JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

ANNUAL RESULTS HIGHLIGHTS

- Contracted sales for the year ended 31 December 2023 was approximately RMB3,787.4 million, representing a year-on-year decrease of 46.5%.
- Revenue for the year ended 31 December 2023 was RMB7,294.5 million, representing a decrease of approximately 7.8% as compared to last year. Gross profit achieved RMB464.3 million with a gross profit margin of 6.4%.
- For the year ended 31 December 2023, the Group recorded a net loss for the Year of RMB1,841.3 million.
- Total assets as at 31 December 2023 was RMB39,507.6 million.
- As at 31 December 2023, the net debt-to-capital ratio was approximately 386%. Total cash at bank and on hand (including restricted cash) reached RMB626.3 million.
- As at 31 December 2023, the land bank of the Group was approximately 2,206,909 sq.m..
- The Board did not recommend the distribution of a final dividend for the year ended 31 December 2023.

The board (the "**Board**") of directors (the "**Directors**") of Jingrui Holdings Limited ("**Jingrui**" or the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "**Group**" or "**we**" or "**us**" or "**our**") for the year ended 31 December 2023 (the "**Year**") together with the comparative figures for the year ended 31 December 2022 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

	Notes	**Year ended 31 December 2023** *RMB'000*	2022 *RMB'000*
Revenue	*4*	**7,294,475**	7,907,906
Cost of sales	*7*	**(6,830,159)**	(7,792,740)
Gross profit		**464,316**	115,166
Fair value losses on investment properties under capital platform		**(100,298)**	(175,252)
Fair value losses on investment properties under other platforms		**(6,000)**	–
Selling and marketing costs	*7*	**(320,980)**	(560,455)
Administrative expenses	*7*	**(310,838)**	(922,511)
Other income	*5*	**16,049**	20,210
Other losses – net	*6*	**(453,969)**	(623,219)
Operating loss		**(711,720)**	(2,146,061)
Finance income	*8*	**17,052**	299,290
Finance costs	*8*	**(915,504)**	(2,129,418)
Finance costs – net		**(898,452)**	(1,830,128)
Share of results of joint ventures		**(111,518)**	(82,859)
Share of results of associates		**6,178**	(32,393)
		(105,340)	(115,252)
Loss before income tax		**(1,715,512)**	(4,091,441)
Income tax expense	*9*	**(125,819)**	(186,439)
Loss for the year		**(1,841,331)**	(4,277,880)

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 RMB'000	2022 RMB'000
Attributable to:			
Equity holders of the Company		**(1,721,220)**	(4,269,792)
Non-controlling interests		**(120,111)**	(8,088)
		(1,841,331)	(4,277,880)
Loss per share for loss attributable to equity holders of the Company			
– Basic loss per share	*10*	**RMB(1.12)**	RMB(2.78)
– Diluted loss per share	*10*	**RMB(1.12)**	RMB(2.78)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(1,841,331)**	(4,277,880)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	**94,561**	26,850
Other comprehensive income for the year, net of tax	**94,561**	26,850
Total comprehensive losses for the year, net of tax	**(1,746,770)**	(4,251,030)
Attributable to:		
Equity holders of the Company	**(1,626,659)**	(4,242,942)
Non-controlling interests	**(120,111)**	(8,088)
	(1,746,770)	(4,251,030)

CONSOLIDATED BALANCE SHEET

As at 31 December 2023

	Notes	As at 31 December 2023 *RMB'000*	2022 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**80,129**	79,647
Right-of-use assets		**121,838**	124,430
Investment properties		**4,646,900**	5,146,100
Intangible assets		**85,547**	120,695
Investments in joint ventures		**943,240**	1,243,221
Investments in associates		**820,068**	824,390
Deferred income tax assets		**519,030**	603,600
Financial assets at fair value through profit or loss		**686,134**	855,504
Financial assets at fair value through other comprehensive income		**442,788**	492,527
Trade and other receivables and prepayments	*12*	**703,857**	714,701
		9,049,531	10,204,815
Current assets			
Prepayments for leasehold land		**54,304**	54,304
Properties held or under development for sale		**20,979,614**	25,793,013
Trade and other receivables and prepayments	*12*	**7,506,588**	8,025,028
Prepaid income taxes		**394,784**	488,353
Restricted cash		**291,719**	681,678
Cash and cash equivalents		**334,532**	670,410
Contract acquisition costs		**269,531**	277,868
Financial assets at fair value through profit or loss		**626,957**	786,375
		30,458,029	36,777,029
Non-current asset held for sale		**–**	128,000
		30,458,029	36,905,029
Total asset		**39,507,560**	47,109,844

CONSOLIDATED BALANCE SHEET (CONTINUED)
As at 31 December 2023

	Notes	**As at 31 December** **2023** *RMB'000*	2022 *RMB'000*
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**87,813**	87,813
Reserves		**64,795**	1,705,859
		152,608	1,793,672
Non-controlling interests		**4,052,215**	4,605,025
Total equity		**4,204,823**	6,398,697
LIABILITIES			
Non-current liabilities			
Borrowings		**4,571,679**	5,115,976
Deferred income tax liabilities		**1,012,013**	1,062,151
Lease liabilities		**13,423**	102,339
		5,597,115	6,280,466
Current liabilities			
Trade and other payables	*13*	**8,233,763**	9,093,677
Contract liabilities		**6,124,433**	8,689,847
Amounts due to non-controlling interests of subsidiaries		**937,583**	1,111,322
Current income tax liabilities		**2,092,957**	2,215,863
Borrowings		**12,304,443**	13,296,713
Lease liabilities		**12,443**	23,259
		29,705,622	34,430,681
Total liabilities		**35,302,737**	40,711,147
Total equity and liabilities		**39,507,560**	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 Act 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 consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The annual results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2023 but are extracted from those financial statements.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

During the year ended 31 December 2023, the Group recorded a loss for the year of approximately RMB1,841,331,000, and as at 31 December 2023, the Group's borrowings amounted to RMB16,876,122,000, among which RMB12,304,443,000 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 RMB626,251,000.

In response to the panic liquidity constraints caused by the market downturn and financial policies since 2021, in July 2022, The Company has appointed Admiralty Harbour Capital Limited as its financial adviser and has also appointed Sidley Austin as its legal adviser in support of this effort 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. In August 2023, pursuant to the Company's restructuring management of its offshore USD denominated senior notes and fair treatment of all creditors, the Company has suspended the payment due for its offshore USD denominated senior notes.

As at 28 March 2024, the Group has failed to pay the principal and interest of 12.75% senior notes due March 2022 ("**Notes Due March 2022**", being the remaining portion after the March 2022 Exchange), 12.0% senior notes due July 2022 ("**Notes Due July 2022**"), 12.0% senior notes due September 2022 ("**Notes Due September 2022**"), 14.5% senior notes due February 2023 ("**Notes Due February 2023**"), 12.75% senior notes due September 2023 ("**Notes Due September 2023**") and 12.5% senior notes due October 2023 ("**Notes Due October 2023**") and 12.0% senior notes due January 2024 ("**Notes Due January 2024**"). The non-payments described above resulted in certain of the Group's borrowings amounted to RMB9,693,935,000 of the over-due senior notes.

For the twelve months ended 31 December 2023, influenced by the continued downturn in the real properties, coupled with the limited sources of financing from the capital market, the Group's aggregated contracted sales was RMB3,787 million (for the twelve months ended 31 December 2022: RMB7,076 million). It was not as high as the Group anticipated at the beginning of the year, and 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 indicate 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 have given careful consideration to the future liquidity and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill 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 annual results announcement, based on the status of the ongoing discussions, the Directors 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 have reviewed the Group's cash flow forecast prepared by management, which covers a period of at least 18 months from 31 December 2023. They are of the opinion that, taking into account the abovementioned 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 31 December 2023. Accordingly, the Directors 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 real estate 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 abovementioned 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 consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

In the current year, the Group has adopted, for the first time, the following new and amendments to HKFRSs for the preparation of the Group's consolidated financial statements.

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 12	International Tax Reform — Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the IFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

The application of the new and amendments to HKFRSs standards in the current year has had no material impact on the amounts reported in the Group's annual consolidated financial statements and/or disclosures set out in the Group's annual financial statements.

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.

Amendments to HKFRSs not yet effective

Certain amendments to HKFRSs have been published that are not mandatory for the financial year beginning on 1 January 2023 and have not been early adopted by the Group. The Group has already commenced an assessment of the impact of these new standards, amendments and interpretation, certain of which are relevant to the Group's operation. According to the preliminary assessment made by the directors, the Group does not anticipate that the adoption when they become effective will result in any material impact on the Group's results of operations and financial position.

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.

(a) Revenue

Revenue of the Group consists of the following:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue from contract with customers recognised at a point in time		
– Sales of properties	**6,265,777**	6,807,914
– Others	**64,669**	84,592
	6,330,446	6,892,506
Revenue from contract with customers recognised over time		
— Property management service	**793,658**	780,091
	793,658	780,091
Rental income	**170,371**	235,309
	7,294,475	7,907,906

(b) Segment information

	Year ended 31 December 2023					
	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	**6,338,614**	**212,389**	**824,585**	**7,375,588**	**(81,113)**	**7,294,475**
Segment (loss)/profit before income tax expense	**(1,658,220)**	**(112,590)**	**73,864**	**(1,696,946)**	**(18,566)**	**(1,715,512)**
Finance income	**3,112**	**544**	**13,396**	**17,052**	**–**	**17,052**
Finance costs	**(822,682)**	**(88,130)**	**(4,692)**	**(915,504)**	**–**	**(915,504)**
Share of results of joint ventures	**25,470**	**(138,605)**	**1,617**	**(111,518)**	**–**	**(111,518)**
Share of results of associates	**7,590**	**–**	**(1,412)**	**6,178**	**–**	**6,178**
Depreciation and amortisation	**(7,600)**	**(303)**	**(13,271)**	**(21,174)**	**–**	**(21,174)**
Reconciliation to losses for the year is as follows:						
Total segment losses before income tax expense						**(1,715,512)**
Income tax expense						**(125,819)**
Loss for the year						**(1,841,331)**
Segment assets	**61,646,395**	**6,418,076**	**11,332,630**	**79,397,101**	**(39,889,541)**	**39,507,560**
Segment assets include:						
Investments in joint ventures	**897,900**	**–**	**45,340**	**943,240**	**–**	**943,240**
Investments in associates	**760,018**	**–**	**60,050**	**820,068**	**–**	**820,068**
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**421**	**746**	**726**	**1,893**	**–**	**1,893**
Segment liabilities	**59,139,531**	**4,865,717**	**11,016,625**	**75,021,873**	**(39,719,136)**	**35,302,737**

	Year ended 31 December 2022					
	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	6,885,540	300,872	798,681	7,985,093	(77,187)	7,907,906
Segment (loss)/profit before income tax expense	(4,052,884)	(86,841)	77,845	(4,061,880)	(29,561)	(4,091,441)
Finance income	292,268	95	6,927	299,290	–	299,290
Finance costs	(2,034,712)	(69,912)	(24,794)	(2,129,418)	–	(2,129,418)
Share of results of joint ventures	12,272	(97,183)	2,052	(82,859)	–	(82,859)
Share of results of associates	(50,126)	–	17,733	(32,393)	–	(32,393)
Depreciation and amortisation	(13,620)	(10,452)	(6,313)	(30,385)	–	(30,385)
Reconciliation to loss for the year is as follows:						
Total segment loss before income tax expense						(4,091,441)
Income tax expenses						(186,439)
Loss for the year						(4,277,880)
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
Investment 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 OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Government grants	**13,146**	15,394
Compensation income	**2,903**	4,816
	16,049	20,210

6 OTHER LOSSES – NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Gains from re-measurement of the existing interests in a joint venture upon obtaining of control	**–**	22,461
Net foreign exchange gains	**23,736**	73,493
Fair value losses from financial assets at fair value through profit or loss	**(377,486)**	(380,272)
Investment income from financial assets at fair value through profit or loss	**1,731**	9,255
Impairment losses on goodwill	**(33,758)**	–
Gains from disposal of property, plant and equipment	**128**	228
Loss from disposal of shares in a joint venture	**(50,739)**	–
Losses from disposal of shares in associates	**–**	(12,331)
Gains/(loss) from disposal of shares in subsidiaries	**16,204**	(316,151)
Compensation and late payment charges	**(21,465)**	(29,382)
Others	**(12,320)**	9,480
	(453,969)	(623,219)

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of properties sold	**6,120,384**	6,945,936
Cost of properties management	**570,354**	502,131
Surcharges	**28,729**	38,065
Write-down of properties held or under development for sale	**36,656**	246,566
Depreciation of property, plant and equipment	**19,789**	25,270
Amortisation of intangible assets	**1,385**	5,115
Bank charges	**7,303**	25,300
Staff costs *(Note)*	**226,329**	436,500
Entertainment expenses	**17,436**	17,178
Stamp duty and other taxes	**20,187**	26,333
Professional fees	**67,938**	140,940
Auditors' remuneration		
– annual audit and interim review	**2,300**	5,300
Sales commission	**162,885**	183,263
Advertising and publicity costs	**22,704**	46,010
Office and meeting expenses	**28,881**	35,369
Rental expenses	**3,357**	7,753
Travelling expenses	**4,320**	3,939
Net (reversal)/impairment losses on financial assets	**(5,587)**	400,572
Other expenses	**126,627**	184,166
Total cost of sales, selling and marketing costs and administrative expenses	**7,461,977**	9,275,706

Notes:

Employees in the Group's subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal governments. The Group's subsidiaries in Mainland China contribute funds which are calculated on certain percentage of the average employee salary, subject to a certain ceiling, as agreed by municipal governments to the scheme to fund the retirement benefits of the employees.

The Group's subsidiaries in Hong Kong contribute funds which are calculated on fixed ratio of the employee salary of current month subject to a certain ceiling.

Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees.

In 2023 and 2022, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

8 FINANCE COSTS – NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance Income		
— Interest income on bank deposits and financial assets	**17,052**	299,290
Finance costs		
– Interest on financing arrangements	**(1,248,953)**	(2,124,881)
– Net foreign exchange losses on financing activities	**(164,768)**	(883,959)
– Interest on lease liabilities	**(8,676)**	(10,300)
– Less: amounts capitalised	**506,893**	889,722
	(915,504)	(2,129,418)
Finance costs – net	**(898,452)**	(1,830,128)

9 INCOME TAX EXPENSE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current income tax		
—PRC land appreciation tax	**15,655**	225,236
— PRC corporate income tax	**54,362**	218,435
	70,017	443,671
Deferred income tax	**55,802**	(257,232)
Total income tax charged for the year	**125,819**	186,439

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 the PRC from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The directors of the Company had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. No PRC withholding income tax was accrued for the year ended 31 December 2023 (2022: Nil). 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 31 December 2023, the Group did not recognise deferred income tax for PRC withholding income tax with amount of RMB810,866,000 (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 amount of RMB8,108,660,000 (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 consolidated income statement as income tax expense.

10 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2023 and 2022 are 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 year.

	Year ended 31 December	
	2023	2022
Group's loss attributable to equity holders of the Company (RMB'000)	**(1,721,220)**	(4,269,792)
Weighted average number of shares in issue (in thousand)	**1,537,204**	1,536,908
Basic loss per share (RMB)	**(1.12)**	(2.78)

(b) Diluted loss per share

As the Group incurred loss for the year ended 31 December 2023, the effect of dilutive potential ordinary shares in respect of 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.

11 DIVIDENDS

The Board did not recommend any payment of dividend for the year ended 31 December 2023 (2022: HKD0 cent).

12 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**704,427**	795,066
Less: provision for impairment of trade receivables	**(69,678)**	(81,347)
Trade receivables – net	**634,749**	713,719
Other receivables (a)	**6,380,895**	6,726,171
Prepayments and deposits (b)	**1,697,374**	1,796,330
Less: provision for impairment of other receivables	**(502,573)**	(496,491)
	8,210,445	8,739,729
Less: non-current portion	**(703,857)**	(714,701)
	7,506,588	8,025,028

Notes:

(a) Other receivables include amounts due from joint ventures and associates, temporary funding receivables, amounts due from non-controlling interests of subsidiaries, dividend receivables, net leasing investment receivables and receivables from third parties.

(b) Prepayments and deposits include prepaid taxes and surcharges and input value-added taxes to be deducted, deposits with public housing fund centres, prepayments of construction costs, deposits paid for construction work, deposits paid to secure borrowings, deposits for potential investment and deposits paid for advanced proceeds received from customers.

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Less than 1 year	**535,365**	609,794
Between 1 and 2 years	**85,899**	102,644
Between 2 and 3 years	**67,835**	68,834
Over 3 years	**15,328**	13,794
	704,427	795,066

Movements on the allowance for impairment of trade and other receivables are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At beginning of the year	**577,838**	177,266
(Decrease)/Increase in allowance for impairment during the year	**(5,587)**	400,572
At end of the year	**572,251**	577,838

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivables mentioned above.

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

Trade and other receivables with a total carrying amount of RMB9,148,000 as at 31 December 2023 (31 December 2022: RMB9,434,000) were pledged as collateral for the Group's borrowings.

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
– RMB	**6,322,280**	6,824,250
– USD	**1,460,929**	1,457,980
– HKD	**427,236**	457,499
	8,210,445	8,739,729

13 TRADE AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade and notes payables	**2,372,403**	2,636,048
Others payables and accruals	**5,861,360**	6,457,629
	8,233,763	9,093,677

Notes:

Other payables and accruals include amounts due to related parties, turnover taxes payable, electricity fee and cleaning fee collected on behalf, deed tax collected on behalf, accrued payroll, interest payable, temporary funding payable, construction deposits received from suppliers, deposits received from customers, consideration payables for acquisition, dividend payable to non-controlling interests of certain subsidiaries, payable to related parties of non-controlling interests of subsidiaries, deposits received in connection with cooperation with third parties for property, development and property investment, payables for other investments and payables to third parties.

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Less than 1 year	**1,986,289**	2,209,209
Between 1 and 2 years	**197,817**	219,800
Between 2 and 3 years	**154,206**	169,159
Over 3 years	**34,091**	37,880
	2,372,403	2,636,048

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

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**7,160,275**	7,979,088
USD	**1,063,467**	1,103,516
HKD	**10,021**	11,073
	8,233,763	9,093,677

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In 2023, the global economic growth slowed but the geopolitical shocks persisted. The Russia-Ukraine conflict has lasted for two years, the two sides have continued to exchange fire, and the prospect for truce are dim. The Israeli-Palestinian conflict is still spreading and accentuating, and the United States, the United Kingdom and other Western countries have been involved. The global economy is subject to slow recovery and weak recovery under multiple shadows, and the differentiation among countries is widening. According to the report World Economic Situation and Prospects 2024 released by the United Nations, global economic growth is expected to slow down from 2.7% in 2023 to 2.4% in 2024, and the whole global economic downturn is an event with high probability.

In the face of the complex and critical international environment and the arduous tasks of domestic reform, development and stabilisation, the government of the People's Republic of China (the "**PRC**" or "**China**") has adhered to the general tone of seeking progress while maintaining stability, and its economy has continued to recover. According to preliminary estimates, the annual gross domestic product (GDP) was RMB126,058.2 billion in 2023, an increase of 5.2% over the previous year at constant prices, making it a major force leading the recovery of the world economy. However, we should also note that in 2023, domestic economic cyclical and structural contradictions were superimposed. The insufficiency of aggregate demand was prominent. Some enterprises encountered difficulties in operation. There were more risks and potential hazards in some areas, making it more difficult to achieve the expected goals of economic and social development. Compared with the normalized and cyclical recovery in the past, the recovery process in the post-pandemic era will be volatile and prolonged.

Looking back at the real estate market in 2023, China's real estate market continued to make adjustment of the fundamentals. The central government's policy efforts had a strong start and turned loose. With the July Political Bureau of CPC Central Committee meeting setting the tone of "major changes in the demand-supply relationship of the industry" as the watershed, the policy efforts gradually shifted to "both stabilizing and boosting". On the demand end, policies such as reduction of down payment, decrease in interest rate and recognition homes but not recognizing loans have been successive implemented, supporting residents to buy houses with mortgages. On the supply end, relief measures such as "three no-lowers" and "support financing without discrimination" have been put forward one after another, in order to alleviate the financing pressure of real estate enterprises. The relaxation of local policies has accelerated, with 622 policies relaxed in 273 provinces and the housing demand in third- and fourth-tier cities shifting back to the core first- and second-tier cities. Nearly all of the restrictive administrative measures have been withdrawn.

However, from the perspective of the real estate market, the market recovery was not as good as expected in 2023, the real estate market sentiment still continued to drop, and the overall situation was still subject to adjustment. After experiencing a rise from a low level in the first quarter of 2023, the market declined due to the lack of momentum in the second quarter. It had been hovering low level in the second half of the year, and the cumulative results of the top 100 real estate enterprises in the industry continued to show negative growth. In terms of enterprises, the landscape of the top 100 real estate enterprises continued to be differentiated, with the sales performance of state-owned enterprises significantly better than that of mixed-ownership real estate enterprises and private real estate enterprises, and the private real estate enterprises faced the utmost sales difficulties on a whole.

According to the National Bureau of Statistics, China's investment in real estate development amounted to RMB11,091.3 billion in 2023, down by 9.6% as compared to the previous year; of which residential investment accounted for RMB8,382.0 billion, and fell by 9.3%. The housing construction area of real estate development enterprises national wide was 8,383.64 million square metres ("**sq.m.**"), a decrease of 7.2% as compared to the previous year, of which the residential construction area was 5,898.84 million sq.m., down by 7.7%. The sales area of commodity houses national wide was 1,117.35 million sq.m., decreased by 8.5% as compared to the previous year, of which the sales area of residential properties fell by 8.2%. The sales of commodity houses reached RMB11,662.2 billion, down by 6.5%, of which the sales of residential properties decreased by 6.0%. At the end of 2023, the area of commodity houses for sale was 672.95 million sq.m., an increase of 19.0% as compared to the previous year, of which the area of residential properties for sale increased by 22.2%. In addition to the increase in the area of commodity houses for sale, other investment and sales data had declined compared with that of 2022, and it takes time for the supply and demand sides of the real estate market to rebuild confidence in the recovery process in the post-pandemic era after the liberalization of real estate industry policies.

BUSINESS OVERVIEW

In 2023, the Group achieved contracted sales of approximately RMB3,787.4 million (including those of joint ventures and associates on a 100% basis) (2022: RMB7,075.6 million) and total contracted gross floor area ("**GFA**") sold was approximately 210,469 sq.m. (2022: 427,019 sq.m.). For the Year, the Group achieved revenue of RMB7,294.5 million (2022: RMB7,907.9 million). The Group recognized a net loss attributable to equity holders of the Company of RMB1,721.2 million (2022: RMB4,269.8 million) for the Year.

During the Year, revenue from property sales recognized by the Group amounted to RMB6,265.8 million (2022: RMB6,807.9 million), representing a decrease of 8.0% as compared to last year. It was mainly due to the decrease in the average selling price of properties delivered, which was mainly focused in second-tier and third-tier cities during the Year. Revenue from property sales of the Group accounted for approximately 85.9% of our total revenue for the Year (2022: 86.1%), which remained as the core operating business of the Group. The Group's apartment and office business, which has been deployed since the end of 2017, has achieved stable revenue, and property management business has made significant progress. The above development of businesses has further enhanced the Group's diversified competitiveness, and the Group has won a good reputation and brand image, while improving customer loyalty and satisfaction.

The Group continues to uphold the development strategy of its cultivation in the Yangtze River Delta region, and actively expands high-quality projects in key cities around the Yangtze River Delta and Chengdu-Chongqing region. As at 31 December 2023, the total GFA for land reserves owned by the Group was approximately 2,206,909 sq.m..

Confronted with the domestic and oversea liquidity difficulties of the Group, in July 2022, we engaged a financial adviser and a legal adviser to initiate debt restructuring for our offshore USD denominated senior notes. In order to treat all creditors fairly, Jingrui has suspended the payment of principal and interests of all offshore USD denominated senior notes.

As at 31 December 2023, our cash at bank and on hand (including restricted cash) was RMB626.3 million. Our net debt-to-equity ratio was approximately 386%. In combination of debt restructuring for its offshore USD denominated senior notes, the Group will continue to improve its liability level and structure, control the liquidity risk, providing guarantee for the Group's sustained operations and steady future growth.

We started our business as a customer driven residential property developer, focusing on developing properties to accommodate the demand of our target customers. Our products are designed to meet the need of first- time home purchasers and those who intend to upgrade their existing living conditions. These customers currently constitute a significant portion of all property purchasers in the PRC. As a result, our products have been positioned in accordance with current market trends and government policies. We believe our strategic product positioning and the continuous expansion of our potential customer base as a result of rapid economic growth and accelerating urbanization in the Yangtze River Delta region, together with our rapid-asset-turnover model, have contributed and will continue to contribute to our growth and scalability.

BUSINESS REVIEW

Jingrui Properties (景瑞地產)

Property Development

In 2023, the Group achieved contracted sales of approximately RMB3,787.4 million (including those of joint ventures and associates on a 100% basis) and total contracted GFA sold was approximately 210,469 sq.m.. Our contracted sales were primarily generated from Jiangsu Province and municipalities directly under the Central Government, which were approximately RMB1,826.7 million and RMB913.9 million (excluding car parks) respectively, representing 48.2% and 24.1% of the total contracted sales, respectively.

Details of the Group's contracted sales in 2023

The following table sets out the geographic breakdown of the Group's contracted sales in 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
Shanghai Jingrui Xuhui New City	194	16,493	85,015
Tianjin			
Tianjin Jingrui Yujing Tiandi	28,113	517,899	18,422
Tianjin Sea Blue City	10,500	112,421	10,707
Tianjin Jingrui No. 1 Tang Gu Bay	617	7,429	12,041
Tianjin Jingrui No. 6 Tang Gu Bay	297	2,539	8,549
Chongqing			
Chongqing Jingrui Jiangshan Yufu	18,179	156,273	8,596
Chongqing Tianchen Yujing	2,232	30,910	13,849
Sub-total of municipalities directly under the Central Government	**64,496**	**913,933**	**14,170**
Hangzhou			
Hangzhou Jingrui Qinghai	1,339	33,869	25,294
Hangzhou Jingrui Haiyi Cuiting	1,092	6,941	6,356
Ningbo			
Ningbo Jingrui Ninghai Yujing Chaoming	3,042	30,237	9,940
Ningbo Xinghai Land	134	625	4,664
Ningbo Jingrui Xingning Mansion	243	4,314	17,753
Jinhua			
Jinhua Jingrui Wuyi Wushuang	6,214	172,742	27,799
Sub-total of Zhejiang Province	**12,064**	**248,728**	**20,617**

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price
	sq.m.	*RMB'000*	*RMB/sq.m.*
Suzhou			
Suzhou Changshu In Times	5,558	53,021	9,540
Suzhou Jingrui Changshu Jiangnan Mansion	32,203	530,809	16,483
Suzhou Jingrui Taicang Yueting	1,215	14,856	12,227
Wuxi			
Wuxi Jingrui Hubin Tianyu	8,693	237,701	27,344
Nanjing			
Nanjing Jingrui Xitang Mansion	2,506	69,645	27,791
Yangzhou			
Yangzhou Jingrui Yujing Fenghua	1,619	25,583	15,802
Yangzhou Tianfu Xingchen	22,290	442,027	19,831
Changzhou			
Changzhou Jingrui Chenyun Tianfu	22,146	453,011	20,456
Sub-total of Jiangsu Province	**96,230**	**1,826,653**	**18,982**

Project Name	Contracted GFA Sold	Contracted Sales	Contracted Average Selling Price
	sq.m.	*RMB'000*	*RMB/sq.m.*
Wuhan			
Wuhan Jingrui Tianfu Binjiang	6,498	84,481	13,001
Wuhan Jingrui Tianfu Peninsula	2,142	29,615	13,826
Wuhan Jingrui Jiangshanyue	370	4,168	11,265
Chengdu			
Chengdu Jingrui Yujing Fenghua, North	11,343	179,763	15,848
Chengdu Jingrui Yujing Fenghua, South	17,326	300,069	17,319
Sub-total of other provinces	**37,679**	**598,096**	**15,873**
Car park (lots)	1,923	200,016	
Total	**210,469** [(1)]	**3,787,426**	**17,995**

Note:

(1) Excluding the area of car parks.

Land Bank

As at 31 December 2023, the total land bank of the Group was 2,206,909 sq.m. or 1,338,900 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities for the year ended 31 December 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	106,921	4.8	106,921	8.0
Beijing	29,669	1.3	29,669	2.2
Tianjin	202,191	9.2	143,720	10.7
Chongqing	112,491	5.1	88,994	6.6
Sub-total	**451,272**	**20.4**	**369,304**	**27.5**
Zhejiang Province				
Hangzhou	1,201	0.1	1,201	0.1
Ningbo	124,003	5.6	102,990	7.7
Jinhua	84,099	3.8	68,951	5.1
Sub-total	**209,303**	**9.5**	**173,142**	**12.9**
Jiangsu Province				
Suzhou	165,503	7.5	56,309	4.2
Nanjing	4,264	0.2	4,264	0.3
Wuxi	14,096	0.6	10,065	0.8
Changzhou	198,582	9.0	178,629	13.3
Yangzhou	171,645	7.8	54,540	4.1
Sub-total	**554,090**	**25.1**	**303,807**	**22.7**
Other Provinces				
Chengdu	151,923	6.9	102,363	7.7
Wuhan	840,321	38.1	390,284	29.2
Sub-total	**992,244**	**45.0**	**492,647**	**36.9**
Total	**2,206,909**	**100.0**	**1,338,900**	**100.0**

Revenue from Sales of Properties

The revenue from sales of properties for the Year was approximately RMB6,265.8 million, representing a decrease of 8.0% as compared to 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.*
Shanghai				
Shanghai Jingrui Upper Riverside	152,476	2.4	1,150	132,588
Jiangsu Province				
Suzhou Jingrui Sino Park	646,255	10.3	38,216	16,911
Suzhou Jingrui Huyu Shangyuan	57,291	0.9	3,573	16,034
Suzhou Jingrui Taicang Yueting	75,588	1.2	6,640	11,384
Nanjing Jingrui Xitang Mansion	41,093	0.7	1,801	22,817
Yangzhou Jingrui Yujing Fenghua	33,325	0.5	2,599	12,822
Wuxi Jingrui Hubin Tianyu	687,266	11.0	26,613	25,824
Zhejiang Province				
Hangzhou Jingrui Qinghai	51,258	0.8	2,495	20,544
Hangzhou Jingrui Haiyi Cuiting	9,359	0.1	363	25,782
Ningbo Jingrui Xingning Mansion	3,958	0.1	176	22,489
Shaoxing Jingrui Dignity Mansion	20,418	0.3	1,798	11,356
Wuhan				
Wuhan Jingrui Tianfu Binjiang	903,094	14.4	68,084	13,264
Wuhan Jingrui Tianfu Peninsula	54,752	0.9	2,714	20,174
Wuhan Jingrui Jiangnanyue	688,473	11.0	80,321	8,572
Chongqing				
Chongqing Jingrui Jiangshan Yufu	163,688	2.6	21,303	7,684
Chengdu				
Chengdu Jingrui Yujing Fenghua, South	757,253	12.1	47,635	15,897
Tianjin				
Tianjin Jingrui Yujing Tiandi	1,815,106	29.0	110,537	16,421
Other	12,959	0.2	1,591	8,145
Sub-total	**6,173,612**	**98.5**	**417,609**	**14,783**
Car parks (lots)	92,165	1.5	1,158	
Total	**6,265,777**	**100**		

Jingrui Capital (景瑞不動產)

In March 2020, based on the development strategy of "large-scale asset management", Jingrui Capital platform was established by combining and upgrading Joyride Apartment (悦樘公寓) and Carry Capital (鍇瑞辦公) 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 rental apartments and office properties, 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 2023, all existing projects of Jingrui Capital were in normal operation. As at 31 December 2023, the time-point occupancy rate of apartment projects was 92.6% and the time-point occupancy rate of office projects was 43.2%. In 2023, Jingrui Capital disposed of its entire interests in projects such as Shanghai Jingrui Shenxin Tower Project. The proceeds from such disposals were utilized as the general working capital of the Group, which helped alleviate the Group's liquidity issue.

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 provides high-standard and customized property management services for customers by meeting customers' increasing demands with positive and enthusiastic attitudes.

As the value of the industry returns to rationality, Jingrui Service focuses more on quality development. As of 31 December 2023, the business footprint of Jingrui Service covered more than 50 cities, such as Shanghai, Zhejiang, Jiangsu, Anhui, Hunan, Tianjin, Chongqing, etc. Its contracted GFA has approximately 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 focus on the actual needs of customers, to develop quality space for customers, adhering to the concept of "serving with heart and creating beauty" and taking "the promoter of better living in Chinese cities" as a development goal. It continues to iterate and upgrade its service pattern, integrating the vision of "Proactive Service Provider Adhering to Quality" into full-type, full-soene and full-lifestyle services through services and execution.

Employees and Remuneration Policies

As at 31 December 2023, we had a total of 2,990 full-time employees (31 December 2022: 3,082). Among which, 328 of our employees worked in property development operations, 2,572 of our employees were engaged in property management and 90 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. In addition, 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 year ended 31 December 2023 amounted to RMB226.3 million (for the year ended 31 December 2022: RMB436.5 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 internal trainings, we have also engaged external experts or sponsored continuing educations for our employees from time to time.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2023, the revenue of the Group reached RMB7,294.5 million, representing a decrease of 7.8% as compared to RMB7,907.9 million in last year. Our revenue consists of revenue from (i) sales of properties, (ii) property management service, (iii) rental income and (iv) others. The table below sets forth our revenue for each of the businesses described above and the percentage of total revenue represented for the respective periods indicated:

Revenue by business segments

	2023		2022		
		Percentage of total revenue		Percentage of total revenue	Year-on-year change
	RMB'000	***%***	*RMB'000*	*%*	*%*
Revenue from contracts with customers recognized at a point in time					
– Sales of properties	**6,265,777**	**85.9**	6,807,914	86.1	(8.0)
– Others	**64,669**	**0.9**	84,592	1.1	(23.6)
	6,330,446	**86.8**	6,892,506	87.2	(8.2)
Revenue from contracts with customers recognized over time					
– Property management service	**793,658**	**10.9**	780,091	9.8	1.7
Rental income	**170,371**	**2.3**	235,309	3.0	(27.6)
Total	**7,294,475**	**100.0**	7,907,906	100.0	(7.8)

Revenue from sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue, representing approximately 85.9% of our total revenue for the Year.

Our operating results for any given period are dependent upon the GFA and the selling prices of the properties we deliver during such period and the market demand for those 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 properties until such properties are completed and the possession of such properties has been delivered to the customers.

During the Year, the properties delivered by the Group were mainly Tianjin Jingrui Yujing Tiandi, Wuhan Jingrui Tianfu Binjiang, Chengdu Jingrui Yujing Fenghua, South and Wuxi Jingrui Hubin Tianyu. Revenue from sales of properties decreased by 8.0% to approximately RMB6,265.8 million in 2023 from approximately RMB6,807.9 million in 2022, mainly due to the decrease in the average selling price of properties delivered during the Year which focused on second-tier and third-tier cities.

Revenue from property management services represents revenue generated from property management services we provide through our 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 2023, revenue from property management of the Group was approximately RMB793.7 million, which keep basically flat as compared to last year.

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 2023, rental income of the Group was approximately RMB170.4 million, representing a decreased of 27.6% as compared to RMB 235.3 million for last year, mainly due to the disposal of some investment properties in the second half of 2022 and in 2023 for cash flow release, which resulted in a decrease in operating area of the Year as compare to last year.

Cost of Sales

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

Our cost of sales decreased by 12.4% from RMB7,792.7 million in 2022 to RMB6,830.2 million in 2023, which was in line with the decrease of revenue.

The table below sets forth information relating to our cost of sales and as a percentage of total cost of sales:

	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Construction costs	**2,215,494**	**32.5**	2,340,518	30.0
Land use right costs	**3,110,622**	**45.6**	3,769,589	48.4
Capitalized interest	**794,268**	**11.6**	835,829	10.7
Sub-total: Total cost of properties	**6,120,384**	**89.7**	6,945,936	89.1
Surcharges	**28,729**	**0.4**	38,065	0.5
Provision for impairment of properties held or under development for sale, net	**36,656**	**0.5**	246,566	3.2
Other costs[1]	**644,390**	**9.4**	562,173	7.2
Total	**6,830,159**	**100.0**	7,792,740	100.0

Note:

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

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB115.2 million in 2022 to RMB464.3 million in 2023. The Group recorded a gross profit margin of approximately 6.4% for the year ended 31 December 2023, compared to approximately 1.5% for the year ended 31 December 2022. The gross profit margin increased compared with last year, primarily due to as the relevant provisions of impairment for property projects have been made in 2022 based on the principle of prudence and no major provisions were required for the year.

Fair Value Losses on Investment Properties under Capital Platform

For the year ended 31 December 2023, the fair value losses on investment properties under capital platform was RMB100.3 million (2022: RMB175.3 million). The fair value losses in 2023 was mainly due to the depreciation of Shanghai Jingrui Keyuan Tower Project and Beijing Jingrui Foresea Zhongjin Project in Zhongguancun.

Fair Value Losses on Investment Properties under Other Platforms

For the year ended 31 December 2023, the fair value losses on investment properties under other platforms were RMB6.0 million (2022: RMB0 million).

Selling and Marketing Costs

Our selling and marketing costs decreased by 42.7% from RMB560.5 million in 2022 to RMB321.0 million in 2023, mainly due to the decrease in the Group's new launches of property projects.

Administrative Expenses

Our administrative expenses decreased by 66.3% from RMB922.5 million in 2022 to RMB310.8 million in 2023, which was mainly due to the decrease in the provision for impairment losses on receivables as the relevant provisions have been made in 2022 based on the principle of prudence and no major provisions were required for the Year and the lower operating costs due to the downsizing of the Group's operations such as labour costs.

Other Income and Other Losses, Net

We recorded other income of RMB16.0 million in 2023, compared to other income of RMB20.2 million in 2022. Other income recorded in 2023 was mainly the income on the government grants.

We recorded other losses of RMB454.0 million in 2023, compared to other losses of RMB623.2 million in 2022. Other losses recorded in 2023 were primarily derived from the fair value losses on financial assets at fair value through profit or loss and loss on disposal of equity interest in a joint venture.

Finance Costs, Net

Our finance income decreased by 94.3% from RMB299.3 million in 2022 to RMB17.1 million in 2023, primarily due to the decrease on interest income from bank deposits. Our finance costs decreased by 57.0% from RMB2,129.4 million in 2022 to RMB915.5 million in 2023 mainly due to the decrease in interest expense as a result of the reduction in total borrowings and decrease in foreign exchange losses on USD denominated debt compared to 2022.

Share of Results of Joint Ventures/Associates

For the year ended 31 December 2023, our share of results of joint ventures/associates was a loss of RMB105.3 million (2022: a loss of RMB115.3 million), and the loss was primarily 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 as well as the incurring of valuation losses on investment properties.

Income Tax Expense

Our income tax expense decreased by 32.5% from RMB186.4 million in 2022 to RMB125.8 million in 2023, primarily due to lower land value-added tax on the carry-over of projects during the year.

Loss for the Year

In 2023, Our loss for the Year was RMB1,841.3 million, of which loss attributable to equity holders of the Company was RMB1,721.2 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 31 December 2023, our cash at bank and on hand (including restricted cash) was RMB626.3 million. Our cash at bank and on hand is mainly denominated in RMB. Restricted cash of the Group mainly comprised deposits pledged for borrowings and guarantees in respect of mortgage facilities 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 RMB16,876.1 million as at 31 December 2023. As at 31 December 2023, all of the Group's secured borrowings were secured by one or a combination of the following methods: land use rights, properties under development, investment properties, properties held for sale, shares of the Company's subsidiaries, bank deposits and/or guarantees granted by the Company's subsidiaries. As at 31 December 2023, the assets used as collaterals for the borrowings amounted to RMB7,659.3 million (31 December 2022: RMB12,740.2 million). Our borrowings are mainly denominated in RMB and USD.

Breakdown of Our Borrowings by Categories

	As at 31 December		
	2023	2022	Change
	RMB'000	*RMB'000*	*%*
Current Borrowings:			
Bank loans, secured	**86,990**	488,101	(82.2)
Add: current portion of long-term borrowings	**12,217,453**	12,808,612	(4.6)
Total Current Borrowings	**12,304,443**	13,296,713	(7.5)
Non-Current Borrowings:			
Bank loans, secured	**3,068,712**	4,347,950	(29.4)
Other loans, secured	**997,500**	963,500	3.5
Trust financing arrangements, secured	**1,329,382**	1,410,412	(5.7)
Senior notes due 2022, issued in July 2019, secured	**1,841,502**	1,810,796	1.7
Senior notes due 2022, issued in March 2020, secured	**89,738**	88,241	1.7
Senior notes due 2022, issued in June 2020, secured	**1,062,405**	1,044,946	1.7
Senior notes due 2023, issued in November 2020, secured	**1,699,848**	1,670,681	1.7
Senior notes due 2023, issued in March 2021, secured	**779,097**	766,403	1.7
Senior notes due 2023, issued in April 2021, secured	**1,111,984**	1,089,484	2.1
Senior notes due 2023, issued in May 2021, secured	**233,729**	229,758	1.7
Senior notes due 2023, issued in August 2021, secured	**354,135**	348,189	1.7
Senior notes due 2024, issued in September 2021, secured	**1,168,605**	1,148,781	1.7
Senior notes due 2023, issued in March 2022, secured	**1,211,946**	1,171,168	3.5
Senior notes due 2023, issued in April 2022, secured	**140,946**	138,358	1.9
Corporate bonds due August 2026	**351,214**	351,214	–
Corporate bonds due May 2026	**1,348,389**	1,344,707	0.3
Less: current portion of long-term borrowings	**(12,217,453)**	(12,808,612)	(4.6)
Total Non-Current Borrowings	**4,571,679**	5,115,976	(10.6)
Total	**16,876,122**	18,412,689	(8.3)

Breakdown of Our Borrowings by Maturity Profile

	As at 31 December			
	2023		2022	
	RMB'000	***%***	*RMB'000*	*%*
Within 1 year	**12,304,443**	**72.9**	13,296,713	72.2
Between 1 and 2 years	**3,744,576**	**22.2**	4,273,976	23.2
Between 2 and 5 years	**679,103**	**4.0**	45,000	0.3
Over 5 years	**148,000**	**0.9**	797,000	4.3
Total	**16,876,122**	**100.0**	18,412,689	100.0

The proportion of the Group's long-term borrowings in the total borrowings was approximately 27.1% as at 31 December 2023.

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

	Year ended 31 December		
	2023	2022	Year-on-year Change
	RMB'000	*RMB'000*	*%*
Finance costs			
– Interest expensed	**742,060**	1,235,159	(39.9)
– Net foreign exchange losses on financing activities	**164,768**	883,959	(81.4)
– Interest on lease liabilities	**8,676**	10,300	(15.8)
– Amounts capitalised	**506,893**	889,722	(43.0)
Total	**1,422,397**	3,019,140	(52.9)

Net Debt-to-Capital Ratio

As at 31 December 2023, our net debt-to-capital ratio was 386% (31 December 2022: 267%). Net debt-to-capital ratio is calculated as net debt at the end of the period divided by 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 31 December 2023, the material contingent liabilities incurred for our provision of guarantees to financial institutions in respect of the mortgage loans they provided to our property purchasers were approximately RMB2,236.3 million (31 December 2022: RMB2,906.7million). In addition, we provided guarantee for certain bank loans amounting to RMB321.0 million (31 December 2022: RMB424.5 million) which were granted to our joint ventures and associates. We provided guarantee for certain bank loans amounting to RMB111.8 million (31 December 2022: RMB119.5million) 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 contingent liabilities disclosed above, as at 31 December 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, 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 impact on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

Foreign Exchange Risk

The Group is 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 the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risks, except for bank deposits and our senior notes which were issued from 2019 to 2022 and denominated in USD.

Nonetheless, as we expand our operations, we may incur a certain portion of our cash flows in currencies other than RMB and thereby, may increase our exposure to fluctuations on exchange rates. We currently do not have foreign currency hedging policies, 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 31 December 2023, the balance of the Group's financial assets at fair value through profit or loss mainly represented the investments in liquid opportunity fund, purchase of wealth management products, and other investments in private funds. The balance of the Group's financial assets at fair value through other comprehensive income mainly represented the investment in unlisted equity securities.

Material Acquisitions and Disposals

The Group had no material acquisitions and disposals in 2023.

Future Plans for Material Investment

The Directors confirmed that as at the date of this annual results announcement, there is no current 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 respective project companies.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") is scheduled to be held on Tuesday, 18 June 2024. A notice convening the AGM will be published in the manner required by the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.

DIVIDEND

The Board has resolved not to recommend the distribution of final dividend for the year ended 31 December 2023 (2022: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Saturday, 8 June 2024 to Tuesday, 18 June 2024, both days inclusive, in order to determine the identity of the shareholders who are entitled to attend and vote at the forthcoming AGM to be held on Tuesday, 18 June 2024. In order to qualify for attending and voting at the AGM, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 7 June 2024.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE 31 DECEMBER 2023

Maturity and Delisting USD Senior Notes

The 12.0% USD senior notes (the "**Notes**") due January 2024 were matured on 28 January 2024. Given that the Company is in the process of considering a potential holistic restructuring of all USD denominated senior notes that treat all creditors fairly, the Company has suspended the payment due for the Notes. When the Notes matured, the outstanding principal and interest have not been paid, the Notes were delisted from the Stock Exchange. Further details of maturity and delisting of the Notes are disclosed in the Company's announcement dated 25 January 2024.

Save as disclosed above, no other important event affecting the Group has occurred since 31 December 2023 and up to the date of this annual results announcement.

CORPORATE GOVERNANCE

Corporate Governance

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") as its own code of corporate governance during the year. The Company has been in compliance with the principles and code provisions as set out in the Part 2 of the CG Code during the year except for the deviation from code provision C.2.1 and B.2.4(b) as set out below.

Code Provision C.2.1

In accordance with code provision C.2.1 set out in Part 2 of the CG Code the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Notwithstanding that Mr. Yan Hao ("**Mr. Yan**") held both positions of chairman (re-designated from co-chairman on 30 March 2013) and chief executive officer of the Company for the year ended 31 December 2023.

Since the listing of the Company, Mr. Yan has acted as the co-chairman of the Board and the chief executive officer. On 30 March 2023, Mr. Yan re-designated as the chairman of the Board from the co-chairman. Upon this re-designation, 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 the date of this annual results announcement, 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.

Code Provision B.2.4(b)

In accordance with code provision B.2.4(b) set out in Part 2 of the CG Code, an issuer shall appoint a new independent non-executive director at the next AGM if all independent non-executive directors on the board of the issuer have been in office for more than nine years. Mr. Han Jiong, Mr. Qian Shi Zheng and Dr. Lo Wing Yan William were all appointed as independent non-executive Directors with effect from 6 October 2013 and they have all been independent non-executive Directors for more than nine years as of 1 January 2023.

Due to the inability to identify new suitable candidates for nomination and appointment as new qualified independent non-executive Directors, the Company unable to appoint a new independent non-executive Director at the AGM held on 27 June 2023, this is a deviation from the code provision B.2.4(b) of the CG Code and the Company is currently identifying suitable candidates to be appointed as additional independent non-executive Directors, so as to comply with code provision B.2.4(b) of Part 2 of the CG Code and an announcement will be published separately in due course.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Company the annual results of the Company and the accounting principles and practices adopted by the Company, and discussed with them the audit, risk management, internal control and financial reporting matters of the Group, including review of the financial statements for the Year.

The figures in respect of the Group's consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet and the related notes thereto for the year ended 31 December 2023 as set out in this annual results announcement have been agreed by the Group's auditor, Elite Partners CPA Limited ("**Elite Partners**"), to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Elite Partners in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of independent auditor's report issued by the Group's independent auditor:

Opinion

We have audited the consolidated financial statements of Jingrui Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the consolidated financial statements, which indicates that during the year ended 31 December 2023, the Group recorded a loss for the year of approximately RMB1,841,331,000, and as at 31 December 2023, the Group's borrowings amounted to RMB16,876,122,000, among which RMB12,304,443,000 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 RMB626,251,000. This condition, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion 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 C3 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 Year.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries (other than the trust of the share award scheme) did not purchase, sell or redeem any of the Company's listed securities during the year ended 31 December 2023.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2023 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jingruis.com) and the 2023 Annual Report containing all the information required by the Listing Rules will be published on the 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, 28 March 2024

As at the date of this announcement, the Board 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*