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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 2018

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2018, the Group achieved contracted sales of RMB9.53 billion, representing an increase of approximately 49.8% as compared to the corresponding period last year.
- For the six months ended 30 June 2018, the Group achieved revenue of RMB2.16 billion, representing a decrease of approximately 23.0% as compared to the corresponding period last year, mainly due to a decrease in the number and GFA of delivered development property projects as the majority GFA is scheduled to be delivered in the second half of 2018.
- For the six months ended 30 June 2018, the gross profit of the Group was RMB0.59 billion and the gross profit margin was 27.2%, the significant increase of 14 percentage points in our gross profit margin as compared to the corresponding period of 2017 was mainly due to the increase in gross profit as a result of the increase in the selling price of the projects delivered during the period.
- As at 30 June 2018, the Group's total assets amounted to RMB44.79 billion, representing an increase of 14.3% as compared to 31 December 2017.
- As at 30 June 2018, land bank of the Group was approximately 5,246,876 sq.m..
- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2018.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited ("**Jingrui**" or the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**us**" or "**our**") for the six months ended 30 June 2018 (the "**Period under Review**") together with the comparative figures for the six months ended 30 June 2017 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2018

	Note	Six months ended 30 June 2018 RMB'000 (Unaudited)	2017 RMB'000 (Unaudited)
Revenue	5	**2,163,576**	2,810,089
Cost of sales	9	**(1,574,983)**	(2,438,670)
Gross profit		**588,593**	371,419
Gains arising from appreciation of investment properties under Office Platform and Apartment Platform		**186,936**	17,610
Fair value gains on investment properties under Property Development Platform		**137,941**	17,111
Selling and marketing costs	9	**(133,390)**	(185,421)
Administrative expenses	9	**(292,724)**	(275,915)
Other income		**14,848**	69,828
Other gains – net	8	**160,741**	102,107
Operating profit		**662,945**	116,739
Finance income	10	**28,117**	26,433
Finance costs	10	**(137,867)**	(157,693)
Finance costs – net		**(109,750)**	(131,260)
Share of results of joint ventures		**(19,344)**	(60,584)
Share of results of associates		**10,916**	(1,110)
		(8,428)	(61,694)
Profit/(loss) before income tax		**544,767**	(76,215)
Income tax expense	11	**(240,314)**	(93,188)
Profit/(loss) for the period		**304,453**	(169,403)
Attributable to:			
Equity holders of the Company		**269,257**	(138,486)
Holders of perpetual capital instruments		**–**	20,472
Non-controlling interests		**35,196**	(51,389)
		304,453	(169,403)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company			
– Basic earnings/(loss) per share	12	**RMB0.21**	RMB(0.11)
– Diluted earnings/(loss) per share	12	**RMB0.21**	RMB(0.11)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**304,453**	(169,403)
Other comprehensive income that may be reclassified subsequently to profit or loss		
Changes in fair value of available-for-sale financial assets, net of tax	**–**	(64,390)
Other comprehensive income that will not be reclassified to profit or loss		
Changes in fair value of equity investment at fair value through other comprehensive income, net of tax	**(72,550)**	–
Total comprehensive income/(loss) for the period, net of tax	**231,903**	(233,793)
Attributable to:		
Equity holders of the Company	**196,707**	(202,876)
Holders of perpetual capital instruments	**–**	20,472
Non-controlling interests	**35,196**	(51,389)
	231,903	(233,793)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2018

	Note	**As at 30 June 2018** *RMB'000* **(Unaudited)**	As at 31 December 2017 *RMB'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**71,799**	54,893
Investment properties		**6,762,370**	5,782,972
Intangible assets		**9,046**	10,699
Investments in joint ventures		**255,380**	257,330
Investments in associates		**302,545**	106,462
Deferred income tax assets		**393,097**	267,968
Financial assets at fair value through profit or loss		**396,728**	–
Financial assets at fair value through other comprehensive income		**468,974**	–
Available-for-sale financial assets		**–**	769,198
Trade and other receivables and prepayments	*6*	**1,077,528**	717,805
		9,737,467	7,967,327
Current assets			
Prepayments for leasehold land		**1,147,433**	911,176
Properties held or under development for sale		**19,573,800**	12,761,909
Trade and other receivables and prepayments	*6*	**7,561,679**	6,124,024
Prepaid income taxes		**293,561**	212,911
Restricted cash		**2,217,025**	1,248,445
Cash and cash equivalents		**2,540,369**	8,264,836
Right to acquire the land use rights		**1,434,745**	1,434,745
Contract acquisition costs		**25,892**	–
Financial assets at fair value through profit or loss		**3,500**	–
Available-for-sale financial assets		**–**	251,813
Financial assets at fair value through other comprehensive income		**251,813**	–
		35,049,817	31,209,859
Total assets		**44,787,284**	39,177,186
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value		**79,361**	79,361
Reserves		**3,569,779**	3,652,445
		3,649,140	3,731,806
Non-controlling interests		**2,489,714**	2,401,115
Total equity		**6,138,854**	6,132,921

	Note	As at 30 June 2018 RMB'000 (Unaudited)	As at 31 December 2017 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**9,749,849**	9,309,683
Deferred income tax liabilities		**1,579,145**	1,457,523
Financial liabilities for put option written on non-controlling interests		**15,214**	–
		11,344,208	10,767,206
Current liabilities			
Trade and other payables	*7*	**7,710,722**	9,206,924
Amounts due to non-controlling interests of subsidiaries		**743,234**	635,839
Finance lease liabilities		**–**	4,251
Advanced proceeds received from customers		**–**	6,566,599
Contract liabilities		**10,309,987**	–
Current income tax liabilities		**650,299**	984,398
Borrowings		**7,830,956**	4,805,080
Financial liabilities for put option written on non-controlling interests		**59,024**	73,968
		27,304,222	22,277,059
Total liabilities		**38,648,430**	33,044,265
Total equity and liabilities		**44,787,284**	39,177,186

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 30 August 2018.

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 2018 have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income 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 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

3 ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those of the annual consolidated financial statements of the Company for the year ended 31 December 2017, as described in those annual financial statements, except for estimation of income tax for the interim periods using the tax rate that would be applicable to expected total annual earnings and the adoption of the new standards, amendments and interpretation of HKFRSs effective for the financial year ending 31 December 2018.

New standards, amendments and interpretation of HKFRSs effective for 2018

The following new standards of HKFRSs which are relevant to the Group's operations are effective for the first time for annual period beginning on 1 January 2018.

- HKFRS 9 Financial Instruments ("**HKFRS 9**").
- HKFRS 15 Revenue from Contracts with Customers ("**HKFRS 15**").

The impact of the adoption of HKFRS 9 and HKFRS 15 are described in Note 4 below. The other newly effective standards, amendments and interpretation to existing standards did not have any impact on the Group's results of operation and financial position for the six months ended 30 June 2018.

New standards, amendments and interpretation of HKFRSs not yet adopted

The Group has not early adopted any new accounting and financial reporting standards, amendments and interpretation to existing standards which have been issued but are not yet effective for the year ending 31 December 2018. Among those to-be-effective HKFRSs, the following new standard is considered as may have some impact to the Group's financial position and results of operations.

- HKFRS 16 "Leases" ("**HKFRS 16**")

HKFRS 16 is effective for annual period beginning from 1 January 2019. The Group is in the process of making assessment on the impacts of HKFRS 16 upon adoption. The directors consider that the adoption of the new standard will have some impact on the consolidated financial position of the Group as the related right-of-use assets and lease liabilities will be recognised upon adoption of the new standard on 1 January 2019. There will also have some impact on the consolidated income statement of the Group as the impact of amortisation of the right-of-use assets and unwinding the discount of the related payable will be different from the operating lease charges that would have been recognised under the current standard.

There are no other new standards, amendments and interpretation to existing standards that are not effective and that would be expected to result in any significant impact on the Group's financial position and results of operations.

4 CHANGE IN ACCOUNTING POLICIES

The Group has adopted HKFRS 9 and HKFRS 15 since 1 January 2018, which led to changes in accounting policies and impact on the financial statements.

(a) Impact on financial statements

According to the transitional provision of HKFRS 9, the Group did not restate figures of the comparative period. Therefore, any reclassification and impairment provision for financial assets or liabilities during the comparative period have not been restated. All adjustments are recognised at the beginning of the period accordingly.

According to the transitional provision of HKFRS 15, the Group applied modified retrospective approach upon adoption and did not restate figures of the comparative period.

(b) Impact of adoption of HKFRS 9

HKFRS 9 replaced relevant requirements of HKAS 39 Financial Instruments relating to the recognition, classification and measurement of financial assets and liabilities; derecognition of financial instruments; and impairment and hedge accounting of financial assets.

The impact on the retained earnings of the Group as at 1 January 2018 due to the classification and measurement of financial instruments are as follows:

	RMB'000
Closing retained earnings – HKAS 39 as at 31 December 2017	1,792,875
Reclassify investment from available-for-sale to financial assets at fair value through profit or loss	(85,020)
Increase in provision for trade receivables	(84)
Increase in provision for other receivables	(5,297)
Increase in deferred tax assets	1,346
Adjustments to retained earnings from adoption of HKFRS 9 on 1 January 2018	(89,055)
Opening retained earnings – HKFRS 9 as at 1 January 2018	1,703,820

(i) ***Classification and measurement of financial instruments***

On the date of initial application of HKFRS 9 (i.e. 1 January 2018), the management has assessed the business models and cash flow contract terms of the financial assets held by the Group and classified its financial instruments into the appropriate HKFRS 9 categories. On 1 January 2018, equity investments in unlisted companies with fair value of RMB744,272,000 and RMB276,739,000 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss respectively.

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities except for derivative financial instruments. The derecognition rules have been transferred from HKAS 39 and have not been changed.

(ii) ***Impairment of financial assets***

The Group has two types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- trade receivables

- other receivables (excluding prepayments)

The Group has revised its impairment methodology according to HKFRS 9 for these two classes of assets. For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of lifetime expected loss provision for all trade receivables and contract assets. For other receivables, the Group applies the general model for expected credit losses prescribed by HKFRS 9, since credit risk has not significantly increased after initial recognition, provision is provided, the loss allowance recognised during the period was therefore limited to 12 months expected losses.

(c) Impact of adoption of HKFRS 15

After considering the changes in accounting policies as a result of the initial application of HKFRS 15, the directors considered that the initial application of HKFRS 15 has no material impact on the consolidated financial statements of the Group, save for the recognition of contract acquisition costs and presentation of contract liabilities.

Presentation of contract liabilities

Reclassification has been made since 1 January 2018 to conform to the terms used in HKFRS 15:

- Contract liabilities relating to proceeds received from presale of property development presented as receipts in advance in prior periods were now reclassified to contract liabilities (1 January 2018: RMB6,566,599,000).

Accounting policy on the recognition of sales income from property development

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or

- creates and enhances an asset that the customer controls as the Group performs; or

- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. If on the contract commencement date, the Group expects that the interval between the customer's obtaining control of the property and the payment of consideration by the customer will not exceed 1 year, the financing component will not be considered as significant.

The Group recognises the incremental costs of obtaining a contract as an asset under costs of obtaining contract if the Group expects to recover those costs.

5 OPERATING 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, as well as property decoration and other miscellaneous businesses; and

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

Revenue of the Group for each of the six months ended 30 June 2018 and 2017 consists of the following revenue:

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contract with customers recognised at a point in time		
– Sales of properties	**1,781,448**	2,656,721
– Others	**39,727**	1,233
	1,821,175	2,657,954
Revenue from contract with customers recognised over time		
– Property management service	**178,353**	100,934
– Decoration of properties	**112,687**	35,805
	291,040	136,739
Rental income	**51,361**	15,396
	2,163,576	2,810,089

(b) Segment

	Six months ended 30 June 2018 (Unaudited)				
	Property development *RMB'000*	Property investment, management and others *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	**1,781,448**	**505,468**	**2,286,916**	**(123,340)**	**2,163,576**
Segment profit before income tax expense	**361,189**	**178,696**	**539,885**	**4,882**	**544,767**
Finance income	**24,231**	**3,886**	**28,117**	**–**	**28,117**
Finance costs	**(134,536)**	**(3,331)**	**(137,867)**	**–**	**(137,867)**
Share of results of joint ventures	**(19,344)**	**–**	**(19,344)**	**–**	**(19,344)**
Share of results of associates	**(3,079)**	**13,995**	**10,916**	**–**	**10,916**
Depreciation and amortisation	**(2,013)**	**(4,305)**	**(6,318)**	**–**	**(6,318)**
A reconciliation to profit for the period is as follows:					
Total segment profit before income tax expense					**544,767**
Income tax expense					**(240,314)**
Profit for the period					**304,453**
	As at 30 June 2018 (Unaudited)				
Segment assets	**52,359,098**	**24,260,103**	**76,619,201**	**(31,831,917)**	**44,787,284**
Segment assets include:					
Investments in joint ventures	**255,380**	**–**	**255,380**	**–**	**255,380**
Investments in associates	**289,809**	**12,736**	**302,545**	**–**	**302,545**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**1,022,200**	**1,412,425**	**2,434,625**	**–**	**2,434,625**
Segment liabilities	**50,418,119**	**20,158,637**	**70,576,756**	**(31,928,326)**	**38,648,430**

	Six months ended 30 June 2017 (Unaudited)				
	Property development *RMB'000*	Property investment, management and others *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	2,656,721	259,630	2,916,351	(106,262)	2,810,089
Segment (loss)/profit before income tax expense	(71,096)	3,617	(67,479)	(8,736)	(76,215)
Finance income	24,895	1,538	26,433	–	26,433
Finance costs	(147,998)	(9,695)	(157,693)	–	(157,693)
Share of results of joint ventures	(59,873)	(711)	(60,584)	–	(60,584)
Share of results of associates	(396)	(714)	(1,110)	–	(1,110)
Depreciation and amortisation	(2,141)	(3,025)	(5,166)	–	(5,166)
A reconciliation to loss for the period is as follows:					
Total segment losses before income tax expense					(76,215)
Income tax expense					(93,188)
Loss for the period					(169,403)

	As at 31 December 2017 (Audited)				
Segment assets	46,614,694	25,448,724	72,063,418	(32,886,232)	39,177,186
Segment assets include:					
Investments in joint ventures	257,330	–	257,330	–	257,330
Investments in associates	70,888	35,574	106,462	–	106,462
Additions to non-current assets (other than financial instruments and deferred tax assets)	76,255	3,044,947	3,121,202	–	3,121,202
Segment liabilities	50,386,197	15,151,164	65,537,361	(32,493,096)	33,044,265

6 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2018 *RMB'000* **(Unaudited)**	As at 31 December 2017 *RMB'000* (Audited)
Trade receivables	**34,918**	42,076
Less: Provision for impairment of trade receivables	**(657)**	(552)
Trade receivables – net	**34,261**	41,524
Amounts due from joint ventures and associates	**1,921,991**	2,954,902
Prepaid taxes and surcharges and input VAT to be deducted	**428,660**	270,106
Receivables arising from disposal of subsidiaries (a)	**5,611**	5,611
Loans due from disposed subsidiaries assumed by third parties (b)	**285,943**	285,943
Tender deposits (c)	**–**	80,600
Deposits with public housing fund centres (d)	**46,515**	63,619
Prepayments of construction costs	**31,824**	17,695
Temporary funding receivables (e)	**419,105**	103,900
Deposits paid for construction work	**492,062**	448,842
Amounts due from non-controlling interests of subsidiaries (f)	**1,747,443**	922,737
Deposits paid for secure borrowings	**15,880**	23,780
Amount due from then joint venture partner (g)	**46,000**	–
Prepayments for acquisition of completed properties for sale (h)	**1,546,281**	1,209,668
Deposits paid for advanced proceeds received from customers (i)	**442,161**	230,610
Prepayments for investments (j)	**1,077,528**	36,751
Others	**133,087**	162,373
Less: Provision for impairment of other receivables	**(35,145)**	(16,832)
	8,639,207	6,841,829
Less: Non-current portion (k)	**(1,077,528)**	(717,805)
	7,561,679	6,124,024

Notes:

(a) The balance represents the outstanding considerations of RMB147,000 (31 December 2017: RMB147,000) and RMB5,464,000 (31 December 2017: RMB5,464,000) for disposal of equity interests in Tianjin Jingxiu Property Investment Co., Ltd. ("**Tianjin Jingxiu**") and Shanghai Jiajing Investment Co., Ltd. ("**Shanghai Jiajing**") respectively.

(b) The balance represents the outstanding loans of RMB175,943,000 of Shanghai Jingqi Property Development Co., Ltd. (31 December 2017: RMB175,943,000) and RMB110,000,000 of Tianjin Jingxiu (31 December 2017: RMB110,000,000), originally due by the two disposed subsidiaries to the Group, which have been assumed and shall be paid off by Hengda Real Estate Group Shanghai Shengjian Property Co., Ltd. and Hengda (Tianjin) Real Estate Group Co., Ltd. respectively according to the share transfer agreements.

(c) 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.

(d) 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.

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

(f) The balance as at 30 June 2018 includes amounts of RMB199,137,500 which were the outstanding principal balance from the non-controlling interests of Suzhou Alide Trade Co.,Ltd, which is with annual interest rate of 7.2%, unsecured and repayable on demand.

Except for the loans lent to non-controlling interests of Suzhou Alide Trade Co.,Ltd, as mentioned above, the funding provide to other non-controlling interests of certain subsidiaries are non-interest bearing and repayable on demand.

(g) The balance represents the outstanding amount of prepayments after netting off with the consideration paid to Shandong International Trust Co., Ltd., the then joint venture partner to purchase the 49% equity interests in Shanghai Ruice Investment Co., Ltd. and was received in July 2018.

(h) The balance represents the prepayments paid to third parties for the selling rights of certain completed properties located in Hangzhou.

(i) The balance represents the deposits paid for the advanced proceeds of properties received from customers in Changzhou.

(j) The balance represents the prepayments for investment in equity interests and financial assets of RMB1,006,567,000 and RMB70,961,000 respectively.

In November 2017, the Group made prepayments for purchase of 18.77% equity interests in Chongqing Jingteng Properties Co.,Ltd, a non-wholly owned subsidiary of the Group from the non-controlling interests with a consideration of HKD42,226,000 (equivalent to RMB35,883,000) and relevant taxes of RMB868,000, which have been completed by 30 June 2018.

(k) The balance as at 30 June 2018 includes the prepayments for investments of RMB1,077,528,000 (31 December 2017: RMB35,883,000).

The aging analysis of trade receivables, based on the property delivery or service rendered date is as follows:

	As at 30 June 2018 *RMB'000* **(Unaudited)**	As at 31 December 2017 *RMB'000* (Audited)
Less than 1 year	**29,194**	39,179
Between 1 and 2 years	**4,514**	451
Between 2 and 3 years	**149**	1,149
Over 3 years	**1,061**	1,297
	34,918	42,076

As at 30 June 2018 and 31 December 2017, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2018 and 31 December 2017, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies：

	As at 30 June 2018 (Unaudited)	As at 31 December 2017 (Audited)
– RMB	**8,577,721**	6,730,721
– USD	**59,883**	75,225
– HKD	**1,603**	35,883
	8,639,207	6,841,829

7 TRADE AND OTHER PAYABLES

	As at 30 June 2018 *RMB'000* (Unaudited)	As at 31 December 2017 *RMB'000* (Audited)
Trade payables	**4,679,136**	3,310,324
Amounts due to joint ventures and associates	**1,540,832**	3,875,816
Turnover taxes payable	**114,269**	312,403
Electricity fee and cleaning fee collected on behalf	**34,212**	27,977
Deed tax collected on behalf	**30,859**	21,622
Accrued payroll	**9,922**	17,072
Interest payable	**180,215**	202,098
Temporary funding payables	**420,000**	800,000
Construction deposits received from suppliers	**62,260**	34,731
Deposits received from customers	**39,307**	21,417
Deposits received in connection with cooperation with a third party for decoration work	**–**	200,000
Payables for sales commission	**2,091**	2,091
Payables for the acquisition of 20% equity interests of Shanghai Fengxiang Property Development Co., Ltd. ("**Shanghai Fengxiang**") (a)	**40,800**	40,800
Payables for acquisition of San Quan Apartments (b)	**63,669**	63,669
Payables for acquisition of LKN Investment International Pte Ltd. ("**LKN Investment**") (c)	**9,820**	9,820
Payables for acquisition of Hangzhou Jiaheng Property Co., Ltd. ("**Hangzhou Jiaheng**") (d)	**6,000**	6,000
Payables for acquisition of Zhongfa Wenchan Property (Wuhan) Co., Ltd. ("**Zhongfa Wenchan**") (e)	**117,370**	–
Dividend payable *(Note 13)*	**1,379**	1,379
Others	**358,581**	259,705
	7,710,722	9,206,924

Notes:

(a) The balance represents the payables relating to the acquisition of 20% equity interests of Shanghai Fengxiang by the Group.

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

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

(d) Pursuant to an equity purchase agreement entered into in April 2016 between two third parties and the Group through its wholly owned subsidiary, Shanghai Xiaoyi Investment Co., Ltd., the Group acquired 100% equity interests of Hangzhou Jiaheng at a total consideration of RMB296,000,000 in April 2016.

As at 30 June 2018, consideration amount of RMB6,000,000 (31 December 2017: RMB6,000,000) remaining unpaid was included in the trade and other payables.

(e) The balance represents the payables relating to the acquisition of equity interests in Zhongfa Wenchan by the Group from an independent third party.

The aging analysis of trade payables, based on the invoice date or service rendered date are as follows:

	As at 30 June 2018 *RMB'000* **(Unaudited)**	As at 31 December 2017 *RMB'000* (Audited)
Less than 1 year	**4,268,538**	3,144,079
Between 1 and 2 years	**332,469**	120,738
Between 2 and 3 years	**55,802**	30,917
Over 3 years	**22,327**	14,590
	4,679,136	3,310,324

As at 30 June 2018 and 31 December 2017, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2018 and 31 December 2017, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 30 June 2018	As at 31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
– RMB	**7,610,090**	9,088,415
– USD	**90,216**	111,398
– HKD	**10,416**	7,111
	7,710,722	9,206,924

8 OTHER GAINS – NET

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fair value gains from financial assets at fair value through profit or loss	**95,499**	–
Disposal gains of investment properties	**54,868**	–
Investment income from financial assets at fair value through profit or loss	**12,138**	–
(Loss)/gain from disposal of property, plant and equipment	**(199)**	7
Compensation and late payment charges	**(1,770)**	(8,187)
Gain on re-measurement of the existing interests in Ningbo Jingrui Property Co., Ltd. upon gain of its control	**–**	72,976
Changes in fair values of derivative financial instruments	**–**	34,881
Gain from disposal of partial interests in Ningbo Jiamu Investment Co., Ltd.	**–**	2,279
Gain on re-measurement of the existing interests in Changzhou Jingshang Property Co., Ltd. upon gain of its control	**–**	934
Net foreign exchange losses	**–**	(89)
Others	**205**	(694)
	160,741	102,107

9 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	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**1,312,905**	2,193,894
Cost of property management	**123,540**	45,612
Cost of decoration	**89,499**	36,297
Business tax and surcharges (a)	**15,839**	41,027
Depreciation of property, plant and equipment	**5,701**	4,630
Amortisation of intangible assets	**617**	536
Bank charges	**6,241**	3,816
Staff costs	**219,862**	235,448
Entertainment expenses	**9,138**	8,442
Stamp duty and other taxes	**16,143**	9,369
Professional fees	**72,738**	95,856
Auditors' remuneration	**1,160**	1,160
Sales commission	**24,594**	7,818
Advertising and publicity costs	**17,317**	62,744
Office and meeting expenses	**19,662**	14,857
Rental expenses	**10,821**	9,583
Travelling expenses	**9,047**	7,771
(Reversal)/accrual of provision for impairment of properties held or under development for sale	**(11,985)**	77,367
Net impairment losses on financial assets	**13,037**	–
Accrual of provision for impairment of receivables	**–**	4,025
Other expenses	**45,221**	39,754
Total cost of sales, selling and marketing costs and administrative expenses	**2,001,097**	2,900,006

Note:

(a) Before 1 May 2016, the PRC companies of the Group were subject to business tax and surcharges. Business tax was levied at 5% of revenue from sale of properties and rental income, while surcharges were 4% to 12% of business tax. Since 1 May 2016, the PRC companies of the Group are subject to value added tax and surcharges.

10 FINANCE COSTS – NET

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits	**28,117**	26,433
Finance costs		
– Interest on bank loans, senior notes, trust financing arrangements and corporate bonds	**(549,581)**	(602,285)
– Net foreign exchange (losses)/gains on financing activities	**(87,402)**	39,932
– Changes in discounted present value of financial liabilities for put option written on non-controlling interests	**(270)**	(752)
– Less: Amounts capitalised	**499,386**	405,412
	(137,867)	(157,693)
Net finance costs	**(109,750)**	(131,260)

11 INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	**119,401**	77,074
– PRC corporate income tax	**59,767**	98,191
	179,168	175,265
Deferred income tax	**61,146**	(82,077)
Total income tax charged for the period	**240,314**	93,188

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. As at 31 December 2017, 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 2018, 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 2018, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB239,826,000 (31 December 2017: RMB202,635,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB2,398,260,000 (31 December 2017: RMB2,026,353,000).

The Group did not recognise deferred income tax assets of RMB322,830,000 (31 December 2017: RMB365,719,000) in respect of tax losses amounting to RMB1,291,320,000 (31 December 2017: RMB1,462,876,000) as at 30 June 2018. 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.

12 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share for the six months ended 30 June 2018 and 2017 is calculated by dividing the Group's profit/(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	
	2018	2017
	(Unaudited)	(Unaudited)
Group's profit/(loss) attributable to equity holders of the Company *(RMB'000)*	**269,257**	(138,486)
Weighted average number of ordinary shares in issue *(in thousand)*	**1,281,091**	1,291,302
Basic earnings per share *(RMB)*	**0.21**	(0.11)

(b) Diluted earnings/(loss) per share

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Group's profit/(loss) attributable to equity holders of the Company *(RMB'000)*	**269,257**	(138,486)
Weighted average number of shares in issue *(in thousand)*	**1,281,091**	1,291,302
Effect of dilutive potential ordinary shares in respect of share award scheme *(in thousand)*	**6,684**	N/A
Weighted average number of ordinary shares for diluted earnings per share *(in thousand)*	**1,287,775**	1,291,302
Diluted earnings per share *(RMB)*	**0.21**	(0.11)

For the six months ended 30 June 2017, diluted earnings per share was equal to basic earnings per share as there were no shares with a dilutive impact outstanding.

13 DIVIDENDS

The board of the directors has resolved not to declare any interim dividend for the six months ended 30 June 2018 (Six months ended 30 June 2017: Nil).

A final dividend in respect of the year ended 31 December 2017 of HKD25 cents per ordinary share, amounting to approximately RMB260,811,000 has been approved at the annual general meeting of the Company held on 3 May 2018. The dividend has been paid out by the Company as 21 May 2018.

The dividend payable as at 31 December 2017 and 30 June 2018 of RMB1,379,000 is the remaining unpaid final dividend declared in 2015 relating to year ended 31 December 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

2018 marks a starting point for China's economic operation which is transforming into a high-quality development from a medium-to-high rate growth. Although the era of solely pursuing the gross domestic product ("**GDP**") growth deemed by the government as its economic growth goal is now history, the economic growth rate is still an important indicator to measure the trend in economic operation in a near term. According to the National Bureau of Statistics of China, the GDP in the first half of the year was RMB41,896.1 billion, representing a year-on-year increase of 6.8%, based on the comparable prices. On a quarterly basis, GDP grew by a year-on-year rate of 6.8% and 6.7% in the first quarter and second quarter, respectively, and maintained within the range of 6.7% to 6.9% for 12 consecutive quarters. Various economic indicators show that the macroeconomic operation has remained stable and market projections are sound basically. Since 2017, with the strategy of "houses for living in, not for speculation" as a mark, the management mode of real estate industry has entered a new era. The management mode was further described as the medium- and short-term differential regulation and the medium- and long-term long-effect mechanism on the National People's Congress and the Chinese People's Political Consultative Conference convened in 2018. In the first half of 2018, the regulation and control of real estate industry has stepped into a new stage, which is characterized by a continuous and active suppression of irrational demand, while focusing on the adjustment to the medium and long-term supply structure.

In view of the macroeconomic situation of the real estate industry in the first half of 2018, Jingrui took a faster pace in strategic transformation and upgrading. In light of the five major comprehensive business platforms under Jingrui continuously improved, gradually matured and coordinated with each other, Jingrui has been driven to transform from the "heavily extensive" real estate development mode to the "asset-light and refinement" service mode. Adhering to the "customer insights + asset-light operation" strategy as its dual-driven business model, Jingrui proactively strengthened the development of customized residential products, while vigorously exploring the inventory-building business, cultivating the operation and serving capabilities of the self-owned properties, and aggressively moving towards its transformation to "asset-light, refinement and operation prioritization" mode.

PROSPECTS

Looking forward to the second half of 2018, China's economy will continue to grow steadily and step towards high-quality development, and the economic structure will greet a phase of optimization. The Chinese real estate market will sustain the national direction for regulation and tightening so as to ensure the healthy development of the national economy, formulate different policies in different cities in a more precise way and further improve the long-effect mechanism featuring real estate tax and implementation of the strategy "parallel development of housing for lease and for sale", which will enable the real estate industry to accomplish a further transformation and upgrading. With the people's increasing appeal for a better life, under the new circumstances of consumption and industrial upgrading, real estate industry will further upgrade its products and services, build a composite industrial structure to make a leap towards the diversified development.

Under the new circumstances, Jingrui will continue to uphold its goal of transformation, respond to demand from customers, develop customized products, explore refined operations, accelerate the establishment of asset-light mode, and focus on service operation capabilities. In the future, the five major business platforms under Jingrui will focus on resource complementation and coordinated development, especially be committed to establishing a mechanism covering investment, project development and operational synergy for supporting the cooperation among three major business lines of real estate platform, apartment platform and office platform and achieving a mutual exchange of assistance and collaborative development, which in turn promote Jingrui's transformation from a traditional developers to an asset management service provider.

BUSINESS REVIEW

Jingrui Properties

Property Development

In the first half of 2018, the Group achieved contracted sales of approximately RMB9,525.0 million and the total contracted gross floor area ("**GFA**") sold was approximately 365,952 square meters ("**sq.m.**"). Our contracted sales (excluding car parks) were primarily generated from Zhejiang and Jiangsu provinces, which were approximately RMB5,037.6 million and RMB2,876.6 million, representing 52.9% and 30.2% of the total contracted sales, respectively.

The following table sets out the geographic breakdown of the Group's contracted sales from January to June 2018:

Project Name	**Contracted GFA Sold** *sq.m.*	**Contracted Sales** *RMB'000*	**Contracted Average Selling Price ("ASP")** *RMB/sq.m.*
Shanghai			
Shanghai Jingrui City Park	4,952	207,219	41,844
Shanghai Jingrui Upper Riverside	2,560	303,728	118,640
Shanghai Jingrui Life Square	388	15,185	39,137
Tianjin			
Tianjin Maritime International	61,660	808,986	13,120
Chongqing			
Chongqing Jingrui Royal Bay	243	2,205	9,064
Chongqing Jingrui Online Family	149	6,506	43,682
Sub-total of centrally direct-controlled municipalities	**69,952**	**1,343,829**	**19,211**

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	*RMB'000*	*RMB/sq.m.*
Hangzhou			
Hangzhou Jingrui Royal Bay	98	1,499	15,348
Hangzhou Jingrui Royal Mansion	527	7,250	13,765
Hangzhou Jingrui Shenhua No. One	1,959	60,897	31,089
Hangzhou Jingrui Majestic Mansion	58	2,021	34,881
Hangzhou Jingrui Flange Park	4,976	139,320	27,997
Hangzhou Jingrui Yangming Valley	5,925	482,662	81,460
Hangzhou Jingrui Yuan Villa (Acer Serrulatum Villa Garden)	7,207	263,475	36,559
Hangzhou Greentown Xixi Yunlu (Liuxia Plot)	22,022	1,401,283	63,632
Ningbo			
Ningbo Jingrui Dignity Mansion	403	12,293	30,491
Ningbo Jingrui Harbour City	229	3,400	14,847
Ningbo Jingrui Titian Garden	200	5,250	26,213
Ningbo Jingrui Headream Mansion	13,458	371,918	27,636
Ningbo Jingrui Nobility Mansion (Project Lot 8, Jiangshan)	18,432	395,918	21,480
Ningbo Tili Garden	50,519	1,029,967	20,388
Ningbo Rong An Zodiac Tower	22,710	518,360	22,826
Ningbo Xinghai Land (Chunxiao Project)	15,460	280,185	18,123
Shaoxing			
Shaoxing Jingrui Dignity Mansion	1,207	21,929	18,165
Shaoxing Jingrui Lake of Dawn	3,753	35,780	9,534
Shaoxing Jingrui Nobility Mansion	608	4,212	6,924
Sub-total of Zhejiang Province	**169,751**	**5,037,619**	**29,677**
Suzhou			
Suzhou Jingrui Nobility Mansion	29	2,094	71,412
Suzhou Jingrui Majestic Mansion	36,214	1,098,931	30,346
Suzhou Jingrui Jade Bay	186	2,850	15,327
Suzhou Junyue Tower (Project in Meili Town, Changshu)	13,691	215,059	15,708
Changzhou			
Changzhou Jingrui Dignity Mansion	14,898	218,502	14,666

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	*RMB'000*	*RMB/sq.m.*
Wuxi			
Wuxi Jingrui Dignity Mansion	842	8,866	10,529
Nantong			
Nantong Jingrui Nobility Mansion	3,738	46,863	12,538
Nanjing			
Nanjing Golden East	56,651	1,283,480	22,656
Sub-total of Jiangsu Province	**126,249**	**2,876,645**	**22,786**
Car park (lots)	2,350	266,922	
Total	**365,952**(1)	**9,525,015**	**26,028**

Note:

(1) Excluding the area of car parks.

Land Bank

As at 30 June 2018, the total land bank of the Group was approximately 5,246,876 sq.m. or approximately 2,829,251 sq.m. on an attributable basis. In the first half of 2018, we secured 17 land parcels and property projects in Beijing, Shanghai, Tianjin, Wuhan, Hangzhou, Suzhou and Taizhou. From 1 July 2018 to 30 August 2018, the Group acquired the Zhongshan North Road Project in Jing'An District, Shanghai, the Yinqiao Apartment Project in Pudong New Area and the Daishan Project in Yuhuatai District, Nanjing. As at 30 August 2018, the total land bank of the Group was approximately 5,365,349 sq.m. or approximately 2,862,352 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities as at 30 June 2018

City	Total GFA	Percentage of the Group's Total GFA	GFA Attributable to the Group's Interests	Percentage of GFA Attributable to the Group's Interests
	sq.m.		*sq.m.*	
Municipalities directly under the central government				
Shanghai	152,285	2.9%	145,574	5.1%
Beijing	51,608	1.0%	51,608	1.8%
Tianjin	1,121,084	21.3%	457,451	16.2%
Chongqing	8,543	0.2%	7,862	0.3%
Subtotal	**1,333,520**	**25.4%**	**662,495**	**23.4%**
Zhejiang Province				
Hangzhou	975,018	18.6%	503,578	17.8%
Ningbo	1,074,857	20.5%	664,494	23.5%
Taizhou	76,579	1.5%	76,579	2.7%
Shaoxing	64,319	1.2%	64,319	2.3%
Huzhou	3,181	0.1%	3,181	0.1%
Zhoushan	75,785	1.4%	75,785	2.7%
Subtotal	**2,269,739**	**43.3%**	**1,387,936**	**49.1%**
Jiangsu Province				
Suzhou	634,828	12.0%	325,250	11.5%
Nanjing	261,599	5.0%	87,363	3.1%
Wuxi	437	0.0%	437	0.0%
Changzhou	89,707	1.7%	89,707	3.2%
Nantong	3,879	0.1%	3,879	0.1%
Yangzhou	3,034	0.1%	3,034	0.1%
Subtotal	**993,484**	**18.9%**	**509,670**	**18.0%**
Wuhan	**650,133**	**12.4%**	**269,150**	**9.5%**
Total	**5,246,876**	**100.0%**	**2,829,251**	**100.0%**

Details of land and property acquisition for the six months ended 30 June 2018

City	Project/Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Land Premium/ Acquisition Price	Average Land/ Properties Cost (based on the expected total GFA)	Average Land/ Properties Cost (based on the expected total GFA above ground)
				sq.m.	*sq.m.*	*sq.m.*	*RMB million*	*RMB/sq.m.*	*RMB/sq.m.*
Beijing	Block A Project of Cheng Yuan Building in Haidian District	Composite	100%	2,700	9,699	8,388	269	27,735	32,070
Beijing	NAGA Shangyuan Project in Dongzhimen	Residential & commercial	100%	11,929	5,768	5,768	280	48,541	48,541
Tianjin	Jin Bin Tang (Gua) No. 2017-1 (Lot 1, Tang Gu Bay)	Residential & commercial	100%	44,722	105,334	80,500	538	5,105	6,680
Tianjin	Jin Hai He Yuan (Gua) No. 2018-014 (Lot 14, Hai Jiao Yuan)	Residential & commercial	100%	60,460	119,463	90,690	1,140	9,543	12,570
Wuhan	Houguan Lake Plot in Caidian District	Tourist & residential	54%	38,020	54,020	38,020	240	4,434	6,300
Beijing	Foresea Zhongjin Project in Zhongguancun	Office	100%	425	5,369	5,369	215	40,073	40,073
Beijing	Xinhua Cultural Building Project	Commercial	100%		4,262	4,262	240	56,310	56,310
Suzhou	Guangyun Gusu Building Project	Commercial	100%	3,410	12,081	12,081	157	12,995	12,995
Tianjin	Lot 13, Tuanbo West	Residential & commercial	20%	35,827	46,921	42,993	51	1,079	1,178
Tianjin	Lot 14, Tuanbo West	Residential & commercial	16.5%	36,267	52,545	43,520	43	825	996
Suzhou	Changshu Jiangnan Mansion Project	Residential	33%	297,143	456,544	316,939	1,083	2,373	3,418
Suzhou	Phase II Land of Changshu Southeast Yuyue Plaza	Commercial	80%	34,128	123,607	92,547	123	994	1,328
Hangzhou	Future Technology City	Residential	100%	38,381	94,501	57,572	1,554	16,447	26,998
Tianjin	Lot 5, Xianshuigu	Residential	49%	99,258	249,669	192,513	789	3,160	4,098
Taizhou	Zhenghuang's Haimen Land	Commercial & residential	100%	29,108	76,579	52,394	340	4,440	6,489
Beijing	Jintai Road Project	Commercial	100%	522	2,209	2,209	108	48,742	48,742
Shanghai	Zhongshan Building Project in Tibet South Road, Huangpu District	Composite	100%	2,285	3,013	3,013	81	26,884	26,884
Total				**734,585**	**1,421,584**	**1,048,778**	**7,251**	**5,101**	**6,914**

Details of land and property acquisition from 1 July 2018 to 30 August 2018

City	Project/Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Land Premium/ Acquisition Price	Average Land Cost/ Property Cost (based on the expected total GFA)	Average Land Cost/ Property Cost (based on the expected total GFA above ground)
				sq.m.	*sq.m.*	*sq.m.*	*RMB million*	*RMB/sq.m.*	*RMB/sq.m.*
Shanghai	Zhongshan North Road Project in Jing'An District	Composite	100%	6,544	3,207	3,207	81	25,321	25,321
Shanghai	Yinqiao Apartment Project in Pudong New Area	Commercial	100%	14,057	8,883	8,883	234	26,300	26,300
Nanjing	Lot 03, Daishan Project in Xishanqiao Street, Yuhuatai District	Commercial & residential	19.75%	26,829	106,383	80,487	225	2,116	2,797
Total				**47,430**	**118,473**	**92,577**	**540**	**4,558**	**5,833**

Revenue from Sale of Properties

Our revenue from the sale of properties from 1 January 2018 to 30 June 2018 was approximately RMB1,781.4 million, representing a decrease of 32.9% as compared to the corresponding period last year, and its distribution is mainly as follows:

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui City Park	183,812	10.3	4,768	38,551
Shanghai Jingrui The French Lakeside Villa	35,495	2.0	1,114	31,863
Jiangsu Province				
Suzhou Jingrui Jade Bay	40,340	2.3	5,114	7,888
Suzhou Jingrui Dignity Mansion	96,750	5.4	6,970	13,881
Suzhou Jingrui Happy Family Garden	187,505	10.5	13,540	13,848
Changzhou Jingrui Wangfu Flower Garden	45,483	2.6	3,682	12,353
Wuxi Jingrui Dignity Mansion	9,882	0.6	946	10,446
Nanjing Jingrui The Spring Lake	536,304	30.1	26,765	20,038

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Zhejiang Province				
Huzhou Jingrui Dignity Mansion	40,104	2.3	2,624	15,284
Shaoxing Jingrui Dignity Mansion	80,538	4.5	5,848	13,772
Shaoxing Jingrui The Mansion	59,387	3.3	6,902	8,604
Shaoxing Jingrui Lake of Dawn	182,757	10.3	19,524	9,361
Taizhou Jingrui Dignity Mansion	54,876	3.1	2,646	20,739
Ningbo Jingrui The Mansion	6,395	0.4	249	25,683
Ningbo Jingrui Harbour City	2,070	0.1	103	20,097
Hangzhou Jingrui Royal Bay	26,084	1.5	1,680	15,526
Hangzhou Jingrui Royal Mansion	12,180	0.7	896	13,594
Hangzhou Jingrui Shenhua No. One	34,218	1.9	1,167	29,321
Hangzhou Jingrui Shenhua County	12,167	0.7	469	25,942
Chongqing				
Chongqing Jingrui Royal Bay	7,514	0.4	1,110	6,769
Chongqing Jingrui Online Family	11,443	0.6	382	29,955
Tianjin				
Tianjin Jingrui Hyatt Mansion	2,224	0.1	203	10,956
Other projects	16,585	0.8	826	20,079
Subtotal	1,684,113	94.5	107,528	15,662
Car park	97,335	5.5	1,263	–
Total	1,781,448	100.0	107,528	16,567

Yan Capital (優鉞資產)

Yan Capital, as a real estate fund platform of the Group, is an important asset management vehicle of the Group and is principally engaged in real estate fund raising and asset management business. Since its establishment, Yan Capital has firmly cultivated fund raising, fund design and investor protection capability, extensively expanded its presence in the capital market and established a cooperative network to access to investors' resources for real estate development and optimize the capital structure.

As at 30 June 2018, Yan Capital promoted and established four funds with a total size of approximately RMB820 million. The proceeds from fund raising in the first half of 2018 amounted to approximately RMB110 million.

Apartment Platform (公寓平臺)

The Apartment Platform is a professional platform for the Group to operate and manage long-term rental apartments. It aims to create a multi-functional community ecology integrating social communication, entertainment, sports, leisure and catering through its innovative business model with quality living as the core. The long-term rental apartment products under the platform offers comprehensive functions covering intelligent software and hardware, marketing channels, membership system, customer service system and community life, developing a new rental economy.

In the first half of 2018, the Apartment Platform acquired five projects including Block A Project of Beijing Cheng Yuan Building, Beijing Xinhua Cultural Building Project, Suzhou Guangyun Gusu Building Project, Beijing Jintai Road Project and Shanghai Zhongshan Building Project with total apartment areas of 31,264 square meters. As at 30 June 2018, Beijing Sanquan Apartment Project, Shanghai Shenxin Tower Project, Shanghai Yangti Project and Hangzhou Chengxi Intime Project have been put into operation. The new projects acquired in the first half of 2018 and Shanghai Elite Residences Project are undergoing renovation.

Office Platform (辦公平臺)

The Office Platform, a professional platform for the Group to hold, operate and manage office properties, focuses on urban renewal as well as the development, holding, leasing, operation and management of office buildings in first-tier cities.

In the first half of 2018, the Office Platform acquired the NAGA Shangyuan Project in Dongzhimen, Beijing and the Foresea Zhongjin Project in Zhongguancun, Beijing, with a total office area of 11,137 sq.m.. As at 30 June 2018, the Shanghai Zhangjiang Keyuan Tower Project and the NAGA Shangyuan Project in Dongzhimen, Beijing have been put into operation. The Foresea Zhongjin Project in Zhongguancun, Beijing is undergoing renovation.

Co-Fortune Capital (合福資本)

Co-Fortune Capital, as an asset-light investment platform of the Group, aims to equip the other four major segments with asset management capability. Through "Jingrui", the brand name of a listed company, Co-Fortune Capital strives to cultivate its investment management capability in the area of "Real Estate Industrial Chain + Post-Life Service".

In the first half of 2018, Co-Fortune Capital made outward investments of approximately RMB130 million.

Employees and Remuneration Policies

On 30 June 2018, we had a total of 2,931 full-time employees in the PRC and Hong Kong. 761 of our employees worked in property development operations, 2,116 were engaged in property management and 54 worked in customer service and other related operations.

The remuneration package of our employees includes salaries 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 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 business. We have also adopted a pre-IPO share award scheme on 6 October 2013 (cancelled on 29 November 2017) and a share award scheme on 29 November 2017, respectively, pursuant to which share awards were granted to selected employees of the Group. The Group's staff costs for the six months ended 30 June 2018 amounted to RMB219.9 million (for the six months ended 30 June 2017: RMB235.4 million).

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

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2018, the revenue of the Group reached RMB2,163.6 million, representing a decrease of 23.0% as compared to RMB2,810.1 million for the corresponding period last year. Our revenue consists of revenue from (i) sale of properties, (ii) property management, (iii) decoration of properties, (iv) rental income and (v) others.

Revenue by business segments

	Six months ended 30 June				
	2018		2017		
		Percentage of the total revenue		Percentage of the total revenue	Year-on-year change
	RMB million	**%**	*RMB million*	%	%
Sale of properties	**1,781.4**	**82.3**	2,656.7	94.5	(32.9)
Property management	**178.4**	**8.3**	100.9	3.6	76.8
Decoration of properties	**112.7**	**5.2**	35.8	1.3	214.8
Rental income	**51.4**	**2.4**	15.4	0.6	233.8
Others	**39.7**	**1.8**	1.3	0.0	2,953.8
Total	**2,163.6**	**100.0**	2,810.1	100.0	(23.0)

The revenue from the sale 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 2018, it accounted for 82.3% of our total revenue.

Our operating results for any given period are dependent upon the GFA and the selling prices of the properties we deliver during such period and the market demand for 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 Shanghai Jingrui City Park, Suzhou Jingrui Happy Family Garden, Nanjing Jingrui The Spring Lake, Shaoxing Jingrui Lake of Dawn and others. Revenue from sales of properties was RMB1,781.4 million for the first half of 2018 (corresponding period in 2017: RMB2,656.7 million), representing a decrease of 32.9% as compared to the corresponding period last year, mainly due to a decrease in the number and GFA of delivered development property projects as the majority GFA is scheduled to be delivered in the second half of 2018.

Revenue from property management 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 2018, property management revenue of the Group was approximately RMB178.4 million (corresponding period in 2017: RMB100.9 million), representing an increase of approximately 76.8% as compared with the corresponding period last year. The increase in revenue from property management was primarily due to the continued growth in the total GFA of our properties delivered and the increase of third party property management fee income.

Revenue from decoration of properties represents realised revenue generated from decoration works we provided. In the first half of 2018, such revenue of the Group was approximately RMB112.7 million (corresponding period in 2017: RMB35.8 million), representing an increase of 214.8% as compared with the corresponding period last year. The increase in revenue from decoration of properties was mainly due to an increase in revenue from related services as a result of the launch of our customised products and services.

Rental income mainly includes operating revenue from leasing our investment properties and certain other completed properties and is recognized on a straight line basis over the relevant lease terms. We currently focus on the development of residential properties but usually develop certain ancillary retail areas in our projects, which increases the value of such projects and enables us to better serve residents of our property projects. Our rental income was mainly generated from leased properties of Beijing Jingrui Sanquan Apartment, Shanghai Jingrui Elite Residences, Shanghai Jingrui Keyuan Tower, Shanghai Jingrui Life Square, Shanghai Jingrui Upper Riverside and Ningbo Jingrui Harbour City. In the first half of 2018, rental income of the Group was approximately RMB51.4 million (corresponding period in 2017: RMB15.4 million), representing an increase of 233.8% as compared with the corresponding period last year. The increase in rental income was mainly due to the establishment of the Apartment Platform and Office Platform resulting in the expanded scale of leasing business.

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 amounted to RMB1,575.0 million, representing a decrease of 35.4% as compared with RMB2,438.7 million for the corresponding period last year, mainly due to a decrease in GFA delivered during the first half of 2018 as compared to the corresponding period of 2017 and the optimization and reduction in the construction cost.

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			
	2018		2017	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**532,746**	**33.8**	768,208	31.5
Land use right costs	**663,088**	**42.1**	1,217,574	49.9
Capitalized interest	**117,071**	**7.4**	208,112	8.5
Subtotal: Total cost of properties	**1,312,905**	**83.3**	2,193,894	89.9
Business tax and surcharges	**15,839**	**1.0**	41,027	1.7
Provision for impairment of properties held or under development for sale	**(11,985)**	**(0.7)**	77,367	3.2
Other costs (1)	**258,224**	**16.4**	126,382	5.2
Total	**1,574,983**	**100.0**	2,438,670	100.0
Total GFA delivered (sq.m.)	**107,528**		186,350	
Average cost of properties per sq.m. sold (RMB) (2)	**12,210**		11,773	
Average cost per sq.m. as % of ASP	**78.0**		84.6	

Notes:

(1) Includes costs associated with property management, leasing, decoration 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 2018, the gross profit of the Group was RMB588.6 million (corresponding period in 2017: RMB371.4 million), and the gross profit margin of the Group was 27.2% (corresponding period in 2017: 13.2%). The significant increase of 14 percentage points in our gross profit margin as compared to the corresponding period of 2017 was mainly due to the fact that the properties delivered during the period were principally located in first-tier and second-tier cities, which led to a significant increase in price premiums.

Gains arising from Appreciation of Investment Properties under Office Platform and Apartment Platform

For the six months ended 30 June 2018, the gains arising from appreciation of investment properties under Office Platform and Apartment Platform were RMB186.9 million (corresponding period in 2017: RMB17.6 million).The gains arising from appreciation of investment properties in the first half of 2018 were mainly attributable to price premium of the Shanghai Jingrui Keyuan Tower Project, Beijing Jingrui Foresea Zhongjin Project in Zhongguancun and Beijing Jingrui NAGA Shangyuan Project in Dongzhimen.

Fair Value Gains on Investment Properties under Property Development Platform

For the six months ended 30 June 2018, the fair value gains on investment properties under Property Development Platform were RMB137.9 million (corresponding period in 2017: RMB17.1 million).The fair value gains on investment properties in the first half of 2018 were mainly attributable to appreciation of Ningbo Jingrui Harbour City, Shanghai Jingrui Life Square and Shanghai Jingrui Upper Riverside.

Selling and Marketing Costs

For the six months ended 30 June 2018, our selling and marketing costs were RMB133.4 million (corresponding period in 2017: RMB185.4 million), representing a year-on-year decrease of 28%. Such decrease was primarily due to the fact that most of the pre-sale and sales of our new property projects in 2018 were scheduled to be delivered, in the second half of the year and the pre-sale of new properties in cooperative projects accounted for a relatively large proportion.

Administrative Expenses

For the six months ended 30 June 2018, our administrative expenses were RMB292.7 million (corresponding period in 2017: RMB275.9 million), representing a year-on-year increase of 6.1%. Such increase was primarily due to increase in the expenses arising from the expansion of property development and as a result of the development of Yan Capital, Office Platform and Apartment Platform in the first half of 2018.

Other Income and Other Gains/(Losses), Net

For the six months ended 30 June 2018, our other income recorded a gain of RMB14.8 million (corresponding period in 2017: RMB69.8 million), which mainly includes the government subsidy ranted to us amounting to RMB12.0 million.

For the six months ended 30 June 2018, we recorded other gains of RMB160.7 million (corresponding period in 2017: gains of RMB102.1 million). Other gains recorded in the first half of 2018 was mainly derived from the gains from financial assets at fair value through profit or loss amounting to RMB95.5 million and gains from disposal of investment properties amounting to RMB54.9 million.

Finance (Costs)/Income, Net

For the six months ended 30 June 2018, our finance income was RMB28.1 million (corresponding period in 2017: RMB26.4 million). Our finance costs were RMB137.9 million (corresponding period in 2017: RMB157.7 million). As a result, our net finance costs was RMB109.8 million, representing a decrease of RMB21.5 million as compared to the corresponding period last year, primarily due to the increase in the amount of capitalized interest arising from the increase of land and property acquisition in the first half of 2018.

Share of Results of Joint Ventures/Associates

For the six months ended 30 June 2018, our share of results of joint ventures/associates was a loss of RMB8.4 million (corresponding period in 2017: loss of RMB61.7 million), representing a decrease in loss of 86.3% as compared with the corresponding period in 2017, mainly because certain associates/joint ventures became our subsidiaries due to share repurchases.

Income Tax Expense

For the six months ended 30 June 2018, our income tax expense was RMB240.3 million (corresponding period in 2017: RMB93.2 million), representing a year-on-year increase of 157.9%, primarily due to the substantial increase in land appreciation tax and current income tax as result of the projects with high profit margin carried forward during the first half of 2018.

Profit for the Period

For the six months ended 30 June 2018, we recorded the profit for the period of RMB304.5 million (corresponding period in 2017: loss of RMB169.4 million).

For the six months ended 30 June 2018, the profit of the Group attributable to equity holders of the Company was RMB269.3 million (corresponding period in 2017: loss of RMB138.5 million).

LIQUIDITY AND CAPITAL RESOURCES

The industry in which the Group operates is a capital-intensive industry. The Group has been and is expected to continue satisfying its needs of operating capital, capital expenditure and other capital needs with proceeds from pre-sale and sale of properties, loans from commercial banks and other individuals, capital injections from shareholders and issuance of new shares. The Group's need for short-term liquid capital is associated with loan repayment and capital need for operation, the Group's short-term liquid capital comes from cash balance, proceeds from pre-sale and sale of properties and new loans. The Group's need for long-term liquid capital is associated with capital allocated for new property development projects and repayment of long-term loan, and the Group's sources of liquid capital include loans, capital injections from shareholders and issuance of new shares.

Cash Positions

As at 30 June 2018, the Group's cash at bank and on hand (including restricted cash) decreased by approximately 50.0% to approximately RMB4,757.4 million from approximately RMB9,513.3 million as at 31 December 2017. The Group's cash at bank and on hand are mainly denominated in RMB and US dollars. Restricted cash of the Group mainly comprised deposits pledged for borrowings and guarantees in respect of mortgage facilities provided for certain purchasers of the Group's properties.

Borrowings

Our total outstanding borrowings increased from RMB14,114.8 million as at 31 December 2017 to RMB17,580.8 million as at 30 June 2018. As at 30 June 2018, the Group had approximately RMB7,320.5 million in unutilized banking facilities. All of the Group's secured borrowings were secured by one or a combination of the following methods: land use rights, properties under development, investment properties, properties, shares of the Company's subsidiaries, bank deposits and/or guarantees granted by the Company's subsidiaries. Our borrowings are mainly denominated in RMB and US dollars.

In April 2018, the Company issued US$350 million 9.45% senior notes due 2021 to refinance existing indebtedness of the Group, to finance project acquisition and development and for general corporate purposes.

Breakdown of our borrowings by categories

	30 June 2018 *RMB'000*	31 December 2017 *RMB'000*	Change %
Current Borrowings:			
Bank loans, secured	**1,971,473**	764,418	157.9
Trust financing arrangements, secured:			
– conventional loan	**874,600**	471,400	85.5
Add: current portion of long-term borrowings:	**4,984,883**	3,569,262	39.7
Total Current Borrowings	**7,830,956**	4,805,080	63.0
Non-Current Borrowings:			
Bank loans, secured	**4,871,953**	5,061,368	(3.7)
Trust financing arrangements, secured:			
– conventional loan	**2,515,600**	1,904,800	32.1
– equity with repurchase obligation	**–**	480,000	(100.0)
Senior notes due 2021, secured	**2,293,296**	–	100.0
Senior notes due 2020, secured	**2,619,380**	2,579,882	1.5
Senior notes due 2018, secured	**–**	422,192	(100.0)
Corporate bonds due 2021	**1,489,694**	1,487,920	0.1
Corporate bonds due 2019	**944,809**	942,783	0.2
Less: current portion of long-term borrowings:	**(4,984,883)**	(3,569,262)	39.7
Total Non-Current Borrowings	**9,749,849**	9,309,683	4.7
Total	**17,580,805**	14,114,763	24.6

Breakdown of our borrowings by maturity profiles

	30 June 2018		31 December 2017	
	RMB'000	*%*	*RMB'000*	*%*
Within 1 year	**7,830,956**	**44.5**	4,805,080	34.0
Between 1 and 2 years	**5,193,303**	**29.5**	3,582,494	25.4
Between 2 and 5 years	**4,440,296**	**25.3**	4,894,389	34.7
Above 5 years	**116,250**	**0.7**	832,800	5.9
Total	**17,580,805**	**100.0**	14,114,763	100.0

The proportion of the Group's long-term borrowings in the total borrowings was 55.5% as of 30 June 2018, ensuring the healthy and stable cash flow of the Group in the future. As of 30 June 2018, our borrowings with fixed interest rate and floating interest rate represents 88.3% and 11.7% of the Group's total borrowings, respectively.

Borrowing Costs

The Group's weighted average effective interest rate on bank and other borrowings was 7.32% as at 30 June 2018, as compared to 6.98% as at 31 December 2017.

Interest and foreign exchange losses generated from bank loans, trust financing arrangements, corporate bonds and senior notes

	For the six months ended 30 June		
	2018	2017	Change
	RMB'000	*RMB'000*	*%*
Finance costs			
– Interest expensed	**50,195**	196,873	(74.5)
– Net foreign exchange losses/(gains) on financing activities	**87,402**	(39,932)	(318.9)
– Changes in discounted present value of financial liabilities for put option written on non-controlling interests	**270**	752	(64.1)
– Interest capitalized	**499,386**	405,412	23.2
Total	**637,253**	563,105	13.2

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

	30 June 2018	31 December 2017
Bank loans	**6.01%**	5.98%
Trust financing arrangements	**9.40%**	9.57%
Senior notes	**8.17%**	9.66%
Corporate bonds	**6.61%**	6.28%
Consolidated weighted average effective interest rates	**7.32%**	6.98%

Net Debt-to-Adjusted-Capital Ratio

As of 30 June 2018, our net debt-to-adjusted-capital ratio was 186.3%. 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.

CONTINGENT LIABILITIES

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

As of 30 June 2018, 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 RMB5,361.3 million (31 December 2017: approximately RMB4,649.5 million). In addition, we provided guarantee for certain bank loans amounting to RMB790.0 million (31 December 2017: RMB1,000.0 million) which were granted to our joint ventures.

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 2018, 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, senior notes and corporate bonds. 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 impact 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 US dollars bank deposits and our senior notes issued in 2017 and 2018, respectively, which were denominated in US dollars.

Nonetheless, as we expand our operations, we may incur a certain portion of our cash flows denominated in currencies other than RMB, thereby increasing our exposure to fluctuations in 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.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

As of 30 June 2018, the balance of the Group's available-for-sale financial assets was nil, was mainly because the reclassification of financial assets to either financial assets at fair value through profit or loss, or financial assets through other comprehensive income following the adoption of HKFRS 9. The amount of approximately RMB1,021.0 million as at 31 December 2017 was mainly the remaining equity interests in Shanghai Jingqi Property Development Co., Ltd. ("**Shanghai Jingqi**") held by the Group and the investments in unlisted equity securities and liquid opportunity fund.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME

As of 30 June 2018, the balance of the Group's financial assets at fair value through profit of loss mainly represents the investment in liquid opportunity fund. The balance of the Group's financial assets at fair value through other comprehensive income mainly represents the investments in unlisted equity securities and the remaining equity interests in Shanghai Jingqi.

MATERIAL ACQUISITION AND DISPOSAL

The Group has no material acquisition and disposal for the six months ended 30 June 2018.

FUTURE PLANS FOR MATERIAL INVESTMENT

The Directors confirmed that as at the date of this interim results announcement, there is no current plan for any material investment other than in the Group's ordinary business of property development and the identification of potential independent third party investors for respective project companies.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2018.

PREVIOUS FUND RAISING ACTIVITIES

Date	Fund raising activity	Net proceeds raised (approximately)	Use of the net proceeds
March 2016	Issue of RMB1.5 billion 5.88% corporate bonds due 2021	RMB1,500 million	To improve the debt structure of the Company
September 2016	Issue of RMB1.0 billion 6.75% corporate bonds due 2019	RMB1,000 million	To improve the debt structure of the Company
April 2017	Issue of US$400 million 7.75% senior notes due 2020 ("**2020 Notes**")	US$393 million	To further finance the existing debts of the Group
April 2018	Issue of US$350 million 9.45% senior notes due 2021 ("**2021 Notes**")	US$346 million	To further finance the existing debts of the Group and for general corporate purposes

Important event affecting the group after 30 June 2018

On 19 July 2018, the Company completed a placing of 127,839,000 shares at HK$2.5 per share. The gross proceeds from the placing was approximately HK$320 million and the net proceeds from the placing after deducting the placing fee and other related expenses payable by the Company was approximately HK$316 million. Further details of the placing are disclosed in the announcement of the Company dated 9 July 2018.

Save as disclosed above, no other important event affecting the Group has taken place since 30 June 2018 and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (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 2018 except for the deviation from the code provision set out in paragraph A.2.1 of the CG Code stating that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Since the listing of the Company, Mr. Yan Hao ("**Mr. Yan**") has acted as the co-chairman and the chief executive officer of the Company. Notwithstanding the corporate governance measures adopted by the Company and the appointment of Mr. Chen Xin Ge ("**Mr. Chen**") as another co-chairman with an aim to balance the power and authority of Mr. Yan, this is a deviation from the code provision set out in paragraph A.2.1 of the CG Code. Mr. Yan, as one of the founders of the Group, is instrumental to the Company's growth and business expansion since 1999. The Board considers that vesting the roles of co-chairman and chief executive officer of the Company in Mr. Yan facilitates and maximizes the effectiveness of the execution of the Group's business strategies. The administrative functions and day-to-day business management are carried out by Mr. Yan as the chief executive officer of the Company. In addition, the Board believes that the powers and authorities of the co-chairmen of the Company have not been concentrated as the responsibilities have been shared between the two co-chairmen of the Company. The Board also believes that the balance of power and authority is adequately ensured by the operations of senior management of the Company and the Board, which comprises experienced and high calibre individuals. The Board currently comprises four executive Directors (including Mr. Yan) and three independent non-executive Directors and therefore has a high level of independence in its composition. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG code.

AUDIT COMMITTEE REVIEW OF INTERIM RESULTS

The audit committee of the Company is comprised of three independent non-executive Directors, namely Mr. Qian Shi Zheng (Chairman of the audit committee), Dr. Lo Wing Yan William and Mr. Han Jiong.

The audit committee and the management of the Company and external auditor of the Company have reviewed its unaudited interim results for the six months ended 30 June 2018 and the accounting principles and practices adopted by the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all the Directors and each of the Directors has confirmed that he has complied with the Model Code during the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On 16 April 2018, the Company issued senior notes due 2021 with principal amount of US$350,000,000 at a coupon rate of 9.45% per annum. Further details of the issue of the senior notes due 2021 are disclosed in the announcement of the Company dated 17 April 2018.

Save as disclosed above, during the six months ended 30 June 2018, 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 2018 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 2018 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 for inspection.

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

Hong Kong, 30 August 2018

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

* *For identification purpose only*