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JINGRUI HOLDINGS LIMITED

景瑞控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01862)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND RESUMPTION OF TRADING

INTERIM RESULTS HIGHLIGHTS

- For the six months ended 30 June 2024, the contracted sales of the Group amounted to approximately RMB916.1 million, representing a decrease of approximately 62.8% as compared to the corresponding period last year.
- For the six months ended 30 June 2024, the Group achieved revenue of RMB2,466.3 million, representing a decrease of approximately 4.1% as compared to the corresponding period last year. Gross profit amounted to RMB140.2 million and gross profit margin was 5.7%.
- For the six months ended 30 June 2024, the net loss of the Group was RMB1,571.9 million.
- As at 30 June 2024, the Group's total assets amounted to RMB36,128.2 million, representing a decrease of 8.6% as compared to 31 December 2023.
- As at 30 June 2024, land bank of the Group was approximately 1,832,444 sq.m..
- As at 30 June 2024, the net debt-to-capital ratio was approximately 677%. The total amount of cash at bank and on hand (including cash and cash equivalents and restricted cash) was RMB405.7 million.
- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2024.

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 2024 (the “**Period under Review**”) together with the comparative figures for the six months ended 30 June 2023 as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	2,466,291	2,570,584
Cost of sales	9	(2,326,078)	(2,530,587)
Gross profit		140,213	39,997
Fair value losses on investment properties under capital platform		(50,591)	(68,000)
Fair value losses on investment properties under other platforms		(173,000)	–
Selling and marketing costs	9	(148,560)	(192,776)
Administrative expenses	9	(314,447)	(240,576)
Other income	7	5,448	8,186
Other gains or losses – net	8	(616,249)	(37,166)
Operating loss		(1,157,186)	(490,335)
Finance income	10	7,291	5,629
Finance costs	10	(397,060)	(776,210)
Finance costs – net		(389,769)	(770,581)
Share of results of joint ventures		(7,254)	(139,407)
Share of results of associates		(6,437)	(6,427)
		(13,691)	(145,834)
Loss before income tax		(1,560,646)	(1,406,750)
Income tax (expense) credit	11	(11,300)	52,852
Loss for the period		(1,571,946)	(1,353,898)
Attributable to:			
Equity holders of the Company		(1,483,247)	(1,363,865)
Non-controlling interests		(88,699)	9,967
		(1,571,946)	(1,353,898)
Loss per share attributable to equity holders of the Company			
Basic loss per share	12	RMB(0.96)	RMB(0.89)
Diluted loss per share	12	RMB(0.96)	RMB(0.89)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	<u>(1,571,946)</u>	<u>(1,353,898)</u>
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	<u>(22,500)</u>	<u>2,311</u>
Total comprehensive loss for the period, net of tax	<u>(1,594,446)</u>	<u>(1,351,587)</u>
Attributable to:		
Equity holders of the Company	(1,505,747)	(1,361,554)
Non-controlling interests	<u>(88,699)</u>	<u>9,967</u>
	<u><u>(1,594,446)</u></u>	<u><u>(1,351,587)</u></u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at 30 June 2024

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		77,638	80,129
Right-of-use assets		120,541	121,838
Investment properties		4,410,000	4,646,900
Intangible assets		85,408	85,547
Investments in joint ventures		852,557	943,240
Investments in associates		536,012	820,068
Deferred income tax assets		518,770	519,030
Financial assets at fair value through profit or loss		590,548	686,134
Financial assets at fair value through other comprehensive income		412,788	442,788
Trade and other receivables and prepayments	5	708,528	703,857
		<u>8,312,790</u>	<u>9,049,531</u>
Current assets			
Properties under development and properties held for sale		19,039,564	20,979,614
Prepayments for leasehold land		54,304	54,304
Contract acquisition costs		219,786	269,531
Trade and other receivables and prepayments	5	7,210,870	7,506,588
Prepaid income taxes		348,857	394,784
Financial assets at fair value through profit or loss		536,350	626,957
Restricted cash		122,447	291,719
Cash and cash equivalents		283,270	334,532
		<u>27,815,448</u>	<u>30,458,029</u>
Total assets		<u><u>36,128,238</u></u>	<u><u>39,507,560</u></u>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (CONTINUED)*As at 30 June 2024*

		As at 30 June 2024	As at 31 December 2023
	<i>Notes</i>	RMB'000 (Unaudited)	RMB'000 (Audited)
OWNERS' EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		87,813	87,813
Reserves		<u>(1,440,952)</u>	<u>64,795</u>
		(1,353,139)	152,608
Non-controlling interests		<u>3,794,035</u>	<u>4,052,215</u>
Total equity		<u>2,440,896</u>	<u>4,204,823</u>
LIABILITIES			
Non-current liabilities			
Borrowings		2,330,113	4,571,679
Deferred income tax liabilities		939,655	1,012,013
Lease liabilities		<u>1,502</u>	<u>13,423</u>
		3,271,270	5,597,115
Current liabilities			
Trade and other payables	6	8,254,402	8,233,763
Amounts due to non-controlling interests of subsidiaries		679,843	937,583
Contract liabilities		4,786,512	6,124,433
Current income tax liabilities		2,079,256	2,092,957
Borrowings		14,607,803	12,304,443
Lease liabilities		<u>8,256</u>	<u>12,443</u>
		30,416,072	29,705,622
Total liabilities		<u>33,687,342</u>	<u>35,302,737</u>
Total equity and liabilities		<u>36,128,238</u>	<u>39,507,560</u>

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 4 November 2024.

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 2024 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 Standards (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

During the six months ended 30 June 2024, the Group recorded a loss for the period of approximately RMB1,571,946,000, and as at 30 June 2024, the Group’s borrowings amounted to RMB16,937,916,000, among which senior notes of RMB9,754,293,000 had been overdue as at 30 June 2024, while the Group’s cash at bank and on hand (including cash and cash equivalents and restricted cash) amounted to RMB405,717,000 only.

Influenced by continuing slowdown in the property market, coupled with the limited source of financing from the capital market, the Group may take longer time than expected to realise cash from the sale of its properties and/or have the cash from external financing to meet its loan repayment obligations.

The above conditions 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 of the Company (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 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 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, including the extension or rearrangement of repayment schedules;
- ii 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 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;
- iii 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;
- iv 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;
- v The Group is conducting active negotiations with a number of banks and financial institutions for the replacement and deferred repayment of certain borrowings;
- vi The Group will continuously seek re-financing from other financial institutions, including but not limited to exchange of existing senior notes or other borrowings;
- vii 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;
- viii The Group will continue to seek suitable opportunities to dispose of its equity interest in certain companies to generate additional cash inflows; and
- ix 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 and 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 the date of these condensed consolidated interim financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

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 condensed consolidated financial statements.

3 ACCOUNTING POLICIES

The accounting policies and calculation methods applied in the condensed consolidated financial statements for the six months ended 30 June 2024 are consistent with those set out in the Group’s annual financial statements for the year ended 31 December 2023, except the adoption of, for the first time, the following revised HKFRSs for the preparation of the Group’s condensed consolidated financial statements.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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 2024 and 2023 consists of the following revenue:

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contract with customers recognised at a point in time		
– Sales of properties	2,001,831	2,066,674
– Others	<u>11,908</u>	<u>28,129</u>
	<u>2,013,739</u>	<u>2,094,803</u>
Revenue from contract with customers recognised over time		
– Property management service	<u>392,034</u>	<u>391,722</u>
Revenue from other source		
– Rental income	<u>60,518</u>	<u>84,059</u>
	<u>2,466,291</u>	<u>2,570,584</u>

(b) Segment information

	Six months ended 30 June 2024 (Unaudited)					
	Property development platform <i>RMB'000</i>	Capital platform <i>RMB'000</i>	All other platforms <i>RMB'000</i>	Total segment <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total Group <i>RMB'000</i>
Segment revenue	<u>2,042,908</u>	<u>63,922</u>	<u>394,561</u>	<u>2,501,391</u>	<u>(35,100)</u>	<u>2,466,291</u>
Segment loss before income tax expense	<u>(1,284,168)</u>	<u>(237,425)</u>	<u>(39,053)</u>	<u>(1,560,646)</u>	<u>-</u>	<u>(1,560,646)</u>
Amounts included in segment (loss) profit before income tax expense:						
Finance income	576	20	6,695	7,291	-	7,291
Finance costs	(351,354)	(40,617)	(5,089)	(397,060)	-	(397,060)
Share of results of joint ventures	(8,587)	-	1,333	(7,254)	-	(7,254)
Share of results of associates	(5,446)	-	(991)	(6,437)	-	(6,437)
Depreciation and amortisation	<u>(3,039)</u>	<u>(87)</u>	<u>(7,172)</u>	<u>(10,298)</u>	<u>-</u>	<u>(10,298)</u>
A reconciliation to loss for the period is as follows:						
Total segment loss before income tax						(1,560,646)
Income tax expense						<u>(11,300)</u>
Loss for the period						<u>(1,571,946)</u>

	As at 30 June 2024 (Unaudited)					
Segment assets	<u>58,329,604</u>	<u>6,114,564</u>	<u>10,988,115</u>	<u>75,432,283</u>	<u>(39,304,045)</u>	<u>36,128,238</u>
Segment assets include:						
Investments in joint ventures	805,884	-	46,673	852,557	-	852,557
Investments in associates	530,885	-	5,127	536,012	-	536,012
Additions to non-current assets (other than financial instruments and deferred income tax assets)	<u>121</u>	<u>4,722</u>	<u>1,604</u>	<u>6,447</u>	<u>-</u>	<u>6,447</u>
Segment liabilities	<u>57,592,045</u>	<u>4,671,088</u>	<u>10,874,048</u>	<u>73,137,181</u>	<u>(39,449,839)</u>	<u>33,687,342</u>

Six months ended 30 June 2023 (Unaudited)

	Property development platform <i>RMB'000</i>	Capital platform <i>RMB'000</i>	All other platforms <i>RMB'000</i>	Total segment <i>RMB'000</i>	Elimination <i>RMB'000</i>	Total Group <i>RMB'000</i>
Segment revenue	<u>2,136,237</u>	<u>84,059</u>	<u>404,943</u>	<u>2,625,239</u>	<u>(54,655)</u>	<u>2,570,584</u>
Segment (loss) profit before income tax credit	<u>(1,430,954)</u>	<u>(88,196)</u>	<u>18,996</u>	<u>(1,500,154)</u>	<u>93,404</u>	<u>(1,406,750)</u>
Amounts included in segment (loss) profit before income tax credit:						
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	<u>(4,115)</u>	<u>(1,483)</u>	<u>(5,447)</u>	<u>(11,045)</u>	<u>–</u>	<u>(11,045)</u>
A reconciliation to loss for the period is as follows:						
Total segment loss before income tax						(1,406,750)
Income tax credit						<u>52,852</u>
Loss for the period						<u>(1,353,898)</u>

As at 31 December 2023 (Audited)

Segment assets	<u>61,646,395</u>	<u>6,418,076</u>	<u>11,332,630</u>	<u>79,397,101</u>	<u>(39,889,541)</u>	<u>39,507,560</u>
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)	<u>421</u>	<u>3,599</u>	<u>726</u>	<u>4,746</u>	<u>–</u>	<u>4,746</u>
Segment liabilities	<u>59,139,531</u>	<u>4,865,717</u>	<u>11,016,625</u>	<u>75,021,873</u>	<u>(39,719,136)</u>	<u>35,302,737</u>

5 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade receivables	728,647	704,427
Less: provision for impairment of trade receivables	<u>(79,332)</u>	<u>(69,678)</u>
Trade receivables – net	649,315	634,749
Prepaid taxes and surcharges and input value-added taxes to be deducted (a)	458,208	669,895
Prepayments of construction costs	315,700	278,145
Amounts due from related parties	1,122,773	1,098,767
Amounts due from non-controlling interests of subsidiaries	2,336,945	2,486,903
Deposits paid to secured borrowings	206,310	206,301
Deposits paid for potential investments	284,437	265,821
Other deposits paid (b)	275,556	277,212
Receivables from third parties (c)	1,461,859	1,452,527
Other receivables (d)	1,483,790	1,342,698
Less: provision for impairment (e)	<u>(675,495)</u>	<u>(502,573)</u>
	7,919,398	8,210,445
Less: non-current portion	<u>(708,528)</u>	<u>(703,857)</u>
	<u>7,210,870</u>	<u>7,506,588</u>

Notes:

- (a) Turnover taxes and surcharges are levied when the Group receives advances from customers and the prepayments are recorded as prepaid taxes before the relevant revenue is recognised.
- (b) Other deposits paid includes deposits paid for public housing fund centres and deposits paid for construction work.
- (c) The balance as at 30 June 2024 includes the loan principal and interest receivables, totaling RMB1,461,859,000 (31 December 2023: totaling RMB1,452,527,000), due from third parties.
- (d) Other receivables include temporary funding receivables, dividend receivables and miscellaneous.
- (e) For amounts due from related parties, amounts due from non-controlling interests of subsidiaries, deposits paid to secured borrowings, deposits paid for potential investments, other deposits paid, receivables from third parties and other receivables, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12-month expected credit loss.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Less than 1 year	512,811	535,365
Between 1 and 2 years	100,711	85,899
Between 2 and 3 years	72,118	67,835
Over 3 years	43,007	15,328
	<u>728,647</u>	<u>704,427</u>

As at 30 June 2024 and 31 December 2023, the fair value of trade and other receivables approximate their carrying amounts.

Trade and other receivables with a total carrying amount of RMB9,689,000 as at 30 June 2024 (31 December 2023: RMB9,148,000) were pledged as collateral for the Group's borrowings.

As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and other receivables and prepayments are denominated in below currencies:

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
– RMB	6,018,292	6,322,280
– USD	1,469,989	1,460,929
– HKD	431,117	427,236
	<u>7,919,398</u>	<u>8,210,445</u>

6 TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
Trade and notes payables	2,314,510	2,372,403
Amounts due to related parties	1,569,233	1,617,048
Turnover taxes payable	518,471	684,026
Interest payable	2,464,049	2,110,924
Dividend payable to non-controlling interests of certain subsidiaries	223,582	223,582
Other payables and accrued expenses (a)	1,164,557	1,225,780
	8,254,402	8,233,763

Note:

- (a) Other payables and accrued expenses include electricity fee and cleaning fee collected on behalf, deed tax collected on behalf, accrued payroll, temporary funding payable, construction deposits received from suppliers, deposits received from customers, consideration payables for acquisition, payables 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 amounts due to third parties.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 <i>RMB'000</i> <i>(Audited)</i>
Less than 1 year	1,934,930	1,986,289
Between 1 and 2 years	194,419	197,817
Between 2 and 3 years	150,443	154,206
Over 3 years	34,718	34,091
	2,314,510	2,372,403

As at 30 June 2024 and 31 December 2023, the carrying amounts of trade and other payables are denominated in the following currencies:

	As at 30 June 2024 <i>RMB'000</i> (Unaudited)	As at 31 December 2023 <i>RMB'000</i> (Audited)
– RMB	7,159,803	7,160,275
– USD	1,082,917	1,063,467
– HKD	11,682	10,021
	<u>8,254,402</u>	<u>8,233,763</u>

7 OTHER INCOME

	Six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Government grants	5,042	5,948
Compensation income	406	1,855
Others	–	383
	<u>5,448</u>	<u>8,186</u>

8 OTHER GAINS OR LOSSES – NET

	Six months ended 30 June	
	2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
Losses from disposal of shares in subsidiaries	(40,108)	(1,991)
Net fair value losses from financial assets at fair value through profit or loss	(360,911)	(76,357)
Investment income from financial assets at fair value through profit or loss	–	26
Losses from disposal of shares in an associate	(58,307)	–
Impairment of investment in joint ventures and associates	(150,751)	–
Net foreign exchange gains	12,415	65,897
Compensation and late payment charges	(17,515)	(17,775)
(Losses) gains from disposal of property, plant and equipment	(237)	47
Other losses	(835)	(7,013)
	<u>(616,249)</u>	<u>(37,166)</u>

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	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Cost of properties sold	1,922,316	2,182,090
Cost of property management	285,126	250,276
Surcharges	10,500	16,130
Depreciation of property, plant and equipment and right-of-use assets	10,159	10,241
Amortisation of intangible assets	139	804
Bank charges	1,490	1,752
Staff costs	128,069	184,105
Entertainment expenses	5,327	8,289
Stamp duty and other taxes	12,026	10,192
Professional fees	19,542	35,451
Auditors' remuneration	400	500
Sales commission	64,413	65,453
Advertising and publicity costs	4,695	7,683
Office and meeting expenses	11,303	17,331
Rental expenses	1,251	1,778
Travelling expenses	1,286	1,828
Accrual of provision for impairment of properties held for sale or under development	101,869	74,586
Net impairment losses on financial assets	182,576	49,074
Other expenses	26,598	46,376
	<hr/>	<hr/>
Total cost of sales, selling and marketing costs and administrative expenses	2,789,085	2,963,939

10 FINANCE COSTS – NET

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance income		
– Interest income on bank deposits and financial assets	<u>7,291</u>	<u>5,629</u>
Finance costs		
– Interest on financing arrangements	(472,000)	(656,532)
– Net foreign exchange losses on financing activities	(61,225)	(363,404)
– Interest on lease liabilities	(1,023)	(4,534)
– Less: amounts capitalised	<u>137,188</u>	<u>248,260</u>
	<u>(397,060)</u>	<u>(776,210)</u>
Net finance costs	<u>(389,769)</u>	<u>(770,581)</u>

11 INCOME TAX (EXPENSE) CREDIT

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax		
– PRC land appreciation tax	(29,462)	(21,429)
– PRC corporate income tax	<u>(47,931)</u>	<u>(3,255)</u>
	<u>(77,393)</u>	<u>(24,684)</u>
Deferred income tax	<u>66,093</u>	<u>77,536</u>
Total income tax (charged) credited for the period	<u>(11,300)</u>	<u>52,852</u>

PRC corporate income tax

Under the Corporate Income Tax Law of the PRC (the “CIT Law”), the CIT rate applicable to the Group’s subsidiaries located in mainland China from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong. The Directors had confirmed that retained earnings of the Group's PRC subsidiaries as at 30 June 2013 will not be distributed in the foreseeable future. No PRC withholding income tax was accrued for the six months ended 30 June 2024. 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 2024, the Group did not recognise deferred income tax for PRC withholding income tax with an amount of RMB851,752,000 (31 December 2023: RMB810,866,000) on the remaining unremitted distributable profits generated by its PRC subsidiaries attributable to the investors outside the PRC with an amount of RMB8,517,523,000 (31 December 2023: RMB8,108,660,000).

The Group did not recognise deferred income tax assets of RMB1,536,793,000 (31 December 2023: RMB1,420,446,000) in respect of tax losses amounting to RMB6,147,171,000 (31 December 2023: RMB5,681,782,000) as at 30 June 2024. All these tax losses will expire within five years.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the 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 2024 and 2023 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	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Group's loss attributable to equity holders of the Company (<i>RMB'000</i>)	<u>(1,483,247)</u>	<u>(1,363,865)</u>
Weighted average number of ordinary shares in issue (<i>in thousand</i>)	<u>1,538,813</u>	<u>1,536,612</u>
Basic loss per share (<i>RMB</i>)	<u>(0.96)</u>	<u>(0.89)</u>

(b) Diluted loss per share

As the Group incurred loss for the six months ended 30 June 2024, the potential dilutive effect of ordinary shares in respect of share award scheme were not included in the calculation of the diluted loss per share as the inclusion of relevant effect would be anti-dilutive and the diluted loss per share is the same as the basic loss per share.

13 DIVIDENDS

The Board has resolved not to pay any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

With the economy and society gradually resuming normal operations, the macro policies taking effect and the momentum of economic growth continuing to be strengthened in the first half of 2024, the macroeconomic operation of the People's Republic of China (“**PRC**”) remained generally stable, with a gross domestic product of RMB61,683.6 billion in the first half of the year, representing a year-on-year increase of 4.0%. The economy has maintained a progressive momentum with stability, and achieved new progress in high-quality development. Following the continuous downward trend in the development of the real estate industry and the operation of real estate enterprises since 2021, the real estate industry as a whole has shown a trend of seeking recovery in the depression, and the overall downward pressure still cannot be ignored. In the first half of 2024, sales area of commercial properties amounted to 479.16 million square metres (“**sq.m.**”), representing a year-on-year decrease of 19.5%, of which the sales area of residential properties declined by 21.9%. Sales of commercial properties amounted to RMB5,333.0 billion, representing a year-on-year decrease of 15.8%, of which the sales of residential properties decreased by 25.9%. The area of new housing construction by real estate developers was 437.33 million sq.m., representing a year-on-year decrease of 12.3%, while the area of housing completion was 300.17 million sq.m., representing a year-on-year decrease of 12.9%.

In terms of the real estate policies, in 2024, the central government will focus on its regulations and control on real estate industry by stabilizing the real estate market, building a new development model, addressing risks in a prudent manner, and promoting urban renewal and renovation in urban villages. The purpose of these measures is to promote the stable and healthy development of the real estate market, satisfy people's housing needs and promote high-quality economic development, which are mainly reflected in the following areas: I. Stabilizing the real estate market. Adhering to the principle that houses are built for living instead of speculating; continuously hindering speculation by emphasizing the residential property of real estate so as to maintain a sound and healthy development of the real estate market with policies targeted at the specific conditions of cities; giving municipal governments the autonomy in the real estate market by allowing them to adjust real estate policies according to the local conditions in an effort to meet the rigid and improved housing needs; optimizing policies on real estate by adjusting the downpayment ratios of the first and second houses, the mortgage interest rates and other measures to reduce the limitations and costs of purchasing houses and promote the consumption of housing; maintaining a solid job of guaranteeing the delivery, people's livelihoods and stability by strengthening the supervision on the presale funds, and pushing forward the completion of the project on schedule and with quality by the real estate enterprises to protect the rights and interests of home buyers and maintain social stability. II. Building a new development model for real estate. Accelerating the establishment of a housing system combining renting and purchasing, increasing the construction and supply of affordable houses to meet the rigid housing needs of working class, meanwhile, supporting the diversified and improved housing needs of residents in urban and rural

areas; improving the basic systems related to real estate, which includes various systems such as land supply, finance and taxation, and industry regulation, in order to create an organic and circulate healthy system; promoting the transformation and upgrading of real estate enterprises by encouraging them to transform from developers to service providers, and developing agent construction, urban renewal, affordable housing, long-term rental apartments, business investment and operation, and other fields to build a diversified development pattern; exploring a new financial development model for real estate by supporting the real estate enterprises to improve the product liquidity through funding with multi-level and full-chain investment modes such as the private investment funds on property, ABS, private REITs, public REITs. III. Addressing risks in real estate in a prudent manner. Addressing risks in real estate market actively and prudently by equally catering for the reasonable financing demands of real estate enterprises of various ownership to promote the sound and healthy development of the real estate market; strengthening the disposal of risks in real estate enterprises, prudently disposing of the debt risks in real estate enterprises, and preventing the risks from further spreading and expanding; improving pre-sale system by strengthening the supervision on pre-sale funds, and exploring the sales model of existing houses in order to reduce the pre-sale risks. IV. Promoting urban renewal and renovation in urban villages. Steadily implementing the urban renewal by pushing forward the construction of recreational public facilities that can be easily converted into emergency structures and the renovation in urban villages to improve urban quality and residents' life quality; increasing the construction of barrier-free facilities that are ageing-friendly and creating livable, intelligent and resilient cities by improving the fine management and service level. The recovery of real estate sales data in the first half of 2024 was not as expected, and the operations of real estate enterprises are still under tremendous pressure.

BUSINESS REVIEW

Jingrui Properties (景瑞地產)

Property Development

In the first half of 2024, the Group achieved contracted sales (including those of joint ventures and associates on a 100% basis) of approximately RMB916.1 million and our total contracted gross floor area (“GFA”) sold was approximately 57,130 sq.m. Our contracted sales were primarily generated from Jiangsu Province and municipalities directly under the Central Government, which were approximately RMB510.7 million and RMB226.5 million (excluding car parks), respectively, representing 55.7% and 24.7% 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 2024:

Project Name	Contracted GFA Sold <i>sq.m.</i>	Contracted Sales <i>RMB’000</i>	Contracted Average Selling Price <i>RMB/sq.m.</i>
Tianjin			
Tianjin Jingrui Yujing Tiandi	6,193	124,417	20,090
Tianjin Sea Blue City	5,079	44,061	8,675
Tianjin Jingrui No. 1 Tang Gu Bay	45	183	4,067
Tianjin Jingrui Hanlin	133	206	1,549
Chongqing			
Chongqing Jingrui Jiangshan Yufu	5,525	40,868	7,397
Chongqing Tianchen Yujing	1,379	16,794	12,178
Sub-total of municipalities directly under the Central Government	18,354	226,529	12,342
Hangzhou			
Hangzhou Jingrui Haiyi Cuiting	249	1,138	4,570
Ningbo			
Ningbo Jingrui Ninghai Yujing Chaoming	2,697	25,757	9,550
Jinhua			
Jinhua Jingrui Wuyi Wushuang	333	9,272	27,844
Sub-total of Zhejiang Province	3,279	36,167	11,030

Project Name	Contracted GFA Sold <i>sq.m.</i>	Contracted Sales <i>RMB'000</i>	Contracted Average Selling Price <i>RMB/sq.m.</i>
Suzhou			
Suzhou Changshu In Times	4,170	37,561	9,007
Suzhou Jingrui Changshu Jiangnan Mansion	10,530	162,839	15,464
Suzhou Jingrui Taicang Yueting	101	1,286	12,733
Wuxi			
Wuxi Jingrui Hubin Tianyu	2,432	63,536	26,125
Nanjing			
Nanjing Jingrui Xitang Mansion	131	1,953	14,908
Yangzhou			
Yangzhou Jingrui Yujing Fenghua	109	1,110	10,183
Yangzhou Tianfu Xingchen	9,366	165,099	17,627
Changzhou			
Changzhou Jingrui Chenyun Tianfu	3,969	77,326	19,482
Sub-total of Jiangsu Province	30,808	510,710	16,577
Wuhan			
Wuhan Jingrui Tianfu Binjiang	3,405	45,092	13,243
Chengdu			
Chengdu Jingrui Yujing Fenghua, North	278	5,854	21,058
Chengdu Jingrui Yujing Fenghua, South	1,006	15,145	15,055
Sub-total of other provinces	4,689	66,091	14,095
Car park (lots)	788	76,553	
Total	57,130⁽¹⁾	916,050	16,034

Note:

(1) Excluding the area of car parks.

Land Bank

As at 30 June 2024, the total land bank of the Group was approximately 1,832,444 sq.m. or approximately 1,113,239 sq.m. on an attributable basis.

Breakdown of the Group's land bank by cities as of 30 June 2024

City	Total GFA <i>sq.m.</i>	Percentage of the Group's Total GFA <i>%</i>	GFA Attributable to the Group's Interests <i>sq.m.</i>	Percentage of GFA Attributable to the Group's Interests <i>%</i>
Municipalities directly under the Central Government				
Shanghai	106,921	5.8	106,921	9.6
Beijing	29,669	1.6	29,669	2.7
Tianjin	70,471	3.9	65,464	5.9
Chongqing	87,663	4.8	64,166	5.7
Sub-total	294,724	16.1	266,220	23.9
Zhejiang Province				
Hangzhou	997	0.1	997	0.1
Ningbo	124,003	6.8	102,990	9.3
Jinhua	84,099	4.6	68,951	6.2
Sub-total	209,099	11.5	172,938	15.6
Jiangsu Province				
Suzhou	134,552	7.4	46,129	4.1
Nanjing	4,149	0.2	4,149	0.4
Wuxi	11,673	0.6	8,334	0.7
Changzhou	198,582	10.8	178,629	16.1
Yangzhou	132,281	7.2	42,654	3.8
Sub-total	481,237	26.2	279,895	25.1
Other Provinces				
Chengdu	6,322	0.3	3,692	0.3
Wuhan	841,062	45.9	390,494	35.1
Sub-total	847,384	46.2	394,186	35.4
Total	1,832,444	100.0	1,113,239	100.0

Revenue from Sales of Properties

Our revenue from the sales of properties from 1 January 2024 to 30 June 2024 was RMB2,001.8 million, representing a decrease of approximately 3.1% as compared to the corresponding period last year, and its distribution is mainly as follows:

	Revenue <i>RMB'000</i>	Percentage of Total Revenue %	GFA <i>sq.m.</i>	Average Selling Price <i>RMB/sq.m.</i>
Jiangsu Province				
Suzhou Jingrui Sino Park	24,867	1.3	1,482	16,779
Suzhou Jingrui Huyu Shangyuan	856,228	42.8	59,487	14,394
Suzhou Jingrui Taicang Yueting	4,743	0.2	384	12,352
Nanjing Jingrui Xitang Mansion	3,343	0.2	183	18,268
Yangzhou Jingrui Yujing Fenghua	17,124	0.9	1,180	14,512
Wuxi Jingrui Hubin Tianyu	47,840	2.4	1,986	24,089
Chongqing				
Chongqing Jingrui Jiangshan Yufu	192,885	9.6	21,769	8,861
Chengdu				
Chengdu Jingrui Yujing Fenghua, North	705,011	35.2	49,096	14,360
Tianjin				
Tianjin Jingrui Yujing Tiandi	128,934	6.4	6,667	19,339
Other	<u>297</u>	<u>–</u>	<u>60</u>	<u>4,950</u>
Sub-total	<u>1,981,272</u>	<u>99.0</u>	<u>142,294</u>	<u>13,924</u>
Car parks (lots)	<u>20,559</u>	<u>1.0</u>	<u>200</u>	
Total	<u><u>2,001,831</u></u>	<u><u>100.0</u></u>		

Jingrui Capital (景瑞不動產)

Jingrui Capital is a real estate platform under Jingrui, which is dedicated to investment, development, renovation and operation of rental apartments. It is committed to the property holding, management and operation of long-term apartments, and creating value for investors with the guidance of achieving high quality asset management scale and concentrating on urban renewal and land matching.

In the first half of 2024, all projects of Jingrui Capital were in normal operation. As at 30 June 2024, the time-point occupancy rate of apartment projects was 93.8% and the time-point occupancy rate of office projects was 76.0%.

Jingrui Service (景瑞服務)

With economic development and consumption upgrading, the value of services has been highly recognised in the capital market in recent years. In March 2020, Jingrui established the “Jingrui Service” business platform with Jingrui Properties as its carrier. By adhering to the management concept of “focusing on ideal life” and taking the “promoter of better 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 the value of the industry returns to rationality, Jingrui Service focuses more on quality development. As of 30 June 2024, 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 nearly 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 life 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-scene and full lifestyle services through services and execution.

Employees and Remuneration Policies

As at 30 June 2024, we had a total of 2,801 full-time employees (31 December 2023: 2,990). Among which, 266 of our employees worked in property development operations, 2,479 of our employees were engaged in property management and 56 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. In addition, we have also adopted a 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 2024 amounted to RMB128.1 million (for the six months ended 30 June 2023: RMB184.1 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 2024, the revenue of the Group was RMB2,466.3 million, representing a decrease of 4.1% as compared to RMB2,570.6 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. 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

	Six months ended 30 June				Year-on-year change %
	2024	Percentage of the total revenue	2023	Percentage of the total revenue	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	
Revenue from contract with customers recognised at a point in time					
– Sales of properties	2,001,831	81.2	2,066,674	80.4	(3.1)
– Others	11,908	0.5	28,129	1.1	(57.7)
	<u>2,013,739</u>	<u>81.7</u>	<u>2,094,803</u>	<u>81.5</u>	<u>(3.9)</u>
Revenue from contract with customers recognised over time					
– Property management service	392,034	15.9	391,722	15.2	0.1
Revenue from other source					
Rental income	60,518	2.4	84,059	3.3	(28.0)
Total	<u>2,466,291</u>	<u>100.0</u>	<u>2,570,584</u>	<u>100.0</u>	<u>(4.1)</u>

Revenue from the sales of properties has constituted, and is expected to continue to constitute, a substantial majority of our total revenue. For the six months ended 30 June 2024, it accounted for 81.2% 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 Suzhou Jingrui Huyu Shangyuan, Chengdu Jingrui Yujing Fenghua, North and Chongqing Jingrui Jiangshan Yufu. Revenue from sales of properties was RMB2,001.8 million for the first half of 2024 (the corresponding period in 2023: RMB2,066.7 million), representing a decrease of 3.1% as compared to the corresponding period last year, mainly due to the decrease 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 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 recognised over the period when our property management services are rendered. In the first half of 2024, revenue from property management of the Group was approximately RMB392.0 million (the corresponding period in 2023: approximately RMB391.7 million), which kept basically flat as compared to the corresponding period last year.

Rental income mainly includes operating revenue generated from leasing our investment properties and certain other completed properties and is recognised on a straight line basis over the relevant lease terms. In the first half of 2024, rental income of the Group was approximately RMB60.5 million (the corresponding period in 2023: approximately RMB84.1 million), representing a decrease of approximately 28.0% as compared to the corresponding period last year, which was primarily due to the continuous disposal of some investment properties and leasehold properties in 2023 and the first half of 2024 for cash flow release, resulting 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 capitalised interest costs on related borrowings for the purpose of property development during the period of construction.

In the first half of 2024, our cost of sales amounted to RMB2,326.1 million, representing a decrease of 8.1% as compared with RMB2,530.6 million for the corresponding period last year, which was in line with the decrease 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			
	2024		2023	
	RMB'000	%	RMB'000	%
Construction costs	690,365	29.7	763,323	30.2
Land use right costs	1,009,487	43.4	1,155,339	45.6
Capitalised interest	222,464	9.6	263,428	10.4
Sub-total: Total cost of properties	<u>1,922,316</u>	<u>82.7</u>	<u>2,182,090</u>	<u>86.2</u>
Surcharges	10,500	0.4	16,130	0.6
Provision for impairment of properties held or under development for sale, net	101,869	4.4	74,586	3.0
Other costs ⁽¹⁾	291,393	12.5	257,781	10.2
Total	<u>2,326,078</u>	<u>100.0</u>	<u>2,530,587</u>	<u>100.0</u>

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 2024, the gross profit of the Group was RMB140.2 million (the corresponding period in 2023: RMB40.0 million), and the gross profit margin of the Group was 5.7% (the corresponding period in 2023: 1.6%). The gross profit margin increased compared to the corresponding period last year, primarily due to the decrease in land cost of property projects carried forward during the Period under Review.

Fair Value Losses on Investment Properties under Capital Platform

For the six months ended 30 June 2024, the fair value losses on investment properties under capital platform were RMB50.6 million (the corresponding period in 2023: RMB68.0 million), which was mainly due to the impairment of Shanghai Jingrui Life Square and Beijing Jingrui Foresea Zhongjin Project in Zhongguancun.

Fair Value Losses on Investment Properties under Other Platforms

For the six months ended 30 June 2024, the fair value losses on investment properties under other platforms were RMB173.0 million (the corresponding period in 2023: RMB0 million), which was mainly due to the impairment of Ningbo Jingrui Harbour City Project.

Selling and Marketing Costs

For the six months ended 30 June 2024, our selling and marketing costs were RMB148.6 million (the corresponding period in 2023: RMB192.8 million), representing a decrease of 22.9% as compared to the corresponding period last year, which was in line with the decline in the Group's contracted sales.

Administrative Expenses

For the six months ended 30 June 2024, our administrative expenses were RMB314.4 million (the corresponding period in 2023: RMB240.6 million), representing an increase of 30.7% as compared to the corresponding period last year, which was mainly due to the increase in the provision for bad debts on receivables by the Group based on the principle of prudence.

Other Income and Other Gains or Losses-Net

For the six months ended 30 June 2024, our other income recorded gains of RMB5.4 million (the corresponding period in 2023: RMB8.2 million), which was mainly the income on the government grants.

For the six months ended 30 June 2024, we recorded net other losses of RMB616.2 million (the corresponding period in 2023: net other losses of RMB37.2 million). Other losses recorded in the first half of 2024 were mainly derived from the fair value losses on financial assets at fair value through profit or loss, impairment of investment in joint ventures and associates and losses on disposal of equity interest in some projects.

Finance Costs-Net

For the six months ended 30 June 2024, our finance income was RMB7.3 million (the corresponding period in 2023: RMB5.6 million). Our finance costs were RMB397.1 million (the corresponding period in 2023: RMB776.2 million). As a result, our net finance cost was RMB389.8 million, representing a decrease of RMB380.8 million as compared to the corresponding period last year, primarily due to the decrease in foreign exchange losses on USD denominated debt compared to the corresponding period last year.

Share of Results of Joint Ventures/Associates

For the six months ended 30 June 2024, our share of results of joint ventures/associates was a loss of RMB13.7 million (the corresponding period in 2023: loss of RMB145.8 million), mainly due to the operating loss incurred by certain joint ventures/associates as a result of the impact of the continuing downturn in the real estate market.

Income Tax (Expense) Credit

For the six months ended 30 June 2024, our income tax expense was RMB11.3 million (the corresponding period in 2023: income tax credit of RMB52.9 million). The increase in income tax expense was mainly due to the increase in corporate income tax as a result of higher gross profit of carry-over projects than that of the corresponding period last year during the Period under Review.

Loss for the Period

For the six months ended 30 June 2024, we recorded the loss for the period of RMB1,571.9 million (the corresponding period in 2023: RMB1,353.9 million).

For the six months ended 30 June 2024, the loss attributable to equity holders of the Company was RMB1,483.2 million (the corresponding period in 2023: RMB1,363.9 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 debt 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 debt, 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 2024, the Group's cash at bank and on hand (including cash and cash equivalents and restricted cash) amounted to RMB405.7 million. The Group's cash at bank and on hand is mainly denominated in RMB. Restricted cash of the Group mainly comprised deposits for advanced proceeds received from property purchasers in respect of pre-sale properties.

Borrowings

Our total outstanding borrowings increased from RMB16,876.1 million as at 31 December 2023 to RMB16,937.9 million as at 30 June 2024. 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, completed properties held for sale, shares of the Company's subsidiaries and/or guarantees granted by the Company's subsidiaries. As at 30 June 2024, the assets used as collaterals for the borrowings amounted to RMB7,148.7 million (31 December 2023: RMB7,659.3 million). The Group's borrowings are mainly denominated in RMB and US dollars.

Breakdown of our borrowings by categories

	As at 30 June 2024 RMB'000	As at 31 December 2023 RMB'000	Change %
Current Borrowings:			
Bank loans, secured	86,690	86,990	(0.3)
Add: current portion of long-term borrowings	14,521,113	12,217,453	18.9
Total Current Borrowings	14,607,803	12,304,443	18.7
Non-Current Borrowings:			
Bank loans, secured	3,199,162	3,068,712	4.3
Other loans, secured	868,786	997,500	(12.9)
Trust financing arrangements, secured	1,329,382	1,329,382	–
Senior notes due 2022, issued in July 2019, secured	1,852,968	1,841,502	0.6
Senior notes due 2022, issued in March 2020, secured	90,297	89,738	0.6
Senior notes due 2022, issued in June 2020, secured	1,069,020	1,062,405	0.6
Senior notes due 2023, issued in November 2020, secured	1,710,432	1,699,848	0.6
Senior notes due 2023, issued in March 2021, secured	783,948	779,097	0.6
Senior notes due 2023, issued in April 2021, secured	1,118,908	1,111,984	0.6
Senior notes due 2023, issued in May 2021, secured	235,184	233,729	0.6
Senior notes due 2023, issued in August 2021, secured	356,340	354,135	0.6
Senior notes due 2024, issued in September 2021, secured	1,175,881	1,168,605	0.6
Senior notes due 2023, issued in March 2022, secured	1,219,492	1,211,946	0.6
Senior notes due 2023, issued in April 2022, secured	141,823	140,946	0.6
Corporate bonds due from October 2024 to August 2026	351,214	351,214	–
Corporate bonds due from July 2027 to May 2029	1,348,389	1,348,389	–
Less: current portion of long-term borrowings	(14,521,113)	(12,217,453)	18.9
Total Non-Current Borrowings	2,330,113	4,571,679	(49.0)
Total	16,937,916	16,876,122	0.4

Breakdown of our borrowings by maturity profiles

	30 June 2024		31 December 2023	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Within 1 year	14,607,803	86.2	12,304,443	72.9
Between 1 and 2 years	517,326	3.1	3,744,576	22.2
Between 2 and 5 years	1,679,287	9.9	679,103	4.0
Above 5 years	133,500	0.8	148,000	0.9
Total	<u>16,937,916</u>	<u>100.0</u>	<u>16,876,122</u>	<u>100.0</u>

The proportion of the Group's long-term borrowings in the total borrowings was 13.8% as at 30 June 2024.

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		Change <i>%</i>
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	
Finance costs			
– Interest expensed	334,812	408,272	(18.0)
– Net foreign exchange losses on financing activities	61,225	363,404	(83.2)
– Interest on lease liabilities	1,023	4,534	(77.4)
– Amounts capitalised	137,188	248,260	(44.7)
Total	<u>534,248</u>	<u>1,024,470</u>	<u>(47.9)</u>

Net Debt-to-Capital Ratio

As at 30 June 2024, our net debt-to-capital ratio was approximately 677% (31 December 2023: 386%). 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 2024, our provision of guarantees to financial institutions in respect of the mortgage loans they provided to our property purchasers was approximately RMB1,537.2 million (as at 31 December 2023: RMB2,236.3 million). In addition, we provided guarantee for certain bank loans amounting to RMB308.2 million (as at 31 December 2023: RMB321.0 million) which were granted to our joint ventures/associates. We provided guarantee for certain bank loans amounting to RMB108.3 million (as at 31 December 2023: RMB111.8 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 confirmed that we have not encountered defaults by purchasers to 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 2024, 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 U.S. dollar bank deposits and our senior notes which were issued from 2019 to 2022 and 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 2024, 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 2024.

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 2024 (for the six months ended 30 June 2023: Nil).

EVENTS AFTER THE BALANCE SHEET DATE

- (i) On 26 July 2024, the Group launched a consent solicitation in respect of the corporate bonds due from October 2024 to August 2026 and obtained the consent of 94% of the bondholders on 2 September 2024 that: (i) the principal amount of the bonds at 1%, 6%, 6%, 6%, 6%, 6%, 10%, 10%, 10%, 13%, 13% and 13% will be gradually payable on 7 October 2027, 7 December 2027, 7

February 2028, 7 April 2028, 7 June 2028, 7 August 2028, 7 October 2028, 7 December 2028, 7 February 2029, 7 April 2029, 7 June 2029 and 7 August 2029, respectively; (ii) the interest rate of the corporate bonds remains unchanged at 7.0% per annum; and (iii) the Group is granted a grace period of 30 days after the above maturity dates.

- (ii) A winding-up petition (the “**Petition**”) was filed by China CITIC Financial AMC International Holdings Limited (the “**Petitioner**”) on 10 October 2024 at the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) against the Company, on the ground that the Company is indebted to the Petitioner as guarantor in relation to a loan facility owing by Natural Apex Limited (a wholly-owned subsidiary of the Company) as borrower in the principal amount of approximately US\$108 million, plus accrued interest and penalty interest. The Petition is scheduled to be heard before the High Court on 18 December 2024. For details, please refer to the announcement of the Company dated 15 October 2024.

The filing of the Petition does not represent the successful winding up of the Company by the Petitioner. No winding up order has been granted by the High Court to wind up the Company as at the date of this interim results announcement.

The Company will strongly oppose the Petition and take all necessary measures to protect its legal rights. The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Petition as appropriate or as required under the Listing Rules.

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 C1 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 principles and code provisions as set out in Part 2 of the CG Code during the six months ended 30 June 2024 except for the deviation from code provisions C.2.1 and B.2.4(b), details of which are 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. However, Mr. Yan Hao (“**Mr. Yan**”) held both positions of chairman and chief executive officer of the Company for the six months ended 30 June 2024.

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 was 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 30 June 2024, 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 acting as 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 did not appoint a new independent non-executive Director at the AGMs held on 27 June 2023 and 18 June 2024, 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.

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 of the Group for the six months ended 30 June 2024 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:

Basis for Disclaimer of Conclusion

Material Uncertainties Relating to Going Concern

As disclosed in note 2 to the Interim financial information, during the six months ended 30 June 2024, the Group recorded a loss for the period of approximately RMB1,571,946,000, and as at 30 June 2024, the Group's borrowings amounted to RMB16,937,916,000, among which senior notes of RMB9,754,293,000 had been overdue as at 30 June 2024, while the Group's cash at bank and on hand (including cash and cash equivalents and restricted cash) amounted to RMB405,717,000 only. These conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The Interim financial information has been prepared on a going concern basis. The Directors of the Company has been undertaking a number of plans and measures to improve the Group's liquidity and financial position, which are set out in note 2 to the Interim financial information. The Interim financial information has been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to material uncertainties. including (i) the successful of extension or rearrangement of repayment schedules with multiple lenders and creditors; (ii) the Group's ability to successfully to re-finance from other financial institutions; (iii) the success of business strategy plan to accelerate the sales of its properties; and (iv) the success of dispose of its equity interests in certain companies to generate additional cash flow.

We were unable to obtain sufficient appropriate evidence as to the likelihood, or otherwise, of these measures being successful. However, in view of the extent of the material uncertainties relating to (i) the successful of extension or rearrangement of repayment schedules with multiple lenders and creditors; (ii) the Group's ability to successfully to re-finance from other financial institutions; (iii) the success of business strategy plan to accelerate the sales of its properties; and (iv) the success of dispose its equity interests in certain companies to generate additional cash flow, we were not able to obtain sufficient appropriate evidence as a basis for expressing a conclusion on the Interim financial information.

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for expressing a conclusion on the Interim financial information. Accordingly, we do not express a conclusion on these Interim financial information.

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 six months ended 30 June 2024.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2024, 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 (including the sale of any treasury shares (as defined under the Listing Rules)). The Company did not have any treasury shares as of 30 June 2024.

PUBLICATION OF THE UNAUDITED INTERIM RESULTS AND 2024 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.jingrui.com) and the 2024 interim 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.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 September 2024 pending publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 5 November 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Jingrui Holdings Limited
Yan Hao
Chairman

Hong Kong, 4 November 2024

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*