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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)

DISCLOSEABLE TRANSACTION DEEMED DISPOSAL OF EQUITY INTEREST IN NINGBO XIAOYONG

DEEMED DISPOSAL OF EQUITY INTEREST IN NINGBO XIAOYONG

On 26 June 2017, Ningbo Ruice, a wholly owned subsidiary of the Company, entered into a cooperation agreement with Ningbo Veken, Ningbo Kaicheng and Ningbo Hongdingyuan (the Investors), pursuant to which the Investors agreed to make the Capital Injection in an aggregate amount of RMB144,000,000 and to provide the Shareholders' Loan in an aggregate amount of RMB161,463,899.52 to Ningbo Xiaoyong. As at the date of this announcement, Ningbo Xiaoyong is an indirect wholly owned subsidiary of the Company, which in turn holds the entire equity interest in Ningbo Jingjun, being the Project Company responsible for the development of the Land.

After the Capital Injection, Ningbo Xiaoyong will be interested in as to 28% by Ningbo Ruice, 24% by Ningbo Veken, 24% by Ningbo Kaicheng and 24% by Ningbo Hongdingyuan. As the Capital Injection reduces the equity interest of Ningbo Ruice in Ningbo Xiaoyong from 100% to 28%, the transaction contemplated under the Agreement constitutes a deemed disposal of the Company. After the Deemed Disposal, Ningbo Xiaoyong will change from an indirect wholly owned subsidiary of the Company to an indirect non-wholly owned subsidiary of the Company and its financial results will continued to be consolidated in the Company's accounts.

Pursuant to the terms of the Agreement, the parties have also agreed to certain provisions for the management and administration of the affairs and business of Ningbo Xiaoyong and Ningbo Jingjun.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Deemed Disposal is more than 5% but all of the applicable percentage ratios are less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

On 26 June 2017, Ningbo Ruice entered into the Agreement with the Investors, pursuant to which the Investors agreed to make the Capital Injection in an aggregate amount of RMB144,000,000 and to provide the Shareholders' Loan in an aggregate amount of RMB161,463,899.52 to Ningbo Xiaoyong.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are summarized below.

Date: 26 June 2017

Parties:

- (1) Owner: Ningbo Ruice, a wholly owned subsidiary of the Company, which directly wholly owns the entire equity interest in Ningbo Xiaoyong as at the date of this announcement.
- (2) Investors: Ningbo Veken, Ningbo Kaicheng and Ningbo Hongdingyuan, each a company established in the PRC. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Investors and their respective ultimate beneficial owners is an Independent Third Party.
- (3) Target: Ningbo Xiaoyong, a company established in the PRC and a direct wholly owned subsidiary of Ningbo Ruice as at the date of this announcement.
- (4) Project Company: Ningbo Jingjun, a company established in the PRC and a direct wholly owned subsidiary of Ningbo Xiaoyong, being the Project Company responsible for the development of the Land.

Subject matter: In accordance with the terms and conditions of the Agreement, Ningbo Ruice and the Investors shall jointly invest in Ningbo Xiaoyong, and in turn jointly develop the Land.

As at the date of this announcement, Ningbo Ruice is the sole registered owner of the equity interest in Ningbo Xiaoyong, which in turn holds the entire equity interest in Ningbo Jingjun. After the Capital Injection, Ningbo Xiaoyong will be interested in as to 28% by Ningbo Ruice, 24% by Ningbo Veken, 24% by Ningbo Kaicheng and 24% by Ningbo Hongdingyuan. As the Capital Injection reduces the equity interest of Ningbo Ruice in Ningbo Xiaoyong from 100% to 28%, the transaction contemplated under the Agreement constitutes a deemed disposal of the Company.

After the Deemed Disposal, Ningbo Xiaoyong will change from an indirect wholly owned subsidiary of the Company to an indirect non-wholly owned subsidiary of the Company and its financial results will continued to be consolidated in the Company's accounts.

Capital Injection: The current registered capital of Ningbo Xiaoyong is RMB5,000,000 and will be increased to RMB200,000,000 after the Capital Injection. Pursuant to the Agreement, Ningbo Ruice shall contribute RMB56,000,000 to Ningbo Xiaoyong as its registered capital, representing 28% of the total equity interest in Ningbo Xiaoyong. In addition, each of the Investors agreed to contribute RMB48,000,000 to Ningbo Xiaoyong as its registered capital, each representing 24% of the total equity interest in Ningbo Xiaoyong.

Pursuant to the Agreement, 50% of the capital injection by Ningbo Ruice (being RMB28,000,000) as well as 50% of the Capital Injection by the Investors (being RMB24,000,000 by each of the Investors) shall be payable in cash by each of Ningbo Ruice and the Investors on or before 26 June 2017. The remaining 50% of the capital injection by Ningbo Ruice and the Investors shall be payable in cash by each of Ningbo Ruice and the Investors on or before 31 August 2017.

The total amount of the Capital Injection was arrived at after arm's length negotiation among the parties, and was determined with reference to the land premium and associated cost of the Land, as well as the proportion of equity interests in Ningbo Xiaoyong to be held by each party after completion of the Deemed Disposal.

The capital injection by Ningbo Ruice will be settled by using the Group's available internal resources.

Shareholders' loan: As at the date of this announcement, Ningbo Ruice had granted a shareholder's loan to Ningbo Jingjun through Ningbo Xiaoyong with a total outstanding principal amount of RMB87,000,000.

Pursuant to the Agreement, each of Ningbo Ruice and the Investors shall provide additional funding in the form of a shareholder's loan to Ningbo Xiaoyong in proportion to their respective equity interest in Ningbo Xiaoyong after the Capital Injection. Accordingly, the total amount of shareholder's loan to be provided by Ningbo Ruice shall amount to RMB62,791,516.48 and the amount of Shareholders' Loan to be provided by each of the Investors shall amount to RMB53,821,299.84.

Pursuant to the Agreement, Ningbo Ruice shall pay RMB31,395,758.24 and each of the Investors shall pay RMB26,910,649.92, representing 50% of the shareholder's loan to be provided by each of Ningbo Ruice and the Investors, in cash to Ningbo Xiaoyong on or before 26 June 2017. In addition, the parties to the Agreement agreed to procure Ningbo Jingjun (through Ningbo Xiaoyong) to fully settle the outstanding shareholder's loan of RMB87,000,000 outstanding as at the date of this announcement to Ningbo Ruice upon receipt of the aforementioned funding from the shareholders' loans. The remaining 50% of the shareholder's loan to be provided by Ningbo Ruice and the Investors shall be payable in cash by each of Ningbo Ruice and the Investors on or before 31 August 2017.

The total amount of the Shareholders' Loan was arrived at after arm's length negotiation among the parties, and was determined with reference to the land premium and associated cost of the Land, as well as the proportion of equity interests in Ningbo Xiaoyong to be held by each party after completion of the Deemed Disposal.

The shareholder's loan to be provided by Ningbo Ruice will be settled by using the Group's available internal resources.

Completion: Completion shall take place on the date on which the business registration with local Administration for Industry and Commerce concerning the Capital Injection by each of Ningbo Ruice and the Investors is completed.

Board of directors and management: Pursuant to the Agreement, the board of directors of Ningbo Xiaoyong shall comprise of seven (7) directors, four (4) of whom shall be nominated by Ningbo Ruice and one (1) by each of the Investors. The chairman of the board of directors of Ningbo Xiaoyong shall be appointed by Ningbo Ruice.

As set out in the Agreement, the daily management of Ningbo Xiaoyong shall be delegated to the general manager, whom shall be nominated by Ningbo Ruice and appointed by the board of directors of Ningbo Xiaoyong. Ningbo Ruice is also entitled to appoint the finance director of Ningbo Xiaoyong.

As Ningbo Jingjun is directly wholly owned by Ningbo Xiaoyong, all major decisions of Ningbo Xiaoyong, including those that are accustomed to be made by its shareholder, shall be made and determined by the board of directors of Ningbo Xiaoyong.

Veto or protective rights: Pursuant to the Agreement, certain matters would require the approval of the shareholders of Ningbo Xiaoyong representing at least two-thirds of the total equity interest of Ningbo Xiaoyong. Such matters include, among others, change of the principal business activity of Ningbo Xiaoyong, changes of the registered capital of Ningbo Xiaoyong, declaration of dividends, amendments to the constitutional documents, approval of the business plan and financial budget and approval of any borrowings or creation of any pledges or provision of any guarantees.

Profit sharing and distributions: Pursuant to the terms of the Agreement, subject to the repayment of all outstanding shareholder's loans, Ningbo Ruice and the Investors shall be entitled to share in the profits of Ningbo Xiaoyong in proportion to their respective equity interests in Ningbo Xiaoyong, provided that such distributions do not affect the operations of Ningbo Xiaoyong, in particular the development and construction of the Land.

INFORMATION ON THE PARTIES TO THE AGREEMENT

Ningbo Ruice

Ningbo Ruice is a company established in the PRC with limited liability on 20 July 2016 and a wholly owned subsidiary of the Company. Its principal business activity is investment holding. Ningbo Ruice owns 100% of the equity interests in Ningbo Xiaoyong as at the date of this announcement.

The Investors

Ningbo Veken is a limited liability company established in the PRC and is principally engaged in property development. It is a wholly owned subsidiary of Veken Group Co., Ltd. (維科控股集團有限公司), which group of companies mainly focused on textile, real estate and energy industries, and is also engaged in trading and investment.

Ningbo Kaicheng is a limited liability company established in the PRC and its principal business activities are investment holding, investment and project management, indoor and outdoor decoration project design and construction.

Ningbo Hongdingyuan is a limited liability company established in the PRC and its principal business activities are the provision of leasing and business services.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Investors and their respective ultimate beneficial owners is an Independent Third Party.

The Target, Ningbo Xiaoyong

Ningbo Xiaoyong is a company established in the PRC with limited liability on 19 October 2016 and an indirect wholly owned subsidiary of the Company as at the date of this announcement. Its principal business activity is investment holding. Ningbo Xiaoyong owns 100% of the equity interests in Ningbo Jingjun.

The Project Company, Ningbo Jingjun

Ningbo Jingjun is a company established in the PRC with limited liability on 21 October 2016 and an indirect wholly owned subsidiary of the Company as at the date of this announcement. Its principal business activity is property development and is the Project Company responsible for the development of the Land.

As at 31 May 2017, the combined unaudited net asset value of Ningbo Xiaoyong and Ningbo Jingjun was nil. The book value of the Land, being the sole primary asset of Ningbo Jingjun, amounted to RMB424.3 million, which represents the land premium paid and payable by Ningbo Jingjun for the Land. Ningbo Jingjun has not commenced development of the Land, and accordingly, Ningbo Xiaoyong and Ningbo Jingjun did not generate any revenue, gross profit nor profit before or after tax up to the date of this announcement.

INFORMATION ON THE LAND

The Land with lot number Ningbo Huaguang City Lot JD12-02-30 (寧波市華光城地段JD12-02-30) is situated at Wangjianong Village, Panhuo Street, Yinzhou District, Ningbo City, PRC, comprising the zone portions east of Canghai Road, south of Xiaotang River, west of Luoia River and north of the planned road (中國寧波市鄞州區潘火街道王家弄村，東至滄海路，南至小塘河，西至羅家河，北至規劃道路). The Land has a total site area of 14,727 square meters and shall be used for the development of residential and commercial properties for sale to its customers. The Land was acquired by Ningbo Jingjun from Ningbo Land Bureau through public auction at a total consideration of approximately RMB424.3 million. The term of the land use right of the Land is 70 years with respect to its residential units and 40 years with respect to its commercial units.

FINANCIAL EFFECTS OF AND USE OF PROCEEDS FROM THE DEEMED DISPOSAL

The Company does not expect to record any gains or losses on the Deemed Disposal as the Capital Injection and the amount of the Shareholders' Loan are determined with reference to the land premium and associated cost of the Land of approximately RMB424.3 million, as well as their respective proportion of equity interests in Ningbo Xiaoyong after the Deemed Disposal.

After the Deemed Disposal, Ningbo Xiaoyong will change from an indirect wholly owned subsidiary of the Company to an indirect non-wholly owned subsidiary of the Company and its financial results will continued to be consolidated in the Company's accounts.

The funding to be received from the Investors through the Capital Injection and in the form of the Shareholders' Loan will be used for the development of the Land and general working capital purposes of Ningbo Xiaoyong and Ningbo Jingjun.

REASONS FOR THE DEEMED DISPOSAL

The Group is principally engaged in the property development business in the Yangtze River Delta region.

The Land is intended to be developed as a commercial and residential project. The Company believes the strategic partnership with the Investors to develop the Land will be beneficial to the general growth and expansion of the Group. The Directors consider the Deemed Disposal is in the interests of the Company and the Shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable. The development of the Land is also in-line with the Group's development strategy of intensively penetrating into the Yangtze River Delta region, with special focus on first-tier and second-tier core cities in this region.

The Directors consider the Agreement and the Deemed Disposal have been arrived at after arm's length negotiations between the parties. The Capital Injection and the amount of Shareholders' Loan were agreed between the Parties with reference to the land premium and associated cost of the Land of approximately RMB424.3 million, as well as their respective proportion of equity interests in Ningbo Xiaoyong after the Deemed Disposal. The Directors believe that the terms of the Agreement, the Deemed Disposal and the transactions contemplated thereunder are on normal commercial terms or better and in the ordinary course of business of the Group, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Deemed Disposal is more than 5% but all of the applicable percentage ratios are less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Group and each of the Investors have not entered into any transactions in the past 12 months that would need to be aggregated with the Deemed Disposal pursuant to Rule 14.22 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Agreement”	the cooperation agreement dated 26 June 2017 entered into between Ningbo Ruice and the Investors in respect of the Deemed Disposal
“Board”	the board of Directors
“Capital Injection”	the capital injection of an aggregate amount of RMB144,000,000 by the Investors in equal share to Ningbo Xiaoyong pursuant to the Agreement
“China” or “PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan area
“Company”	Jingrui Holdings Limited (景瑞控股有限公司*), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Deemed Disposal”	a deemed disposal of the Ningbo Ruice’s 72% equity interests in Ningbo Xiaoyong resulting from the Capital Injection
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is (are) independent of the Company and its connected persons
“Investors”	collectively, Ningbo Veken, Ningbo Kaicheng and Ningbo Hongdingyuan

“Land”	the land (lot number Ningbo Huaguang City Lot JD12-02-30 (寧波市華光城地段JD12-02-30) situated at Wangjianong Village, Panhuo Street, Yinzhou District, Ningbo City, PRC, comprising the zone portions east of Canghai Road, south of Xiaotang River, west of Luojia River and north of the planned road (中國寧波市鄞州區潘火街道王家弄村，東至滄海路，南至小塘河，西至羅家河，北至規劃道路), with a total site area of 14,727 square meters to be used for the development of residential and commercial properties
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Ningbo Hongdingyuan”	Ningbo Hongdingyuan Investment Co., Ltd. (寧波宏鼎源投資有限公司), a limited liability company established in the PRC, one of the Investors and an Independent Third Party
“Ningbo Jingjun” or “Project Company”	Ningbo Jingjun Property Co., Ltd. (寧波景鈞置業有限公司), a limited liability company established in the PRC, an indirect wholly owned subsidiary of the Company as at the date of this announcement and is responsible for the development of the Land
“Ningbo Kaicheng”	Ningbo Kaicheng Investment Co., Ltd. (寧波開晟投資有限公司), a limited liability company established in the PRC, one of the Investors and an Independent Third Party
“Ningbo Land Bureau”	Ningbo Land and Resources Bureau (寧波市國土資源局), a PRC government bureau
“Ningbo Ruice”	Ningbo Ruice Investment Co., Ltd. (寧波瑞策投資有限公司), a limited liability company established in the PRC, an indirect wholly owned subsidiary of the Company
“Ningbo Veken”	Ningbo Veken Real Estate Co., Ltd. (寧波維科置業有限公司), a limited liability company established in the PRC, one of the Investors and an Independent Third Party
“Ningbo Xiaoyong” or “Target”	Ningbo Xiaoyong Investment Co., Ltd. (寧波驍勇投資有限公司), a limited liability company established in the PRC, an indirect wholly owned subsidiary of the Company as at the date of this announcement, and which holds 100% of the equity interest in Ningbo Jingjun
“RMB	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company

“Shareholders’ Loan”	the funding to be provided by the Investors in equal share to Ningbo Xiaoyong in the form of shareholders’ loan in an aggregate amount of RMB161,463,899.52
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

The Chinese name of the entities incorporated in the PRC is the official name and the English name is the translation for identification purpose only.

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

Hong Kong, 26 June 2017

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

* *For identification purpose only*