**	**Approximate Percentage of GFA Attributable to the Group's Interests**
	(sq.m.)	*%*	*(sq.m.)*	*%*
Municipalities directly under the central government				
Shanghai	268,524	4.9	218,502	4.3
Tianjin	570,072	10.3	570,072	11.3
Chongqing	163,373	3.0	163,373	3.2
Subtotal	**1,001,969**	**18.2**	**951,947**	**18.8**
Zhejiang Province				
Hangzhou	610,628	11.1	506,508	10.1
Ningbo	293,762	5.3	293,762	5.8
Shaoxing	1,039,151	18.8	906,256	18.0
Taizhou	82,422	1.5	82,422	1.6
Huzhou	54,711	1.0	54,711	1.1
Zhoushan	112,753	2.0	112,753	2.2
Subtotal	**2,193,427**	**39.7**	**1,956,412**	**38.8**
Jiangsu Province				
Suzhou	821,978	14.9	763,382	15.2
Wuxi	253,322	4.6	253,322	5.0
Changzhou	405,517	7.4	272,412	5.4
Nantong	461,201	8.4	461,201	9.2
Yangzhou	210,181	3.8	210,181	4.2
Taizhou	168,950	3.0	168,950	3.4
Subtotal	**2,321,149**	**42.1**	**2,129,448**	**42.4**
Total	**5,516,545**	**100.0**	**5,037,807**	**100.0**

The table below sets forth the details of land acquisition of the Group from 1 January 2014 to 30 June 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))
							RMB	*RMB*	*RMB*
			%	*sq.m.*	*sq.m.*	*sq.m.*	*million*	*per sq.m.*	*per sq.m.*
Hangzhou	Shenhua Project 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	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	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**

Recognized Revenue from the Sale of Properties

Our recognized revenue from the sale of properties from 1 January 2014 to 30 June 2014 was approximately RMB850.6 million, representing a decrease of 29.0% as compared to the corresponding period last year.

The breakdown of recognized revenue from the sale of properties from January to June 2014 as follows:

	Revenue	Percentage of Total Revenue	GFA	Average Selling Price
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui Fair Town	10,092	1.2	462	21,834
Jiangsu Province				
Changzhou Jingrui Dawn City	13,922	1.6	2,134	6,523
Changzhou Jingrui England County	4,216	0.5	471	8,946
Suzhou Jingrui Royal Bay	164,355	19.3	9,409	17,469
Suzhou Jingrui Jade Bay	342,825	40.3	39,106	8,767
Nantong Jingrui Dignity Mansion	19,617	2.3	2,122	9,244
Taizhou Jingrui Royal Bay	19,156	2.3	3,035	6,311

	Revenue	Percentage of Total Revenue	GFA	Average Selling Price
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Zhejiang Province				
Huzhou Jingrui Cin Cinnatti	628	0.1	85	7,390
Zhoushan Jingrui Peninsula Bay	235,299	27.7	27,775	8,472
Tianjin				
Tianjin Jingrui Sunny City	20,645	2.4	2,863	7,211
Other projects	1,931	0.2	389	4,978
Subtotal	**832,686**	**97.9**	**87,851**	**9,478**
Car parks	17,899	2.1	305[1]	–
Total	**850,585**	**100.0**	**–**	**–**

(1) Represents the number of car parks sold.

Employees and Remuneration Policies

As at 30 June 2014, we had total 1,820 fulltime employees in the PRC and Hong Kong. 564 of our employees worked in the property development operations and 1,256 were 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 determining salary increases, bonuses and promotion. We also review and adjust our remuneration package by referring to the relevant salary survey in the 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 businesses.

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 team focus on improving their management and leadership skills. We also provide trainings designed to improve the sales capabilities for our marketing and sales personnel. In addition to internal trainings, we also engage external experts or sponsor continuing educations for our employees from time to time.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2014, the revenue of the Group reached RMB895.0 million, representing a decrease of 27.1% as compared to RMB1,227.1 million of the corresponding period 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.

Revenue by business segments

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

	Six months ended 30 June				
	2014		2013		
		Percentage of Total Revenue		Percentage of Total Revenue	Year-on-Year Change
	RMB million	***(%)***	*RMB million*	*(%)*	*(%)*
Sales of properties	**850.6**	**95.0**	1,197.7	97.6	(29.0)
Property management	**32.6**	**3.7**	24.3	2.0	34.2
Rental income	**4.5**	**0.5**	4.8	0.4	(7.0)
Others	**7.3**	**0.8**	0.3	0.0	2,975.5
Total	**895.0**	**100.0**	1,227.1	100.0	(27.1)

Revenue from the sales of properties constituted, and is expected to continue to constitute, a substantial majority of our total revenue. For the six months ended 30 June 2014, it represented 95.0% 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 our 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 typically at least one year between the time we commence the pre-sales 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 Period under Review, the properties delivered by the Group were mainly Suzhou Jingrui Jade Bay, Suzhou Jingrui Royal Bay and Zhoushan Jingrui Peninsula Bay. Revenue from sales of properties was RMB850.6 million in the first half of 2014 (corresponding period in 2013: RMB1,197.7 million), representing a decrease of 29.0% as compared to the corresponding period last year, mainly due to lesser GFA completed and delivered to customers during the first six months of 2014 than that in the corresponding period 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 the first half of 2014, property management revenue of the Group was approximately RMB32.6 million, representing an increase of approximately 34.2% as compared to the corresponding period last year which would lay a good foundation for future recognised revenue of the Group when the relevant properties are completed and delivered to buyers. Revenue from property management, both in an absolute amount and as a percentage of total revenue, increased steadily, primarily due to the continued growth of our properties completed.

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 21.7% from RMB965.1 million in the first half of 2013 to RMB755.3 million in the first half of 2014, primarily due to less GFA completed and delivered to customers during the first six months of 2014 than that in the corresponding period in 2013.

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

	Six months ended 30 June			
	2014		2013	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**454,573**	**60.2**	569,300	59.0
Land use right costs	**170,464**	**22.6**	211,266	21.9
Capitalised interest	**45,981**	**6.1**	80,368	8.3
Subtotal: Total cost of properties	**671,018**	**88.9**	860,934	89.2
Business tax and surcharges	**50,968**	**6.7**	70,135	7.3
Other costs[1]	**33,348**	**4.4**	34,013	3.5
Total	**755,334**	**100.0**	965,082	100.0
Total GFA delivered (sq.m.)	**87,851**		140,484	
Average cost of properties per sq.m. sold (RMB)[2]	**7,638**		6,128	
Average cost per sq.m. as % of ASP	**80.6**		73.0	

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

For the six months ended 30 June 2014, the gross profit of the Group was RMB139.6 million (corresponding period in 2013: RMB262.0 million), and the gross profit margin of the Group was 15.6% (corresponding period in 2013: 21.4%). The decreases in gross profit and gross profit margin were primarily due to (i) lesser properties being delivered during the period and (ii) lower overall gross profit margin of the properties delivered during the period.

Fair Value Gains on Investment Properties

For the six months ended 30 June 2014, our fair value gains on investment properties were RMB1.0 million (corresponding period in 2013: RMB7.0 million). The change in fair value recorded a decline as compared to the corresponding period last year.

Selling and Marketing Expenses

For the six months ended 30 June 2014, our selling and marketing costs were RMB122.1 million (corresponding period in 2013: RMB66.1 million), representing a year-on-year increase of 84.7%. The increase was primarily due to the increase in pre-sales and sales of more properties.

Administrative Expenses

For the six months ended 30 June 2014, our administrative expenses were RMB120.3 million (corresponding period in 2013: RMB72.4 million), representing a year-on-year increase of 66.2%. The increase was primarily due to the increase in staff costs and other expenses arising from our business expansion.

Other Income and Other Gains/(Losses), Net

For the six months ended 30 June 2014, our other income and other gains in total were RMB6.6 million (corresponding period in 2013: RMB192.2 million), representing a year-on-year decrease of 96.6%. Other gains recorded in the first half of 2013 were primarily due to the return of a parcel of land by us to the local government as a result of the change in the zoning plan over such land by the local government, and net gain arose from the corresponding compensation provided by the local government to us over our land costs and relocation costs incurred. No such other gain was recorded by the Group in the first half of 2014.

Finance Income, Net

For the six months ended 30 June 2014, our finance income was RMB5.6 million (corresponding period in 2013: RMB14.9 million), primarily due to the decrease of the interest income from lesser bank deposits. Our finance costs were RMB4.5 million (corresponding period in 2013: RMB2.4 million), primarily due to the increase of interest expenses for more borrowings. As a result, our net finance income decreased by 91.2% to RMB1.1 million as compared to that of RMB12.5 million in the corresponding period last year.

Income Tax Expense

For the six months ended 30 June 2014, our income tax expense was RMB34.6 million (corresponding period in 2013: RMB134.7 million), representing a year-on-year decrease of 74.3%, primarily due to less taxable income generated from the period as compared to that in the corresponding period last year.

Loss for the Period

For the six months ended 30 June 2014, we recorded a loss of RMB131.9 million (corresponding period in 2013: profit of RMB197.7 million), primarily because (i) lesser GFA was completed and delivered to customers during the period as compared to the corresponding period last year and (ii) net gain generated from government compensation was recorded for the corresponding period of 2013 while no such gain was recorded during the current period.

LIQUIDITY AND CAPITAL RESOURCES

Cash Positions

As of 30 June 2014, the Group's cash at bank and on hand (including restricted cash) decreased by approximately 7.6% to approximately RMB3,113.3 million from approximately RMB3,367.6 million as at 31 December 2013. The Group's cash at bank and on hand are mainly denominated in RMB.

Restricted cash of the Group mainly comprised of deposits pledged for borrowings and deposits for notes issued to suppliers.

Borrowings

Our total outstanding borrowings increased from RMB7,182.5 million as at 31 December 2013 to RMB9,388.4 million as at 30 June 2014, primarily due to the increase in the construction activities resulting from our business expansion. As at 30 June 2014, the Group had approximately RMB717.0 million in unutilized banking facilities. The Group's borrowings are mainly denominated in RMB.

The table below sets forth the breakdown of our borrowings by categories:

	30 June 2014	31 December 2013	Change
	RMB'000		%
Current Borrowings:			
Bank loans, secured	**1,601,771**	932,232	71.8
Bank loans, unsecured	**100,000**	100,000	–
Trust financing arrangements, secured – conventional loan	**290,000**	290,000	–
Add: Current portion of long-term borrowings			
– Bank loans	**1,305,780**	700,539	86.4
– Trust financing arrangements	**1,768,032**	1,089,000	62.4
Total Current Borrowings	**5,065,583**	3,111,771	62.8

	30 June 2014	31 December 2013	Change
	RMB'000		*%*
Non-Current Borrowings:			
Bank loans, secured	**4,752,715**	3,230,348	47.1
Trust financing arrangements, secured			
– conventional loan	**330,000**	550,000	(40.0)
– equity with repurchase obligation	**2,313,949**	2,079,899	11.3
Less: Current portion of long-term borrowings			
– Bank loans	**(1,305,780)**	(700,539)	86.4
– Trust financing arrangements	**(1,768,032)**	(1,089,000)	62.4
Total Non-Current Borrowings	**4,322,852**	4,070,708	6.2
Total	**9,388,435**	7,182,479	30.7

The table below sets forth the breakdown of our borrowings by maturity profiles:

	30 June 2014		31 December 2013	
	RMB'000	*%*	*RMB'000*	*%*
Within 1 year	**5,065,583**	**54.0**	3,111,771	43.3
Between 1 and 2 years	**3,208,182**	**34.2**	2,958,573	41.2
Between 2 and 5 years	**916,670**	**9.8**	996,429	13.9
Above 5 years	**198,000**	**2.0**	115,706	1.6
Total	**9,388,435**	**100.0**	7,182,479	100.0

Borrowing Costs

The Group's weighted average effective interest rates were 9.70% as at 30 June 2014, as compared to 10.30% as at 31 December 2013.

The table below sets forth the categories of the interest generated from bank loans and trust financing arrangements:

	Six months ended 30 June		
	2014	2013	Change
	RMB'000		*%*
Finance costs			
– Interest expensed	**4,468**	2,425	84.2
– Interest capitalised	**380,477**	230,798	64.9
Total	**384,945**	233,223	65.1

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

	30 June 2014	31 December 2013
Bank loans	**7.46%**	7.58%
Trust financing arrangements	**13.39%**	13.51%
Consolidated weighted average effective interest rates	**9.70%**	10.30%

Net Debt-to-Adjusted-Capital Ratio

As at 30 June 2014, our net debt-to-adjusted-capital ratio was 182%. 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 showed an increase as compared to that of 102% (restated) as at 31 December 2013, primarily due to the increase in borrowings of the Group during the six months ended 30 June 2014.

Contingent Liabilities

We provide mortgage guarantees to banks in respect of the mortgage loans they provide 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 customers, 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 mortgage bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans.

As at 30 June 2014, the 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 RMB3,804.3 million (as at 31 December 2013: approximately 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 disclosed above, as of 30 June 2014, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or 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 banks and trust financing providers. Borrowings at floating rates expose us to cash flow interest rate risks, while borrowings at fixed rates expose us to fair value interest rate risks. We have not hedged our cash flow or fair value interest rate risks.

Our Directors do not anticipate significant impacts on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

Foreign Exchange Risk

We are engaged in the development, sale and management of properties solely in the PRC with almost all our transactions denominated in RMB. In addition, the majority of our assets and liabilities are denominated in RMB. Accordingly, we are not exposed to significant foreign currency risks.

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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2014.

USE OF NET PROCEEDS FROM LISTING

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

SUBSEQUENT EVENTS

The significant subsequent events of the Group after 30 June 2014 were as follows:

(a) On 20 April 2014, Natural Apex Limited, a wholly-owned subsidiary of the Company, and a third party, Robinson RE Company Limited, an indirectly wholly-owned subsidiary of Century Bridge Capital, entered into a share purchase agreement (the "Share Purchase Agreement"), pursuant to which, Natural Apex Limited would transfer 21,620 shares it held in Modern Jump Limited, a wholly-owned subsidiary of Natural Apex Limited (representing 43.24% of its issued share capital) to Robinson RE Company Limited at a consideration of USD32,000,000. Shimmery Amber International Limited, a wholly-owned subsidiary of Modern Jump Limited, held a project company in Wuxi, Jiangsu Province and its related land use rights. The Share Purchase Agreement was completed on 25 July 2014 and since then, Modern Jump Limited became a jointly controlled entity of the Group.

(b) In August 2014, the Company issued 5-year senior notes in an aggregate principal amount of USD150 million, which have been listed on the Stock Exchange. These notes would bear interest from 8 August 2014 at the rate of 13.625% per annum, payable semi-annually in arrears on 8 February and 8 August of each year, commencing on 8 February 2015 and are due for repayment on 8 August 2019.

    Pursuant to the terms of the notes, the Company and certain subsidiaries has pledged, for the benefit of the holders of the notes, the capital stock of certain subsidiaries of the Group on a first priority basis (subject to permitted liens) in order to secure the obligations of the Company under the notes.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") of the Stock Exchange 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 six months ended 30 June 2014. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL STATEMENTS

The Board has established the audit committee which comprises three independent non-executive Directors, namely Mr. Qian Shi Zheng (Chairman), Dr. Lo Wing Yan William and Mr. Han Jiong.

The audit committee has reviewed together with management and the Company's external auditor the unaudited condensed consolidated financial statements, including the interim results of the Group for the six months ended 30 June 2014. The audit committee has also reviewed the effectiveness of the internal control system of the Group and considers the internal control system to be effective and adequate.

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 to all the Directors and each of the Directors has confirmed that he/she has complied with the Model Code throughout the six months ended 30 June 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND 2014 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2014 interim 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.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board hereby announces that the principal place of business of the Company in Hong Kong has been changed to Unit 09 43F, China Resources Building, 26 Harbour Road, Hong Kong with effect from 28 August 2014.

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

Hong Kong, 28 August 2014

As at the date of this announcement, the Board 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*