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 2016

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2016, the Group achieved contracted sales of RMB6.1 billion, representing an increase of approximately 109.7% as compared to the corresponding period last year.
- For the six months ended 30 June 2016, the Group achieved revenue of RMB4.0 billion, representing an increase of approximately 136.9% as compared to the corresponding period last year.
- As at 30 June 2016, the Group's total assets amounted to RMB35.5 billion, representing an increase of 20.6% as compared to 31 December 2015.
- As at 30 June 2016, land bank of the Group was approximately 4,597,552 sq.m.
- For the six months ended 30 June 2016, due to lower overall gross profit of the properties completed and delivered to customers during the first half of 2016, the Group recorded a loss for the period of RMB234 million.
- The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2016.

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 2016 (the "**Period under Review**") together with the comparative figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
Revenue	*4*	**4,011,791**	1,693,148
Cost of sales	*8*	**(3,908,070)**	(1,603,555)
Gross profit		**103,721**	89,593
Fair value gains on investment properties		**11,877**	1,000
Selling and marketing costs	*8*	**(154,438)**	(121,371)
Administrative expenses	*8*	**(174,634)**	(113,411)
Other income		**22,299**	3,438
Other losses – net	*7*	**(12,968)**	(12,344)
Operating loss		**(204,143)**	(153,095)
Finance income	*9*	**25,234**	21,338
Finance costs	*9*	**(23,251)**	(8,148)
Finance income – net		**1,983**	13,190
Share of results of joint ventures		**(20,847)**	(6,424)
Loss before income tax		**(223,007)**	(146,329)
Income tax expense	*10*	**(11,448)**	(19,224)
Loss for the period		**(234,455)**	(165,553)
Attributable to:			
Equity holders of the Company		**(256,025)**	(194,163)
Holders of perpetual capital instruments		**35,750**	24,750
Non-controlling interests		**(14,180)**	3,860
		(234,455)	(165,553)
Loss per share for loss attributable to equity holders of the Company			
– Basic and diluted	*11*	**RMB(0.20)**	RMB(0.15)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(234,455)**	(165,553)
Other comprehensive income that may be reclassified subsequently to profit or loss		
Changes in fair value of available-for-sale financial assets	**5,814**	–
Total comprehensive loss for the period	**(228,641)**	(165,553)
Attributable to:		
Equity holders of the Company	**(250,211)**	(194,163)
Holders of perpetual capital instruments	**35,750**	24,750
Non-controlling interests	**(14,180)**	3,860
	(228,641)	(165,553)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2016

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**22,239**	24,999
Investment properties		**1,562,941**	1,536,941
Intangible assets		**4,010**	4,478
Investments in joint ventures		**636,860**	541,651
Deferred income tax assets		**431,974**	335,932
Available-for-sale financial assets		**237,291**	69,400
Trade and other receivables and prepayments	5	**469,512**	–
		3,364,827	2,513,401
Current assets			
Prepayments for leasehold land		**1,882,434**	–
Properties held or under development for sale		**22,599,814**	21,677,299
Trade and other receivables and prepayments	5	**2,924,198**	1,239,500
Prepaid income taxes		**351,173**	311,058
Restricted cash		**1,150,620**	2,080,049
Cash and cash equivalents		**3,199,983**	1,603,064
		32,108,222	26,910,970
Total assets		**35,473,049**	29,424,371
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital: nominal value		**79,361**	79,361
Reserves		**3,047,638**	3,301,866
		3,126,999	3,381,227
Perpetual capital instruments		**530,292**	512,111
Non-controlling interests		**1,006,159**	933,877
Total equity		**4,663,450**	4,827,215

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		**7,832,485**	4,523,165
Financial liabilities for put options written on non-controlling interests		**12,921**	–
Deferred income tax liabilities		**526,067**	422,305
Derivative financial instrument		**2,329**	–
		8,373,802	4,945,470
Current liabilities			
Trade and other payables	*6*	**4,370,728**	3,500,671
Amounts due to non-controlling interests of subsidiaries		**318,931**	118,726
Advanced proceeds received from customers		**11,758,937**	9,777,283
Current income tax liabilities		**339,473**	434,006
Borrowings		**5,647,728**	5,812,994
Current portion of derivative financial instrument		**–**	8,006
		22,435,797	19,651,686
Total liabilities		**30,809,599**	24,597,156
Total equity and liabilities		**35,473,049**	29,424,371

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 25 August 2016.

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 2016 have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, investment properties, available-for-sale financial assets and financial liabilities for put options written on non-controlling interests, 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 2015, 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 2015, 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 standard, amendments and improvements of HKFRSs effective for 2016

The following new standard, amendments and 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 2016.

- HKFRS 14 "Regulatory Deferral Accounts"
- Amendment to HKAS 27 on equity method in separate financial statements
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operations
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortisation

- Annual improvements 2014, affecting the following 4 standards: HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", HKFRS 7 "Financial Instruments: Disclosures", HKAS 19 "Employee Benefits" and HKAS 34 "Interim Financial Reporting"

- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception

- Amendments to HKAS 1 for the disclosure initiative

The adoption of the above new standard, amendments and improvements starting from 1 January 2016 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 2016.

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 2016.

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, as well as property decoration and other miscellaneous businesses.

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 2016 and 2015 consists of the following revenue:

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from sales of properties	**3,873,377**	1,643,542
Revenue from property management	**66,659**	40,866
Revenue from decoration of properties	**67,198**	–
Rental income	**3,840**	2,975
Others	**717**	5,765
	4,011,791	1,693,148

	Six months ended 30 June 2016 (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	**3,873,377**	**243,543**	**4,116,920**	**(105,129)**	**4,011,791**
Segment (loss)/profit before income tax expense	**(221,926)**	**7,318**	**(214,608)**	**(8,399)**	**(223,007)**
Finance income	**23,499**	**1,735**	**25,234**	**–**	**25,234**
Finance costs	**(20,602)**	**(2,649)**	**(23,251)**	**–**	**(23,251)**
Share of results of joint ventures	**(20,847)**	**–**	**(20,847)**	**–**	**(20,847)**
Depreciation and amortisation	**(3,537)**	**(2,896)**	**(6,433)**	**–**	**(6,433)**

A reconciliation to loss for the period is as follows:

Total segment losses before income tax expense	**(223,007)**
Income tax expense	**(11,448)**
Loss for the period	**(234,455)**

	As at 30 June 2016 (Unaudited)				
Segment assets	**40,063,181**	**1,846,160**	**41,909,341**	**(6,436,292)**	**35,473,049**
Segment assets include:					
Investments in joint ventures	**636,860**	**–**	**636,860**	**–**	**636,860**
Additions to non-current assets (other than financial instruments and deferred tax assets)	**471,481**	**27,779**	**499,260**	**–**	**499,260**
Segment liabilities	**37,450,874**	**882,693**	**38,333,567**	**(7,523,968)**	**30,809,599**

	Six months ended 30 June 2015 (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	1,643,542	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 joint ventures	(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 31 December 2015 (Audited)				
Segment assets	32,633,094	2,751,454	35,384,548	(5,960,177)	29,424,371
Segment assets include:					
Investments in joint ventures	541,651	–	541,651	–	541,651
Additions to non-current assets (other than financial instruments and deferred income tax assets)	4,717	775,007	779,724	–	779,724
Segment liabilities	29,847,106	1,020,704	30,867,810	(6,270,654)	24,597,156

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2016 *RMB'000* (Unaudited)	As at 31 December 2015 *RMB'000* (Audited)
Trade receivables	**25,211**	58,172
Less: Provision for impairment of trade receivables	**(203)**	(203)
Trade receivables – net	**25,008**	57,969
Amounts due from joint ventures	**1,092,150**	236,215
Amounts due from related parties	**48,174**	–
Prepaid business tax and surcharges (a)	**587,912**	548,417
Tender deposits (b)	**16,600**	21,600
Deposits with public housing fund centres (c)	**66,343**	61,481
Prepayments of construction costs	**43,796**	18,034
Temporary funding receivables (d)	**381,013**	119,306
Deposits paid for construction work	**124,698**	92,208
Amounts due from non-controlling interests of subsidiaries (e)	**134,250**	13,000
Deposits for acquisition of a subsidiary (f)	**53,050**	–
Prepayments for acquisition of property under construction (g)	**259,870**	–
Prepayments for investments (h)	**469,512**	–
Others	**103,010**	89,239
Less: Provision for impairment of other receivables	**(11,676)**	(17,969)
	3,393,710	1,239,500
Less: non-current portion (h)	**(469,512)**	–
	2,924,198	1,239,500

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 balances represent the amounts due from non-controlling interests of subsidiaries of the Group, which are non-interest bearing, unsecured and requires immediate settlement on demand.

(f) This balance represents deposits of USD8,000,000 (equivalent to RMB53,050,000) paid for acquisition of a subsidiary namely Property Sky Limited, which is engaged in property investment.

(g) The balance represents the prepayment paid for the acquisition of property under construction from a third party, which will be transferred to property under development for sale upon receipt of ownership certificate.

(h) In June 2016, Shanghai Jingrui Investment Co., Ltd., an indirect wholly owned subsidiary of the Group, entered into a capital subscription agreement with Xiamen International Bank to subscribe for 84,000,000 subscription shares to be issued by Xiamen International Bank for a total consideration of RMB403,200,000. The consideration has been fully paid by the Group as at 30 June 2016.

In June 2016, the Group made prepayments for further investments in the liquid opportunity fund investment with a total consideration of USD10,000,000 (equivalent to RMB66,312,000).

The aging analysis of trade receivables is as follows:

	As at 30 June 2016	As at 31 December 2015
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Less than 1 year	**13,180**	14,752
Between 1 and 2 years	**9,536**	40,415
Between 2 and 3 years	**2,464**	2,964
Over 3 years	**31**	41
	25,211	58,172

As at 30 June 2016 and 31 December 2015, the fair value of trade and other receivables approximate their carrying amounts.

As at 30 June 2016 and 31 December 2015, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies:

	As at 30 June 2016	As at 31 December 2015
	(Unaudited)	(Audited)
– RMB	**3,243,252**	1,257,672
– USD	**125,317**	–
– HKD	**37,020**	–
	3,405,589	1,257,672

6 TRADE AND OTHER PAYABLES

	As at 30 June 2016 *RMB'000* **(Unaudited)**	As at 31 December 2015 *RMB'000* (Audited)
Trade payables	**2,259,309**	1,823,356
Notes payable	**242,164**	493,289
Amounts due to joint ventures	**1,303,409**	449,657
Amount due to a related party	**–**	807
Business and other taxes payable	**45,622**	122,734
Electricity fee and cleaning fee collected on behalf	**23,949**	24,499
Deed tax collected on behalf	**12,117**	17,112
Accrued payroll	**11,950**	24,017
Interest payable	**136,328**	114,911
Construction deposits received from suppliers	**26,049**	21,506
Deposits received from customers	**7,471**	97,223
Deposit received in connection with the disposal of a subsidiary (a)	**–**	10,000
Payables for acquisition of Shanghai Fengxiang Property Development Co., Ltd. ("**Shanghai Fengxiang**") (b)	**–**	91,213
Payables for acquisition of Suzhou Ailide Trade Co., Ltd. ("**Suzhou Ailide**") (c)	**–**	85,890
Payables for acquisition of Hangzhou Jiaheng Property Development Co., Ltd. ("**Hangzhou Jiaheng**") (d)	**16,500**	–
Remaining liability component of perpetual capital instruments	**–**	18,288
Subscription proceeds received from joint venture partners (e)	**148,003**	–
Dividend payable	**1,379**	1,379
Others	**136,478**	104,790
	4,370,728	3,500,671

notes:

(a) The balance as at 31 December 2015 represents the deposit 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 been completed by 30 June 2016. The Group recognized a gain from disposal of shares in Shanghai Garden City amounting to RMB15,384,000 during the six months ended 30 June 2016.

(b) The balance represents the payables relating to the acquisition of Shanghai Fengxiang by the Group from an independent third party, which was fully paid during the six months ended 30 June 2016.

(c) Pursuant to an equity transfer agreement entered into in October 2015 between an independent third party and the Group through its wholly-owned subsidiary Shanghai Zhixiao Investment Co., Ltd., the Group acquired 50% equity interests of Suzhou Ailide in September 2015 for a total consideration of RMB140,000,000. As at 31 December 2015, consideration amount of RMB84,000,000,which carries interest at 9% per annum, and corresponding interest of RMB1,890,000 remaining unpaid were included in the trade and other payables. The balance was settled during the six months ended 30 June 2016.

(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 for a total consideration of RMB296,000,000 in April 2016. As at 30 June 2016, consideration amount of RMB16,500,000 remaining unpaid was included in the trade and other payables.

(e) The balance represents the payments to the Group for the subscription of the registered capital of Ningbo Jingrui Property Co., Ltd. ("**Ningbo Jingrui**"), a joint venture of the Group since 31 March 2016, from Tran Star Venture, Limited of USD11,500,000 (equivalent to RMB74,503,000) and Kunshan Harbour Investment Consultant Co., Limited of RMB73,500,000 during the six months ended 30 June 2016.

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

	As at 30 June 2016 *RMB'000* **(Unaudited)**	As at 31 December 2015 *RMB'000* (Audited)
Less than 1 year	**1,835,690**	2,082,663
Between 1 and 2 years	**599,813**	146,962
Between 2 and 3 years	**30,650**	19,612
Over 3 years	**35,320**	67,408
	2,501,473	2,316,645

As at 30 June 2016 and 31 December 2015, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2016 and 31 December 2015, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 30 June 2016 *RMB'000* **(Unaudited)**	As at 31 December 2015 *RMB'000* (Audited)
– RMB	**4,296,225**	3,421,729
– USD	**74,503**	78,135
– HKD	**–**	807
	4,370,728	3,500,671

7 OTHER LOSSES – NET

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gain from disposal of shares in Shanghai Garden City	**15,384**	–
Gains from disposal of property, plant and equipment	**160**	99
Loss from disposal of partial shares in Ningbo Jingrui	**(10,837)**	–
Changes in fair values of trust loans related derivatives	**–**	11,791
Compensation and late payments charges	**(15,214)**	(37,313)
Foreign exchange (losses)/gains	**(1,582)**	10,858
Change in fair value of derivative financial instrument	**(59)**	–
Others	**(820)**	2,221
	(12,968)	(12,344)

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	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**3,576,612**	1,445,325
Cost of decoration	**53,600**	–
Business tax and surcharges (a)	**207,085**	95,877
Depreciation of property, plant and equipment	**5,965**	3,838
Amortisation of intangible assets	**468**	349
Bank charges	**4,364**	9,045
Staff costs	**177,806**	118,347
Entertainment expenses	**7,743**	5,421
Stamp duty and other taxes	**11,254**	8,926
Professional fees	**36,584**	11,967
Auditors' remuneration	**1,080**	1,000
Sales commission	**8,081**	8,127
Advertising and publicity costs	**48,035**	53,643
Office and meeting expenses	**10,448**	9,245
Rental expenses	**7,699**	7,115
Travelling expenses	**5,817**	5,336
Accrual of provision for impairment of properties held or under development for sale	**12,076**	12,617
Reversal of provision for impairment of receivables	**–**	(2,478)
Other expenses	**62,425**	44,637
Total cost of sales, selling and marketing costs and administrative expenses	**4,237,142**	1,838,337

note:

(a) Before 1 May 2016, 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. Since 1 May 2016, the PRC companies of the Group are subject to value added tax and surcharges.

9 FINANCE INCOME – NET

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits	**25,234**	21,338
Finance costs		
– Interest on bank loans, senior notes, trust financing arrangements and corporate bonds	**(687,159)**	(504,726)
– Net foreign exchange losses on financing activities	**(18,372)**	–
– Changes in discounted present value of financial liabilities for put options written on non-controlling interests	**(108)**	–
– Less: Amount capitalised	**682,388**	496,578
	(23,251)	(8,148)
Net finance income	**1,983**	13,190

10 INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	**12,127**	1,842
– PRC corporate income tax	**15,863**	31,989
	27,990	33,831
Deferred income tax	**(16,542)**	(14,607)
Total income tax charged for the period	**11,448**	19,224

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 2016 and 2015 as the Group's PRC subsidiaries did not earn any distributable profit as a whole in those two periods. As at 31 December 2014 and 2015, 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 2016, 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 2016, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB54,323,000 (31 December 2015: RMB72,759,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with amount of RMB543,227,000 (31 December 2015: RMB727,587,000).

The Group did not recognise deferred income tax assets of RMB198,513,000 (31 December 2015: RMB179,679,000) in respect of tax losses amounting to RMB794,052,000 (31 December 2015: RMB718,712,000) as at 30 June 2016. 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 2016 and 2015 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	
	2016	2015
	(Unaudited)	(Unaudited)
Group's loss attributable to equity holders of the Company *(RMB'000)*	**(256,025)**	(194,163)
Weighted average number of ordinary shares in issue *(in thousand)*	**1,291,302**	1,291,302
Basic loss per share *(RMB)*	**(0.20)**	(0.15)

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 2016 and 2015.

12 DIVIDENDS

The board of the directors did not recommend any payment of interim dividend for the six months ended 30 June 2016 (Six months ended 30 June 2015: Nil).

At a board meeting held on 30 March 2016, the board of the directors did not recommend any payment of dividend for the year ended 31 December 2015.

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 was 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 31 December 2015 and 30 June 2016 was RMB1,379,000, which was included in dividend payable (Note 6).

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

In spite of the difficult domestic and international economic environment, China's gross domestic product (GDP) recorded a year-on-year growth of approximately 6.7% during the first half of 2016. The achievement was a result of the Chinese government's concentrated efforts to promote supply-side structural reform while moderately expanding total demand, which together paved the way for the generally stable growth of the economy. While full-year GDP growth may be able to sustain at 6.5%, future expectations remain negative although stabilizing trends of PMI and other leading indicators were observed recently. The pressure of economic downturn caused the Chinese government to increased its efforts on stimulation, which in turn led to the rise of asset prices with increasing risks and decreasing returns. Accordingly asset shortage occurred and the growth of liquidity was far higher than that of M2. Policy focus was put on risk control due to a growing asset bubble and the possibility of inflation. In July 2016, various ministries also jointly issued relevant policies. It is predicted that the easing monetary policy will turn to be neutral and the bank credit will shrink during the second half of 2016, and policy balance between growth maintenance and risk control will also be seen.

In the first half of the year, under the guidance of the de-stocking strategic principle, political and monetary environments were flexible. Stimulated by such favorable easing policies, housing demand including rigid and upgraded demand all sprang up, driving up the general transaction volume of the real estate market in China. According to the recently published data of China Index Academy, in the first half of the year, the monthly average transaction volume of new residential properties in 50 representative mainland cities recorded a historical high, and the average selling price of new residential properties in the selected 100 cities accumulatively increased by 7.61%. The divergence remained clear between different cities. While the first-tier cities as represented by Beijing, Shanghai and Shenzhen and certain premium second-tier cities such as Suzhou, Nanjing, Hangzhou and Hefei were leading in the rise of price of properties and lands, some second-tier cities and most third-tier and fourth-tier cities were still facing severe de-stocking pressure. It was commonly expected that housing demand arising from the process of urbanization will continue to bring vitality to the first-tier and certain second-tier core cities.

Prospects

At present, the overall real estate market is at a high level with continuously rising prices. The transaction volume decreased slightly as compared with the first quarter, but it showed relatively stable support at the current level. The performance of Shanghai and Nanjing was relatively strong and the performances of Hangzhou, Ningbo, Tianjin and other cities were neutral, while other cities still suffered from their potential stocks. Looking forward to the second half of 2016, with all kinds of demands springing up, we expect trading in real estate market will generally be driven up to a high level. We also expect second-tier cities to continue to see improvement in performance. After the determined transformation in 2015, Jingrui Holdings expects to operate fully as a "customized lifestyle service provider" in 2016 and record the initial achievements. In the future, we will continue to move in this direction. Following our strong sales performance in the first half of 2016, the Group announced in early July to increase our annual sales target for 2016 by 25% to RMB12.5 billion, and is confident in meeting this sales target.

BUSINESS REVIEW

Property Development

In the first half of 2016, the Group achieved contracted sales of approximately RMB6,132.3 million, representing an increase of approximately 109.7% as compared to the corresponding period last year. Our total contracted GFA sold was approximately 0.520 million sq.m., representing an increase of approximately 80.4% as compared to the corresponding period last year. The contracted sales were mainly derived from the first-tier and second-tier core cities in the Yangtze River Delta region. The contracted sales (excluding car parks) generated from Shanghai, Zhejiang Province and Jiangsu Province were approximately RMB840.0 million, RMB2,614.1 million and RMB2,456.2 million, representing 13.7%, 42.6% and 40.1% of the total contracted sales, respectively. We believe this lays 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 2016:

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price ("ASP")
	sq.m.	*RMB*	*RMB/sq.m.*
Shanghai			
Shanghai Fengxiang Project	1,678	31,035,589	18,496
Shanghai Jingrui The French Lakeside Villa (上海景瑞 • 法蘭雲廷)	21,028	562,655,804	26,757
Shanghai Jingrui @way (上海景瑞 • 遇道)	4,860	246,353,168	50,690
Tianjin			
Tianjin Jingrui Sunny City	307	1,134,681	3,696
Tianjin Jingrui England County	2,520	13,603,335	5,398
Chongqing			
Chongqing Jingrui Royal Bay	13,728	98,241,934	7,156
Chongqing Jingrui Online Family (重慶景瑞 • 西聯社)	2,742	22,705,279	8,281
Sub-total of centrally direct-controlled municipalities	**46,863**	**975,729,790**	**20,821**

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Hangzhou			
Hangzhou Jingrui Royal Bay	13,325	83,309,090	6,252
Hangzhou Jingrui Royal Mansion	33,370	265,743,728	7,964
Hangzhou Jingrui Shenhua No. One (杭州景瑞 • 申花壹號院)	23,783	730,928,267	30,733
Ningbo			
Ningbo Jingrui Dignity Mansion	2,953	33,662,329	11,399
Ningbo Jingrui The Mansion	16,193	225,219,448	13,908
Ningbo Jingrui Majestic Mansion (寧波景瑞 • 紅翎台)	46,764	496,830,379	10,624
Ningbo Jingrui Aroma County (寧波景瑞 • 緹香郡)	31,460	294,937,500	9,375
Shaoxing			
Shaoxing Jingrui The Mansion	(119)	(749,008)	6,294
Shaoxing Jingrui Dignity Mansion	13,625	133,014,423	9,763
Shaoxing Jingrui Lake of Dawn (紹興景瑞 • 曦之湖)	17,963	113,561,652	6,322
Shaoxing Jingrui Nobility Mansion	11,002	75,414,357	6,855
Huzhou			
Huzhou Jingrui Cin Cinnatti	369	2,540,000	6,883
Huzhou Jingrui Dignity Mansion	3,891	53,395,623	13,723
Taizhou			
Taizhou Jingrui Dignity Mansion (台州景瑞 • 望府)	5,044	64,330,531	12,754
Zhoushan			
Zhoushan Jingrui Peninsula Bay	9,704	41,900,574	4,318
Zhoushan Jingrui HOPSCA	1	11,119	11,119
Sub-total of Zhejiang Province	**229,328**	**2,614,050,012**	**11,399**

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB*	Contracted Average Selling Price ("ASP") *RMB/sq.m.*
Suzhou			
Suzhou Jingrui Royal Bay	2,324	28,262,701	12,161
Suzhou Jingrui Jade Bay	25,014	189,811,288	7,588
Suzhou Jingrui Dignity Mansion (蘇州景瑞 • 望府)	16,997	337,887,210	19,879
Suzhou Jingrui Nobility Mansion (蘇州景瑞 • 御江山)	41,937	706,264,126	16,841
Changzhou			
Changzhou Jingrui Dignity Mansion	4,910	51,265,569	10,441
Changzhou Jingrui Luxury Palace (常州景瑞 • 鉑庭)	0	(1,692)	N/A
Wuxi			
Wuxi Jingrui Dignity Mansion (無錫景瑞 • 望府)	74,156	528,697,214	7,130
Nantong			
Nantong Jingrui Dignity Mansion	1,860	12,723,424	6,841
Nantong Jingrui Nobility Mansion	23,306	169,548,585	7,275
Nantong Jingrui Royal Mansion (南通景瑞 • 御府)	52,768	431,381,415	8,175
Yangzhou			
Yangzhou Jingrui Dignity Mansion	0	(699,726)	N/A
Taizhou			
Taizhou Jingrui Royal Bay	387	1,019,819	2,635
Sub-total of Jiangsu Province	**243,659**	**2,456,159,933**	**10,080**
Car park (lots)	686	86,316,827	
Total	**519,849[1]**	**6,132,256,562**	**11,796**

Note:

(1) Excluding car parks

Land Bank

As at 30 June 2016, the total land bank of the Group was approximately 4,597,552 sq.m. or approximately 3,849,903 sq.m. on an attributable basis. In the first half of 2016, the Group has secured two projects in each of Ningbo, Suzhou and Hangzhou and one project in each of Nanjing and Tianjin, at a total consideration of approximately RMB5,510 million, totaling eight projects of high quality in those cities with total GFA of approximately 843,496 sq.m.

From 1 July 2016 to 25 August 2016, the Group acquired one project in Shanghai, with an expected total GFA of approximately 19,273 sq.m. and an aggregate consideration of approximately RMB1,353 million.

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

	As at 30 June 2016			
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	292,093	6.4	196,537	5.1
Tianjin	605,114	13.2	571,786	14.9
Chongqing	53,925	1.2	34,635	0.9
Subtotal	**951,132**	**20.7**	**802,958**	**20.9**
Zhejiang Province				
Hangzhou	646,538	14.1	542,418	14.1
Ningbo	630,504	13.7	439,828	11.4
Shaoxing	598,518	13.0	465,623	12.1
Taizhou	82,422	1.8	82,422	2.1
Huzhou	26,808	0.6	26,808	0.7
Zhoushan	92,628	2.0	92,628	2.4
Subtotal	**2,077,418**	**45.2**	**1,649,727**	**42.9**

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
	As at 30 June 2016			
	(sq.m.)	%	*(sq.m.)*	%
Jiangsu Province				
Suzhou	779,097	16.9	752,580	19.5
Wuxi	201,458	4.4	114,348	3.0
Changzhou	118,686	2.6	60,530	1.6
Nantong	428,792	9.3	428,792	11.1
Yangzhou	3,162	0.1	3,162	0.1
Nanjing	37,571	0.8	37,571	1.0
Taizhou	236	0.0	236	0.0
Subtotal	**1,569,002**	**34.1**	**1,397,218**	**36.3**
Total	**4,597,552**	**100.0**	**3,849,903**	**100.0**

The table below sets forth the details of land acquisition of the Group from 1 January 2016 to 30 June 2016:

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.
Suzhou	The zone portions situated at the southwest side of the intersection of Songxing Road and Pangbei Road in the Wujiang Economic and Technological Development Zone, Suzhou	Residential	100	54,457	136,057	108,922	646	4,747	5,930
Suzhou	The land parcel situated on the north of Wuyishan Road and east of Fuchunjiang Road in the Technological Park of High-tech Zone, Suzhou	Residential	100	77,910	133,871	78,689	1,550	11,578	19,698

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	Core Residential Land No. 5, Jiangshan Town, Yinzhou District, Ningbo	Residential	47	45,066	120,832	90,132	362	2,999	4,020
Ningbo	Lot 5, East of Xurong Road, Qingfeng Lot, Ningbo	Residential	50	32,474	120,927	90,927	817	6,760	8,990
Hangzhou	Hanjia Project in Hangzhou (杭州漢嘉項目)	Residential	100	24,952	73,940	20,907	296	4,003	14,158
Hangzhou	Unit of Olympic Sports Centre of Qianjiang Century City in Hangzhou	Residential	100	32,666	107,865	71,865	1,411	13,081	19,634
Tianjin	Baodi No.1 Middle School Project in Tianjin (天津寶坻一中項目)	Residential	70	61,986	112,366	92,979	171	1,522	1,839
Nanjing	Guoxin Project in Nanjing (南京國信項目)	Residential	100	18,158	37,638	27,036	257	6,823	9,498
Total				**347,669**	**843,496**	**581,457**	**5,510**	**6,533**	**9,477**

The table below sets forth the details of land acquisition of the Group from 1 July 2016 to 25 August 2016:

City	Project/Land Parcel	Land Use	Attributable Interest	Site Area	Expected Total GFA	Expected Total GFA Above Ground	Land Premium	Average Land Cost (based on the expected total GFA)	Average Land Cost (based on the expected total GFA above ground)
			%	*sq.m.*	*sq.m.*	*sq.m.*	*RMB million*	*RMB/sq.m.*	*RMB/sq.m.*
Shanghai	Shangbinjiang Project (尚濱江項目)	Commercial office	100	8,280	19,273	19,273	1,353	70,218	70,218
Total				**8,280**	**19,273**	**19,273**	**1,353**	**70,218**	**70,218**

Recognized Revenue from the Sale of Properties

Our recognized revenue from the sale of properties from 1 January 2016 to 30 June 2016 was approximately RMB3,873.4 million, representing an increase of 135.7% as compared to the corresponding period last year.

The breakdown of recognized revenue from the sale of properties from 1 January to 30 June 2016 is as follows:

	Revenue	Percentage of Total Revenue	GFA	ASP
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Shanghai				
Shanghai Jingrui Fair Town	90,522	2.3	1,875	48,278
Jiangsu Province				
Suzhou Jingrui Dignity Mansion	618,327	16.0	64,286	9,618
Suzhou Jingrui Jade Bay	146,541	3.8	14,779	9,915
Suzhou Jingrui Nobility Mansion (蘇州景瑞 • 御江山)	81,470	2.1	4,950	16,459
Suzhou Jingrui Royal Bay	55,801	1.4	5,111	10,918
Nantong Jingrui Nobility Mansion	677,423	17.5	93,131	7,274
Nantong Jingrui Dignity Mansion	6,692	0.2	736	9,092
Taizhou Jingrui Royal Bay	12,271	0.3	1,802	6,810
Zhejiang Province				
Ningbo Jingrui Dignity Mansion	784,980	20.3	87,113	9,011
Hangzhou Jingrui Royal Bay	727,445	18.8	113,587	6,404
Zhuji Jingrui The Mansion (諸暨景瑞 • 上府)	365,116	9.4	66,432	5,496
Shaoxing Jingrui Dignity Mansion	109,315	2.8	11,423	9,570
Shaoxing Jingrui The Mansion	(3,838)	(0.1)	(333)	11,509
Huzhou Jingrui Cin Cinnatti	1,035	0.0	187	5,535
Huzhou Jingrui Dignity Mansion	72,144	1.9	4,646	15,528
Zhoushan Jingrui Peninsula Bay	(30,792)	(0.8)	(1,678)	18,350
Tianjin				
Tianjin Jingrui England County	9,746	0.3	1,779	5,478
Tianjin Jingrui Sunny City	959	0.0	131	7,321
Chongqing				
Chongqing Jingrui Royal Bay	118,238	3.1	17,863	6,619
Sub-total	**3,843,395**	**99.3**	**487,820**	**7,879**
Car parks	29,982	0.7	473[(1)]	–
Total	**3,873,377**	**100.0**	**–**	**–**

Note:

(1) Represents the number of car parks sold.

Employees and Remuneration Policies

As at 30 June 2016, we had a total of 2,107 full-time employees in the PRC and Hong Kong. 612 of our employees worked in property development operations and 1,495 were engaged in property management, 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 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 2016, the revenue of the Group reached RMB4,011.8 million, representing an increase of 136.9% as compared to RMB1,693.1 million of the corresponding period last year. Our revenue consists of revenue from (i) sales of properties, (ii) provision of property management services, (iii) decoration of properties, (iv) rental income and (v) 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				
	2016		2015		
		Percentage of the total revenue		Percentage of the total revenue	Year-on-year change
	RMB million	***(%)***	*RMB million*	*(%)*	*(%)*
Sales of properties	**3,873.4**	**96.5**	1,643.5	97.1	135.7
Property management	**66.7**	**1.7**	40.9	2.4	63.1
Decoration of properties	**67.2**	**1.7**	–	–	N/A
Rental income	**3.8**	**0.1**	3.0	0.2	29.1
Others	**0.7**	**0.0**	5.7	0.3	(87.6)
Total	**4,011.8**	**100.0**	1,693.1	100.0	136.9

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 2016, it represented 96.5% 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 Ningbo Jingrui Dignity Mansion, Hangzhou Jingrui Royal Bay, Nantong Jingrui Nobility Mansion and Suzhou Jingrui Dignity Mansion. Revenue from sales of properties was RMB3,873.4 million for the first half of 2016 (corresponding period in 2015: RMB1,643.5 million), representing an increase of 135.7% as compared to the corresponding period last year, mainly due to the significant increase in GFA delivered during the first half of 2016 than that in the corresponding period of 2015.

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 2016, property management revenue of the Group was approximately RMB66.7 million, representing an increase of approximately 63.1% as compared to the corresponding period last year. The increase in revenue from property management was primarily due to the continued growth of our properties completed.

Revenue from decoration of properties represents realised revenue generated from decoration works we provided. In the first half of 2016, such revenue of the Group was approximately RMB67.2 million.

Rental income mainly includes operating revenue from leasing our investment properties and certain other completed properties and is recognized on a straight line basis over the relevant lease terms. We currently focus on the development of residential properties but usually develop certain ancillary retail areas in our projects, which increases the value of such projects and enables us to better serve residents of our property projects. A substantial portion of our rental income was generated from leasing the retail areas of Shanghai Jingrui Life Square. In the first half of 2016, rental income of the Group was approximately RMB3.8 million, representing an increase over last year.

Cost of Sales

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

Our cost of sales increased by 143.7% from RMB1,603.6 million for the first half of 2015 to RMB3,908.1 million for the first half of 2016, primarily due to the more GFA delivered during the first half of 2016 than that in the corresponding period of 2015.

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			
	2016		2015	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**1,827,090**	**46.8**	828,912	51.7
Land use right costs	**1,529,250**	**39.1**	490,032	30.6
Capitalized interest	**220,272**	**5.6**	126,381	7.9
Subtotal: Total cost of properties	**3,576,612**	**91.5**	1,445,325	90.2
Business tax and surcharges	**207,085**	**5.3**	95,877	6.0
Provision for impairment of properties held or under development for sale	**12,076**	**0.3**	12,617	0.8
Other costs[(1)]	**112,297**	**2.9**	49,736	3.0
Total	**3,908,070**	**100.0**	1,603,555	100.0
Total GFA delivered (sq.m.)	**487,820**		206,622	
Average cost of properties per sq.m. sold (RMB)[(2)]	**7,332**		6,995	
Average cost per sq.m. as % of ASP	**93.1**		88.4	

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 2016, the gross profit of the Group was RMB103.7 million (corresponding period in 2015: RMB89.6 million), and the gross profit margin of the Group was 2.6% (corresponding period in 2015: 5.3%). The decrease in our gross profit margin as compared to the corresponding period of 2015 was mainly due to an adjustment in our overall strategy, changing our focus from third-tier and fourth-tier cities to first-tier and second-tier cities, proactively reducing our footprint in third-tier and fourth-tier cities and increasing our efforts to sell our stock of properties in third-tier and fourth-tier cities.

Fair Value Gains on Investment Properties

For the six months ended 30 June 2016, our fair value gains on investment properties were RMB11.9 million (corresponding period in 2015: RMB1.0 million). Fair value gains in 2016 were primarily due to the appreciation of self-owned commercial areas of Ningbo Harbour City and others.

Selling and Marketing Costs

For the six months ended 30 June 2016, our selling and marketing costs were RMB154.4 million (corresponding period in 2015: RMB121.4 million), representing a year-on-year increase of 27.2%. Such increase was primarily due to the increase in presales and sales of more properties.

Administrative Expenses

For the six months ended 30 June 2016, our administrative expenses were RMB174.6 million (corresponding period in 2015: RMB113.4 million), representing a year-on-year increase of 54.0%. Such increase was primarily due to increase in staff costs and the expenses arising from our business expansion.

Other Income and Other Losses, Net

For the six months ended 30 June 2016, our other income recorded a gain of RMB22.3 million (corresponding period in 2015: gain of RMB3.4 million), primarily attributable to a government grant of RMB10.2 million obtained by the Group.

For the six months ended 30 June 2016, we recorded other losses of RMB13.0 million (corresponding period in 2015: losses of RMB12.3 million), mainly includes a loss of RMB10.8 million arising from the disposal of partial shares in Ningbo Jingrui in March 2016 and a gain of RMB15.4 million arising from the disposal of shares in Shanghai Garden City in January 2016.

Finance Income, Net

For the six months ended 30 June 2016, our finance income was RMB25.2 million (corresponding period in 2015: RMB21.3 million). Our finance costs were RMB23.3 million (corresponding period in 2015: RMB8.1 million). As a result, our net finance income decreased to RMB2.0 million as compared to that of RMB13.2 million in the corresponding period last year, primarily due to the increase in interest expense along with the growth of loans.

Income Tax Expense

For the six months ended 30 June 2016, our income tax expense was RMB11.4 million (corresponding period in 2015: RMB19.2 million), representing a year-on-year decrease of 40.4%, primarily due to lower overall profit of the properties completed and delivered to customers during the first half of 2016.

Loss for the Period

For the six months ended 30 June 2016, we recorded a loss of RMB234.5 million (corresponding period in 2015: loss of RMB165.6 million).

For the six months ended 30 June 2016, the loss of the Group attributable to equity holders of the Company was RMB256.0 million (corresponding period in 2015: loss of RMB194.2 million), primarily due to lower overall gross profit of the properties completed and delivered to customers during the first half of 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash Positions

As of 30 June 2016, the Group's cash at bank and on hand (including restricted cash) increased by approximately 18.1% to approximately RMB4,350.6 million from approximately RMB3,683.1 million as at 31 December 2015. 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.

Borrowings

Our total outstanding borrowings increased from RMB10,336.2 million as at 31 December 2015 to RMB13,480.2 million as at 30 June 2016. As at 30 June 2016, the Group had approximately RMB3,243.3 million of unutilized banking facilities. The Group's borrowings are mainly denominated in RMB and US dollars.

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

	30 June 2016	31 December 2015	Change
	RMB'000		%
Current Borrowings:			
Bank loans, secured	**2,692,032**	2,773,367	(2.9)
Bank loans, unsecured	**–**	100,000	(100.0)
Trust financing arrangements, secured			
– conventional loan	**1,574,895**	79,200	1,888.5
Add: Current portion of long-term borrowings			
– Bank loans, secured	**590,223**	2,565,900	(77.0)
– Trust financing arrangements, secured	**328,080**	294,527	11.4
– Senior notes due 2018, secured	**96,561**	–	N/A
– Senior notes due 2019, secured	**365,937**	–	N/A
Total Current Borrowings	**5,647,728**	5,812,994	(2.8)
Non-Current Borrowings:			
Bank loans, secured	**2,988,222**	4,316,400	(30.8)
Trust financing arrangements, secured			
– conventional loan	**1,910,950**	699,100	173.3
– equity with repurchase obligation	**870,920**	453,027	92.2
Senior notes due 2018, secured	**985,316**	962,731	2.3
Senior notes due 2019, secured	**974,967**	952,334	2.4
Corporate bonds due 2021	**1,482,911**	–	N/A
Less: Current portion of long-term borrowings			
– Bank loans, secured	**(590,223)**	(2,565,900)	(77.0)
– Trust financing arrangements, secured	**(328,080)**	(294,527)	(11.4)
– Senior notes due 2018, secured	**(96,561)**	–	N/A
– Senior notes due 2019, secured	**(365,937)**	–	N/A
Total Non-Current Borrowings	**7,832,485**	4,523,165	73.2
Total	**13,480,213**	10,336,159	30.4

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

	30 June 2016		31 December 2015	
	RMB'000	*%*	*RMB'000*	*%*
Within 1 year	**5,647,728**	**41.9**	5,812,994	56.3
Between 1 and 2 years	**4,120,545**	**30.6**	1,851,100	17.9
Between 2 and 5 years	**3,633,940**	**27.0**	2,555,065	24.7
Above 5 years	**78,000**	**0.5**	117,000	1.1
Total	**13,480,213**	**100.0**	10,336,159	100.0

Borrowing Costs

The Group's weighted average effective interest rate on bank and other borrowings was 9.32% as at 30 June 2016, as compared to 9.68% as at 31 December 2015. The table below sets forth the categories of the interest generated from bank loans, trust financing arrangements, corporate bonds and senior notes:

	Six months ended 30 June		
	2016	2015	Change
	RMB'000		*%*
Finance cost			
– Interest expensed	**4,771**	8,148	(41.4)
– Net foreign exchange losses on financial activities	**18,372**	–	N/A
– Changes in discounted present value of financial liabilities for put option written on non-controlling interests	**108**	–	N/A
– Interest capitalized	**682,388**	496,578	37.4
Total	**705,639**	504,726	39.8

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

	30 June 2016	31 December 2015
Bank loans	**8.24%**	8.39%
Trust financing arrangements	**8.06%**	10.27%
Corporate bonds	**6.17%**	–
Senior notes	**14.14%**	14.20%
Consolidated weighted average effective interest rate	**9.32%**	9.68%

Net Debt-to-Adjusted-Capital Ratio

As at 30 June 2016, our net debt-to-adjusted-capital ratio was 183%. 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 of 48 percentage points as compared to 135% as at 31 December 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 certificate to the customer, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on a mortgage loan, we may be required to repurchase the underlying property by paying off the mortgage. If we fail to do so, the mortgagee bank may auction the underlying property and recover any additional amount outstanding from us as the guarantor of the mortgage loans.

As at 30 June 2016, 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 RMB8,621.8 million (As of 31 December 2015: approximately RMB7,219.3 million). In addition, we provide guarantee for certain bank loans amounting to RMB142.0 million of Wuxi Jingrui Property Development Co., Ltd., our joint venture company, and provide guarantee for certain bank loans amounting to RMB180.0 million of Ningbo Jingrui Property Co., Ltd., our joint venture company (As of 31 December 2015: approximately RMB220.0 million).

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

Off-Balance Sheet Commitments and Arrangements

Except for the contingent liabilities disclosed above, as of 30 June 2016, 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, we have 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 our senior notes issued 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 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.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2016.

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 ("**2019 Notes**")	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 ("**2018 Notes**")	US$147 million	To improve the debt structure of the Company
March 2016	Issue of RMB1.5 billion 5.88% corporate bonds due 2021	RMB1,500 million	To improve the debt structure of the Company

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 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has been in compliance with the code provisions set out in the CG Code for the six months ended 30 June 2016. 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 of the Audit Committee), 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 2016. The Audit Committee has also reviewed the effectiveness of the risk management and internal control systems of the Group and considers the risk management and internal control systems 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 2016.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save as disclosed below, during the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On 20 July 2016, the Company purchased part of the 2019 Notes in the aggregate principal amount of US$56.3 million for an aggregate consideration, including unpaid accrued interest, of approximately US$57.2 million (the "**Repurchased 2019 Notes**") and part of the 2018 Notes in the aggregate principle amount of US$14.7 million for an aggregate consideration, including unpaid accrued interest, of approximately US$15.4 million (the "**Repurchased 2018 Notes**"). The Board considers that the purchases of the Repurchased 2019 Notes and the Repurchased 2018 Notes will reduce the Company's future financial expenses and lower its financial gearing level, and hence is in the interest of the Company and its shareholders as a whole. The Repurchased 2019 Notes and the Repurchased 2018 Notes were duly cancelled on 22 July 2016, pursuant to the terms of the indentures governing each of the 2019 Notes and 2018 Notes.

After the cancellation, the aggregate principal amount of the 2019 Notes and 2018 Notes remaining outstanding would be US$93.7 million and US$135.3 million, respectively, representing approximately 62.47% and 90.2% of the initial principal amount of the 2019 Notes and 2018 Notes, respectively.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND 2016 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 2016 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, 25 August 2016

As at the date of this announcement, the Board of Directors 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*