景瑞控股
JINGRUI HOLDINGS

JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

(Debt Stock Code: 40659 and 40866)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2023, the contracted sales of the Group amounted to approximately RMB2,462.0 million, representing a decrease of approximately 45.4% as compared to the corresponding period last year.

- For the six months ended 30 June 2023, the Group achieved revenue of RMB2,570.6 million, representing an increase of approximately 4.0% as compared to the corresponding period last year. Gross profit amounted to RMB40.0 million and gross profit margin was 1.6%.

- For the six months ended 30 June 2023, the net loss of the Group was RMB1,353.9 million.

- As at 30 June 2023, the Group's total assets amounted to RMB44,816.1 million, representing a decrease of 4.9% as compared to 31 December 2022.

- As at 30 June 2023, land bank of the Group was approximately 2,620,110 sq.m.

- As at 30 June 2023, the net debt-to-capital ratio was approximately 333%. The total amount of cash at bank and on hand (including restricted cash) was RMB1,164.2 million.

- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2023.

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 2023 (the "**Period under Review**") together with the comparative figures for the six months ended 30 June 2022 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2023

		Six months ended 30 June	
		2023	2022
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**2,570,584**	2,471,167
Cost of sales	*9*	**(2,530,587)**	(2,268,317)
Gross profit		**39,997**	202,850
Fair value losses on investment properties under capital platform		**(68,000)**	(183,552)
Selling and marketing costs	*9*	**(192,776)**	(236,309)
Administrative expenses	*9*	**(240,576)**	(257,457)
Other income	*7*	**8,186**	10,926
Other losses – net	*8*	**(37,166)**	(47,667)
Operating loss		**(490,335)**	(511,209)
Finance income	*10*	**5,629**	89,530
Finance costs	*10*	**(776,210)**	(1,049,488)
Finance costs – net		**(770,581)**	(959,958)
Share of results of joint ventures		**(139,407)**	(41,362)
Share of results of associates		**(6,427)**	(2,807)
		(145,834)	(44,169)
Loss before income tax		**(1,406,750)**	(1,515,336)
Income tax credit	*11*	**52,852**	61,154
Loss for the period		**(1,353,898)**	(1,454,182)
Attributable to:			
Equity holders of the Company		**(1,363,865)**	(1,462,085)
Non-controlling interests		**9,967**	7,903
		(1,353,898)	(1,454,182)
Loss per share for loss attributable to equity holders of the Company			
Basic loss per share	*12*	**RMB(0.89)**	RMB(0.95)
Diluted loss per share	*12*	**RMB(0.89)**	RMB(0.95)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(1,353,898)**	(1,454,182)
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	**2,311**	21,432
Total comprehensive loss for the period, net of tax	**(1,351,587)**	(1,432,750)
Attributable to:		
Equity holders of the Company	**(1,361,554)**	(1,440,653)
Non-controlling interests	**9,967**	7,903
	(1,351,587)	(1,432,750)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2023

	Notes	As at 30 June 2023 RMB' 000 (Unaudited)	As at 31 December 2022 RMB' 000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**75,997**	79,647
Right-of-use assets		**123,134**	124,430
Investment properties		**5,078,100**	5,146,100
Intangible assets		**91,027**	120,695
Investments in joint ventures		**1,103,814**	1,243,221
Investments in associates		**807,463**	824,390
Deferred income tax assets		**659,727**	603,600
Financial assets at fair value through profit or loss		**828,078**	855,504
Financial assets at fair value through other comprehensive income		**429,833**	492,527
Trade and other receivables and prepayments	*5*	**793,330**	714,701
		9,990,503	10,204,815
Current assets			
Prepayments for leasehold land		**54,304**	54,304
Properties held or under development for sale		**24,712,454**	25,793,013
Trade and other receivables and prepayments	*5*	**7,509,418**	8,025,028
Prepaid income taxes		**360,344**	488,353
Contract acquisition costs		**265,879**	277,868
Financial assets at fair value through profit or loss		**759,010**	786,375
Restricted cash		**627,686**	681,678
Cash and cash equivalents		**536,520**	670,410
		34,825,615	36,777,029
Non-current assets held-for-sale		**–**	128,000
		34,825,615	36,905,029
Total assets		**44,816,118**	47,109,844

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)

As at 30 June 2023

	Notes	As at 30 June 2023 RMB' 000 (Unaudited)	As at 31 December 2022 RMB' 000 (Audited)
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**87,813**	87,813
Reserves		**344,304**	1,705,859
		432,117	1,793,672
Non-controlling interests		**4,571,492**	4,605,025
Total equity		**5,003,609**	6,398,697
LIABILITIES			
Non-current liabilities			
Borrowings		**3,159,255**	5,115,976
Deferred income tax liabilities		**1,038,940**	1,062,151
Lease liabilities		**90,322**	102,339
		4,288,517	6,280,466
Current liabilities			
Borrowings		**14,672,340**	13,296,713
Trade and other payables	*6*	**8,562,758**	9,093,677
Contract liabilities		**9,145,480**	8,689,847
Amounts due to non-controlling interests of subsidiaries		**1,060,085**	1,111,322
Current income tax liabilities		**2,059,420**	2,215,863
Lease liabilities		**23,909**	23,259
		35,523,992	34,430,681
Total liabilities		**39,812,509**	40,711,147
Total equity and liabilities		**44,816,118**	47,109,844

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 One Nexus Way, Camana Bay, 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 ultimate holding company of the Company is Beyond Wisdom Limited and the ultimate controlling shareholder of the Company is Mr. Yan Hao.

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 2023.

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 2023 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, 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 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

During the six months ended 30 June 2023, the Group recorded a loss for the period of approximately RMB1,353,898,000, and as at 30 June 2023, the Group's borrowings amounted to RMB17,831,595,000, among which RMB14,672,340,000 will be due for repayment within the next twelve months while the Group's cash at bank and on hand (including restricted cash) amounted to RMB1,164,206,000.

On 22 February 2022, the Company commenced an exchange offer to the bond holders of the senior notes due on 11 March 2022 with an annual interest rate of 12.75% ("**Notes Due March 2022**"). On 9 March 2022, a total amount of USD175,330,000 (representing approximately 92.28% of the aggregate principal amount of outstanding existing notes) has been validly exchanged for new senior notes of USD171,113,500 due on 9 September 2023 with an annual interest rate of 12.75% ("**Notes Due September 2023**").

In connection with the exchange offer, on 9 March 2022, the Company also successfully solicited consents (the "**Consent Solicitation**") from holders of all its other outstanding senior notes such that the events of default provisions under each of them will carve out any cross-default events arising directly or indirectly from any defaults or events of default under the Notes Due March 2022.

On 21 April 2022, the Company issued USD19,900,000 Notes Due September 2023, including USD1,900,000 issued upon the acceptance of the exchange for USD2,000,000 Notes Due March 2022 pursuant to the conditions of the exchange offer dated February 2022, to be consolidated and form a single series with the USD171,113,500 Notes Due September 2023 issued on 9 March 2022.

The remaining outstanding principal amount of USD12,670,000 (equivalent to RMB91,076,000), representing approximately 6.67% of the aggregate principal amount, became due on 11 March 2022 and has not yet been repaid.

Since 1 January 2022, the Group has failed to pay the interest of 12.5% senior notes due October 2023 ("**Notes Due October 2023**"), 12.0% senior notes due January 2024 ("**Notes Due January 2024**") and the Notes Due September 2023, as well as the principal and interest of 12.0% senior notes due July 2022 ("**Notes Due July 2022**"), 12.0% senior notes due September 2022 ("**Notes Due September 2022**") and 14.5% senior notes due February 2023 ("**Notes Due February 2023**"). Pursuant to the Company's restructuring management of its offshore USD denominated senior notes and fair treatment of all creditors, the Company will suspend the payment due for other offshore USD denominated senior notes. The non-payment of the principal and interest of such senior notes may lead to a request for acceleration of repayment. As at the date of this announcement, the Company has not received any notice for acceleration of payment by holders of its USD denominated senior notes. The Company has appointed Admiralty Harbour Capital Limited as its financial adviser and Sidley Austin as its legal adviser to assess the Group's capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal solution for all the stakeholders as soon as possible.

As of 30 June 2023, a wholly owned subsidiary of the Group did not repay the outstanding borrowings of RMB34,520,000 to its non-wholly owned subsidiary. The event of default resulted the Group's borrowing of RMB145,528,000 with original maturity date beyond one year to be reclassified as current liabilities.

For the six months ended 30 June 2023, influenced by a slowdown in the property market, coupled with the limited source of financing from the capital market, the Group's contracted sales for the current period was RMB2,462 million (for the six months ended 30 June 2022: RMB4,509 million). The Group may take longer time than expected to realize cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations.

The above condition indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

In view of such circumstances, the directors of the Group have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfil its financial obligations and continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve its cash flows:

i Although no demand for immediate repayment has been made by the relevant lenders, the Group has been proactively communicating with the relevant lenders to explain the Group's business, operations and financial condition, and the Group has sufficient financial resources to support the repayments of the relevant loans under original repayment schedules. As at the date of this interim results announcement, based on the status of the ongoing discussions, the directors of the Group are of the view that the relevant lenders will not exercise their rights to request the Group for immediate repayment of the loans prior to their scheduled contractual repayment dates;

ii The Group has appointed Admiralty Harbour Capital Limited as its financial adviser to assess the Group's capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal solution for all the stakeholders;

iii The Group will continue to take measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of sales proceeds and other receivables. Recent relaxation of policies with regards to pre-sale requirements have been encouraging to increase buyer interests and stimulate demand. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;

iv When necessary, the Group will identify suitable buyers for further sales of certain self-owned properties to replenish its working capital;

v The Group will continuously enhance payment collection progress from customers in respect of the property sales and pre-sales through closely following up with customers and communicating and coordinating with banks for timely grant of individual mortgage loans to the customers;

vi The Group will continue to maintain continuous communication and agree with major constructors and suppliers to arrange payments to these vendors and complete the construction progress as scheduled;

vii The Group will continue to actively communicate with relevant banks so that the projects can timely secure necessary project development loans for qualified project development;

viii The Group will continue to adjust acquisitions of land based on progress of new financing and to ensure continuous development and sales of all existing projects as budgeted without material interruptions;

ix The Group will continuously seek re-financing from other financial institutions, including but not limited to exchange of existing senior notes or other borrowings;

x The Group will continue to seek suitable opportunities to dispose of its equity interest in certain companies to generate additional cash inflows; and

xi The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

The directors of the Group have reviewed the Group's cash flow forecast prepared by management, which covers a period of at least 18 months from 30 June 2023. They are of the opinion that, taking into account the above-mentioned status, plans and measures, the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next 12 months from 30 June 2023. Accordingly, the directors of the Group are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in the PRC and the uncertainties to obtain support by the banks and the Group's creditors, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

3 ACCOUNTING POLICIES

Save as described below, the accounting policies and calculation methods applied in the condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those set out in the Group's annual financial statements for the year ended 31 December 2022.

In the current interim period, the Group has adopted, for the first time, the following amendments to HKFRSs for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance contracts
Amendments to HKAS 8	Definition of accounting estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies

The application of the revised standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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 three 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 platform engages in real estate development in the PRC;
- Capital platform invests in office buildings and apartments in the PRC for their rental income potential and/or for capital appreciation; and
- All other platforms, including property management platform which provides management and security services to residential and commercial properties in the PRC, the property design and decoration platform, investment platform and other miscellaneous businesses. The revenue derived from all other platforms generally include service fees and investment income.

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.

The Group's revenue is mainly attributable to the market in the PRC and the Group's non-current assets are mainly located in the PRC.

(a) Revenue

Revenue of the Group for each of the six months ended 30 June 2023 and 2022 consists of the following revenue:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contract with customers recognised at a point in time		
– Sales of properties	**2,066,674**	1,902,204
– Others	**28,129**	26,777
	2,094,803	1,928,981
Revenue from contract with customers recognised over time		
– Property management service	**391,722**	423,382
Rental income	**84,059**	118,804
	2,570,584	2,471,167

(b) Segment information

	Six months ended 30 June 2023 (Unaudited)					
	Property development platform	Capital platform	All other platforms	Total segment	Elimination	Total Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	**2,136,237**	**84,059**	**404,943**	**2,625,239**	**(54,655)**	**2,570,584**
Segment (loss)/profit before income tax expense	**(1,430,954)**	**(88,196)**	**18,996**	**(1,500,154)**	**93,404**	**(1,406,750)**
Amounts included in segment (loss)/profit before income tax expense:						
Finance income	**1,859**	**3,444**	**326**	**5,629**	**–**	**5,629**
Finance costs	**(726,827)**	**(45,977)**	**(3,406)**	**(776,210)**	**–**	**(776,210)**
Share of results of joint ventures	**(1,740)**	**(138,605)**	**938**	**(139,407)**	**–**	**(139,407)**
Share of results of associates	**(5,662)**	**–**	**(765)**	**(6,427)**	**–**	**(6,427)**
Depreciation and amortisation	**(4,115)**	**(1,483)**	**(5,447)**	**(11,045)**	**–**	**(11,045)**
Loss for the period is as follow:						
Total segment loss before income tax credit						**(1,406,750)**
Income tax credit						**52,852**
Loss for the period						**(1,353,898)**

	As at 30 June 2023 (Unaudited)					
Segment assets	**67,289,895**	**6,807,619**	**11,350,518**	**85,448,032**	**(40,631,914)**	**44,816,118**
Segment assets include:						
Investments in joint ventures	**876,190**	**182,962**	**44,662**	**1,103,814**	**–**	**1,103,814**
Investments in associates	**746,766**	**–**	**60,697**	**807,463**	**–**	**807,463**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**246**	**326**	**2,133**	**2,705**	**–**	**2,705**
Segment liabilities	**64,572,183**	**4,765,717**	**10,976,625**	**80,314,525**	**(40,502,016)**	**39,812,509**

	Six months ended 30 June 2022 (Unaudited)					
	Property development platform *RMB'000*	Capital platform *RMB'000*	All other platforms *RMB'000*	Total segment *RMB'000*	Elimination *RMB'000*	Total Group *RMB'000*
Segment revenue	1,926,793	183,156	426,506	2,536,455	(65,288)	2,471,167
Segment (loss)/profit before income tax expense	(1,447,666)	(159,563)	9,458	(1,597,771)	82,435	(1,515,336)
Amounts included in segment (loss)/profit before income tax:						
Finance income	55,099	102	34,329	89,530	–	89,530
Finance costs	(878,295)	(137,711)	(33,482)	(1,049,488)	–	(1,049,488)
Share of results of joint ventures	(12,780)	(29,902)	1,320	(41,362)	–	(41,362)
Share of results of associates	(2,283)	37	(561)	(2,807)	–	(2,807)
Depreciation and amortisation	(5,859)	(2,507)	(7,061)	(15,427)	–	(15,427)
Loss for the period is as follow:						
Total segment loss before income tax credit						
Income tax credit						(1,515,336)
						61,154
Loss for the period						
						(1,454,182)

	As at 31 December 2022 (Audited)					
Segment assets	68,202,884	7,303,763	11,112,249	86,618,896	(39,509,052)	47,109,844
Segment assets include:						
Investments in joint ventures	877,929	321,567	43,725	1,243,221	–	1,243,221
Investments in associates	762,928	–	61,462	824,390	–	824,390
Additions to non-current assets (other than financial instruments and deferred income tax assets)	10,063	4,242	39	14,344	–	14,344
Segment liabilities	63,696,635	5,003,365	10,747,444	79,447,444	(38,736,297)	40,711,147

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2023	As at 31 December 2022
	RMB' 000	*RMB' 000*
	(Unaudited)	(Audited)
Trade receivables	**728,982**	795,066
Less: provision for impairment of trade receivables	**(74,561)**	(81,347)
Trade receivables – net	**654,421**	713,719
Amounts due from joint ventures and associates	**1,231,883**	1,321,734
Prepaid taxes and surcharges and input value-added taxes to be deducted (a)	**669,320**	661,406
Deposits with public housing fund centres (b)	**9,094**	9,345
Prepayments of construction costs	**220,030**	209,522
Temporary funding receivables (c)	**154,336**	140,064
Deposits paid for construction work	**246,905**	217,083
Amounts due from non-controlling interests of subsidiaries (d)	**2,703,525**	2,857,653
Deposits paid to secure borrowings	**186,970**	180,477
Deposits for potential investment	**270,659**	270,268
Dividend receivables	**37,274**	20,004
Net leasing investment receivables	**84,676**	88,714
Receivables from third parties (e)	**1,480,975**	1,429,069
Deposits paid for advanced proceeds received from customers (f)	**34,693**	248,229
Others	**870,338**	868,933
Less: provision for impairment of other receivables	**(552,351)**	(496,491)
	8,302,748	8,739,729
Less: non-current portion (g)	**(793,330)**	(714,701)
	7,509,418	8,025,028

Notes:

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

(b) 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.

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

(d) The balance represents the funding provided to non-controlling interests of certain subsidiaries, which are unsecured, non-interest bearing and repayable on demand.

(e) The balance as at 30 June 2023 includes the loan principal and interest receivables, totaling USD159,943,000 and HKD352,782,000 (totaling equivalent to RMB1,480,975,000) (31 December 2022: RMB1,429,069,000) due from third parties, with the USD portion will be matured in the second half of 2023 and 2025 and the HKD portion will be matured in 2025.

(f) The balance represents the deposits paid to local government for the advanced proceeds of properties received from customers in Changzhou.

(g) The balance as at 30 June 2023 includes the long-term portion of the loan principal and interest receivables of RMB717,179,000 (31 December 2022: RMB634,123,000) due from third parties and the long-term portion of net leasing investment receivables of RMB76,151,000 (31 December 2022: RMB80,578,000).

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

	As at 30 June 2023 *RMB' 000* **(Unaudited)**	As at 31 December 2022 *RMB' 000* (Audited)
Less than 1 year	**560,922**	609,794
Between 1 and 2 years	**100,162**	102,644
Between 2 and 3 years	**53,258**	68,834
Over 3 years	**14,640**	13,794
	728,982	795,066

As at 30 June 2023 and 31 December 2022, the fair value of trade and other receivables approximate their carrying amounts.

Trade and other receivables with a total carrying amount of RMB19,294,000 as at 30 June 2023 (31 December 2022: RMB9,434,000) were pledged as collateral for the Group's borrowings.

As at 30 June 2023 and 31 December 2022, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies:

	As at 30 June 2023 *RMB' 000* **(Unaudited)**	As at 31 December 2022 *RMB' 000* (Audited)
– RMB	**6,373,279**	6,824,250
– USD	**1,484,055**	1,457,980
– HKD	**445,414**	457,499
	8,302,748	8,739,729

6 TRADE AND OTHER PAYABLES

	As at 30 June 2023 *RMB' 000* **(Unaudited)**	As at 31 December 2022 *RMB' 000* (Audited)
Trade payables	**2,660,140**	2,619,847
Notes payable	**11,388**	16,201
Amounts due to related parties	**1,623,662**	1,614,983
Turnover taxes payable	**828,316**	1,027,533
Electricity fee and cleaning fee collected on behalf	**53,044**	57,739
Deed tax collected on behalf	**3,064**	2,470
Accrued payroll	**35,887**	39,343
Interest payable	**1,764,699**	1,367,413
Temporary funding payables	**63,941**	63,941
Construction deposits received from suppliers	**20,810**	47,863
Deposits received from customers	**125,104**	123,382
Consideration payables for acquisition	**69,510**	69,510
Dividend payable to non-controlling interests of certain subsidiaries	**223,582**	223,582
Payables to related parties of non-controlling interests of subsidiaries (a)	**305,327**	305,320
Deposits received in connection with cooperation with third parties for property development and property investment	**40,310**	54,567
Payables for acquisition of equity investments (b)	**405,150**	1,131,360
Payables to third parties	**126,260**	126,260
Others	**202,564**	202,363
	8,562,758	9,093,677

Notes:

(a) The balance represents the payables to related parties of non-controlling interests of certain subsidiaries which are unsecured, non-interest bearing and repayable on demand.

(b) The balance represents the payables due to certain third parties in connection with the acquisition of equity interests in certain subsidiaries, joint ventures and associates by the Group.

The aging analysis of trade payables and notes payable, based on invoice date are as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB' 000	*RMB' 000*
	(Unaudited)	(Audited)
Less than 1 year	**2,098,582**	2,209,209
Between 1 and 2 years	**294,157**	219,800
Between 2 and 3 years	**222,836**	169,159
Over 3 years	**55,953**	37,880
	2,671,528	2,636,048

As at 30 June 2023 and 31 December 2022, the fair value of trade and other payables approximate their carrying amounts.

As at 30 June 2023 and 31 December 2022, the carrying amounts of trade and other payables are denominated in below currencies:

	As at 30 June 2023	As at 31 December 2022
	RMB' 000	*RMB' 000*
	(Unaudited)	(Audited)
– RMB	**7,331,567**	7,979,088
– USD	**1,189,521**	1,103,516
– HKD	**41,670**	11,073
	8,562,758	9,093,677

7 OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants	**5,948**	6,341
Compensation income	**1,855**	4,585
Others	**383**	–
	8,186	10,926

8 OTHER LOSSES – NET

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Losses from disposal of shares in subsidiaries	**(1,991)**	–
Losses from re-measurement of the existing interests in an associate upon gaining control	**–**	(2,683)
Fair value losses from financial assets at fair value through profit or loss	**(76,357)**	(128,736)
Investment income from financial assets at fair value through profit or loss	**26**	3,280
Losses from disposal of shares in a joint venture	**–**	(4,227)
Net foreign exchange gains	**65,897**	81,443
Compensation and late payment charges	**(17,775)**	(3,311)
Gains from disposal of property, plant and equipment	**47**	42
Others (losses)/gains	**(7,013)**	6,525
	(37,166)	(47,667)

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	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**2,182,090**	1,949,198
Cost of property management	**250,276**	240,095
Surcharges	**16,130**	7,289
Depreciation of property, plant and equipment and right-of-use assets	**10,241**	14,314
Amortisation of intangible assets	**804**	1,113
Bank charges	**1,752**	10,994
Staff costs	**184,105**	236,818
Entertainment expenses	**8,289**	7,528
Stamp duty and other taxes	**10,192**	17,829
Professional fees	**35,451**	48,733
Auditors' remuneration	**500**	4,708
Sales commission	**65,453**	53,519
Advertising and publicity costs	**7,683**	17,945
Office and meeting expenses	**17,331**	23,861
Rental expenses	**1,778**	3,948
Travelling expenses	**1,828**	6,967
Accrual of provision for impairment of properties held or under development for sale	**74,586**	17,053
Net impairment losses on financial assets	**49,074**	29,364
Other expenses	**46,376**	70,807
Total cost of sales, selling and marketing costs and administrative expenses	**2,963,939**	2,762,083

10 FINANCE COSTS – NET

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits and financial assets	**5,629**	89,530
	5,629	89,530
Finance costs		
– Interest on financing arrangements	**(656,532)**	(1,068,162)
– Net foreign exchange losses on financing activities	**(363,404)**	(499,760)
– Interest on lease liabilities	**(4,534)**	(5,352)
– Less: amounts capitalised	**248,260**	523,786
	(776,210)	(1,049,488)
Net finance costs	**(770,581)**	(959,958)

11 INCOME TAX CREDIT

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	**21,429**	21,959
– PRC corporate income tax	**3,255**	48,193
	24,684	70,152
Deferred income tax	**(77,536)**	(131,306)
Total income tax credited for the period	**(52,852)**	(61,154)

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. No PRC withholding income tax was accrued for the six months ended 30 June 2023. 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 2023, the Group did not recognise deferred income tax for PRC withholding income tax with an amount of RMB788,170,000 (31 December 2022: RMB727,319,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with an amount of RMB7,881,698,000 (31 December 2022: RMB7,273,188,000).

Land appreciation tax

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

12 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the six months ended 30 June 2023 and 2022 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	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Group's loss attributable to equity holders of the Company *(RMB'000)*	**(1,363,865)**	(1,462,085)
Weighted average number of ordinary shares in issue *(in thousand)*	**1,536,612**	1,536,356
Basic loss per share *(RMB)*	**(0.89)**	(0.95)

(b) Diluted loss per share

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Group's loss attributable to equity holders of the Company *(RMB'000)*	**(1,363,865)**	(1,462,085)
Weighted average number of shares in issue *(in thousand)*	**1,536,612**	1,536,356
Effect of dilutive potential ordinary shares in respect of share award scheme *(in thousand)*	**–**	551
Weighted average number of ordinary shares for diluted earnings per share *(in thousand)*	**1,536,612**	1,536,907
Diluted loss per share *(RMB)*	**(0.89)**	(0.95)

As the Group incurred loss for the six months ended 30 June 2023, the effect of dilutive potential ordinary shares in respect of the share award scheme were not included in the calculation of the diluted loss per share as their inclusion would be anti-dilutive and the diluted loss per share is the same as the basic loss per share.

13 DIVIDENDS

The Board of the Company has resolved not to pay any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

In the first half of 2023, with the economy and society gradually resuming normal operations, the macro policies taking effect and the momentum of economic growth continuing to be strengthened, the macroeconomic operation of the People's Republic of China (the "**PRC**" or "**China**") remained generally stable, with a gross domestic product of RMB59,303.4 billion in the first half of the year, representing a year-on-year increase of 5.5%. The economy recovery continued, albeit at a slower growth rate, and the problem of insufficient momentum for domestic economic growth was gradually highlighted. Against the continuous development of the real estate industry and the continuous downturn in the operation of real estate enterprises since 2021, the recovery of the real estate industry was sluggish. In the first half of 2023, sales area of commercial properties amounted to 595.15 million square meters ("**sq.m.**"), representing a year-on-year decrease of 5.3%, of which, the sales area of residential properties declined by 2.8%. Sales of commercial properties amounted to RMB6,309.2 billion, representing a year-on-year increase of 1.1%, of which the sales of residential properties increased by 3.7%. The area of new housing construction by real estate developers amounted to 498.8 million sq.m., representing a year-on-year decrease of 24.3%, while the area of housing completion was 339.04 million sq.m., representing a year-on-year increase of 19.0%.

In terms of the real estate policies, the focus of the central government's regulation and control of the industry is "risk prevention and market stabilization" in 2023. Relying solely on financial support for real estate enterprises can no longer achieve the goal of risk prevention, and it is necessary to combine and rely on the restoration of the sales side of the real estate sector to support the "rigid and improved" demand for housing so as to realise market stabilization. Among the 16 financial measures to shore up the cash-strapped sector issued by the People's Bank of China in November 2022, two of the policies with clear deadlines were extended and there was no expansion of the stimulus scope. Meanwhile, the Central Political Bureau Conference and various ministries and commissions made statements to support the "rigid and improved" demand for housing. Regarding actual implementation, it was in line with the keynote of the regulation and control of the real estate market and did not introduce policies to strongly stimulate the property market, and the main policy adjustments were the downward adjustments of mortgage rates (the Loan Prime Rate (LPR) being lowered by 0.1%), and the promotion of "transfer with mortgage" to optimize the transaction process of second-hand properties. With the severe background in risk prevention of the real estate industry, the regulatory support for quality real estate enterprises and projects will continue, but it may be difficult to see the promulgation of more vigorous stimulus measures. The recovery of real estate sales data in the second quarter of 2023 was not as expected, and the operations of real estate enterprises are still under tremendous pressure.

BUSINESS REVIEW

Jingrui Properties

Property Development

In the first half of 2023, the Group achieved contracted sales (including those of joint ventures and associates on a 100% basis) of approximately RMB2,462.0 million and our total contracted gross floor area ("**GFA**") sold was approximately 135,565 sq.m. Our contracted sales (excluding car parks) were primarily generated from Jiangsu Province and municipalities directly under the Central Government, which were approximately RMB1,171.1 million and RMB586.0 million, respectively, representing 47.6% and 23.8% of the total contracted sales, respectively.

The following table sets out the geographical breakdown of the Group's contracted sales for the six months ended 30 June 2023:

Project Name	**Contracted GFA Sold**	**Contracted Sales**	**Contracted Average Selling Price**
	sq.m.	*RMB'000*	*RMB/sq.m.*
Shanghai			
Shanghai Jingrui City Park	4,364	69,969	16,033
Tianjin			
Tianjin Jingrui Yujing Tiandi	17,683	322,202	18,221
Tianjin Sea Blue City	4,564	49,918	10,937
Tianjin Jingrui No. 1 Tang Gu Bay	457	5,866	12,836
Tianjin Jingrui No. 6 Tang Gu Bay	273	2,457	9,000
Chongqing			
Chongqing Jingrui Jiangshan Yufu	12,241	108,235	8,842
Chongqing Tianchen Yujing	1,957	27,337	13,969
Sub-total of municipalities directly under the Central Government	**41,539**	**585,984**	**14,107**
Hangzhou			
Hangzhou Jingrui Qinghai	706	19,378	27,448
Hangzhou Jingrui Haiyi Cuiting	982	6,349	6,465

Project Name	Contracted GFA Sold *sq.m.*	Contracted Sales *RMB'000*	Contracted Average Selling Price *RMB/sq.m.*
Ningbo			
Ningbo Jingrui Ninghai Yujing Chaoming	1,663	18,830	11,323
Ningbo Xinghai Land	134	625	4,664
Ningbo Jingrui Xingning Mansion	243	4,314	17,753
Jinhua			
Jinhua Jingrui Wuyi Wushuang	4,760	118,698	24,937
Sub-total of Zhejiang Province	**8,488**	**168,194**	**19,816**
Suzhou			
Suzhou Changshu In Times	3,144	30,789	9,793
Suzhou Jingrui Changshu Jiangnan Mansion	14,315	251,361	17,559
Suzhou Jingrui Taicang Yueting	1,007	12,187	12,102
Wuxi			
Wuxi Jingrui Hubin Tianyu	5,922	163,830	27,665
Nanjing			
Nanjing Jingrui Xitang Mansion	1,994	52,927	26,543
Yangzhou			
Yangzhou Jingrui Yujing Fenghua	1,183	18,335	15,499
Yangzhou Tianfu Xingchen	16,902	337,109	19,945
Changzhou			
Changzhou Jingrui Chenyun Tianfu	13,178	304,567	23,112
Sub-total of Jiangsu Province	**57,645**	**1,171,105**	**20,316**

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price
	sq.m.	*RMB'000*	*RMB/sq.m.*
Wuhan			
Wuhan Jingrui Tianfu Binjiang	3,131	39,720	12,686
Wuhan Jingrui Tianfu Peninsula	1,974	27,425	13,893
Wuhan Jingrui Jiangshanyue	370	4,168	11,265
Chengdu			
Chengdu Jingrui Yujing Fenghua, North	8,666	138,397	15,970
Chengdu Jingrui Yujing Fenghua, South	13,752	240,261	17,471
Sub-total of other provinces	**27,893**	**449,971**	**16,132**
Car park (lots)	799	86,701	
Total	**135,565**[1]	**2,461,955**	**18,161**

Note:

(1) Excluding the area of car parks.

Land Bank

As at 30 June 2023, the total land bank of the Group was approximately 2,620,110 sq.m. or approximately 1,559,592 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities as of 30 June 2023

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	229,357	8.8	169,061	10.8
Beijing	29,669	1.1	29,669	1.9
Tianjin	363,570	13.9	297,881	19.1
Chongqing	132,371	5.0	108,874	7.0
Sub-total	**754,967**	**28.8**	**605,485**	**38.8**
Zhejiang Province				
Hangzhou	2,648	0.1	2,033	0.1
Ningbo	124,474	4.8	103,240	6.6
Jinhua	84,099	3.2	68,951	4.4
Sub-total	**211,221**	**8.1**	**174,224**	**11.1**
Jiangsu Province				
Suzhou	422,454	16.1	142,756	9.2
Nanjing	6,787	0.3	5,780	0.4
Wuxi	16,427	0.6	13,568	0.9
Changzhou	116,155	4.4	102,435	6.6
Yangzhou	211,055	8.1	66,894	4.3
Sub-total	**772,878**	**29.5**	**331,433**	**21.4**
Other provinces				
Chengdu	151,006	5.8	101,602	6.5
Wuhan	730,038	27.8	346,848	22.2
Sub-total	**881,044**	**33.6**	**448,450**	**28.7**
Total	**2,620,110**	**100.0**	**1,559,592**	**100.0**

Revenue from Sales of Properties

Our revenue from the sales of properties from 1 January 2023 to 30 June 2023 was RMB2,066.7 million, representing an increase of approximately 8.6% as compared to the corresponding period last year, and its distribution is mainly as follows:

	Revenue	Percentage of Total Revenue	GFA	Average Selling Price
	RMB'000	*%*	*sq.m.*	*RMB/sq.m.*
Jiangsu Province				
Suzhou Jingrui Sino Park	582,784	28.2	34,723	16,784
Suzhou Jingrui Huyu Shangyuan	39,315	1.9	2,648	14,847
Suzhou Jingrui Taicang Yueting	32,329	1.6	2,897	11,159
Yangzhou Jingrui Yujing Fenghua	33,325	1.6	2,599	12,822
Wuxi Jingrui Hubin Tianyu	578,677	28.0	22,374	25,864
Zhejiang Province				
Hangzhou Jingrui Qinghai	17,617	0.9	1,069	16,480
Hangzhou Jingrui Haiyi Cuiting	9,224	0.4	360	25,622
Wuhan				
Wuhan Jingrui Tianfu Peninsula	54,752	2.6	2,714	20,174
Wuhan Jingrui Jiangnanyue	688,473	33.3	80,322	8,571
Sub-total	2,036,496	98.5	149,706	13,603
Car parks (lots)	30,178	1.5	278	
Total	2,066,674	100		

Jingrui Capital (景瑞不動產)

Jingrui Capital is based on the development strategy of "large-scale asset management". Jingrui Capital platform was established by combining Joyride Apartment (悦樘公寓) and Carry Capital (錯瑞辦公) under Jingrui, which are designed for investment, development, renovation and operation of rental apartments and office buildings. Jingrui Capital is committed to the holding, management and operation of long-term apartments and office properties, and providing end-to-end services to investors with the guidance of achieving high-quality asset management scale and concentrating on urban renewal and land matching.

In the first half of 2023, all projects of Jingrui Capital were in normal operation. As at 30 June 2023, the time-point occupancy rate of apartment projects was 94.8% and the time-point occupancy rate of office projects was 65.1%. In March 2023, Jingrui Capital disposed its entire equity interest in Shanghai Jingrui Shenxin Tower Project. The proceeds of the disposals were applied as general working capital of the Group, which helped ease the liquidity issue of the Group.

Jingrui Service (景瑞服務)

With economic development and consumption upgrading, the value of services has been highly recognized in the capital market in recent years. In March 2020, Jingrui established the "Jingrui Service" platform with Jingrui Properties as its carrier. By adhering to the management concept of "focusing on ideal life" and taking the "promoter of ideal life in Chinese cities" as its development objective, Jingrui Service has built high-quality communities with quality consciousness to pursue continuous improvement of management services and provide high-standard and customized property management services for customers by meeting customers' increasing demands with positive and enthusiastic attitudes.

As of 30 June 2023, the business footprint of Jingrui Service covers more than 50 cities, such as Shanghai, Zhejiang, Jiangsu, Anhui, Hunan, Tianjin, Chongqing, etc. Its contracted GFA has exceeded 50 million sq.m. and its service target covers residential, commercial complex, office buildings, parks, schools, banks, hospitals, government construction projects and other types of properties. Jingrui Service focuses on the actual need of properties' owners and strives to be practical and innovative. It continues to iterate and upgrade its service pattern, integrating the vision of "Proactive Service Provider Adhering to Quality" into full-type and full-lifecycle services through services and execution.

Employees and Remuneration Policies

As at 30 June 2023, we had a total of 2,896 full-time employees (31 December 2022: 3,082). Among which, 436 of our employees worked in property development operations, 2,359 of our employees were engaged in property management and 101 of our employees 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 compared with market standards in each geographic location where we conduct business. We adopted a pre-IPO share award scheme on 6 October 2013 and a share award scheme on 29 November 2017 (cancelled and terminated on 29 November 2017 and 29 November 2022, respectively), respectively, pursuant to which share awards were granted to selected employees of the Group. We have also adopted the share option scheme at the annual general meeting held on 7 May 2019. By doing so, share options were granted to selected senior executives of the Group and employees are encouraged to grow together with the Company. The Group's staff costs for the six months ended 30 June 2023 amounted to RMB184.1 million (for the six months ended 30 June 2022: RMB236.8 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 have also designed trainings for our marketing and sales personnel to improve their sales capabilities. In addition to the internal trainings, we have also engaged external experts or sponsored continuing education for our employees from time to time.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2023, the revenue of the Group was RMB2,570.6 million, representing an increase of 4.0% as compared to RMB2,471.2 million for the corresponding period last year. Our revenue consists of (i) sales of properties, (ii) property management services, (iii) rental income and (iv) others.

Revenue by business segments

	Six months ended 30 June				
	2023		2022		
		Percentage of the total revenue		Percentage of the total revenue	Year-on-year change
	RMB'000	***%***	*RMB'000*	*%*	*%*
Revenue from contract with customers recognised at a point in time					
– Sales of properties	**2,066,674**	**80.4**	1,902,204	77.0	8.6
– Others	**28,129**	**1.1**	26,777	1.1	5.0
	2,094,803	**81.5**	1,928,981	78.1	8.6
Revenue from contract with customers recognised over time					
– Property management service	**391,722**	**15.2**	423,382	17.1	(7.5)
Rental income	**84,059**	**3.3**	118,804	4.8	(29.2)
Total	**2,570,584**	**100.0**	2,471,167	100.0	4.0

Revenue from the sales of properties has contributed, and is expected to continue to contribute to, a substantial majority of our total revenue. For the six months ended 30 June 2023, it accounted for 80.4% of our total revenue.

Our operating results for any given period are dependent on the GFA and the selling prices of the properties we deliver during such period and the market demand for our properties. Consistent with industry practice, we typically enter into purchase contracts with customers while the properties are still under development but after satisfying the conditions for pre-sales in accordance with the PRC laws and regulations. In general, there is typically at least one year between the time we commence the pre-sales of properties under development and the completion of the construction of such properties. We do not recognize any revenue from the pre-sales of the properties until such properties are completed and the possession of such properties has been delivered to the customers.

During the Period under Review, the properties delivered by the Group were mainly Wuhan Jingrui Jiangnanyue, Suzhou Jingrui Sino Park and Wuxi Jingrui Hubin Tianyu. Revenue from sales of properties was RMB2,066.7 million for the first half of 2023 (the corresponding period in 2022: RMB1,902.2 million), representing an increase of 8.6% as compared to the corresponding period last year, mainly due to the increase in the GFA of properties delivered during the Period under Review.

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. Revenue from property management is recognized over the period when our property management services are rendered. In the first half of 2023, revenue from property management of the Group was approximately RMB391.7 million (the corresponding period in 2022: approximately RMB423.4 million), representing a decrease of approximately 7.5% as compared to the corresponding period last year. The decrease in revenue from property management was primarily due to the decrease in the third-party contracted GFA and the decrease in the third-party property management fee.

Rental income mainly includes operating revenue generated from leasing our investment properties and certain other completed properties and is recognized on a straight line basis over the relevant lease terms. In the first half of 2023, rental income of the Group was approximately RMB84.1 million (the corresponding period in 2022: approximately RMB118.8 million), representing a decrease of approximately 29.2% as compared to the corresponding period last year. The decrease in rental income was mainly due to the disposal of some investment properties in the second half of last year for cash flow release, which resulted in a decrease in operating area during the period under review as compared to the corresponding period 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.

In the first half of 2023, our cost of sales amounted to RMB2,530.6 million, representing an increase of 11.6% as compared with RMB2,268.3 million for the corresponding period last year, which was in line with the increase in revenue.

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			
	2023		2022	
	RMB'000	*%*	*RMB'000*	*%*
Construction costs	**763,323**	**30.2**	714,890	31.5
Land use right costs	**1,155,339**	**45.6**	1,056,765	46.6
Capitalized interest	**263,428**	**10.4**	177,543	7.8
Sub-total: total cost of properties	**2,182,090**	**86.2**	1,949,198	85.9
Surcharges	**16,130**	**0.6**	7,289	0.3
Provision for impairment of properties held or under development for sale, net	**74,586**	**3.0**	17,053	0.8
Other costs[1]	**257,781**	**10.2**	294,777	13.0
Total	**2,530,587**	**100.0**	2,268,317	100.0

Note:

(1) Includes costs associated with property management, leasing and other operations.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2023, the gross profit of the Group was RMB40.0 million (the corresponding period in 2022: RMB202.9 million), and the gross profit margin of the Group was 1.6% (the corresponding period in 2022: 8.2%). The gross profit margin decreased compared to the corresponding period last year, primarily due to lower selling prices of projects during the Period under Review out of the real estate downturn industry, higher land costs and the increase in provision of impairment on property projects based on the principle of prudence.

Fair Value Losses on Investment Properties under Capital Platform

For the six months ended 30 June 2023, the fair value losses on investment properties under capital platform were RMB68.0 million (the corresponding period in 2022: RMB183.6 million), which was mainly due to the impairment of Shanghai Jingrui Keyuan Tower and Beijing Jingrui Foresea Zhongjin Project in Zhongguancun.

Selling and Marketing Costs

For the six months ended 30 June 2023, our selling and marketing costs were RMB192.8 million (the corresponding period in 2022: RMB236.3 million), representing a decrease of 18.4% as compared to the corresponding period last year, mainly due to the decrease in the Group's new launches of property projects.

Administrative Expenses

For the six months ended 30 June 2023, our administrative expenses were RMB240.6 million (the corresponding period in 2022: RMB257.5 million), representing a decrease of 6.6% as compared to the corresponding period last year, which was mainly due to the lower operating costs due to the downsizing of the Group's operations.

Other Income and Other Losses, Net

For the six months ended 30 June 2023, our other income recorded gains of RMB8.2 million (the corresponding period in 2022: RMB10.9 million), which was mainly the income on the government grants.

For the six months ended 30 June 2023, we recorded other losses of RMB37.2 million (the corresponding period in 2022: RMB47.7 million). Other losses recorded in the first half of 2023 mainly derived from the fair value losses on financial assets at fair value through profit or loss and foreign exchange gains arising from foreign currency assets.

Finance Costs, Net

For the six months ended 30 June 2023, our finance income was RMB5.6 million (the corresponding period in 2022: RMB89.5 million). Our finance costs were RMB776.2 million (the corresponding period in 2022: RMB1,049.5 million). As a result, our net finance cost was RMB770.6 million, representing a decrease of RMB189.4 million as compared to RMB960.0 million of the corresponding period last year, primarily due to the decrease in both total borrowings and exchange losses.

Share of Results of Joint Ventures/Associates

For the six months ended 30 June 2023, our share of results of joint ventures/associates was a loss of RMB145.8 million (the corresponding period in 2022: RMB44.2 million), mainly due to the decline in the demand for lease of commercial properties as a result of external macro market environment, which led to an increase in the operating loss of joint ventures in a struggling period as well as the incurring of valuation losses on investment properties.

Income Tax Credit

For the six months ended 30 June 2023, our income tax credit was RMB52.9 million (the corresponding period in 2022: RMB61.2 million). The income tax credit was slightly decreased as compared to the corresponding period last year.

Loss for the Period

For the six months ended 30 June 2023, we recorded the loss for the period of RMB1,353.9 million (the corresponding period in 2022: RMB1,454.2 million).

For the six months ended 30 June 2023, the loss of the Group attributable to equity holders of the Company was RMB1,363.9 million (the corresponding period in 2022: RMB1,462.1 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, while 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 loans, and the Group's sources of long-term liquid capital include loans, capital injections from shareholders and issuance of new shares.

Cash Positions

As at 30 June 2023, the Group's cash at bank and on hand (including restricted cash) decreased by approximately 13.9% to approximately RMB1,164.2 million from approximately RMB1,352.1 million as at 31 December 2022. 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 decreased from RMB18,412.7 million as at 31 December 2022 to RMB17,831.6 million as at 30 June 2023. All of the Group's secured borrowings were secured or guaranteed by one or a combination of the following methods: land use rights, properties under development, investment properties, properties held for sale, shares of the Company's subsidiaries, bank deposits and/or guarantees granted by the Company's subsidiaries. As at 30 June 2023, the assets used as collaterals for the borrowings amounted to RMB12,153.1 million (31 December 2022: RMB12,740.2 million). The Group's borrowings are mainly denominated in RMB and US dollars.

Breakdown of our borrowings by categories

	As at 30 June 2023 *RMB'000*	As at 31 December 2022 *RMB'000*	Change %
Current Borrowings:			
Bank loans, secured	**354,601**	488,101	(27.4)
Add: current portion of long-term borrowings	**14,317,739**	12,808,612	11.8
Total Current Borrowings	**14,672,340**	13,296,713	10.3
Non-Current Borrowings:			
Bank loans, secured	**3,599,566**	4,347,950	(17.2)
Other loans, secured	**962,500**	963,500	(0.1)
Trust financing arrangements, secured	**1,329,382**	1,410,412	(5.7)
Senior notes due 2022, issued in July 2019, secured	**1,878,708**	1,810,796	3.8
Senior notes due 2022, issued in March 2020, secured	**91,551**	88,241	3.8
Senior notes due 2022, issued in June 2020, secured	**1,083,870**	1,044,946	3.7
Senior notes due 2023, issued in November 2020, secured	**1,734,192**	1,670,681	3.8
Senior notes due 2023, issued in March 2021, secured	**794,838**	766,403	3.7
Senior notes due 2023, issued in April 2021, secured	**1,132,915**	1,089,484	4.0
Senior notes due 2023, issued in May 2021, secured	**238,419**	229,758	3.8
Senior notes due 2023, issued in August 2021, secured	**361,310**	348,189	3.8
Senior notes due 2024, issued in September 2021, secured	**1,192,216**	1,148,781	3.8
Senior notes due 2023, issued in March 2022, secured	**1,235,975**	1,171,168	5.5
Senior notes due 2023, issued in April 2022, secured	**143,824**	138,358	4.0
Corporate bonds due August 2024	**351,214**	351,214	–
Corporate bonds due May 2024	**1,346,514**	1,344,707	0.1
Less: current portion of long-term borrowings	**(14,317,739)**	(12,808,612)	11.8
Total Non-Current Borrowings	**3,159,255**	5,115,976	(38.2)
Total	**17,831,595**	18,412,689	(3.2)

Breakdown of our borrowings by maturity profiles

	30 June 2023		31 December 2022	
	RMB'000	***%***	*RMB'000*	*%*
Within 1 year	**14,672,340**	**82.3**	13,296,713	72.2
Between 1 and 2 years	**2,188,255**	**12.3**	4,273,976	23.2
Between 2 and 5 years	**186,000**	**1.0**	45,000	0.3
Above 5 years	**785,000**	**4.4**	797,000	4.3
Total	**17,831,595**	**100.0**	18,412,689	100.0

The proportion of the Group's long-term borrowings in the total borrowings was 17.7% as at 30 June 2023.

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

	Six months ended 30 June		
	2023	2022	Change
	RMB'000	*RMB'000*	*%*
Finance costs			
– Interest expensed	**408,272**	544,376	(25.0)
– Net foreign exchange losses on financing activities	**363,404**	499,760	(27.3)
– Interest on lease liabilities	**4,534**	5,352	(15.3)
– Amounts capitalised	**248,260**	523,786	(52.6)
Total	**1,024,470**	1,573,274	(34.9)

Net Debt-to-Capital Ratio

As at 30 June 2023, our net debt-to-capital ratio was 333% (31 December 2022: 267%). Net debt-to-capital ratio is calculated as net debt at the end of the period divided by the total equity 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 mortgage bank may auction the underlying property and recover any additional amount outstanding from us, as the guarantor of the mortgage loans.

As at 30 June 2023, our provision of guarantees to financial institutions in respect of the mortgage loans they provided to our property purchasers was approximately RMB3,145.1 million (as at 31 December 2022: approximately RMB2,906.7 million). In addition, we provided guarantee for certain bank loans amounting to RMB340.5 million (as at 31 December 2022: RMB424.5 million) which were granted to our joint ventures/associates. We provided guarantee for certain bank loans amounting to RMB116.0 million (as at 31 December 2022: approximately RMB119.5 million) which were granted to related parties of joint ventures. The Group provided guarantees as the proceeds from the loans were applied towards property projects of the joint ventures and associates.

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 guarantees disclosed above, as at 30 June 2023, we did not have any outstanding loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings and 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 bank and trust financing providers, senior notes and corporate bonds. Borrowings at floating rates expose us to cash flow interest rate risk, while borrowings at fixed rates expose us to fair value interest rate risk. We have not hedged our cash flow or fair value interest rate risk.

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

FOREIGN EXCHANGE RISK

We are engaged in the development, sale and management of properties solely in the PRC with almost all 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 bank deposits and our senior notes which were issued in from 2019 to 2022, 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, which may increase our exposure to fluctuations on exchange rates. We currently do not have a foreign currency hedging policy but our Directors will manage our exposure through constant monitoring to limit as much as possible the amount of our foreign currency exposures.

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

As at 30 June 2023, the balance of the Group's financial assets at fair value through profit or loss mainly represented the investments in liquid opportunity fund, wealth management products purchased and other investments in private equities. The balance of the Group's financial assets at fair value through other comprehensive income mainly represented the investments in unlisted equity securities.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions and disposals for the six months ended 30 June 2023.

FUTURE PLANS FOR MATERIAL INVESTMENT

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

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

IMPORTANT EVENTS AFFECTING THE GROUP SINCE 30 JUNE 2023

No important event affecting the Group has occurred since 30 June 2023 and up to the date of this interim results 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 2023 except for the deviation from the code provision C.2.1, B.2.2 and B.2.4(b) Details of the deviation with reasons are set out in the paragraphs below:

According to code provision C.2.1 set out in Part 2 of the CG Code, the roles of chairman and chief executive officer 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 of the Board and the chief executive officer. On 30 March 2023, Mr. Yan was re-designated as the chairman of the Board from co-chairman. Upon this redesignation, Mr. Yan assumed the roles of both the chairman of the Board and chief executive officer. This is a deviation from the code provision C.2.1 of the CG Code. The Board believes that Mr. Yan, as one of the founders of the Group, is instrumental to the Group's growth and business expansion since 1999 and that vesting the roles of chairman and chief executive officer in Mr. Yan facilitates and maximizes the effectiveness of the execution of the Group's business strategies. The Board also believes that the balance of power and authority between chairman and chief executive officer would not be impaired by such arrangement, and the significant weight of the non-executive Directors (including independent non-executive Directors) enabled the Board as a whole to effectively exercise its non-bias judgement. As at 30 June 2023, the Board comprises three executive Directors (including Mr. Yan), one non-executive Director and three independent non-executive Directors and therefore has a strong independence element in its composition. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG code.

According to code provision B.2.2 set out in Part 2 of the CG Code, each director (including those with a specific appointment period) shall be subject to retirement by rotation at least once every three years. And according to the memorandum and articles of association of the Company (the "**Articles**"), at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Mr. Chen Xin Ge, the non-executive Director of the Company was originally scheduled to be re-elected at the annual general meeting of the Company (the "**AGM**") at which, among others, the 2021 annual report was approved. Consequential to the delay in publication of the 2021 annual results, the AGM was not held until 27 June 2023. At the AGM, Mr. Chen Xin Ge was re-elected as a non-executive Director. The Company was has re-complied with code provision B.2.2. The temporary non-compliance with code provision B.2.2. did not have any impact on the operations of the Company.

As all independent non-executive Directors of the Company have been in office for more than nine years, the Company is in the course of identifying a suitable candidate to be appointed as an additional independent non-executive Director and will appoint a new independent non-executive Director on or before the forthcoming annual general meeting to comply with code provision B.2.4(b) requirement as set out in Part 2 of the CG Code and the Company will make further announcement of the appointment of new independent non-executive Director in due course.

AUDIT COMMITTEE REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") 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, the management of the Group and the external auditor of the Company have reviewed the unaudited interim results for the six months ended 30 June 2023 of the Group and the accounting principles and practices adopted by the Company.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Material Uncertainty Related to Gong Concern

We draw attention to Note 2 to the condensed consolidated interim financial statements, which indicates that as at 30 June 2023, the Group's borrowings amounted to RMB17,831,595,000, among which RMB14,672,340,000 will be due for repayment within the next twelve months while the Group's cash at bank and on hand (including restricted cash) amounted to RMB1,164,206,000. This condition, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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 2023.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2023, neither the Company nor any of its subsidiaries (other than the trust of the share award scheme) repurchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND 2023 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 2023 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
Chairman

Hong Kong, 30 August 2023

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

* *For identification purpose only*