景瑞控股
JINGRUI HOLDINGS

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 2015

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2015, the Group achieved contracted sales of RMB2.9 billion, representing a decrease of approximately 3.2% as compared to the corresponding period last year.
- For the six months ended 30 June 2015, the Group achieved revenue of RMB1.7 billion, representing an increase of approximately 89.2% as compared to the corresponding period last year.
- As at 30 June 2015, the Group's total assets amounted to RMB27.6 billion, representing an increase of 4.6% as compared to 31 December 2014.
- As at 30 June 2015, the land bank of the Group was approximately 4,941,144 sq.m.
- For the six months ended 30 June 2015, due to lower overall gross profit of the properties completed and delivered to customers during the first half of 2015, the Group recorded a loss for the period of RMB166 million.
- The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2015.

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 2015 (the "**Period under Review**") together with the comparative figures for the corresponding period in 2014 as follows:

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
		Unaudited	Unaudited
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**1,693,148**	894,973
Cost of sales	*8*	**(1,603,555)**	(755,334)
Gross profit		**89,593**	139,639
Fair value gains on investment properties		**1,000**	1,000
Selling and marketing costs	*8*	**(121,371)**	(122,055)
Administrative expenses	*8*	**(113,411)**	(120,276)
Other income		**3,438**	8,532
Other losses – net	*7*	**(12,344)**	(1,942)
Operating loss		**(153,095)**	(95,102)
Finance income	*9*	**21,338**	5,614
Finance costs	*9*	**(8,148)**	(4,468)
Finance income – net		**13,190**	1,146
Share of results of jointly controlled entities		**(6,424)**	(3,395)
Loss before income tax		**(146,329)**	(97,351)
Income tax expense	*10*	**(19,224)**	(34,551)
Loss for the period		**(165,553)**	(131,902)
Attributable to:			
Equity holders of the Company		**(194,163)**	(123,222)
Holders of perpetual capital instruments		**24,750**	–
Non-controlling interests		**3,860**	(8,680)
		(165,553)	(131,902)
Loss per share for loss attributable to equity holders of the Company			
– Basic and diluted	*11*	**RMB(0.15)**	RMB(0.10)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Loss for the period	**(165,553)**	(131,902)
Other comprehensive income or loss	**–**	–
Total comprehensive loss for the period	**(165,553)**	(131,902)
Attributable to:		
Equity holders of the Company	**(194,163)**	(123,222)
Holders of perpetual capital instruments	**24,750**	–
Non-controlling interests	**3,860**	(8,680)
	(165,553)	(131,902)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2015

	Note	**As at 30 June 2015 Unaudited** *RMB'000*	As at 31 December 2014 Audited *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**18,850**	20,742
Investment properties		**776,000**	775,000
Intangible assets		**3,882**	2,816
Investments in jointly controlled entities		**533,209**	539,633
Deferred income tax assets		**318,821**	252,599
Available-for-sale financial assets		**25,000**	10,000
		1,675,762	1,600,790
Current assets			
Prepayments for leasehold land		**272,683**	552,500
Properties held or under development for sale		**20,457,332**	18,585,634
Trade and other receivables and prepayments	*5*	**1,201,560**	1,050,409
Prepaid income taxes		**312,168**	212,884
Restricted cash		**2,592,125**	2,022,947
Cash and cash equivalents		**1,130,552**	2,358,015
Non-current assets held-for-sale		**–**	20,941
		25,966,420	24,803,330
Total assets		**27,642,182**	26,404,120
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value		**79,361**	79,361
Share premium		**1,193,851**	1,271,329
Other reserves and retained earnings		**2,152,495**	2,339,342
		3,425,707	3,690,032
Perpetual capital instruments		**486,725**	551,350
Non-controlling interests		**511,414**	517,629
Total equity		**4,423,846**	4,759,011

	Note	As at 30 June 2015 Unaudited *RMB'000*	As at 31 December 2014 Audited *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**3,788,905**	4,560,244
Deferred income tax liabilities		**260,258**	208,643
Trust loans related derivatives		**–**	3,788
		4,049,163	4,772,675
Current liabilities			
Trade and other payables	*6*	**3,046,588**	2,996,615
Amounts due to non-controlling interests of subsidiaries		**135,493**	340,093
Current portion of long-term payables		**321,900**	316,596
Advanced proceeds received from customers		**9,475,141**	7,747,856
Current income tax liabilities		**356,515**	389,406
Borrowings		**5,817,997**	5,058,326
Current portion of trust loans related derivatives		**15,539**	23,542
		19,169,173	16,872,434
Total liabilities		**23,218,336**	21,645,109
Total equity and liabilities		**27,642,182**	26,404,120
Net current assets		**6,797,247**	7,930,896
Total assets less current liabilities		**8,473,009**	9,531,686

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 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 2015.

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 2015 have been prepared under the historical cost convention, as modified by the revaluation of 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 2014, 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 2014, 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 amendment and improvements of HKFRSs effective for 2015

The following annual improvements of HKFRSs which are relevant to the Group's operations are effective for the first time for annual period beginning on 1 January 2015.

- Annual improvements 2012, affecting the following 4 standards: HKFRS 8 "Operating Segments", HKAS 16 "Property, Plant and Equipment", HKAS 24 "Related Party Disclosures" and HKAS 38 "Intangible Assets"

- Annual improvements 2013, affecting the following 3 standards: HKFRS 3 "Business Combinations", HKFRS 13 "Fair Value Measurement" and HKAS 40 "Investment Property"

The adoption of the above annual improvements starting from 1 January 2015 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 2015.

The Group has not early adopted any new accounting and financial reporting standards, amendments and improvements to existing standards which have been issued but are not yet effective for the financial year ending on 31 December 2015.

4 REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker (the "**CODM**") for the purposes of allocating resources and assessing performance.

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

- Property development segment engages in real estate development in the PRC; and
- 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

Turnover of the Group for each of the six months ended 30 June 2015 and 2014 consists of the following revenue:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of properties	**1,643,542**	850,585
Revenue from property management	**40,866**	32,624
Rental income	**2,975**	4,475
Others	**5,765**	7,289
	1,693,148	894,973

(b) Segment information

	Six months ended 30 June 2015 (Unaudited)				
	Property development *RMB'000*	**Property investment and management** *RMB'000*	**Total segment** *RMB'000*	**Elimination** *RMB'000*	**Total Group** *RMB'000*
Segment revenue	**1,643,542**	**91,709**	**1,735,251**	**(42,103)**	**1,693,148**
Segment loss before income tax expense	**(99,556)**	**(53,241)**	**(152,797)**	**6,468**	**(146,329)**
Finance income	**18,690**	**2,648**	**21,338**	**–**	**21,338**
Finance costs	**(7,220)**	**(928)**	**(8,148)**	**–**	**(8,148)**
Share of results of jointly controlled entities	**(6,424)**	**–**	**(6,424)**	**–**	**(6,424)**
Depreciation and amortisation	**(3,626)**	**(561)**	**(4,187)**	**–**	**(4,187)**

A reconciliation to loss for the period is as follows:

Total segment losses before income tax expense	**(146,329)**
Income tax expense	**(19,224)**
Loss for the period	**(165,553)**

	As at 30 June 2015 (Unaudited)				
Segment assets	**32,596,665**	**7,242,496**	**39,839,161**	**(12,196,979)**	**27,642,182**
Segment assets include:					
Investments in jointly controlled entities	**533,209**	**–**	**533,209**	**–**	**533,209**
Additions to property, plant and equipment	**1,819**	**559**	**2,378**	**–**	**2,378**
Segment liabilities	**28,817,359**	**6,683,680**	**35,501,039**	**(12,282,703)**	**23,218,336**

	Six months ended 30 June 2014 (Unaudited)				
	Property development *RMB'000*	Property investment and management *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *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 31 December 2014 (Audited)				
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

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Trade receivables	**81,216**	111,912
Less: Provision for impairment of trade receivables	**(209)**	(205)
Trade receivables – net	**81,007**	111,707
Amount due from a jointly controlled entity	**98,613**	98,613
Prepaid business tax and surcharges (a)	**536,018**	441,975
Tender deposits (b)	**130,690**	25,600
Deposits with public housing fund centres (c)	**50,442**	36,973
Prepayments of construction costs	**21,562**	9,406
Temporary funding receivables (d)	**134,261**	157,715
Deposits paid for construction work	**92,408**	85,987
Amount due from non-controlling interests of a subsidiary (e)	**11,700**	–
Prepayments of relocation costs (f)	**544**	47,544
Others	**62,958**	56,014
Less: Provision for impairment of other receivables	**(18,643)**	(21,125)
	1,201,560	1,050,409

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 amount due from non-controlling interests of a subsidiary of the Group, which is non-interest bearing, unsecured and requires immediate settlement on demand.

(f) The balance represents the prepayments of relocation costs made by the Group to a relocation company relating to the future property development of Shanghai Fengxiang Property Development Co., Ltd. (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 30 June 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
Less than 1 year	**78,094**	105,645
Between 1 and 2 years	**3,091**	5,796
Between 2 and 3 years	**31**	399
Over 3 years	**–**	72
	81,216	111,912

As at 30 June 2015 and 31 December 2014, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2015 and 31 December 2014, the carrying amounts of trade and other receivables and prepayments are all denominated in RMB.

6 TRADE AND OTHER PAYABLES

	As at 30 June 2015 *RMB'000* (Unaudited)	As at 31 December 2014 *RMB'000* (Audited)
Trade payables	**1,468,126**	1,935,902
Notes payable	**804,915**	335,882
Amounts due to jointly controlled entities	**271,754**	295,898
Business and other taxes payable	**61,671**	75,788
Electricity fee and cleaning fee collected on behalf	**19,349**	14,633
Deed tax collected on behalf	**6,691**	6,695
Accrued payroll	**9,154**	18,800
Interest payable	**161,415**	106,722
Construction deposits received from suppliers	**12,925**	19,294
Deposits received from customers	**15,387**	10,009
Deposit received in connection with the disposal of a subsidiary (a)	**10,000**	10,000
Payables for acquisition of Shanghai Fengxiang (b)	**101,658**	101,763
Dividend payable *(Note 12)*	**1,379**	–
Remaining liability component of perpetual capital instruments	**42,625**	–
Others	**59,539**	65,229
	3,046,588	2,996,615

notes:

(a) The balance as at 30 June 2015 represents the deposit of RMB10,000,000 (31 December 2014: 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) ("**Shanghai Garden City**"), a subsidiary of the Group. The equity transfer has not completed as at 31 December 2014 and 30 June 2015.

(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 is as follows:

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
Less than 1 year	**1,987,237**	1,939,001
Between 1 and 2 years	**139,807**	189,275
Between 2 and 3 years	**38,720**	30,565
Over 3 years	**107,277**	112,943
	2,273,041	2,271,784

As at 30 June 2015 and 31 December 2014, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2015 and 31 December 2014, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 30 June 2015 *RMB'000* **(Unaudited)**	As at 31 December 2014 *RMB'000* (Audited)
– RMB	**2,973,195**	2,945,818
– USD	**73,393**	50,797
	3,046,588	2,996,615

7 OTHER LOSSES – NET

	Six months ended 30 June	
	2015 *RMB'000* **(Unaudited)**	2014 *RMB'000* (Unaudited)
Gains/(losses) from disposal of property, plant and equipment	**99**	(176)
Changes in fair values of trust loans related derivatives	**11,791**	1,730
Compensation and late payment charges	**(37,313)**	(2,949)
Foreign exchange gains	**10,858**	–
Others	**2,221**	(547)
	(12,344)	(1,942)

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	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**1,445,325**	671,018
Business tax and surcharges (a)	**95,877**	50,968
Depreciation of property, plant and equipment	**3,838**	5,479
Amortisation of intangible assets	**349**	258
Bank charges	**9,045**	3,045
Staff costs	**118,347**	112,919
Entertainment expenses	**5,421**	5,160
Stamp duty and other taxes	**8,926**	6,881
Professional fees	**11,967**	5,911
Auditors' remuneration	**1,000**	1,080
Sales commission	**8,127**	10,592
Advertising and publicity costs	**53,643**	58,868
Office and meeting expenses	**9,245**	8,383
Rental expenses	**7,115**	7,040
Travelling expenses	**5,336**	5,183
Accrual of provision for impairment of properties held or under development for sale	**12,617**	3,418
(Reversal)/accrual of provision for impairment of receivables	**(2,478)**	4,500
Other expenses	**44,637**	36,962
Total cost of sales, selling and marketing costs and administrative expenses	**1,838,337**	997,665

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.

9 FINANCE INCOME – NET

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits	**21,338**	5,614
Finance costs		
– Interest on bank loans, senior notes and trust financing arrangements	**(504,726)**	(384,945)
– Less: Interest capitalised	**496,578**	380,477
	(8,148)	(4,468)
Net finance income	**13,190**	1,146

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	**1,842**	26,423
– PRC corporate income tax	**31,989**	41,922
	33,831	68,345
Deferred income tax	**(14,607)**	(33,794)
Total income tax charged for the period	**19,224**	34,551

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the "**CIT Law**"), the CIT rate applicable to the Group's subsidiaries located in mainland China from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The directors of the Company had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. No PRC withholding income tax was accrued for the six months ended 30 June 2015 and 2014 as the Group's PRC subsidiaries did not earn any distributable profits as a whole in those two periods. As at 31 December 2014, the Group accrued for PRC withholding income tax with an amount of RMB7,748,000 based on the tax rate of 10% on a portion of the earnings generated by its PRC subsidiaries after 30 June 2013. As at 30 June 2015, the accrued amount remained unchanged. The Group controls the dividend policies of these subsidiaries and it has been determined that the remaining earnings will not be distributed in the foreseeable future.

As at 30 June 2015, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB75,373,000 (31 December 2014: RMB89,397,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB753,728,000 (31 December 2014: RMB893,966,000).

The Group did not recognise deferred income tax assets of RMB150,109,000 (31 December 2014: RMB117,140,000) in respect of tax losses amounting to RMB600,436,000 (31 December 2014: RMB468,560,000) as at 30 June 2015. All these tax losses will expire within five years.

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 PER SHARE

Basic loss per share for the six months ended 30 June 2015 and 2014 is calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Group's loss attributable to equity holders of the Company *(RMB'000)*	**(194,163)**	(123,222)
Weighted average number of ordinary shares in issue *(in thousand)*	**1,291,302**	1,253,691
Basic loss per share *(RMB)*	**(0.15)**	(0.10)

Diluted loss per share is equal to basic loss per share as there was no dilutive potential share outstanding for the six months ended 30 June 2015 and 2014.

12 DIVIDENDS

The board of the directors did not recommend any payment of interim dividend for the six months ended 30 June 2015 (Six months ended 30 June 2014: Nil).

A final dividend in respect of the year ended 31 December 2014 of RMB6 cents per ordinary share using the share premium account, amounting to approximately RMB77,478,000 has been approved at the annual general meeting of the Company held on 11 May 2015. The dividend not yet paid out by the Company as at 30 June 2015 was approximately RMB1,379,000 which was included in dividend payable (Note 6).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

According to the economic statistics for the first half of 2015 released by the National Bureau of Statistics, China's gross domestic product recorded a year-on-year increase of 7.0% during the first half of the year. In the first half of the year, China's economy grew within a reasonable range while major economic indicators remained positive stable. In respect of money credit, during the first half of the year, as shown by the macro-economic statistics, loans increased steadily as the effective demands for loans in the real economy stably recovered, and the credit structure was constantly optimized. In respect of the overall real estate market, the investment in real estate development during the first half of 2015 increased by 4.6% as compared to the corresponding period in the previous year. Areas of commodity properties sold nationwide reported a year-on-year increase of 3.9%, of which areas of residential properties sold increased by 4.5%. Areas of the newly constructed properties recorded a year-on-year decline of 15.8%, of which areas of newly constructed residential properties decreased by 17.3%.

Overall, transaction volume of the real estate market in China in the first half of the year picked up evidently, which was mainly attributable to the stimulation of the relaxed policies, especially the liquidity support arising from the cuts in interest rate and deposit-reserve ratio. In particular, since the second quarter of the year, with increasing efforts in steady growth, continuous progress achieved in the reforms such as streamlining administration and decentralization and the financial reform and effects seen in fiscal and monetary policies, the real estate market rebounded, which has mitigated the downward pressure of the economy to a certain extent, showing positive signals for stabilization and recovery of the economy.

Prospects

In the second half of 2015, from the perspective of macro environment, with the economy achieving a phased bottom, the government will adhere to the prudent but loosening monetary and credit policies. The central government has set the basic tone at stabilizing domestic consumption and supporting housing demand while promoting the establishment and completion of a long-effect mechanism and aggressively accelerating the progress of regional integration. Local governments will be more active and flexible in making adjustments to their policies, and loosening regulation will emerge as a prominent tendency in the context of stabilization of domestic consumption. With the positive effect of a number of policies aimed to sustain economic growth and reform initiatives rolled out by the government, China's economy is expected to retain its momentum of revitalization and render a better performance in the second half of the year as compared with the first half of the year. In respect of the real estate market, it is expected that the housing supply will record a narrower decline while the market demand will continue to revive. Meanwhile, with the promotion of sales of the existing supply of properties and alleviating the imbalance of supply and demand, housing price is expected to stabilize and rebound slightly, which will drive the overall recovery of the real estate market.

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 2015, the Group achieved contracted sales of approximately RMB2,924.9 million, representing a decrease of approximately 3.2% as compared to the corresponding period last year. Our total contracted gross floor areas ("**GFA**") sold was approximately 0.288 million sq.m., representing a decrease of approximately 7.0% as compared to the corresponding period last year. 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 RMB1,516.9 million and RMB1,273.3 million, representing 51.9% and 43.5% of the total contracted sales, respectively. This would lay a good foundation for future recognized revenue of the Group when the relevant properties are completed and delivered to the buyers.

The following table sets out the geographic breakdown of the Group's contracted sales from January to June 2015:

Project Name	**Contracted GFA Sold** *sq.m.*	**Contracted Sales** *RMB*	**Contracted Average Selling Price ("ASP")** *RMB/sq.m.*
Shanghai			
Shanghai Jingrui Fair Town	492	12,490,000	25,386
Shanghai Fengxiang Project	(1,140)	(11,842,579)	N/A
Tianjin			
Tianjin Jingrui Sunny City	2,747	18,998,761	6,916
Tianjin Jingrui England County	82	322,233	N/A
Chongqing			
Chongqing Jingrui Royal Bay	12,196	78,701,388	6,453
Sub-total of centrally direct-controlled municipalities	**14,377**	**98,669,803**	**6,863**
Hangzhou			
Hangzhou Jingrui Royal Bay	4,314	28,651,921	6,642
Hangzhou Jingrui Royal Mansion	9,020	63,100,924	6,996
Hangzhou Jingrui Shenhua No. One	20,679	512,085,427	24,764
Ningbo			
Ningbo Jingrui Dignity Mansion	4,473	44,535,631	9,957
Ningbo Jingrui The Mansion	35,385	478,563,778	13,524
Shaoxing			
Shaoxing Jingrui The Mansion	119	831,500	6,987
Shaoxing Jingrui Dignity Mansion	10,278	99,307,408	9,662
Shaoxing Jingrui Lake of Dawn	3,139	21,987,461	7,005
Shaoxing Jingrui Nobility Mansion	7,387	37,244,759	5,042

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Huzhou			
Huzhou Jingrui Cin Cinnatti	187	1,075,000	5,749
Huzhou Jingrui Dignity Mansion	404	(5,936,018)	N/A
Zhoushan			
Zhoushan Jingrui Peninsula Bay	991	950,129	N/A
Taizhou			
Taizhou Jingrui Dignity Mansion	11,517	234,472,328	20,359
Sub-total of Zhejiang Province	**107,893**	**1,516,870,248**	**14,059**
Suzhou			
Suzhou Jingrui Royal Bay	94	758,045	8,064
Suzhou Jingrui Jade Bay	2,795	24,218,617	8,665
Suzhou Jingrui Dignity Mansion	24,296	214,795,974	8,841
Suzhou Jingrui Nobility Mansion	27,297	266,618,430	9,767
Changzhou			
Changzhou Jingrui Dignity Mansion	6,950	63,538,826	9,142
Wuxi			
Wuxi Jingrui Dignity Mansion	18,894	148,746,088	7,873
Nantong			
Nantong Jingrui Dignity Mansion	29,055	165,922,240	5,711
Nantong Jingrui Nobility Mansion	19,801	136,286,847	6,883
Yangzhou			
Yangzhou Jingrui Dignity Mansion	26,318	197,611,652	7,509
Taizhou			
Taizhou Jingrui Royal Bay	10,435	54,814,354	5,253
Sub-total of Jiangsu Province	**165,935**	**1,273,311,073**	**7,674**
Car park (lots)	432	36,083,400	
Total	**288,205**[1]	**2,924,934,524**	**10,149**

Note:

(1) Excluding car parks

Land Bank

As at 30 June 2015, the total land bank of the Group was approximately 4,941,144 sq.m. or approximately 4,329,394 sq.m. on an attributable basis. In the first half of 2015, the Group acquired four land parcels located in Ningbo, Shanghai and Chongqing respectively, with an expected total GFA of approximately 176,567 sq.m. and an aggregate consideration of approximately RMB1,198 million.

From 1 July 2015 to 28 August 2015, the Group acquired one land parcel, with an expected total GFA of approximately 339,634 sq.m. and an aggregate consideration of approximately RMB339 million.

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

	As at 30 June 2015			
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	267,065	5.4	170,141	3.9
Tianjin	514,266	10.4	514,266	11.9
Chongqing	183,470	3.7	183,470	4.2
Subtotal	**964,801**	**19.5**	**867,877**	**20.0**
Zhejiang Province				
Hangzhou	610,628	12.4	506,508	11.7
Ningbo	373,974	7.5	373,974	8.6
Shaoxing	809,058	16.4	676,163	15.6
Taizhou	82,422	1.7	82,422	1.9
Huzhou	37,442	0.8	37,442	0.9
Zhoushan	110,573	2.2	110,573	2.6
Subtotal	**2,024,097**	**41.0**	**1,787,082**	**41.3**
Jiangsu Province				
Suzhou	737,360	14.9	699,249	16.2
Wuxi	253,322	5.1	143,786	3.3
Changzhou	271,453	5.5	141,289	3.3
Nantong	356,715	7.2	356,715	8.2
Yangzhou	210,181	4.3	210,181	4.9
Taizhou	123,215	2.5	123,215	2.8
Subtotal	**1,952,246**	**39.5**	**1,674,435**	**38.7**
Total	**4,941,144**	**100.0**	**4,329,394**	**100.0**

The table below sets forth the details of land acquisition of the Group from 1 January 2015 to 30 June 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	16,129	16,129
Shanghai	Land Parcel No. A06-02 situated at No. 386 Street, Jiangwan Town, Hongkou District	Residential	100	8,916	28,139	20,508	652	23,171	31,792
Chongqing	Land Parcel No. R11-1-3/04 situated at R Division, Dayangshi Group, Jiulongpo District	Residential	100	6,290	25,160	25,160	104	4,134	4,134
Total				**68,501**	**176,567**	**142,207**	**1,198**	**6,784**	**8,423**

The table below sets forth the details of land acquisition of the Group from 1 July 2015 to 28 August 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.*
Nantong	Land Parcel No. R15026 situated at West Tongfu Road and South Jujia Road	Residential	100	119,097	339,634	262,000	339	998	1,294
Total				**119,097**	**339,634**	**262,000**	**339**	**998**	**1,294**

Recognized Revenue from the Sale of Properties

Our recognized revenue from the sale of properties from 1 January 2015 to 30 June 2015 was approximately RMB1,643.5 million, representing an increase of 93.2% as compared to the corresponding period last year.

The breakdown of recognized revenue from the sale of properties from 1 January to 30 June 2015 is as follows:

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui Fair Town	146,450	8.9	7,429	19,713
Jiangsu Province				
Changzhou Jingrui England County	413,080	25.0	73,585	5,614
Suzhou Jingrui Royal Bay	(26,163)	(1.6)	(1,899)	N/A
Suzhou Jingrui Jade Bay	8,335	0.5	954	8,737
Suzhou Jingrui Dignity Mansion	92,784	5.6	5,059	18,340
Nantong Jingrui Dignity Mansion	212,890	13.0	24,026	8,861
Taizhou Jingrui Royal Bay	2,876	0.2	381	7,549
Zhejiang Province				
Huzhou Jingrui Cin Cinnatti	1,075	0.1	187	5,749
Huzhou Jingrui Dignity Mansion	6,713	0.4	242	27,740
Zhoushan Jingrui Peninsula Bay	16,480	1.0	2,236	7,370
Shaoxing Jingrui Dignity Mansion	473,402	28.8	49,946	9,478
Shaoxing Jingrui The Mansion	65	0.0	338	N/A
Ningbo Jingrui Dignity Mansion	(687)	(0.0)	–	N/A
Tianjin				
Tianjin Jingrui Sunny City	286,988	17.5	44,138	6,502
Sub-total	**1,634,288**	**99.4**	**206,622**	**7,910**
Car parks	9,254	0.6	224[(1)]	–
Total	**1,643,542**	**100.0**	**–**	**–**

Note:

(1) Represents the number of car parks sold.

Employees and Remuneration Policies

As at 30 June 2015, we had a total of 2,053 full-time employees in China and Hong Kong. 618 of our employees worked in the property development operations and 1,435 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 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 six months ended 30 June 2015, the revenue of the Group reached RMB1,693.1 million, representing an increase of 89.2% as compared to RMB895.0 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 on total revenue represented for the periods indicated:

	Six months ended 30 June				
	2015		2014		
		Percentage of the total revenue		Percentage of the total revenue	Year-on-year change
	RMB million	***(%)***	*RMB million*	*(%)*	*(%)*
Sales of properties	**1,643.5**	**97.1**	850.6	95.0	93.2
Property management	**40.9**	**2.4**	32.6	3.7	25.3
Rental income	**3.0**	**0.2**	4.5	0.5	(33.5)
Others	**5.7**	**0.3**	7.3	0.8	(20.9)
Total	**1,693.1**	**100.0**	895.0	100.0	89.2

Revenue from sales of properties has been constituted, and is expected to continue to constitute, a substantial majority of our total revenue. For the six months ended 30 June 2015, it represented 97.1% 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 the 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 Changzhou Jingrui England County and Shaoxing Jingrui Dignity Mansion. Revenue from sales of properties was RMB1,643.5 million in the first half of 2015 (corresponding period in 2014: RMB850.6 million), representing an increase of 93.2% as compared to the corresponding period last year, mainly due to the more GFA completed and delivered to customers during the first half of 2015 than that in the corresponding period of 2014.

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 2015, property management revenue of the Group was approximately RMB40.9 million, representing an increase of approximately 25.3% as compared to the corresponding period last year. 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 increased by 112.3% from RMB755.3 million in the first half of 2014 to RMB1,603.6 million in the first half of 2015, primarily due to the more GFA completed and delivered to customers during the first half of 2015 than that in the corresponding period of 2014.

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			
	2015		2014	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**828,912**	**51.7**	454,573	60.2
Land use right costs	**490,032**	**30.6**	170,464	22.6
Capitalized interest	**126,381**	**7.9**	45,981	6.1
Subtotal: Total cost of properties	**1,445,325**	**90.2**	671,018	88.9
Business tax and surcharges	**95,877**	**6.0**	50,968	6.7
Provision for impairment of properties held or under development for sale	**12,617**	**0.8**	–	–
Other costs[1]	**49,736**	**3.0**	33,348	4.4
Total	**1,603,555**	**100.0**	755,334	100.0
Total GFA delivered (sq.m.)	**206,622**		87,851	
Average cost of properties per sq.m. sold (RMB)[2]	**6,995**		7,638	
Average cost per sq.m. as % of ASP	**88.4**		80.6	

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 2015, the gross profit of the Group was RMB89.6 million (corresponding period in 2014: RMB139.6 million), and the gross profit margin of the Group was 5.3% (corresponding period in 2014: 15.6%). The decreases in gross profit and gross profit margin were primarily due to lower overall gross profit margin of the properties completed and delivered to customers during the first half of 2015.

Fair Value Gains on Investment Properties

For the six months ended 30 June 2015, our fair value gains on investment properties were RMB1.0 million (corresponding period in 2014: RMB1.0 million).

Selling and Marketing Costs

For the six months ended 30 June 2015, our selling and marketing costs were RMB121.4 million (corresponding period in 2014: RMB122.1 million), representing a year-on-year decrease of 0.6% and remained stable.

Administrative Expenses

For the six months ended 30 June 2015, our administrative expenses were RMB113.4 million (corresponding period in 2014: RMB120.3 million), representing a year-on-year decrease of 5.7%, primarily due to our adopting of various measures to optimize operating costs.

Other Income and Other Losses, Net

For the six months ended 30 June 2015, our other income and other losses in total recorded a loss of RMB8.9 million (corresponding period in 2014: gain of RMB6.6 million).

Finance Income, Net

For the six months ended 30 June 2015, our finance income was RMB21.3 million (corresponding period in 2014: RMB5.6 million). Our finance costs were RMB8.1 million (corresponding period in 2014: RMB4.5 million). As a result, our net finance income increased greatly to RMB13.2 million as compared to that of RMB1.1 million in the corresponding period last year, primarily due to more interest income derived from deposits pledged for borrowings during the first half of 2015.

Income Tax Expense

For the six months ended 30 June 2015, our income tax expense was RMB19.2 million (corresponding period in 2014: RMB34.6 million), representing a year-on-year decrease of 44.5%, primarily due to lower overall profit of the properties completed and delivered to customers during the first half of 2015.

Loss for the Period

For the six months ended 30 June 2015, we recorded a loss of RMB165.6 million (corresponding period in 2014: loss of RMB131.9 million).

For the six months ended 30 June 2015, the loss of the Group attributable to equity holders of the Company was RMB194.2 million (corresponding period in 2014: loss of RMB123.2 million), primarily due to (i) lower overall gross profit of the properties completed and delivered to customers during the first half of 2015; and (ii) allocation during the current period for holders of perpetual capital instruments entered in December 2014 while no such item was recorded for the first half of 2014.

LIQUIDITY AND CAPITAL RESOURCES

Cash Positions

As of 30 June 2015, the Group's cash at bank and on hand (including restricted cash) decreased by approximately 15.0% to approximately RMB3,722.7 million from approximately RMB4,381.0 million as at 31 December 2014. The Group's cash at bank and on hand are mainly denominated in RMB.

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

Borrowings

Our total outstanding borrowings decreased from RMB9,618.6 million as at 31 December 2014 to RMB9,606.9 million as at 30 June 2015. As at 30 June 2015, the Group had approximately RMB4,276.1 million of unutilized banking facilities. The Group's borrowings are mainly denominated in RMB and USD.

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

	30 June 2015	31 December 2014	Change
	RMB'000		*%*
Current Borrowings:			
Bank loans, secured	**1,996,052**	1,422,086	40.4
Bank loans, unsecured	**100,000**	–	N/A
Trust financing arrangements, secured			
— conventional loan	**–**	200,000	N/A
— equity with repurchase obligation	**97,400**	97,400	–
Add: Current portion of long-term borrowings			
— Bank loans, secured	**2,871,907**	2,116,697	35.7
— Trust financing arrangements, secured	**752,638**	1,222,143	(38.4)
Total Current Borrowings	**5,817,997**	5,058,326	15.0
Non-Current Borrowings:			
Bank loans, secured	**4,784,308**	5,621,597	(14.9)
Trust financing arrangements, secured			
— equity with repurchase obligation	**830,138**	1,384,170	(40.0)
Senior notes due 2018, secured	**904,509**	–	N/A
Senior notes due 2019, secured	**894,495**	893,317	0.1
Less: Current portion of long-term borrowings			
— Bank loans, secured	**(2,871,907)**	(2,116,697)	35.7
— Trust financing arrangements, secured	**(752,638)**	(1,222,143)	(38.4)
Total Non-Current Borrowings	**3,788,905**	4,560,244	(16.9)
Total	**9,606,902**	9,618,570	(0.1)

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

	30 June 2015		31 December 2014	
	RMB'000	***%***	*RMB'000*	*%*
Within 1 year	**5,817,997**	**60.6**	5,058,326	52.6
Between 1 and 2 years	**1,267,900**	**13.2**	2,824,927	29.4
Between 2 and 5 years	**2,365,005**	**24.6**	1,558,317	16.2
Above 5 years	**156,000**	**1.6**	177,000	1.8
Total	**9,606,902**	**100.0**	9,618,570	100.0

Borrowing Costs

The Group's weighted average effective interest rate on bank and other borrowings was 10.17% as at 30 June 2015, as compared to 9.67% as at 31 December 2014. The table below sets forth the categories of the interest generated from bank loan, trust financing arrangements and senior notes:

	Six months ended 30 June		
	2015	2014	Change
	RMB'000		*%*
Finance costs			
— Interest expensed	**8,148**	4,468	82.4
— Interest capitalized	**496,578**	380,477	30.5
Total	**504,726**	384,945	31.1

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

	30 June 2015	31 December 2014
Bank loans	**8.90%**	7.92%
Trust financing arrangements	**12.55%**	13.85%
Senior notes	**14.29%**	14.44%
Consolidated weighted average effective interest rates	**10.17%**	9.67%

Net Debt-to-Adjusted-Capital Ratio

As at 30 June 2015, our net debt-to-adjusted-capital ratio was 129%. 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 103% as at 31 December 2014, primarily due to the decrease in cash and cash equivalents of the Group during the six months ended 30 June 2015.

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 certificates 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 mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans.

As of 30 June 2015, 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 RMB5,125.9 million (as at 31 December 2014: approximately RMB5,091.4 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 2015, 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, trust financing providers and senior notes. 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 China 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, except for the issue of senior notes in 2014 and 2015, which were 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 will 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 2015.

PREVIOUS FUND RAISING ACTIVITIES

Date	Fund raising activity	Net proceeds raised (approximately)	Use of the net proceeds
October 2013	Initial public offering	HK$1,358 million	The Company has fully utilized the net proceeds from its initial public offering in the following manner: (i) approximately 10% (about HK$136 million) on general working capital; and (ii) approximately 90% (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
April 2015	Issue of US$150 million 13.250% senior notes due 2018	US$147 million	To improve the debt structure

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 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 six months ended 30 June 2015. 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 2015. 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 has complied with the Model Code throughout the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2015, 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 2015 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 2015 interim report containing all the information required by the Listing Rules will be dispatched 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, 28 August 2015

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

* *For identification purpose only*